



Companies Act 1985

1985 CHAPTER 6

PART VII

ACCOUNTS AND AUDIT

CHAPTER I

PROVISIONS APPLYING TO COMPANIES GENERALLY

Laying and delivering of accounts and reports

241 Accounts and reports to be laid before company in general meeting.

- (1) The directors of a company shall in respect of each financial year lay before the company in general meeting^[F1] copies of—
 - (a) the company's annual accounts,
 - (b) the directors' report,
 - (c) (in the case of a quoted company) the directors' remuneration report, and
 - (d) the auditors' report on those accounts or (in the case of a quoted company) on those accounts and the auditable part of the directors' remuneration report.]
- (2) If the requirements of subsection (1) are not complied with before the end of the period allowed for laying and delivering accounts and reports, every person who immediately before the end of that period was a director of the company is guilty of an offence and liable to a fine and, for continued contravention, to a daily default fine.
- (3) It is a defence for a person charged with such an offence to prove that he took all reasonable steps for securing that those requirements would be complied with before the end of that period.
- (4) It is not a defence to prove that the documents in question were not in fact prepared as required by this Part.

Status: Point in time view as at 01/08/2002.

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985,
Cross Heading: Laying and delivering of accounts and reports. (See end of Document for details)*

Textual Amendments

F1 Words in s. 241(1) substituted (1.8.2002) by [The Directors' Remuneration Report Regulations 2002](#) (S.I. 2002/1986), [reg. 10\(7\)](#)

Modifications etc. (not altering text)

C1 S. 241 amended by S.I. 1990/2570, [regs. 8\(2\)\(b\)](#), 9(2)(b)

C2 S. 241(2)–(4) applied with modifications by S.I. 1990/2570, [reg. 11\(3\)](#)

241A Members' approval of directors' remuneration report

- (1) This section applies to every company that is a quoted company immediately before the end of a financial year.
- (2) In this section “the meeting” means the general meeting of the company before which the company's annual accounts for the financial year are to be laid.
- (3) The company must, prior to the meeting, give to the members of the company entitled to be sent notice of the meeting notice of the intention to move at the meeting, as an ordinary resolution, a resolution approving the directors' remuneration report for the financial year.
- (4) Notice under subsection (3) shall be given to each such member in any manner permitted for the service on him of notice of the meeting.
- (5) The business that may be dealt with at the meeting includes the resolution.
- (6) The existing directors must ensure that the resolution is put to the vote of the meeting.
- (7) Subsection (5) has effect notwithstanding—
 - (a) any default in complying with subsections (3) and (4);
 - (b) anything in the company's articles.
- (8) No entitlement of a person to remuneration is made conditional on the resolution being passed by reason only of the provision made by this section.
- (9) In the event of default in complying with the requirements of subsections (3) and (4), every officer of the company who is in default is liable to a fine.
- (10) If the resolution is not put to the vote of the meeting, each existing director is guilty of an offence and liable to a fine.
- (11) If an existing director is charged with an offence under subsection (10), it is a defence for him to prove that he took all reasonable steps for securing that the resolution was put to the vote of the meeting.
- (12) In this section “existing director” means a person who, immediately before the meeting, is a director of the company.

[^{F2}242 Accounts and reports to be delivered to the registrar.

- (1) The directors of a company shall in respect of each financial year deliver to the registrar [^{F3} a copy of—

Status: Point in time view as at 01/08/2002.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, Cross Heading: Laying and delivering of accounts and reports. (See end of Document for details)

- (a) the company's annual accounts,
 - (b) the directors' report,
 - (c) (in the case of a quoted company) the directors' remuneration report, and
 - (d) the auditors' report on those accounts or (in the case of a quoted company) on those accounts and the auditable part of the directors' remuneration report.]
- (2) If the requirements of subsection (1) are not complied with before the end of the period allowed for laying and delivering accounts and reports, every person who immediately before the end of that period was a director of the company is guilty of an offence and liable to a fine and, for continued contravention, to a daily default fine.
- (3) Further, if the directors of the company fail to make good the default within 14 days after the service of a notice on them requiring compliance, the court may on the application of any member or creditor of the company or of the registrar, make an order directing the directors (or any of them) to make good the default within such time as may be specified in the order.
- The court's order may provide that all costs of and incidental to the application shall be borne by the directors.
- (4) It is a defence for a person charged with an offence under this section to prove that he took all reasonable steps for securing that the requirements of subsection (1) would be complied with before the end of the period allowed for laying and delivering accounts and reports.
- (5) It is not a defence in any proceedings under this section to prove that the documents in question were not in fact prepared as required by this Part.]

Textual Amendments

- F2** New ss. 241–244 inserted (1.7.1992 as to s. 242A) (subject to the saving and transitional provisions in S.I. 1990/355, arts. 6–9, **Sch. 2**; S.I. 1991/2945, **art. 2** (subject to transitional provision in **art. 3**)) by **Companies Act 1989** (c. 40, SIF 27), **ss. 1, 11, 213(2)** as part of the text inserted in place of ss. 221–262 (as mentioned in s. 1(a) of the 1989 Act)
- F3** Words in s. 242(1) substituted (1.8.2002) by **The Directors' Remuneration Report Regulations 2002** (S.I. 2002/1986), **reg. 10(8)**

Modifications etc. (not altering text)

- C3** S. 242 amended by S.I. 1990/2570, **regs. 8(2)(b), 9(2)**
- C4** S. 242(2)–(5) applied with modifications by S.I. 1990/2570, **regs. 12(1)(3), 13(1)(5), 16(2)**

[^{F4}242A Civil penalty for failure to deliver accounts.

- (1) Where the requirements of section 242(1) are not complied with before the end of the period allowed for laying and delivering accounts and reports, the company is liable to a civil penalty. This is in addition to any liability of the directors under section 242.
- (2) The amount of the penalty is determined by reference to the length of the period between the end of the period allowed for laying and delivering accounts and reports and the day on which the requirements are complied with, and whether the company is a public or private company, as follows:—]

Length of period

Public company

Private company

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Not more than 3 months.	£500	£100
More than 3 months but not more than 6 months.	£1,000	£250
More than 6 months but not more than 12 months.	£2,000	£500
More than 12 months.	£5,000	£1,000

- (3) The penalty may be recovered by the registrar and shall be paid by him into the Consolidated Fund.
- (4) It is not a defence in proceedings under this section to prove that the documents in question were not in fact prepared as required by this Part.

Textual Amendments

F4 New ss. 241–244 inserted (1.7.1992 as to s. 242A) (subject to the saving and transitional provisions in S.I. 1990/355, arts. 6–9, **Sch. 2**, by Companies Act 1989 (c. 40, SIF 27), **ss. 1, 11, 213(2)** as part of the text inserted in place of ss. 221–262 (as mentioned in s. 1(a) of the 1989 Act); S.I. 1991/2945, **arts. 2, 3**

Modifications etc. (not altering text)

C5 S. 242A modified (1.7.1992) by S.I. 1991/2945, **art. 3(2)**

[^{F5}242B Delivery and publication of accounts in ECUs

(1)

The amounts set out in the annual accounts of a company may also be shown in the same accounts translated into ECUs.

- (2) When complying with section 242, the directors of a company may deliver to the registrar an additional copy of the company's annual accounts in which the amounts have been translated into ECUs.
- (3) In both cases—
- (a) the amounts must have been translated at the relevant exchange rate prevailing on the balance sheet date, and
 - (b) that rate must be disclosed in the notes to the accounts.
- (4) For the purposes of section 240 any additional copy of the company's annual accounts delivered to the registrar under subsection (2) shall be treated as statutory accounts of the company and, in the case of such a copy, references in section 240 to the auditors' report under section 235 shall be read as references to the auditors' report on the annual accounts of which it is a copy.
- (5) In this section—
- “ECU” means a unit with a value equal to the value of the unit of account known as the ecu used in the European Monetary System, and
- “relevant exchange rate” means the rate of exchange used for translating the value of the ecu for the purposes of that System.]

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Textual Amendments

F5 S. 242B inserted (16.11.1992) by S.I. 1992/2452, reg.3.

Modifications etc. (not altering text)

C6 S. 242B extended (with modifications) (19.12.1993) by S.I. 1993/3245, reg.3

C7 S. 242B applied (with modifications) (31.12.2004) by The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2004 (S.I. 2004/3219), reg. 3(4)(a), Sch.

[^{F6}243 Accounts of subsidiary undertakings to be appended in certain cases.

- (1) The following provisions apply where at the end of the financial year a parent company has as a subsidiary undertaking—
 - (a) a body corporate incorporated outside Great Britain which does not have an established place of business in Great Britain, or
 - (b) an unincorporated undertaking,
which is excluded from consolidation in accordance with section 229(4) (undertaking with activities different from the undertakings included in the consolidation).
- (2) There shall be appended to the copy of the company's annual accounts delivered to the registrar in accordance with section 242 a copy of the undertaking's latest individual accounts and, if it is a parent undertaking, its latest group accounts.

If the accounts appended are required by law to be audited, a copy of the auditors' report shall also be appended.
- (3) The accounts must be for a period ending not more than 12 months before the end of the financial year for which the parent company's accounts are made up.
- (4) [^{F7}[^{F8}Subject to section 255E (delivery of accounting documents in Welsh only),] if any document required to be appended is in a language other than English, [^{F9}then, subject to section 710B(6) (delivery of certain Welsh documents without a translation),] the directors shall annex to the copy of that document delivered a translation of it into English, certified in the prescribed manner to be a correct translation.
- (5) The above requirements are subject to the following qualifications—
 - (a) an undertaking is not required to prepare for the purposes of this section accounts which would not otherwise be prepared, and if no accounts satisfying the above requirements are prepared none need be appended;
 - (b) a document need not be appended if it would not otherwise be required to be published, or made available for public inspection, anywhere in the world, but in that case the reason for not appending it shall be stated in a note to the company's accounts;
 - (c) where an undertaking and all its subsidiary undertakings are excluded from consolidation in accordance with section 229(4), the accounts of such of the subsidiary undertakings of that undertaking as are included in its consolidated group accounts need not be appended.
- (6) Subsections (2) to (4) of section 242 (penalties, &c. in case of default) apply in relation to the requirements of this section as they apply in relation to the requirements of subsection (1) of that section.]

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Textual Amendments

- F6** New ss. 241–244 inserted (1.7.1992 as to s. 242A) (subject to the saving and transitional provisions in S.I. 1990/355, arts. 6–9, **Sch. 2**; S.I. 1991/2945, **art. 2** (subject to transitional provisions in **art. 3**)) by **Companies Act 1989** (c. 40, SIF 27), **ss. 1, 11, 213(2)** as part of the text inserted in place of ss. 221–262 (as mentioned in s. 1(a) of the 1989 Act)
- F7** Words in s. 243(4) inserted (1.6.1992) by S.I. 1992/1083, **reg. 2(3)**.
- F8** Words in s. 243(4) repealed (1.2.1994) by 1993 c. 38, s. 35(1), **Sch. 2**; S.I. 1994/115, **art. 2(2)**
- F9** Words in s. 243(4) inserted (1.2.1994) by 1993 c. 38, s. 30(4)(a); S.I. 1994/115, **art. 2(2)**

[^{F10}244 Period allowed for laying and delivering accounts and reports.

- (1) The period allowed for laying and delivering accounts and reports is—
 - (a) for a private company, 10 months after the end of the relevant accounting reference period, and
 - (b) for a public company, 7 months after the end of that period.
 This is subject to the following provisions of this section.
- (2) If the relevant accounting reference period is the company’s first and is a period of more than 12 months, the period allowed is—
 - (a) 10 months or 7 months, as the case may be, from the first anniversary of the incorporation of the company, or
 - (b) 3 months from the end of the accounting reference period, whichever last expires.
- (3) Where a company carries on business, or has interests, outside the United Kingdom, the Channel Islands and the Isle of Man, the directors may, in respect of any financial year, give to the registrar before the end of the period allowed by subsection (1) or (2) a notice in the prescribed form—
 - (a) stating that the company so carries on business or has such interests, and
 - (b) claiming a 3 month extension of the period allowed for laying and delivering accounts and reports;
 and upon such a notice being given the period is extended accordingly.
- (4) If the relevant accounting period is treated as shortened by virtue of a notice given by the company under section 225 (alteration of accounting reference date), the period allowed for laying and delivering accounts is that applicable in accordance with the above provisions or 3 months from the date of the notice under that section, whichever last expires.
- (5) If for any special reason the Secretary of State thinks fit he may, on an application made before the expiry of the period otherwise allowed, by notice in writing to a company extend that period by such further period as may be specified in the notice.
- (6) In this section “the relevant accounting reference period” means the accounting reference period by reference to which the financial year for the accounts in question was determined.]

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Textual Amendments

F10 New ss. 241–244 inserted (1.7.1992 as to s. 242A) (subject to the saving and transitional provisions in S.I. 1990/355, arts. 6–9, **Sch. 2**; S.I. 1991/2945, **art. 2** (subject to transitionals in **art. 3**)) by **Companies Act 1989 (c. 40, SIF 27)**, **ss. 1, 11, 213(2)** as part of the text inserted in place of ss. 221–262 (as mentioned in s. 1(a) of the 1989 Act)

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