

**COMPANY LAW  
SOLM021  
CORPORATE FINANCE & MANAGEMENT  
ISSUES**

**LLM [SEMESTER B-30 Credits]**

**MODULE GUIDE & READING LIST**

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## DESCRIPTION

This course examines the principles of modern company law including, corporate financing, corporate management, the duties of directors, corporate governance, the protection of minority shareholders and insolvency.

## MODULE AIMS

- To develop a knowledge base of the foundational principles and key domestic statutory materials and case law relating to companies in the UK.
- To develop transferable skills, particularly critical analysis, logical argument, and communication skills relating to oral and written work.

## LEARNING OUTCOMES

Upon completion of the course, a student should be able to:

### Subject-specific

1. Analyse the statutes and cases concerned with company law, particularly in the areas of corporate management and corporate finance;
2. Demonstrate understanding of the historical, social, economic or political factors influencing development of these cases and statutes;
3. Demonstrate understanding of the principles of company law;
4. Demonstrate understanding of the economic, social and political context in which company law is applied;
5. Demonstrate understanding of the development and consider the future directions of company law

### Skills

6. Synthesise cases and statutes
7. Analyse a set of facts by identifying legal issues and applying rules and principles of company law and constructing arguments to suggest solutions to problems

8. Communicate effectively, orally and in writing, in a clear and concise manner, using accurate legal terminology and referring to cases, statutory materials, academic commentary and giving practical examples

9. With guidance, use legal databases and the internet to locate primary and secondary sources relevant to company law

### **Attributes**

10. With guidance, take responsibility for their own learning

11. With guidance, work effectively in a group as participants who contribute effectively to the group's tasks ... reflect on their own learning and make use of feedback.

## MATERIALS

### Assigned texts:

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D French, *Blackstone's Statutes on Company Law 2023-24* (OUP, 2023).  
[It is also possible to refer to the statutes online-so only purchase if you require a printed copy]

**Recommended texts:** *[if you are making a purchase of a new book please ensure you get the latest edition otherwise any edition post 2015 will suffice]*

**Basic:** A Dignam and J Lowry, *Company Law* (12<sup>th</sup> ed, OUP, 2022) **OR**  
Available on Law Trove –QM subscription

**Intermediate:** B Hannigan, *Company Law* (6<sup>th</sup> ed, OUP, 2021) **AND**  
Available on Law Trove –QM subscription

S Worthington, *Sealy and Worthington's Text, Cases and Materials in Company Law* (12<sup>th</sup> ed, OUP, 2022)  
Available on Law Trove –QM subscription

### Further useful texts: (if above texts don't work for you)

**Intermediate:** Pettet, Lowry & Reisberg's *Company Law* (5<sup>th</sup> ed, Pearson, 2018)

**Intermediate:** D French, *Mayson, French and Ryan on Company Law* (38<sup>th</sup> ed, OUP, 2023)

**Advanced:** P Davies and S Worthington, *Gower & Davies' Principles of Modern Company Law* (11<sup>th</sup> ed, Sweet and Maxwell, 2021)

Power-point slides (and in some instances a lecture outline) will be available for each class except for Lecture 1.

## USEFUL WEBSITES

- Dep't for Business, Innovation and Skills:  
[www.gov.uk/government/organisations/department-for-business-innovation-skills](http://www.gov.uk/government/organisations/department-for-business-innovation-skills)
- Companies House:  
[www.gov.uk/government/organisations/companies-house](http://www.gov.uk/government/organisations/companies-house)
- UK Listing Authority: [www.fca.org.uk/firms/markets/ukla](http://www.fca.org.uk/firms/markets/ukla)
- Financial Conduct Auth.: [www.fca.org.uk/](http://www.fca.org.uk/)
- Fin. Reporting Council: [www.frc.org.uk](http://www.frc.org.uk)
- Robert Goddard:  
[www.corporatelawandgovernance.blogspot.com](http://www.corporatelawandgovernance.blogspot.com)
- Oxford Business Law Blog  
<https://www.law.ox.ac.uk/business-law-blog>
- Harvard Law School Forum on Corporate Governance  
<https://corpgov.law.harvard.edu/>

There are many more useful sources online and in print.

## TEACHING ARRANGEMENTS

- Lectures **Mondays 12-3pm.**
- Tutorials **Tuesdays  
from week 3 of term (6<sup>th</sup> Feb)**

## INSTRUCTOR INFORMATION

Module Convenor: Dr Shalini Perera  
• Email: [s.perera@qmul.ac.uk](mailto:s.perera@qmul.ac.uk)

Tutorial Leader Dr Lillian Moncrieff  
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## ASSESSMENT

### Interim assessment (Optional)

Provision for a formative assessment to assist with final assessment. This will be an outline of your proposed essay.

You are expected to submit a paper (a) outlining your proposed essay topic with a brief extract (b) a proposed outline of its structure (c) proposed bibliography (brief).

If space permits you can also submit a paragraph or two of your work for comments.

The complete paper cannot exceed the maximum word count of 500 words.

Deadline : **4<sup>h</sup> March 2023** (immediately following reading week). You will not receive comments for submissions received past this deadline.

Please note that this is also the deadline for approval of your essay topics.

**Submission will be online using the QMplus page.**

### Final assessment

**Independent Research Essay:** maximum word limit 5,000 words.

Essay Topic: free choice on any of the topics discussed/ or to be discussed within module or within broad area of module.

Deadlines are set by the PG office and this will be mid-May.

All essays must be submitted via QMPlus by the deadline (TBC).

Submission points will be set up on QMPlus.

## CLASS SCHEDULE

The following is a rough indication of the schedule for consideration of each topic. Some topics might spill over into other classes. Please refer to class calendar on QMPlus for further guidance on lectures and tutorials.

- Lecture One: Preliminaries + Corporate Management
- Lecture Two: Directors Duties
- Lecture Three: Derivative Actions
- Lecture Four: Unfair Prejudice and Winding up on Just and Equitable Basis
- Lecture Five: Corporate Governance
- Lecture Six: Corporate Finance I (Equity and Debt Capital)
- Lecture Seven: Corporate Finance II (Legal Capital)
- Lecture Eight: Corporate Finance III (Equity Financing)
- Lecture Nine: Corporate Insolvency I (Procedures)
- Lecture Ten: Corporate Insolvency (Directors' Duties and Liabilities)



# INDICATIVE READING LIST

The following pages provide the *indicative* reading for the course. Occasionally, new cases, statutory provisions will be added to the in-class discussion (and are thus examinable).

## 1. CORPORATE MANAGEMENT

### Essential

1. D&L ch 13  
OR
2. Hannigan, *Company Law* ch 7

*Model Articles For Private Companies Limited by Shares, art 17,18,19*

*Model Articles For Public Companies, art 20,22,23*

*Companies Act 2006, ss 9, 12, 154, 155, 157, 161, 250*

*Companies Act 2006, ss 170(5) and 251*

*Companies Act 2006, ss 188, 189, 227-230, 412, 439*

Supplementary (please pick a couple)

PW Lee, 'Shareholders' reserve powers: implied terms and public policy' [2016] *Journal of Business Law* 128 (*focus on principle involved*)

Watts, 'De facto Directorships' (2011) 127 *LQR* 162.

## 2. DIRECTORS' DUTIES (I and II)

Essential

- D&L ch 14.

**OR**

- Hannigan, chs 8-12 (please limit your readings to the matters we have discussed at the lecture)

AND

- Statute: Companies Act 2006, Part 10, Chapters 2-4

Supplementary (please pick a couple)

- Andrew Keay, 'Good Faith and Directors' Duty To Promote The Success Of Their Company', (2011) 32(5) Comp. Law. 138-143
- Robin MacDonald, 'The Companies Act 2006 and the Directors' Duty to Disclose', (2011) 22(3) I.C.C.L.R. 96-101
- Parker Hood, Directors' Duties under the Companies Act 2006: Clarity or Confusion, (2013) 13 JCLS 1
- Worthington, 'Directors' Duties and Improper Purposes' 75 [2016] Cambridge Law Journal 213
- Langford & Ramsay, The Proper Purpose Rule as a Constraint on Directors' Autonomy – Eclairs Group Limited v JKX Oil & Gas plc, 80 MLR 110
- Lim, Judicial Intervention in Directors' Decision Making Process: Section 172 of the Companies Act 2006, available at [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3103345](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3103345)

### 3. SHAREHOLDER REMEDIES I DERIVATIVE CLAIMS

Essential

- D & L, ch 10.

**OR**

- Hannigan, ch 20.

AND

- Statute: Companies Act 2006, Part 11;

Supplementary (please pick a couple)

- Keay and Laughrey, 'Something Old, something New, Something Borrowed: an Analysis of the New Derivative Action under the Companies Act 2006' [2008] 124 LQR 469;
- Reisberg, 'Judicial Control of Derivative Actions' [2005] ICCLR 335;
- Prentice, 'Shareholder Actions: the rule in Foss v Harbottle' [1988] LQR 341.
- (EXTRA) Keay, 'Assessing and rethinking the statutory scheme for derivative actions under the Companies Act 2006' [2016] 16(1)JCLS 39.

### 3. SHAREHOLDER REMEDIES II UNFAIR PREJUDICE AND WINDING UP

Essential

- D & L ch 11.

**OR**

- Hannigan, ch 19.

AND

- Statutes :
  - Companies Act 2006, Part 30;
  - Insolvency Act 1986 , ss.122-127

Supplementary (please pick a couple)

- Prentice, D 'The Theory of the Firm: Minority Shareholder Oppression: Sections 459-461 of the Companies Act 1985' [1988] OJLS 55;
- Reisberg, A., 'Shareholders' Remedies: In Search of Consistency of Principle in English Law' European Business Law Review, p. 1063, [2005];
- McVea, 'Section 994 of the Companies Act 2006 and the Primacy of Contract' [2012] 75(6) MLR 1123.

## 4. CORPORATE GOVERNANCE

Essential

1. D & L, chs15 and 16

OR

2. Hannigan, ch 6

Further Reading if time permits only

3. R Kraakman et al, *The Anatomy of Corporate Law: A Comparative and Functional Approach* (3rd ed, OUP, 2017), chaps 2-4 and 10

Supplementary (if possible only)

- Dodd, 'For Whom Are Corporate Managers Trustees?' [1932]  
*Harvard Law Review* 1145
- Berle, "For Whom Are Corporate Managers Trustees: A Note" [1932]  
*Harvard Law Review* 1365

## 5. LEGAL CAPITAL

### Essential

- D & L Ch 5 to page 67 only + chs 6-7.

### **OR**

- Hannigan, chs 21-23 (paras 21-101 to 21-130 not required; On Ch23 loan capital: limit yourself to material learnt at lectures).

### Supplementary (please pick a couple)

- Armour J., "Legal Capital: An Outdated Concept?" (2006) 7 *European Business Organization Law Review* 5.
- Daehnert, A., "The Minimum Capital Requirement – An Anachronism under Conservation, Parts 1 and 2' [2009] 30 *Company Lawyer* 3 and 34.
- Worthington, S. "Shares and Shareholders: Property, Power and Entitlement – Parts I and II (2001) 22 *Company Lawyer* 258 and 307.
- Bockli et al, 'The Consequences of Brexit for Companies and Company Law, University of Cambridge Faculty of Law Research Paper No. 22/2017, available at [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2926489](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2926489)
- Payne, J 'Legal Capital in the UK Following the Companies Act 2006' Oxford Legal Studies Research Paper No. 13/2008, Available at SSRN: <https://ssrn.com/abstract=1118367>

## 6. LIQUIDATION AND DIRECTORS' DUTIES

### Essential

- D & L, ch 17.

### OR

- Hannigan, chs 24 and 15.

### Supplementary (please pick a couple)

- Keay, A., "The Duty of Directors to Take Account of Creditors' Interests: Has it Any Role to Play? [2002] *JBL* 379;
- Keay, 'The Shifting of Directors' Duties in the Vicinity of Insolvency' (2015) 24 *Int Insolvency Rev* 140
- Cooke T.E. and Hicks A., "Wrongful Trading – Predicting Insolvency" [1993] *JBL* 338;
- Curl, 'Remote, Doubtful, Dubious, Probable, Likely: What are the conclusions from *BTI v Sequanta*? [2019] *ICR* 333.