



Companies Act 2006 – Test your knowledge

1. **How many sections are there in the Companies Act 2006?**
 - a. 757
 - b. 960
 - c. 1003
 - d. 1300

2. **When, according to the Government's current plan, will the 2006 Act come into force?**
 - a. July 2008
 - b. In two stages: in December 2007 and July 2008
 - c. In three stages: November 2007, April 2008 and November 2008
 - d. April 2009

3. **S270 of the 2006 Act provides that a private limited company is not obliged to have a company secretary**

true or false?

4. **The 2006 Act has abolished AGMs and EGMs for private companies**

true or false?

5. **S172 of the 2006 Act imposes a new duty on directors to promote the success of the company; which of the following does the section NOT specifically require directors to have regard to?**
 - a. The interests of the company's employees
 - b. The impact of the company's operations on the community
 - c. The interests of society in general
 - d. The impact of the company's operations on the environment

6. **Which of the following will no longer exist under the 2006 Act?**
 - a. The principle of separate corporate personality
 - b. The elective regime
 - c. The *ultra vires* rule
 - d. Statutory pre-emption rights

7. **Which of the following propositions about Table A is TRUE?**
 - a. It will be re-enacted in identical form under the 2006 Act
 - b. Companies which currently have Table A articles will not be required to change them
 - c. Companies which currently have Table A articles will be required to adjust them to reflect new default model articles which will be passed under the 2006 Act
 - d. Table A will be repealed and not replaced



Answers

1. The correct answer is d.

With 1300 sections and 16 schedules, it is the longest UK statute ever.

2. The correct answer is c.

As the Act is so large, the Government felt that it was impractical to bring it all in at once. However, there is also a strong motivation to bring it in reasonably expeditiously, hence the first tranche coming into force in November 2007.

3. True; this is what s270(1) states.

4. True

Although this arguably is something of a trick question! Under the 2006 Act, private companies will still have to hold meetings when required, but the Act refers only to “general meetings”. The AGM and EGM labels are no longer required.

5. The correct answer is b.

Although s172(1) (c) requires directors to have regard to the company’s impact on “the community”, this is as far as the Act goes.

6. The correct answer is b.

The 2006 Act, in spite of its wide-ranging nature, does not affect a! In relation to c, the Act further erodes the importance of the doctrine, but it still exists. In relation to d, the Act makes a number of procedural changes to current statutory pre-emption provisions, but the general scheme remains.

7. The correct answer is b.

A new set of default model articles is being drawn up under the 2006 Act to replace Table A. but there will be no compulsion for companies to adopt them, or any part of them.

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