

ENGLAND AND WALES

Forsters' Corporate Newsletter

The last year has been a changeable year for many businesses. Companies have had to navigate the ever-changing practical and economic circumstances which invariably impact on business. Those in directorship roles will no doubt have been mindful of the parameters within which they take decisions and carry on business from time to time. In this newsletter, we cover the various aspects of directorship from becoming a director and the duties that apply once appointed (including in the context of LLPs) to the circumstances in which a director can find themselves personally liable for their acts. We also hear from Danny Malone on his experience being a founder of his own business and on acting as both an executive and non-executive director.



BECOMING A DIRECTOR: KNOWING YOUR DUTIES AND POTENTIAL LIABILITIES

Becoming a director is a significant step in your career. As a director, you will be responsible for managing the company on a day-to-day basis with the rest of the board and you will have decision-making responsibilities, whether on an individual basis, as part of a committee or at board-level. As such, you will hold a significant amount of power within the company structure.

What are your duties and when will you be liable? Read this article to learn more. [Read more here](#)

CALL OF DUTY: ICSA GUIDANCE ON DIRECTORS' DUTIES

Directors of English companies are subject to a myriad of duties with which they must comply. Over-arching duties, applicable to all, are known as general duties and can primarily be found in the Companies Act 2006, but what practical steps can directors, both individually and collectively, take to ensure their compliance? New guidance aims to help with that question. [Read more here](#)

“THEY ARE VERY PROACTIVE AND COME UP WITH SOLUTIONS RATHER THAN JUST PROBLEMS”

Chambers UK

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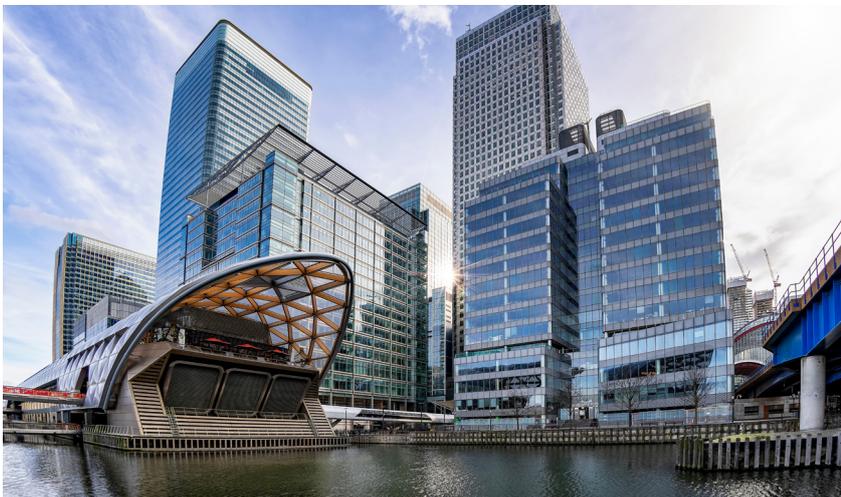
BEEN THERE, DONE THAT: IN CONVERSATION WITH DIRECTOR, DANNY MALONE

Danny Malone is a Chartered Accountant and has been in financial services for over 30 years as Finance Director, CEO and, more recently, an independent non-executive director.

Danny kindly agreed to give us an insight into what being a director actually entails, the risks and challenges that directors face and what it takes to be an effective director. [Read more here](#)

DIRECTORS' DUTIES TO AVOID CONFLICTS OF INTEREST CONTINUE IN RESPECT OF ACTS CARRIED OUT POST-TERMINATION

The recent case of *Burnell v Trans-Tag Limited* held that a director's statutory duty to avoid conflicts of interest applied in relation to the director's acts even when he was no longer a director. Read further for a summary of the case. [Read more here](#)

**CASE UPDATE: DIRECTORS' LIABILITY FOR UNLAWFUL DISTRIBUTIONS**

The recent High Court Judgment in *SSF Realisations Limited -v- Loch Fyne Oysters Ltd and Others* (21 December 2020) is an example of how essential it is for Directors to only sanction distributions out of available profits as supported by the company's last annual accounts (or interim accounts where the last accounts don't evidence sufficient reserves). Here, we summarise the judgement. [Read more here](#)

DIRECTORS' DUTIES: WHAT DO THEY MEAN FOR LLP MEMBERS?

The recent case of *Re A&C Restoration LLP (Manolete Partners plc v Riches)* [2020] EWHC 1404 (Ch) has reconfirmed that directors' duties can be applied to designated members of LLPs, and also serves as a useful reminder of how these duties are altered in the event of insolvency. [Read more here](#)

"THE QUALITY OF THE ADVICE IS SUPERB; IT BALANCES THE PERSONAL TOUCH OF A SMALL TEAM WITH THE SKILLS OF A LARGE FIRM"

Chambers UK

**BIT AT THE BOTTOM**

Considering becoming a director but unable to find any real-life practical advice? We asked Danny Malone, who has years of experience in various board roles, what two pieces of advice he would give to anyone considering taking on a directorship:

1. Don't be afraid of it. Do your best, don't do anything you know you shouldn't and it will be fine.
2. Consider the position of the other directors. What are their responsibilities and how are they trying to achieve them? This will help you to work better with them.

For more insight from Danny about being a director, the role, risks and the challenges, [click here](#)

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