



Companies Act 1989

1989 CHAPTER 40

PART V

OTHER AMENDMENTS OF COMPANY LAW

Appointment and removal of auditors and related matters

121 Remuneration of auditors.

The following sections are inserted in Chapter V of Part XI of the Companies Act 1985 (auditors)—

“ Remuneration of auditors

390A Remuneration of auditors.

- (1) The remuneration of auditors appointed by the company in general meeting shall be fixed by the company in general meeting or in such manner as the company in general meeting may determine.
- (2) The remuneration of auditors appointed by the directors or the Secretary of State shall be fixed by the directors or the Secretary of State, as the case may be.
- (3) There shall be stated in a note to the company's annual accounts the amount of the remuneration of the company's auditors in their capacity as such.
- (4) For the purposes of this section “remuneration” includes sums paid in respect of expenses.
- (5) This section applies in relation to benefits in kind as to payments in cash, and in relation to any such benefit references to its amount are to its estimated money value.

The nature of any such benefit shall also be disclosed.

Status: Point in time view as at 01/02/1991. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Section 121. (See end of Document for details)

390B Remuneration of auditors or their associates for non-audit work.

- (1) The Secretary of State may make provision by regulations for securing the disclosure of the amount of any remuneration received or receivable by a company's auditors or their associates in respect of services other than those of auditors in their capacity as such.
- (2) The regulations may—
 - (a) provide that “remuneration” includes sums paid in respect of expenses,
 - (b) apply in relation to benefits in kind as to payments in cash, and in relation to any such benefit require disclosure of its nature and its estimated money value,
 - (c) define “associate” in relation to an auditor,
 - (d) require the disclosure of remuneration in respect of services rendered to associated undertakings of the company, and
 - (e) define “associated undertaking” for that purpose.
- (3) The regulations may require the auditors to disclose the relevant information in their report or require the relevant information to be disclosed in a note to the company's accounts and require the auditors to supply the directors of the company with such information as is necessary to enable that disclosure to be made.
- (4) The regulations may make different provision for different cases.
- (5) Regulations under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.”.

Status:

Point in time view as at 01/02/1991. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Companies Act 1989, Section 121.