

---

STATUTORY INSTRUMENTS

---

**2005 No. 1011**

**The Companies Act 1985 (Operating and Financial  
Review and Directors' Report etc.) Regulations 2005**

**PART 5**

**Revision of defective reports and reviews**

**Voluntary revision of defective reports and reviews**

**14.**—(1) Section 245 of the 1985 Act (voluntary revision of defective accounts, statements and reports)(1) is amended as follows.

(2) In subsection (1)—

(a) after “directors' report” insert “, operating and financial review”, and

(b) for “revised statement or report” substitute “revised statement, report or review”.

(3) In subsection (2), for “or report”, in each place, substitute “, report or review”.

(4) In subsection (3), after “ a revised directors' report” insert “, a revised operating and financial review”.

(5) In paragraphs (a) and (b) of subsection (4), for “ statement or report” substitute “, statement, report or review”.

(6) In paragraph (c) of subsection (4)—

(a) for “or report” (in the first place it occurs ) substitute “, report or review”;

(b) for “based on the previous accounts or report” substitute “containing information derived from the previous accounts, report or review”.

**Secretary of State's notice in respect of reports and reviews**

**15.**—(1) Section 245A of the 1985 Act (Secretary of State's notice in respect of annual accounts)(2) is amended as follows.

(2) For subsection (1) substitute—

“(1) Where—

(a) copies of a company's annual accounts, directors' report or operating and financial review have been sent out under section 238, or

(b) a copy of a company's annual accounts, directors' report or operating and financial review has been laid before the company in general meeting or delivered to the registrar,

---

(1) Section 245 was substituted by section 12 of the Companies Act 1989, and amended by regulation 4 of, and paragraph 2 in Part 1 of Schedule 1 to, S.I.1994/1935, by regulation 10(9) of S.I. 2002/1986 and by regulations 3 and 10 of, and paragraph 11 of Schedule 1 to, S.I. 2004/ 2947.

(2) Section 245A was inserted by section 12 of the Companies Act 1989, and amended by regulation 3 of, and paragraph 11 of Schedule 1 to, S.I. 2004/2947.

and it appears to the Secretary of State that there is, or may be, a question whether the accounts, report or review comply with the requirements of this Act, he may give notice to the directors of the company indicating the respects in which it appears to him that such a question arises or may arise.”

(3) In subsection (2), for “or prepare revised accounts” substitute “, report or review or prepare revised accounts or a revised report or review”.

(4) In subsection (3), for the words from “no satisfactory explanation” onwards substitute—  
“the directors have not—

- (a) given a satisfactory explanation of the accounts, report or review, or
- (b) revised the accounts, report or review so as to comply with the requirements of this Act, he may if he thinks fit apply to the court.”

(5) For subsection (4) substitute—

“(4) The provisions of this section apply equally to revised annual accounts, revised directors' reports and revised operating and financial reviews, in which case they have effect as if the references to revised accounts, reports or reviews were references to further revised accounts, reports or reviews.”

#### **Application to court in respect of defective reports and reviews**

**16.**—(1) Section 245B of the 1985 Act (application to court in respect of defective accounts)(3) is amended as follows.

(2) In subsection (1)—

- (a) after “comply” insert “, or a directors' report or operating and financial review does not comply,”; and
- (b) at the end insert “or a revised report or review”.

(3) After subsection (3) insert—

“(3A) If the court orders the preparation of a revised directors' report or a revised operating and financial review it may give directions with respect to—

- (a) the review of the directors' report or operating and financial review by the auditors,
- (b) the revision of any directors' report, directors' remuneration report, operating and financial review or summary financial statement,
- (c) the taking of steps by the directors to bring the making of the order to the notice of persons likely to rely on the previous report or review, and
- (d) such other matters as the court thinks fit.”

(4) In subsection (4)—

- (a) after “that the accounts” insert “, report or review”;
- (b) in paragraph (b), after “revised accounts” insert “or a revised report or review”;
- (c) after “defective accounts” insert “, report or review”;
- (d) for “the accounts were approved” substitute “of the approval of the accounts, report or review”;
- (e) for “their approval” substitute “ the approval”;

(3) Section 245B was inserted by section 12 of the Companies Act 1989, and amended by regulation 10 of S.I. 2002/1986 and by regulation 3 of, and paragraph 11 of Schedule 1 to, S.I. 2004/2947.

- (f) for “their being approved” substitute “that approval”.
- (5) In subsection (5), after “accounts” (in both places) insert “, report or review”.
- (6) For subsection (7) substitute—
  - “(7) The provisions of this section apply equally to revised annual accounts, revised directors' reports and revised operating and financial reviews, in which case they have effect as if the references to revised accounts, reports or reviews were references to further revised accounts, reports or reviews.”

#### **Persons authorised to apply to court in connection with defective reports and reviews**

**17.** In subsection (1) of section 245C of the 1985 Act (other persons authorised to apply to court)~~(4)~~—

- (a) in paragraph (a), for “the accounting requirements of this Act” substitute “the requirements of this Act relating to accounts, directors' reports and operating and financial reviews”; and
- (b) in paragraph (b), for “annual accounts of companies” substitute “companies' annual accounts, directors' reports and operating and financial reviews”.

#### **Power of person authorised to require documents, information and explanations**

**18.** In subsection (1) of section 245F of the 1985 Act (power of person authorised to require documents, information and explanations)~~(5)~~ for “annual accounts of a company” substitute “ a company’s annual accounts, directors' report or operating and financial review”.

---

(4) Section 245C was inserted by section 12 of the Companies Act 1989, and amended by sections 10 and 64 of, and Schedule 8 to, the Companies (Audit, Investigations and Community Enterprise) Act 2004 and by regulation 3 of, and paragraph 11 of Schedule 1 to, S.I. [2004/2947](#).

(5) Section 245F was inserted by section 12 of the Companies (Audit, Investigations and Community Enterprise) Act 2004.