

ICSA publishes guidance on statement of capital problem

25 September 2009: The Institute of Chartered Secretaries and Administrators (ICSA) has today published a guidance note which discusses how companies may wish to approach the problem with statements of capital', which are required under the Companies Act 2006 from 1 October 2009. The Department of Business, Innovation and Skills (BIS) will, in the longer term, review whether a change to Companies House forms or to the Companies Act 2006 is necessary.

The problem was identified by ICSA Software, a subsidiary of ICSA, and relates to the final requirement of a statement of capital to disclose *'the amount paid up and the amount (if any) unpaid on each share (whether on account of the nominal value of the share or by way of premium).'*

Many companies will not have historically tracked share premium on a per share basis, and will only have an aggregate figure. They will, therefore, experience difficulties accurately completing this section of the statement.

From 1 October 2009, a statement of capital will be required at a number of key stages during a company's existence, such as with each annual return and as part of the filing in respect of almost all share transactions instigated by the company.

ICSA's guidance note is available [here](#)

BIS have a 'frequently asked questions' section on their website relating to this section of the Act and this can be found [here](#)

David Wilson, ICSA's Chief Executive comments ' I'm delighted that this major problem with the Companies Act, identified by ICSA Software, has been recognised by government and professional service firms. The ICSA guidance note will provide a temporary solution to affected companies who have to comply with the statements of capital sections until such time as an appropriate amendment can be made to the legislation.'

'We recognise this issue represents a significant challenge for a number of our clients and are grateful that BIS has acknowledged the difficulties companies will face' adds Mike Evans, Managing Director of ICSA Software. 'We welcome the steps BIS have taken to date, and their intention to keep the legislation under review.'

For more information please contact Bridget Salaman at ICSA on 020 7612 7039.

Editors' notes

The Institute of Chartered Secretaries and Administrators (ICSA) is the professional organisation that trains and supports company secretaries and is a leading authority on corporate governance. It publishes guidance notes and best practice guides and through its subsidiaries provides events, information and training, boardroom performance evaluation and dedicated software. The ICSA has 36,000 members worldwide and is represented in over 70 countries.

ICSA would like to thank Vanessa Knapp (Freshfields Bruckhaus Deringer), Stephen Page (ICSA Software) and Keith Walmsley (London Law) for their assistance in developing this guidance note.