



# Companies Act 2006

## 2006 CHAPTER 46

### PART 10

#### A COMPANY'S DIRECTORS

### CHAPTER 4

#### TRANSACTIONS WITH DIRECTORS REQUIRING APPROVAL OF MEMBERS

##### *Substantial property transactions*

#### **191 Meaning of “substantial”**

- (1) This section explains what is meant in section 190 (requirement of approval for substantial property transactions) by a “substantial” non-cash asset.
- (2) An asset is a substantial asset in relation to a company if its value—
  - (a) exceeds 10% of the company's asset value and is more than £5,000, or
  - (b) exceeds £100,000.
- (3) For this purpose a company's “asset value” at any time is—
  - (a) the value of the company's net assets determined by reference to its most recent statutory accounts, or
  - (b) if no statutory accounts have been prepared, the amount of the company's called-up share capital.
- (4) A company's “statutory accounts” means its annual accounts prepared in accordance with Part 15, and its “most recent” statutory accounts means those in relation to which the time for sending them out to members (see section 424) is most recent.
- (5) Whether an asset is a substantial asset shall be determined as at the time the arrangement is entered into.