

Purchase of own shares

The example given here uses the Purchase of Own Share special share transaction. The same steps can be followed for both the Redemption of Share by Company and Forfeiture special share transactions.

In this example the company has 10,000 authorised Ordinary shares of £1 and 2,000 shares currently in issue.

Share Class No.	Description	From	To	Authorised	Issued
01	Ordinary	17/01/2010		10000	2000

The current shareholdings are:

Nigel Albert with 500 shares
David Christopher Barrington with 1,000 shares
Paul Cole with 300 shares
Robert David 200 shares

On 30 June 2010 the company reduced both its authorised and issued share capital by 10% via a purchase of own shares.

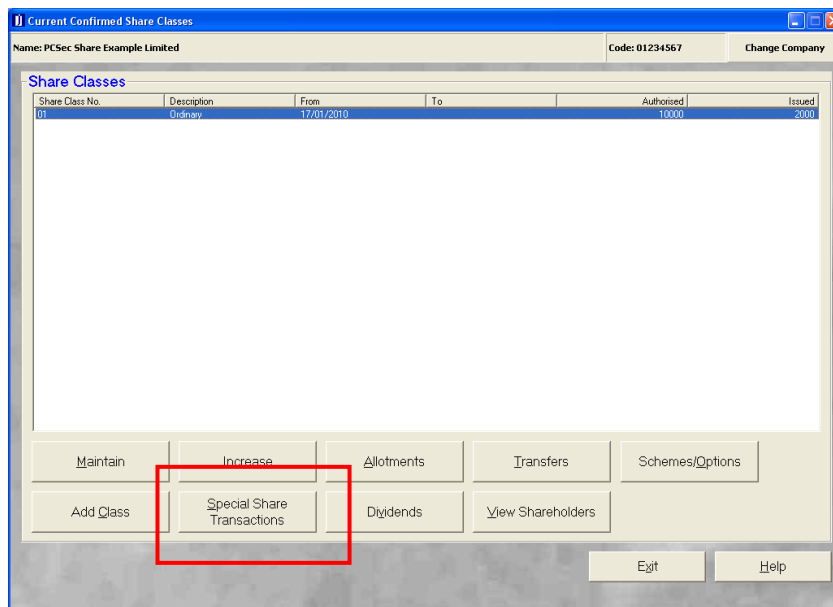
To update PCSec with this information we need to carry out the following steps:

1. Buy back 10% of each shareholders current shareholdings via Purchase of own shares
2. Decrease the company's authorised capital by 10%.

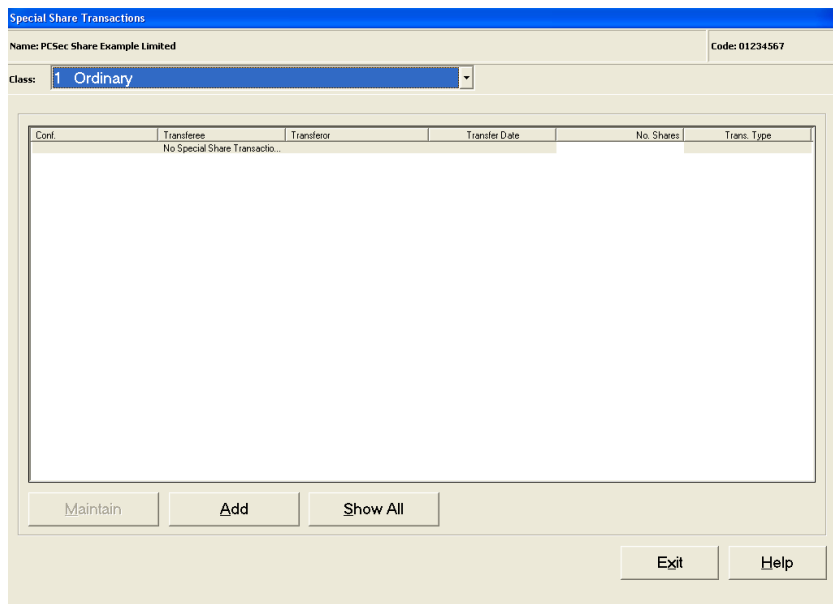
Please note that PCSec can only purchase/redeem/forfeit whole shares.

Step 1: Buy back 10% of each shareholders current shareholding

In the **Share Classes** screen select **Share Class No 1 Ordinary** click on the **Special Share Transactions** button



Ensure Class is set to **Ordinary** and click on the **Add** button.



In **Transaction Type** select **Purchase of own shares**

Add Special Share Transaction

Name: PCSec Share Example Limited Code: 01234567

Transaction Type

- Conversion to bearer warrant
- Conversion from bearer warrant
- Conversion to another class
- Subdivision
- Consolidation
- Forfeiture
- Redemption of shares by company
- Purchase of own shares**

Holder Code

Select a transaction

OK Cancel Help

All current shareholders will be displayed. Select the first shareholder to purchase back 10% of their shares and click **OK**.

Add Special Share Transaction

Name: PCSec Share Example Limited Code: 01234567

Transaction Type Purchase of own shares

Holder Code	Share Holder N...	Paid Up Price	Shareholding
ALBERT N	Nigel, Albert	1.00	500
BARRI DC	David Christoph...	1.00	1000
COLE P	Paul, Cole	1.00	300
DAVID R	Robert, David	1.00	200

OK Cancel Help

Complete the purchase of own shares as follows:

Date of Registration: 30/06/2010 (being the date the shares were converted)

Number of Shares: 50 (the number of Ordinary shares being purchased back by the company)

Shares Surrendered: 500 (the number of Ordinary shares on the surrendered share certificate)

Balancing Shares: PCSec will automatically calculate any balancing shares requiring a certificate

PCSec

Company Secretarial Software

Confirmed: Yes

Balancing Share Cert. Number: Share certificate number for the remaining 450 Ordinary shares. *(Please note that PCSec cannot automatically produce this share certificate. It will need to be created from the Blank Forms section of the software)*

Remarks: You can enter any of your own remarks or notes connected with the purchase of own shares.

Special Share Transaction: Purchase of own shares

Name: **PCSec Share Example Limited** Code: **01234567**

Share Class: 1 Ordinary

Share Holder
ALBERT N Mr Nigel Albert

Member Shareholding £1 Ordinary shares held: 500 Confirmed Yes ☒

Date of Registration 30/06/2010

Number Of Shares 50 Certificate Number 0

Shares Surrendered 500 Sealing Number 0

Balancing Shares 450 Balancing Share Cert. Number 5

Balancing Sealing Number 0

Beneficial Owner

Remarks

OK Cancel Help

Click **OK** to save the purchase of own shares.

Repeat these steps for each shareholder until 10% of all issued shares have been converted.

Special Share Transactions

Name: **PCSec Share Example Limited** Code: **01234567**

Class: 1 Ordinary

Conf.	Transferee	Transferor	Transfer Date	No. Shares	Trans. Type
Y	PCSec Share Example Limited	Albert, Nigel	30/06/2010	50	PCHOWN
Y	PCSec Share Example Limited	Barrington, David Christopher	30/06/2010	100	PCHOWN
Y	PCSec Share Example Limited	Cole, Paul	30/06/2010	30	PCHOWN
Y	PCSec Share Example Limited	David, Robert	30/06/2010	20	PCHOWN

Maintain Add Show All

Exit Help

You will now be showing

Share class 1 Ordinary: Authorised 10,000 shares and Issued 1,800 shares

Share Class No.	Description	From	To	Authorised	Issued
01	Ordinary	17/01/2010		10000	1800

Step 2: Reduce the authorised Ordinary shares

Now that you have purchased back 10% of the issued Ordinary shares the final step is to reduce the authorised limit on the Ordinary share class also by 10%.

In the **Share Classes** screen select **Share Class No 1 Ordinary** click on the **Increase** button

Complete the Increase screen as follows:

Date of Increase: 30/06/2010 (being the date the cancellation took place)

Authorised Capital: Yes

TOTAL authorised shares: 9,000 (being the new authorised limit on the Ordinary share class)

Click **OK** to save changes.

PCSec will warn you that you have actually added a DECREASE in authorised share capital and not an increase. Click **OK** to continue and save the changes.

You have now finished and will be correctly showing the current company share capital as:

Ordinary £1 shares: 9,000 authorised and 1,800 issued

Share Class No.	Description	From	To	Authorised	Issued
01	Ordinary	17/01/2010	29/06/2010	10000	1800