

COMPANY LAW. By R. PENNINGTON (5th Edition). [London: Butterworths. 1985. cvi + 1077 pp. Softcover: £24.00, Hardcover: £35.00]

AS a consequence of the frequent and substantial amendments to United Kingdom company law, which have finally been consolidated

in the 1985 Companies Act, all major textbook writers have been obliged to bring out new editions. With Pennington's new edition, all except Gower, have done so.

The 1948 Companies Act, was an historical watershed in company law, and it was the model which influenced company law in most Commonwealth jurisdictions. Its central approach was to provide a framework for the organisation and operation of companies, leaving great flexibility to the owners and directors, as to how they devised operating styles and forms for carrying out corporate operations. The courts have had a significant impact on the development of company law in filling in large parts of this evolving canvas. The 1985 Companies Act is in large part a consolidation of the significant changes that have taken place over the past forty years. What has now emerged has been complex legislation imposing mandatory obligations and disclosure obligations which restrict the range of choices available to owners and directors, particularly of public companies. The role of the courts in the evolution of company law has concurrently diminished.

The price we pay for the complexity of company legislation is that it becomes increasingly difficult for the law to be presented coherently and accurately when dealing with complex and involved legislative provisions especially where a single section runs into several pages. In order to render the text comprehensible it is necessary to understand the commercial practice and background to such legislation. Pennington has been and continues to be a significant textbook in which the commercial practice and operation of company law has been presented as part of the exposition of company law.

The commercial realities are reflected not only in explaining concepts of capital, but also in the treatment of the law itself. For example, in the area of floating charges and the question of priorities among competing creditors, the rules of priority are explained with respect to unsecured creditors, mortgages, judgment creditors, hire purchase and hiring agreements and distraining proceedings by landlords. This treatment of the commercial underpinning of company law marks Pennington out as a text and reference work not only for students but for practitioners of company law.