



# Companies Act 1985

## 1985 CHAPTER 6

### PART VII

#### ACCOUNTS AND AUDIT

#### CHAPTER II

##### *EXEMPTIONS, EXCEPTIONS AND SPECIAL PROVISIONS*

##### *Private companies*

#### **252 Election to dispense with laying of accounts and reports before general meeting.**

- (1) A private company may elect (by elective resolution in accordance with section 379A) to dispense with the laying of accounts and reports before the company in general meeting.
- (2) An election has effect in relation to the accounts and reports in respect of the financial year in which the election is made and subsequent financial years.
- (3) Whilst an election is in force, the references in the following provisions of this Act to the laying of accounts before the company in general meeting shall be read as references to the sending of copies of the accounts to members and others under section 238(1)—
  - (a) section 235(1) (accounts on which auditors are to report),
  - (b) section 270(3) and (4) (accounts by reference to which distributions are justified), and
  - (c) section 320(2) (accounts relevant for determining company's net assets for purposes of ascertaining whether approval required for certain transactions);and the requirement in section 271(4) that the auditors' statement under that provision be laid before the company in general meeting shall be read as a requirement that it be

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*Changes to legislation: Companies Act 1985, Cross Heading: Private companies is up to date with all changes known to be in force on or before 30 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

sent to members and others along with the copies of the accounts sent to them under section 238(1).

- (4) If an election under this section ceases to have effect, section 241 applies in relation to the accounts and reports in respect of the financial year in which the election ceases to have effect and subsequent financial years.

**Modifications etc. (not altering text)**

**C1** S. 252(1)(2)(4) applied (1.7.2005) by [The Community Interest Company Regulations 2005 \(S.I. 2005/1788\)](#), [reg. 29](#)

**[<sup>F1</sup>253 Right of shareholder to require laying of accounts.**

- (1) Where an election under section 252 is in force, the copies of the accounts and reports sent out in accordance with section 238(1)—
- (a) shall be sent not less than 28 days before the end of the period allowed for laying and delivering accounts and reports, and
  - (b) shall be accompanied, in the case of a member of the company, by a notice informing him of his right to require the laying of the accounts and reports before a general meeting;

and section 238(5) (penalty for default) applies in relation to the above requirements as to the requirements contained in that section.

- (2) Before the end of the period of 28 days beginning with the day on which the accounts and reports are sent out in accordance with section 238(1), any member or auditor of the company may by notice in writing deposited at the registered office of the company require that a general meeting be held for the purpose of laying the accounts and reports before the company.

(2A) <sup>F2</sup> .....

- (3) If the directors do not within 21 days from the date of [<sup>F3</sup> -
- <sup>F3</sup>(a) the deposit of a notice containing a requirement under subsection (2), or
  - (b) the receipt of such a requirement contained in an electronic communication, proceed]

duly to convene a meeting, the person who [<sup>F4</sup>required the holding of the meeting] may do so himself.

- (4) A meeting so convened shall not be held more than three months from that date and shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by directors.
- (5) Where the directors do not duly convene a meeting, any reasonable expenses incurred by reason of that failure by the person who [<sup>F5</sup>required the holding of the meeting] shall be made good to him by the company, and shall be recouped by the company out of any fees, or other remuneration in respect of their services, due or to become due to such of the directors as were in default.
- (6) The directors shall be deemed not to have duly convened a meeting if they convene a meeting for a date more than 28 days after the date of the notice convening it.]

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#### Textual Amendments

- F1** New ss. 252, 253 inserted (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, 16–22** as part of the text inserted in place of ss. 221–262 (as mentioned in s. 1(a) of the 1989 Act)
- F2** **S. 253(2A)** repealed (20.1.2007) by **Companies Act 2006 (c. 46)**, ss. 1295, 1300, **Sch. 16**; S.I. 2006/3428, **art. 7(b)**, **Sch. 3 Pt. 1** (with arts. 6, 8, **Sch. 5** (as amended by S.I. 2007/3495, art. 11, **Sch. 5**))
- F3** **S. 253(3)(a)(b)** and preceding “-” substituted (22.12.2000) for words in s. 253(3) by S.I. 2000/3373, **art. 15(1)(3)(a)**
- F4** Words in s. 253(3) substituted (22.12.2000) by S.I. 2000/3373, **art. 15(1)(3)(b)**
- F5** Words in s. 253(5) substituted (22.12.2000) by S.I. 2000/3373, **art. 15(1)(4)**

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