

ACCA

COMPANIES ACT 2014

CARPE DIEM

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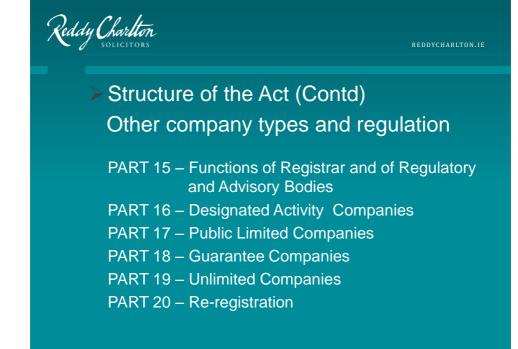


Structure of the Act

Private company limited by shares

- PART 1 Preliminary and General
- PART 2 Incorporation and Registration
- PART 3 Share Capital, Shares and Certain Other Instruments
- PART 4 Corporate Governance
- PART 5 Duties of Directors and Other Officers
- PART 6 Financial Statements, Annual Return and Audit
- PART 7 Charges and Debentures
- PART 8 Receivers









✓ Five main types of companies

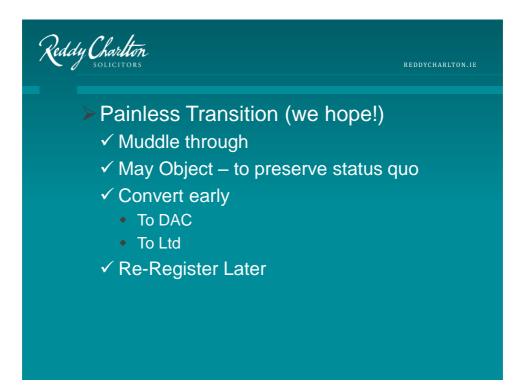
- Private company limited by shares "Ltd")
- Designated Activity Company ("DAC")
- Company limited by guarantee ("clg")
- Public Limited Company (plc")
- Unlimited Company ("uc")

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LTD AND DAC COMPARED

	LTD (LCS)	DAC
Min no of shareholders	1	1
Min no of directors	1	2
Objects clause	No	Yes
Ultra vires applies	No	No
Constitution	One doc	Memo and Arts
May list debt securities	No	Yes
Must hold AGM	No	Yes
Act sets out default rules	Yes	Yes

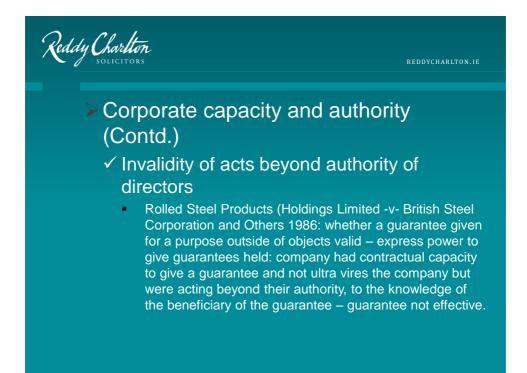






Corporate capacity and authority (Contd.)

- ✓ Efforts to limit the doctrine
 - Drafting
 - Section 8, 1963 Act
 - Regulation 6 European Communities (Companies) Regulations 1973

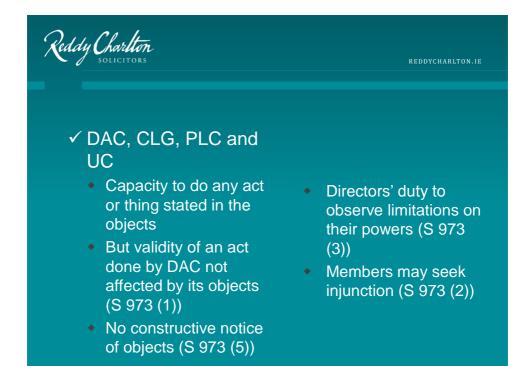




Corporate capacity and authority (Contd.)

✓ LTD

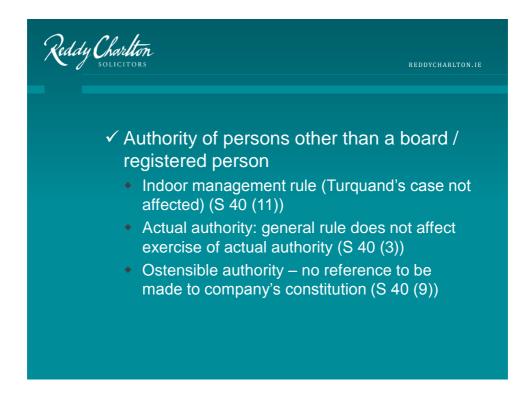
- Full Capacity
 - ✤ Any business, activity, act or transaction
 - Full rights, powers and privileges





Authority of Directors / Registered Persons

- Registered persons
- Full authority for board/registered person
- But only whether transaction fails due to lack of authority
- Powers of company
- Liability for breach of authority

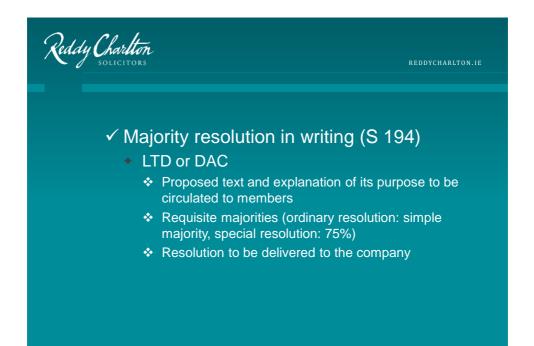


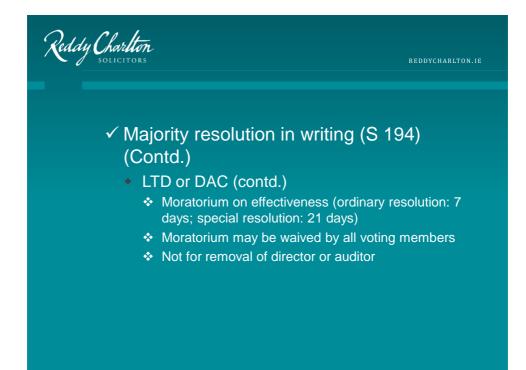


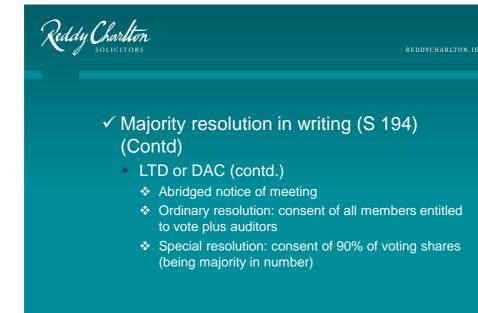
✓ Members Resolutions

- Unanimous resolutions in writing
- Majority resolutions in writing
- Removal of directors or auditors
- Abridged notice of meeting







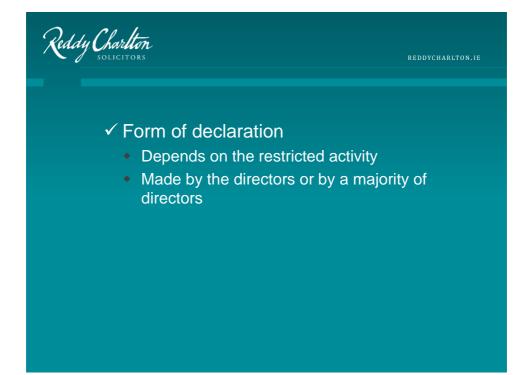




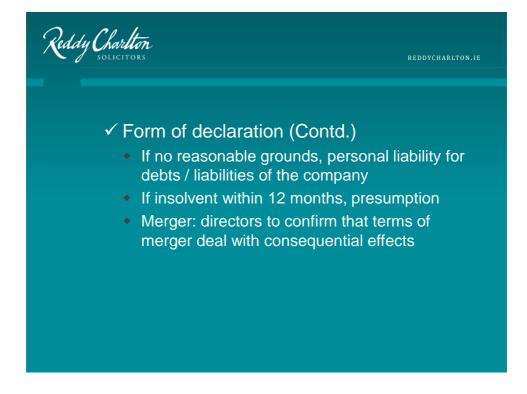


✓ Topics

- Form of declaration
- Expert report
- Moratorium to allow challenge
- "In connection with" financial assistance for acquisition of own shares









✓ Experts Report

- Restricted transactions
 - Reduction in Capital
 - ✤ Variation of company capital on reorganisation
 - Pre-acquisition profits
 - Members Voluntary winding-up
- Opinion that declaration of directors is not unreasonable





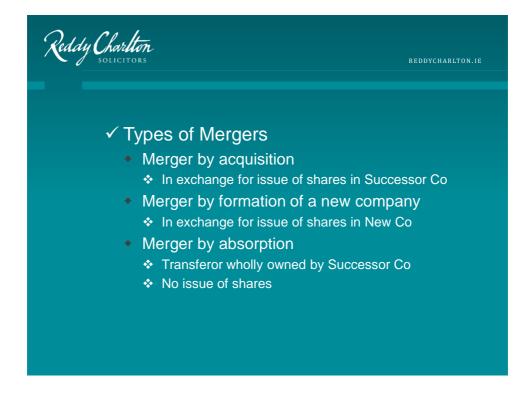




✓ Mergers

- Modelled on EC (Cross Border Mergers) Regulation 2008 but no necessity for cross border element
- Transfer of assets and liabilities by operation of law

- Dissolution of transferor without liquidation
- No court order, if approved by unanimous SAP in all merging companies





✓ Key features

- No PLCs, but one CLS
- SAP or court approval
- Common draft terms of merger
- Directors' explanatory report
- Experts report
- Merger financial statements
- Publication of terms of merger





✓ Advantages of Mergers

- Automatic transfer
- Third party consent not required (except those required under Irish or EU enactments)
- No liquidation automatic dissolution
- No need for court order if SAP used

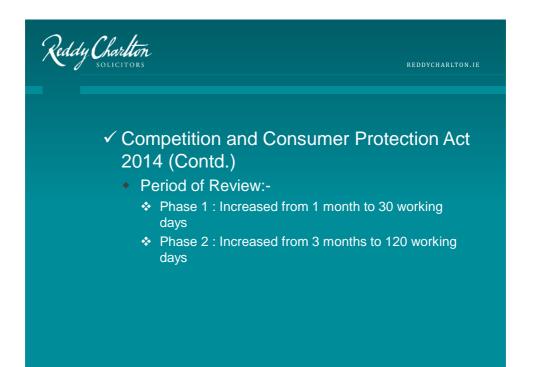




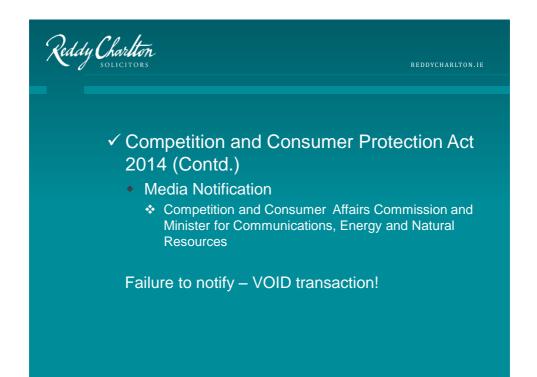
✓ Share for undertaking swap

- Return of capital to shareholders
 - Distributable reserves equivalent to value of assets
 - Market value or book value?
 - Now: approval by SAP (or special resolution plus court order)
 - ✤ Book value applied

















 Financial Statements, Filing and Audit (Part 6)

- ✓ Accounting Records to be kept
- ✓ Financial statements to be prepared
- ✓ Periodic returns to CRO
- ✓ Auditing of financial statements
- Appointment and removal of statutory auditors





Statutory Financial Statements To give true and fair view

- Directors to prepare for each financial year
- Financial Reporting Framework:
 - Companies Act financial statements or IFRS





Disclosures in Statutory Financial Statements (Contd.)

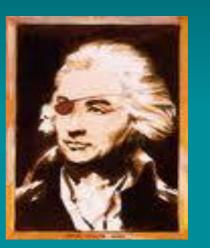
- Share capital (authorised/allotted) and movements
- Financial assistance for purchase of own shares
- Holding of own shares or parent company shares
- Accounting Policies
- Remuneration for audit , audit-related and nonaudit work
- Off –balance sheet arrangements



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✓ Directors Reports

- No relevant audit information of which the auditors are not aware; and
- Taken all the steps he ought to have taken to make himself and the auditors aware of any relevant audit information





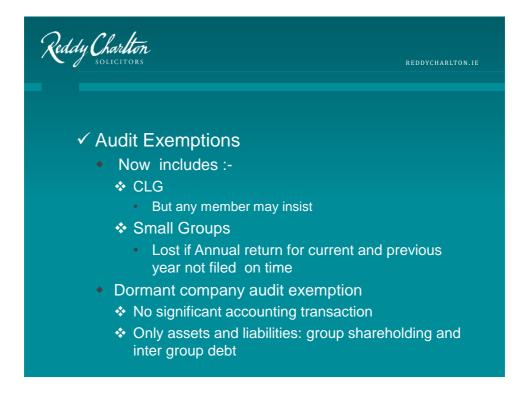
✓ Compliance statement for larger companies (S 225)

- Statement : responsible for securing company compliance with relevant obligations and confirming they have:
 - Drawn up company compliance policy statement
 - Put in place arrangements and structures designed to secure compliance
 - Reviewed arrangements and structures











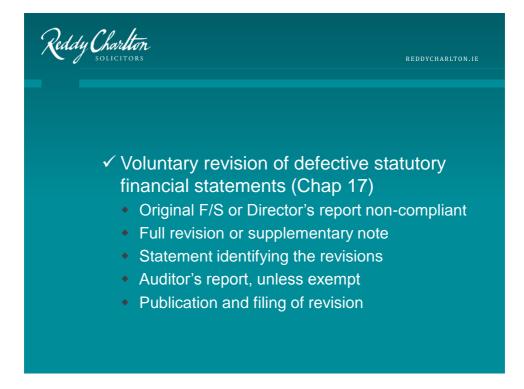


✓ Terminology (Contd.)

Turnover

- Revenue derived from provision of goods /services
- Within ordinary activities
- After deduction of trade discounts, VAT and other taxes based on turnover
- ✤ <u>NEW</u>

Where ordinary activities include making/holding investments, includes gross revenue derived from those activities.







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