



Companies Act 1985

1985 CHAPTER 6

PART XI

COMPANY ADMINISTRATION AND PROCEDURE

CHAPTER V

AUDITORS

392 Powers of auditors in relation to subsidiaries

- (1) Where a company (" the holding company ") has a subsidiary, then—
 - (a) if the subsidiary is a body corporate incorporated in Great Britain, it is the duty of the subsidiary and its auditors to give to the auditors of the holding company such information and explanation as those auditors may reasonably require for the purposes of their duties as auditors of the holding company;
 - (b) in any other case, it is the duty of the holding company, if required by its auditors to do so, to take all such steps as are reasonably open to it to obtain from the subsidiary such information and explanation as are mentioned above.
- (2) If a subsidiary or holding company fails to comply with subsection (1), the subsidiary or holding company and every officer of it who is in default is guilty of an offence and liable to a fine; and if an auditor fails without reasonable excuse to comply with paragraph (a) of the subsection, he is guilty of an offence and so liable.