



Companies Act 1985

1985 CHAPTER 6

PART VII

ACCOUNTS AND AUDIT

CHAPTER I

PROVISIONS APPLYING TO COMPANIES GENERALLY

VALID FROM 22/03/2005

Quoted companies: operating and financial review

234AA Duty to prepare operating and financial review

- (1) The directors of a quoted company shall for each financial year prepare an operating and financial review.
- (2) The review must comply with Schedule 7ZA (objective and contents of operating and financial review), save that nothing in that Schedule requires the disclosure of information about impending developments or about matters in the course of negotiation if the disclosure would, in the opinion of the directors, be seriously prejudicial to the interests of the company.
- (3) For a financial year in which—
 - (a) the company is a parent company, and
 - (b) the directors of the company prepare group accounts,the operating and financial review must be a consolidated review (a “group operating and financial review”) relating, to the extent specified in Schedule 7ZA, to the company and its subsidiary undertakings included in the consolidation.

Status: Point in time view as at 01/12/2001. This version of this cross heading contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, Cross Heading: Quoted companies: operating and financial review. (See end of Document for details)

- (4) A group operating and financial review may, where appropriate, give greater emphasis to the matters that are significant to the company and its subsidiary undertakings included in the consolidation, taken as a whole.
- (5) If an operating and financial review does not comply with the provisions of this Part relating to the preparation and contents of the review, every director of the company who—
- (a) knew that it did not comply or was reckless as to whether it complied, and
 - (b) failed to take all reasonable steps to secure compliance with the provision in question,
- is guilty of an offence and liable to a fine.

Modifications etc. (not altering text)

- C1 [S. 234AA\(5\)](#) applied (1.10.2005) by [S.I. 1990/2570, reg. 5B\(2\)](#) (as inserted by [The Companies \(Revision of Defective Accounts and Report\) \(Amendment\) Regulations 2005 \(S.I. 2005/2282\)](#), [art. 6](#))

234AB Approval and signing of operating and financial review

- (1) The operating and financial review must be approved by the board of directors and signed on behalf of the board by a director or the secretary of the company.
- (2) Every copy of the operating and financial review laid before the company in general meeting, or that is otherwise circulated, published or issued, must state the name of the person who signed it on behalf of the board.
- (3) The copy of the operating and financial review delivered to the registrar must be signed on behalf of the board by a director or the secretary of the company.
- (4) If a copy of the operating and financial review—
 - (a) is laid before the company, or otherwise circulated, published or issued without the review having been signed as required by this section or without the required statement of the signatory's name being included, or
 - (b) is delivered to the registrar without being signed as required by this section,
 the company and every officer of it who is in default is guilty of an offence and liable to a fine.

Modifications etc. (not altering text)

- C2 [S. 234AB](#) applied (with modifications) (1.10.2005) by [S.I. 1990/2570, reg. 5B\(1\)](#) (as inserted by [The Companies \(Revision of Defective Accounts and Report\) \(Amendment\) Regulations 2005 \(S.I. 2005/2282\)](#), [art. 6](#))

Status:

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