



Companies Clauses Consolidation Act 1845

1845 CHAPTER 16 8 and 9 Vict

Dividends

And with respect to the making of dividends, be it enacted as follows:

120 **Previously to declaration of dividends a scheme to be prepared.** **E+W+N.I.**

Previously to every ordinary meeting at which a dividend is intended to be declared the directors shall cause a scheme to be prepared, showing the profits, if any, of the company for the period current since the preceding ordinary meeting at which a dividend was declared, and apportioning the same, or so much thereof as they may consider applicable to the purposes of dividend, among the shareholders, according to the shares held by them respectively, the amount paid thereon, and the periods during which the same may have been paid, and shall exhibit such scheme at such ordinary meeting, and at such meeting a dividend may be declared according to such scheme.

121 **Dividend not to be made so as to reduce capital.** **E+W+N.I.**

The company shall not make any dividend whereby their capital stock will be in any degree reduced: Provided always, that the word “dividend” shall not be construed to apply to a return of any portion of the capital stock, with the consent of all the mortgagees and bond creditors of the company, due notice being given for that purpose at an extraordinary meeting to be convened for that object.

[^{F1}122 **Power to directors to set apart a fund for contingencies.** **E+W+N.I.**

Before apportioning the profits to be divided among the shareholders the directors may, if they think fit, set aside thereout such sum as they may think proper to meet contingencies, or for enlarging, repairing, or improving the works connected with the undertaking, or any part thereof, and may divide the balance only among the shareholders.]

Changes to legislation: There are currently no known outstanding effects for the Companies Clauses Consolidation Act 1845, Cross Heading: Dividends. (See end of Document for details)

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Textual Amendments

F1 S. 122 repealed (E.W.) in relation to water companies by [Water Act 1945 \(c. 42\)](#), [Sch. 5](#)

123 Dividend not to be paid unless all calls paid. E+W+N.I.

No dividend shall be paid in respect of any share until all calls then due in respect of that and every other share held by the person to whom such dividend may be payable shall have been paid.

Changes to legislation:

There are currently no known outstanding effects for the Companies Clauses Consolidation Act 1845, Cross Heading: Dividends.