

SHARE SUB-DIVISION OR CONSOLIDATION SERVICE (From 1/4/22)

Introduction

At Marland Nash Associates we are able to offer a fully comprehensive service that will either sub-divide an existing class of shares into a higher number of shares, or consolidate an existing class of shares into a lower number of shares, for example:-

- An example of a sub-division would be making 100 £1 Ordinary Shares into 1,000 Ordinary 10p shares. Same overall nominal value, but higher number of shares.
- An example of a consolidation would be making 1,000 10p Ordinary Shares into 100 Ordinary £1 shares. Same overall nominal value, but lower number of shares.

Which may be required for a variety of reasons, this could include:-

- To enable the transfer of a certain percentage of the company to alternative shareholders, e.g. to facilitate external investors.
- To facilitate a Share Purchase Option Scheme for key employees.
- To enable a restructure of the percentages that the company shareholders own.
- To 'tidy up' the shares of the company when higher numbers of shares are no longer required, in order, for example, to make dividend calculations and paperwork easier.

This Fact Sheet briefly outlines the service we offer:-

Fees

We charge a fixed fee of £325 plus VAT

Our Service

Within the service, we will undertake the following:-

- Obtain the current Memorandum and Articles of Association from the company's public file at Companies House, if we do not hold them already
- Review of the existing Memorandum and Articles of Association and advise on any changes that may be required in order to allow the sub-division or consolidation to go ahead, giving reference to the Companies Act 2006
- Provide all necessary minutes and resolutions to affect the sub-division or consolidation
- Prepare and file with Companies House form SH02 "Notice of consolidation, sub-division, redemption of shares or re-conversion of stock into shares", to include Statement of Capital and particulars of rights attached to shares. This form must be filed within one month of the resolution being passed.
- Provide a copy of the Memorandum and Articles of Association together with the resolution and form SH02 (if required)
- Provide new share certificates for the new shares
- Update the Statutory Records, including all necessary registers, where we maintain them for you, or provide the necessary changes for you to include in your registers where you normally maintain them
- General advice in connection with the above

Disclaimer

Please note that careful consideration should be given to changing the share structure of your company. You should consider obtaining independent legal advice before proceeding. You should ensure nothing in your shareholders agreement or statutory records could affect this transaction. We do not accept any liability in the event any party to a transaction subsequently decides it was not what they required.