



Companies Act 1985

1985 CHAPTER 6

PART X

ENFORCEMENT OF FAIR DEALING BY DIRECTORS

*Restrictions on a company's power to make loans,
etc., to directors and persons connected with them*

343 Record of transactions not disclosed in company accounts

- (1) The following provisions of this section—
 - (a) apply in the case of a company which is, or is the holding company of, a recognised bank, and
 - (b) are subject to the exceptions provided by section 344.
- (2) Such a company shall maintain a register containing a copy of every transaction, arrangement or agreement of which particulars would, but for paragraph 4 of Schedule 6, be required by section 232 to be disclosed in the company's accounts or group accounts for the current financial year and for each of the preceding 10 financial years.
- (3) In the case of a transaction, arrangement or agreement which is not in writing, there shall be contained in the register a written memorandum setting out its terms.
- (4) Such a company shall before its annual general meeting make available at its registered office for not less than 15 days ending with the date of the meeting a statement containing the particulars of transactions, arrangements and agreements which the company would, but for paragraph 4 of Schedule 6, be required by section 232 to disclose in its accounts or group accounts for the last complete financial year preceding that meeting.
- (5) The statement shall be so made available for inspection by members of the company; and such a statement shall also be made available for their inspection at the annual general meeting.

Status: This is the original version (as it was originally enacted).

- (6) It is the duty of the company's auditors to examine the statement before it is made available to members of the company and to make a report to the members on it; and the report shall be annexed to the statement before it is made so available.
- (7) The auditors' report shall state whether in their opinion the statement contains the particulars required by subsection (4); and, where their opinion is that it does not, they shall include in the report, so far as they are reasonably able to do so, a statement giving the required particulars.
- (8) If a company fails to comply with any provision of subsections (2) to (5), every person who at the time of the failure is a director of it is guilty of an offence and liable to a fine; but—
 - (a) it is a defence in proceedings against a person for this offence to prove that he took all reasonable steps for securing compliance with the subsection concerned, and
 - (b) a person is not guilty of the offence by virtue only of being a shadow director of the company.
- (9) For purposes of the application of this section to loans and quasi-loans made by a company to persons connected with a person who at any time is a director of the company or of its holding company, a company which a person does not control is not connected with him.