

*Status: Point in time view as at 08/11/2006. This version of this schedule 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, SCHEDULE 7. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 7

Section 235.

#### MATTERS TO BE DEALT WITH IN DIRECTORS’ REPORT

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

**C1** Sch. 7 (except paras. 2, 7 and 8) applied with modifications by S.I. 1985/680, regs. 4–6, Sch.

#### PART I

##### MATTERS OF A GENERAL NATURE

###### *Asset values*

1 <sup>F1</sup>(1) . . . . .

(2) If, in the case of [<sup>F2</sup>such of the fixed assets of the company <sup>F3</sup>. . . ] as consist in interests in land, their market value (as at the end of the financial year) differs substantially from the amount at which they are included in the balance sheet, and the difference is, in the directors’ opinion, of such significance as to require that the attention of members of the company or of holders of its debentures should be drawn to it, the report shall indicate the difference with such degree of precision as is practicable.

[<sup>F4</sup>(3) In relation to a group directors’ report sub-paragraph (2) has effect as if the reference to the fixed assets of the company was a reference to the fixed assets of the company and of its subsidiary undertakings included in the consolidation.]

##### Textual Amendments

**F1** Sch. 7 para. 1(1) repealed (2.2.1996) by S.I. 1996/189, reg. 14(4)(a) (with reg. 16)

**F2** Words in Sch. 7 para. 1(2) substituted (2.2.1996) by S.I. 1996/189, reg. 15(3) (with reg. 16)

**F3** Words in Sch. 7 para. 1(2) omitted (22.3.2005) by virtue of The Companies Act 1985 (Operating and Financial Review and Directors’ Report etc.) Regulations 2005 (S.I. 2005/1011), reg. 7(2)(a)

**F4** Sch. 7 para. 1(3) inserted (22.3.2005) by The Companies Act 1985 (Operating and Financial Review and Directors’ Report etc.) Regulations 2005 (S.I. 2005/1011), reg. 7(2)(b)

[<sup>F52</sup>(1) The information required by paragraphs 2A and 2B shall be given in the directors’ report, or by way of notes to the company’s annual accounts, with respect to each person who at the end of the financial year was a director of the company.

(2) In those paragraphs—

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- (a) “the register” means the register of directors’ interests kept by the company under section 325; and
- (b) references to a body corporate being in the same group as the company are to its being a subsidiary or holding company, or another subsidiary of a holding company, of the company.]

#### Textual Amendments

**F5** Sch. 7 paras. 2–2B substituted for para. 2 (subject to the transitional and saving provisions mentioned in S.I. 1990/355, arts. 6–9), by Companies Act 1989 (c. 40, SIF 27), ss. 8(2), 213(2), **Sch. 5 para. 3**

- 2A
- (1) It shall be stated with respect to each director whether, according to the register, he was at the end of the financial year interested in shares in or debentures of the company or any other body corporate in the same group.
  - (2) If he was so interested, there shall be stated the number of shares in and amount of debentures of each body (specifying it) in which, according to the register, he was then interested.
  - (3) If a director was interested at the end of the financial year in shares in or debentures of the company or any other body corporate in the same group—
    - (a) it shall also be stated whether, according to the register, he was at the beginning of the financial year (or, if he was not then a director, when he became one) interested in shares in or debentures of the company or any other body corporate in the same group, and
    - (b) if he was so interested, there shall be stated the number of shares in and amount of debentures of each body (specifying it) in which, according to the register, he was then interested.
  - (4) In this paragraph references to an interest in shares or debentures have the same meaning as in section 324; and references to the interest of a director include any interest falling to be treated as his for the purposes of that section.
  - (5) The reference above to the time when a person became a director is, in the case of a person who became a director on more than one occasion, to the time when he first became a director.
- 2B
- (1) It shall be stated with respect to each director whether, according to the register, any right to subscribe for shares in or debentures of the company or another body corporate in the same group was during the financial year granted to, or exercised by, the director or a member of his immediate family.
  - (2) If any such right was granted to, or exercised by, any such person during the financial year, there shall be stated the number of shares in and amount of debentures of each body (specifying it) in respect of which, according to the register, the right was granted or exercised.
  - (3) A director’s “immediate family” means his or her spouse [<sup>F6</sup>or civil partner] and infant children; and for this purpose “children” includes step-children, and “infant”, in relation to Scotland, means pupil or minor.

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- (4) The reference above to a member of the director's immediate family does not include a person who is himself or herself a director of the company.

#### Textual Amendments

- F6** Words in Sch. 7 para. 2B(3) inserted (5.12.2005) by Civil Partnership Act 2004 (c. 33), ss. 261(1), 263, Sch. 27 para. 105; S.I. 2005/3175, art. 2(2)

*[<sup>F7</sup> Political donations and expenditure]*

#### Textual Amendments

- F7** Sch. 7 Pt. I paras. 3-5 and cross-headings preceding paras. 3, 5 substituted (16.2.2001) for Sch. 7 Pt. I paras. 3-5 and cross-heading preceding para. 3 by 2000 c. 41, s. 140 (with s. 156(6), Sch. 23 para. 13); S.I. 2001/222, art. 2, Sch. 1 Pt. I (subject to transitional provisions in Sch. 1 Pt. II)

<sup>F83</sup> (1) If—

- (a) the company (not being the wholly-owned subsidiary of a company incorporated in Great Britain) has in the financial year—
- (i) made any donation to any registered party or to any other EU political organisation, or
  - (ii) incurred any EU political expenditure, and
- (b) the amount of the donation or expenditure, or (as the case may be) the aggregate amount of all donations and expenditure falling within paragraph (a), exceeded £200,

the directors' report for the year shall contain the particulars specified in sub-paragraph (2).

(2) Those particulars are—

- (a) as respects donations falling within sub-paragraph (1)(a)(i)—
- (i) the name of each registered party or other organisation to whom any such donation has been made, and
  - (ii) the total amount given to that party or organisation by way of such donations in the financial year; and
- (b) as respects expenditure falling within sub-paragraph (1)(a)(ii), the total amount incurred by way of such expenditure in the financial year.

(3) If—

- (a) at the end of the financial year the company has subsidiaries which have, in that year, made any donations or incurred any such expenditure as is mentioned in sub-paragraph (1)(a), and
- (b) it is not itself the wholly-owned subsidiary of a company incorporated in Great Britain,

the directors' report for the year is not, by virtue of sub-paragraph (1), required to contain the particulars specified in sub-paragraph (2); but, if the total amount of any such donations or expenditure (or both) made or incurred in that year by the company and the subsidiaries between them exceeds £200, the directors' report for the year

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shall contain those particulars in relation to each body by whom any such donation or expenditure has been made or incurred.

- (4) Any expression used in this paragraph which is also used in Part XA of this Act has the same meaning as in that Part.]

#### Textual Amendments

**F8** Sch. 7 Pt. I paras. 3-5 and cross-headings preceding para. 3, 5 substituted (16.2.2001) for Sch. 7 Pt. I paras. 3-5 and cross-heading preceding para. 3 by 2000 c. 41, s. 140 (with s. 156(6), Sch. 23 para. 13); S.I. 2001/222, art. 2, Sch. 1 Pt. I (subject to transitional provisions in Sch. 1 Pt. II)

- [<sup>F9</sup>4 (1) If the company (not being the wholly-owned subsidiary of a company incorporated in Great Britain) has in the financial year made any contribution to a non-EU political party, the directors' report for the year shall contain—
- (a) a statement of the amount of the contribution, or
  - (b) (if it has made two or more such contributions in the year) a statement of the total amount of the contributions.
- (2) If—
- (a) at the end of the financial year the company has subsidiaries which have, in that year, made any such contributions as are mentioned in sub-paragraph (1), and
  - (b) it is not itself the wholly-owned subsidiary of a company incorporated in Great Britain,
- the directors' report for the year is not, by virtue of sub-paragraph (1), required to contain any such statement as is there mentioned, but it shall instead contain a statement of the total amount of the contributions made in the year by the company and the subsidiaries between them.
- (3) In this paragraph "contribution", in relation to an organisation, means—
- (a) any gift of money to the organisation (whether made directly or indirectly);
  - (b) any subscription or other fee paid for affiliation to, or membership of, the organisation; or
  - (c) any money spent (otherwise than by the organisation or a person acting on its behalf) in paying any expenses incurred directly or indirectly by the organisation.
- (4) In this paragraph "non-EU political party" means any political party which carries on, or proposes to carry on, its activities wholly outside the member States.]

#### Textual Amendments

**F9** Sch. 7 Pt. I paras. 3-5 and cross-headings preceding paras. 3, 5 substituted (16.2.2001) for Sch. 7 Pt. I paras. 3-5 and cross-heading preceding para. 3 by 2000 c. 41, s. 140 (with s. 156(6), Sch. 23 para. 13); S.I. 2001/222, art. 2, Sch. 1 Pt. I (subject to transitional provisions in Sch. 1 Pt. II)

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### [<sup>F10</sup> Charitable donations]

#### Textual Amendments

**F10** Sch. 7 Pt. I paras. 3-5 and cross-headings preceding paras. 3, 5 substituted (16.2.2001) for Sch. 7 Pt. I paras. 3-5 and cross-heading preceding para. 3 by 2000 c. 41, s. 140 (with s. 156(6), Sch. 23 para. 13); S.I. 2001/222, art. 2, Sch. 1 Pt. I (subject to transitional provisions in Sch. 1 Pt. II)

[<sup>F115</sup> (1) If—

- (a) the company (not being the wholly-owned subsidiary of a company incorporated in Great Britain) has in the financial year given money for charitable purposes, and
- (b) the money given exceeded £200 in amount,

the directors' report for the year shall contain, in the case of each of the purposes for which money has been given, a statement of the amount of money given for that purpose.

(2) If—

- (a) at the end of the financial year the company has subsidiaries which have, in that year, given money for charitable purposes, and
- (b) it is not itself the wholly-owned subsidiary of a company incorporated in Great Britain,

sub-paragraph (1) does not apply to the company; but, if the amount given in that year for charitable purposes by the company and the subsidiaries between them exceeds £200, the directors' report for the year shall contain, in the case of each of the purposes for which money has been given by the company and the subsidiaries between them, a statement of the amount of money given for that purpose.

- (3) Money given for charitable purposes to a person who, when it was given, was ordinarily resident outside the United Kingdom is to be left out of account for the purposes of this paragraph.
- (4) For the purposes of this paragraph “charitable purposes” means purposes which are exclusively charitable, and as respects Scotland [<sup>F12</sup>a purpose is charitable if it is listed in section 7(2) of the Charities and Trustee Investment (Scotland) Act 2005] .]

#### Textual Amendments

**F11** Sch. 7 Pt. I paras. 3-5 and cross-headings preceding paras. 3, 5 substituted (16.2.2001) for Sch. 7 Pt. I paras. 3-5 and cross-heading preceding para. 3 by 2000 c. 41, s. 140 (with s. 156(6), Sch. 23 para. 13); S.I. 2001/222, art. 2, Sch. 1 Pt. I (subject to transitional provisions in Sch. 1 Pt. II)

**F12** Words in Sch. 7 para. 5(4) substituted (1.4.2006) by The Charities and Trustee Investment (Scotland) Act 2005 (Consequential Provisions and Modifications) Order 2006 (S.I. 2006/242), art. 5, Sch. para. 3

#### Financial instruments

- 5A (1) In relation to the use of financial instruments by a company <sup>F13</sup>. . . , the directors' report must contain an indication of—

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- (a) the financial risk management objectives and policies of the company<sup>F14</sup> . . . , including the policy for hedging each major type of forecasted transaction for which hedge accounting is used, and
- (b) the exposure of the company<sup>F14</sup> . . . to price risk, credit risk, liquidity risk and cash flow risk,

unless such information is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company<sup>F14</sup> . . . .

[<sup>F15</sup>(1A) In relation to a group directors' report sub-paragraph (1) has effect as if the references to the company were references to the company and its subsidiary undertakings included in the consolidation.]

- (2) In sub-paragraph (1) the expressions “hedge accounting”, “price risk”, “credit risk”, “liquidity risk” and “cash flow risk” have the same meaning as they have in Council Directive 78/660/EEC on the annual accounts of certain types of companies, and in Council Directive 83/349/EEC on consolidated accounts, as amended.

#### Textual Amendments

- F13** Words in Sch. 7 para. 5A(1) omitted (22.3.2005) by virtue of The Companies Act 1985 (Operating and Financial Review and Directors' Report etc.) Regulations 2005 (S.I. 2005/1011), **reg. 7(3)(a)(i)**
- F14** Words in Sch. 7 para. 5A(1) omitted (22.3.2005) by virtue of The Companies Act 1985 (Operating and Financial Review and Directors' Report etc.) Regulations 2005 (S.I. 2005/1011), **reg. 7(3)(a)(ii)**
- F15** Sch. 7 para. 5A(1A) inserted (22.3.2005) by The Companies Act 1985 (Operating and Financial Review and Directors' Report etc.) Regulations 2005 (S.I. 2005/1011), **reg. 7(3)(b)**

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

- C2** Sch. 7 para. 5A extended (with modifications) (E.W.S.) (19.12.1993) by S.I. 1993/3245, reg. 3(3)(g) (as amended (1.10.2005) by The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) (Amendment) Regulations 2005 (S.I. 2005/1985), **reg. 2(2)(d)**)

[<sup>F16</sup> Insurance effected for officers or auditors]

#### Textual Amendments

- F16** Sch. 7 para. 5A and cross-heading preceding added (1.4.1990 for certain purposes as mentioned in S.I. 1990/355, **art. 4(e)** otherwise *prosp.*) by Companies Act 1989 (c. 40, SIF 27), **s. 137(2)** (subject to transitional provision in S.I. 1990/355, **art. 13**)

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<sup>F17</sup>5A

#### Textual Amendments

- F17** Sch. 7 para. 5A repealed (2.2.1996) by S.I. 1996/189, **reg. 14(4)(b)**

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### Miscellaneous

- 6 <sup>F18</sup>(1) The directors' report shall contain—
- (a) particulars of any important events affecting the company <sup>F19</sup> . . . which have occurred since the end of the financial year,
  - (b) an indication of likely future developments in the business of the company <sup>F20</sup> . . . , <sup>F21</sup> . . .
  - (c) an indication of the activities (if any) of the company <sup>F22</sup> . . . in the field of research and development <sup>F23</sup> and
  - (d) (unless the company is an unlimited company) and indication of the existence of branches (as defined in section 698(2)) of the company outside the United Kingdom]
- <sup>F24</sup>(2) In relation to a group directors' report paragraphs (a), (b) and (c) of sub-paragraph (1) have effect as if the references to the company were references to the company and its subsidiary undertakings included in the consolidation.]

#### Textual Amendments

- F18** In Sch. 7 para. 6 the existing provision becomes sub-paragraph (1) (22.3.2005) by [The Companies Act 1985 \(Operating and Financial Review and Directors' Report etc.\) Regulations 2005 \(S.I. 2005/1011\), reg. 7\(4\)\(a\)](#)
- F19** Words in Sch. 7 para. 6(1)(a) omitted (22.3.2005) by virtue of [The Companies Act 1985 \(Operating and Financial Review and Directors' Report etc.\) Regulations 2005 \(S.I. 2005/1011\), reg. 7\(4\)\(b\)\(i\)](#)
- F20** Words in Sch. 7 para. 6(1)(b) omitted (22.3.2005) by virtue of [The Companies Act 1985 \(Operating and Financial Review and Directors' Report etc.\) Regulations 2005 \(S.I. 2005/1011\), reg. 7\(4\)\(b\)\(ii\)](#)
- F21** Word in Sch. 7 para. 6(b) omitted (1.1.1993) by [S.I. 1992/3178, reg.3.](#)
- F22** Words in Sch. 7 para. 6(1)(c) omitted (22.3.2005) by virtue of [The Companies Act 1985 \(Operating and Financial Review and Directors' Report etc.\) Regulations 2005 \(S.I. 2005/1011\), reg. 7\(4\)\(b\)\(iii\)](#)
- F23** [Sch. 7 para. 6\(d\)](#) and word "and" immediately preceding it inserted (1.1.1993) by [S.I. 1992/3178, reg.3.](#)
- F24** [Sch. 7 para. 6\(2\)](#) inserted (22.3.2005) by [The Companies Act 1985 \(Operating and Financial Review and Directors' Report etc.\) Regulations 2005 \(S.I. 2005/1011\), reg. 7\(4\)\(c\)](#)

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

- C3** [Sch. 7 para. 6](#) extended (with modifications) (19.12.1993) by [S.I. 1993/3245, reg.3](#)
- C4** [Sch. 7 para. 6](#) 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\(4\)\(c\), Sch.](#)

## PART II

### DISCLOSURE REQUIRED BY COMPANY ACQUIRING ITS OWN SHARES, ETC.

- 7 This Part of this Schedule applies where shares in a company—
- (a) are purchased by the company or are acquired by it by forfeiture or surrender in lieu of forfeiture, or in pursuance of section 143(3) of this Act (acquisition of own shares by company limited by shares), or
  - (b) are acquired by another person in circumstances where paragraph (c) or (d) of section 146(1) applies (acquisition by company's nominee, or

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- by another with company financial assistance, the company having a beneficial interest), or
- (c) are made subject to a lien or other charge taken (whether expressly or otherwise) by the company and permitted by section 150(2) or (4), or section 6(3) of the Consequential Provisions Act (exceptions from general rule against a company having a lien or charge on its own shares).

- 8 The directors' report with respect to a financial year shall state—
- (a) the number and nominal value of the shares so purchased, the aggregate amount of the consideration paid by the company for such shares and the reasons for their purchase;
  - (b) the number and nominal value of the shares so acquired by the company, acquired by another person in such circumstances and so charged respectively during the financial year;
  - (c) the maximum number and nominal value of shares which, having been so acquired by the company, acquired by another person in such circumstances or so charged (whether or not during that year) are held at any time by the company or that other person during that year;
  - (d) the number and nominal value of the shares so acquired by the company, acquired by another person in such circumstances or so charged (whether or not during that year) which are disposed of by the company or that other person or cancelled by the company during that year;
  - (e) where the number and nominal value of the shares of any particular description are stated in pursuance of any of the preceding sub-paragraphs, the percentage of the called-up share capital which shares of that description represent;
  - (f) where any of the shares have been so charged the amount of the charge in each case; and
  - (g) where any of the shares have been disposed of by the company or the person who acquired them in such circumstances for money or money's worth the amount or value of the consideration in each case.

### PART III

#### DISCLOSURE CONCERNING EMPLOYMENT, ETC, OF DISABLED PERSONS

- 9 (1) This Part of this Schedule applies to the directors' report where the average number of persons employed by the company in each week during the financial year exceeded 250.
- (2) That average number is the quotient derived by dividing, by the number of weeks in the financial year, the number derived by ascertaining, in relation to each of those weeks, the number of persons who, under contracts of service, were employed in the week (whether throughout it or not) by the company, and adding up the numbers ascertained.
- (3) The directors' report shall in that case contain a statement describing such policy as the company has applied during the financial year—



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- (a) for giving full and fair consideration to applications for employment by the company made by disabled persons, having regard to their particular aptitudes and abilities,
  - (b) for continuing the employment of, and for arranging appropriate training for, employees of the company who have become disabled persons during the period when they were employed by the company, and
  - (c) otherwise for the training, career development and promotion of disabled persons employed by the company.
- (4) In this Part—
- (a) “employment” means employment other than employment to work wholly or mainly outside the United Kingdom, and “employed” and “employee” shall be construed accordingly; and
  - (b) “disabled person” means the same as in the [<sup>F25</sup>Disability Discrimination Act 1995].

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**Textual Amendments**

**F25** Words in the definition of “disabled person” in Sch. 7 para. 9(4)(b) substituted (2.12.1996) by 1995 c. 50, s. 70(4), **Sch. 6 para. 4** (with ss. 59, 64, 65); S.I. 1996/1474, art. 2(3), **Sch. Pt. III** (subject to transitional provisions in art. 3); S.R. 1996/280, art. 2(2), **Sch. Pt. II** (subject to transitional provisions in art. 3)

**F26** **PART IV**

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**Textual Amendments**

**F26** Sch. 7 Pt. IV repealed (2.2.1996) by S.I. 1996/189, **reg. 14(4)(c)** (with reg. 16)

- .....
- 10 (1) In the case of companies of such classes as may be prescribed by regulations made by the Secretary of State, the directors' report shall contain such information as may be so prescribed about the arrangements in force in the financial year for securing the health, safety and welfare at work of employees of the company and its subsidiaries, and for protecting other persons against risks to health or safety arising out of or in connection with the activities at work of those employees.
- (2) Regulations under this Part may—
- (a) make different provision in relation to companies of different classes,
  - (b) enable any requirements of the regulations to be dispensed with or modified in particular cases by any specified person or by any person authorised in that behalf by a specified authority,
  - (c) contain such transitional provisions as the Secretary of State thinks necessary or expedient in connection with any provision made by the regulations.
- (3) The power to make regulations under this paragraph is exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

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- (4) Any expression used in sub-paragraph (1) above and in Part I of the Health and Safety at Work etc. Act 1974 has the same meaning here as it has in that Part of that Act; section 1(3) of that Act applies for interpreting that sub-paragraph; and in sub-paragraph (2) “specified” means specified in regulations made under that sub-paragraph.

## PART V

### EMPLOYEE INVOLVEMENT

- 11 (1) This Part of this Schedule applies to the directors' report where the average number of persons employed by the company in each week during the financial year exceeded 250.
- (2) That average number is the quotient derived by dividing by the number of weeks in the financial year the number derived by ascertaining, in relation to each of those weeks, the number of persons who, under contracts of service, were employed in the week (whether throughout it or not) by the company, and adding up the numbers ascertained.
- (3) The directors' report shall in that case contain a statement describing the action that has been taken during the financial year to introduce, maintain or develop arrangements aimed at—
- (a) providing employees systematically with information on matters of concern to them as employees,
  - (b) consulting employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests,
  - (c) encouraging the involvement of employees in the company's performance through an employees' share scheme or by some other means,
  - (d) achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company.
- (4) In sub-paragraph (3) “employee” does not include a person employed to work wholly or mainly outside the United Kingdom; and for the purposes of sub-paragraph (2) no regard is to be had to such a person.

## [<sup>F27</sup>PART VI]

### Textual Amendments

**F27** Sch. 7 Pt. VI substituted (4.3.1997) by S.I. 1997/571, reg. 2(2) (subject to transitional provisions in reg. 3)

### *Policy and practice on payment of creditors*

- [<sup>F28</sup>12 (1) This Part of this Schedule applies to the directors' report for a financial year if—
- (a) the company was at any time within the year a public company, or

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- (b) the company did not qualify as small or medium-sized in relation to the year by virtue of section 247 and was at any time within the year a member of a group of which the parent company was a public company.
- (2) The report shall state, with respect to the next following financial year—
- (a) whether in respect of some or all of its suppliers it is the company's policy to follow any code or standard on payment practice and, if so, the name of the code or standard and the place where information about, and copies of, the code or standard can be obtained,
- (b) whether in respect of some or all of its suppliers it is the company's policy—
- (i) to settle the terms of payment with those suppliers when agreeing the terms of each transaction,
- (ii) to ensure that those suppliers are made aware of the terms of payment, and
- (iii) to abide by the terms of payment,
- (c) where the company's policy is not as mentioned in paragraph (a) or (b) in respect of some or all of its suppliers, what its policy is with respect to the payment of those suppliers;
- and if the company's policy is different for different suppliers or classes of suppliers, the report shall identify the suppliers to which the different policies apply.
- In this sub-paragraph references to the company's suppliers are references to persons who are or may become its suppliers.
- (3) The report shall also state the number of days which bears to the number of days in the financial year the same proportion as X bears to Y where X = the aggregate of the amounts which were owed to trade creditors at the end of the year; and Y = the aggregate of the amounts in which the company was invoiced by suppliers during the year.
- (4) For the purposes of sub-paragraphs (2) and (3) a person is a supplier of the company at any time if—
- (a) at that time, he is owed an amount in respect of goods or services supplied, and
- (b) that amount would be included under the heading corresponding to item E.4 (trade creditors) in Format 1 if—
- (i) the company's accounts fell to be prepared as at that time,
- (ii) those accounts were prepared in accordance with Schedule 4, and
- (iii) that Format were adopted.
- (5) For the purpose of sub-paragraph (3), the aggregate of the amounts which at the end of the financial year were owed to trade creditors shall be taken to be—
- (a) where in the company's accounts Format 1 of the balance sheet formats set out in Part I of Schedule 4 is adopted, the amount shown under the heading corresponding to item E.4 (trade creditors) in that Format,
- (b) where Format 2 is adopted, the amount which, under the heading corresponding to item C.4 (trade creditors) in that Format, is shown as falling due within one year, and
- (c) where the company's accounts are prepared in accordance with Schedule 9 or 9A [<sup>F29</sup>or the company's accounts are IAS accounts] , the amount which would be shown under the heading corresponding to item E.4

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(trade creditors) in Format 1 if the company's accounts were prepared in accordance with Schedule 4 and that Format were adopted.]

#### Textual Amendments

- F28** Sch. 7 Pt. VI substituted (4.3.1997) by S.I. 1997/571, **reg. 2(2)** (subject to transitional provisions in **reg. 3**)  
**F29** Words in Sch. 7 para. 12(5)(c) inserted (12.11.2004 with effect as mentioned in reg. 1(2) of the amending S.I.) by The Companies Act 1985 (International Accounting Standards and Other Accounting Amendments) Regulations 2004 (S.I. 2004/2947), **reg. 3, Sch. 1 para. 33**

VALID FROM 06/04/2007

### PART 7

#### DISCLOSURE REQUIRED BY CERTAIN PUBLICLY-TRADED COMPANIES

- 13 (1) This Part of this Schedule applies to the directors' report for a financial year if the company had securities carrying voting rights admitted to trading on a regulated market at the end of that year.
- (2) The report shall contain detailed information, by reference to the end of that year, on the following matters—
- (a) the structure of the company's capital, including in particular—
    - (i) the rights and obligations attaching to the shares or, as the case may be, to each class of shares in the company, and
    - (ii) where there are two or more such classes, the percentage of the total share capital represented by each class;
  - (b) any restrictions on the transfer of securities in the company, including in particular—
    - (i) limitations on the holding of securities, and
    - (ii) requirements to obtain the approval of the company, or of other holders of securities in the company, for a transfer of securities;
  - (c) in the case of each person with a significant direct or indirect holding of securities in the company, such details as are known to the company of—
    - (i) the identity of the person,
    - (ii) the size of the holding, and
    - (iii) the nature of the holding;
  - (d) in the case of each person who holds securities carrying special rights with regard to control of the company—
    - (i) the identity of the person, and
    - (ii) the nature of the rights;
  - (e) where—
    - (i) the company has an employees' share scheme, and
    - (ii) shares to which the scheme relates have rights with regard to control of the company that are not exercisable directly by the employees,

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- how those rights are exercisable;
- (f) any restrictions on voting rights, including in particular—
    - (i) limitations on voting rights of holders of a given percentage or number of votes,
    - (ii) deadlines for exercising voting rights, and
    - (iii) arrangements by which, with the company's co-operation, financial rights carried by securities are held by a person other than the holder of the securities;
  - (g) any agreements between holders of securities that are known to the company and may result in restrictions on the transfer of securities or on voting rights;
  - (h) any rules that the company has about—
    - (i) appointment and replacement of directors, or
    - (ii) amendment of the company's articles of association;
  - (i) the powers of the company's directors, including in particular any powers in relation to the issuing or buying back by the company of its shares;
  - (j) any significant agreements to which the company is a party that take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects of any such agreements;
  - (k) any agreements between the company and its directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.
- (3) For the purposes of sub-paragraph (2)(a) a company's capital includes any securities in the company that are not admitted to trading on a regulated market.
- (4) For the purposes of sub-paragraph (2)(c) a person has an indirect holding of securities if—
- (a) they are held on his behalf, or
  - (b) he is able to secure that rights carried by the securities are exercised in accordance with his wishes.
- (5) Sub-paragraph (2)(j) does not apply to an agreement if—
- (a) disclosure of the agreement would be seriously prejudicial to the company, and
  - (b) the company is not under any other obligation to disclose it.
- (6) In this paragraph—
- “securities” means shares or debentures;
  - “takeover bid” has the same meaning as in the Takeovers Directive;
  - “the Takeovers Directive” means Directive [2004/25/EC](#) of the European Parliament and of the Council;
  - “voting rights” means rights to vote at general meetings of the company in question, including rights that arise only in certain circumstances.

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