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*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, SCHEDULE 10. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 10

Section 23.

#### AMENDMENTS CONSEQUENTIAL ON PART I

#### PART I

##### AMENDMENTS OF THE COMPANIES ACT 1985

1 In section 46 (meaning of “unqualified” auditors’ report in section 43(3)), for subsections (2) to (6) substitute—

“(2) If the balance sheet was prepared for a financial year of the company, the reference is to an auditors’ report stating without material qualification the auditors’ opinion that the balance sheet has been properly prepared in accordance with this Act.

(3) If the balance sheet was not prepared for a financial year of the company, the reference is to an auditors’ report stating without material qualification the auditors’ opinion that the balance sheet has been properly prepared in accordance with the provisions of this Act which would have applied if it had been so prepared.

For the purposes of an auditors’ report under this subsection the provisions of this Act shall be deemed to apply with such modifications as are necessary by reason of the fact that the balance sheet is not prepared for a financial year of the company.

(4) A qualification shall be regarded as material unless the auditors state in their report that the matter giving rise to the qualification is not material for the purpose of determining (by reference to the company’s balance sheet) whether at the balance sheet date the amount of the company’s net assets was not less than the aggregate of its called up share capital and undistributable reserves.

In this subsection “net assets” and “undistributable reserves” have the meaning given by section 264(2) and (3).”

2 F1 .....

#### Textual Amendments

F1 Sch. 10 para. 2 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300(2), [Sch. 16](#); [S.I. 2007/3495](#), [art. 8](#), [Sch. 2 Pt. 1](#) (with arts. 7, 12)

3 F2 .....

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**Textual Amendments**

**F2** Sch. 10 para. 3 repealed (20.1.2007) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300, [Sch. 16](#); S.I. 2006/3428, [art. 7\(b\)](#), Sch. 3 Pt. 1

4 **F3** .....

**Textual Amendments**

**F3** Sch. 10 para. 4 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300(2), [Sch. 16](#); S.I. 2007/3495, [art. 8](#), Sch. 2 Pt. 1 (with arts. 7, 12)

5 **F4** .....

**Textual Amendments**

**F4** Sch. 10 para. 5 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300(2), [Sch. 16](#); S.I. 2007/3495, [art. 8](#), Sch. 2 Pt. 1 (with arts. 7, 12)

6 **F5** .....

**Textual Amendments**

**F5** Sch. 10 para. 6 repealed (20.1.2007) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300, [Sch. 16](#); S.I. 2006/3428, [art. 7\(b\)](#), Sch. 3 Pt. 1

7 **F6** .....

**Textual Amendments**

**F6** Sch. 10 para. 7 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300(2), [Sch. 16](#); S.I. 2007/3495, [art. 8](#), Sch. 2 Pt. 1 (with arts. 7, 12)

8 **F7** .....

**Textual Amendments**

**F7** Sch. 10 para. 8 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300(2), [Sch. 16](#); S.I. 2007/3495, [art. 8](#), Sch. 2 Pt. 1 (with arts. 7, 12)

9 In section 289(4) for “section 252(5)” substitute “section 250(3)”.

10 **F8** .....

**Textual Amendments**

**F8** Sch. 10 para. 10 repealed (1.10.2007) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300(2), [Sch. 16](#); S.I. 2007/2194, {art. 8}, Sch. 2 Pt. 1 (with art. 12, Sch. 3 (as amended by S.I. 2007/2607, arts. 1, 4 and S.I. 2007/3495, arts. 2(6), 11, Sch. 5 para. 2(3)-(7)) and subject to Sch. 1)

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F9 11 .....

**Textual Amendments**

**F9** Sch. 10 para. 11 repealed (28.2.1994) by S.I. 1994/233, regs. 1(2), 6(5)(b)

- 12 In section 699(3) for “section 241(3)” substitute “section 242(1)”.
- 13 In Part XXIII (oversea companies), for Chapter II (delivery of accounts) substitute—

**“CHAPTER II**

**DELIVERY OF ACCOUNTS AND REPORTS**

**Preparation of accounts and reports by oversea companies.**

- 700 (1) Every oversea company shall in respect of each financial year of the company prepare the like accounts and directors’ report, and cause to be prepared such an auditors’ report, as would be required if the company were formed and registered under this Act.
- (2) The Secretary of State may by order—
- (a) modify the requirements referred to in subsection (1) for the purpose of their application to oversea companies;
  - (b) exempt an oversea company from those requirements or from such of them as may be specified in the order.
- (3) An order may make different provision for different cases or classes of case and may contain such incidental and supplementary provisions as the Secretary of State thinks fit.
- (4) An order 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.

**Oversea company’s financial year and accounting reference periods.**

- 701 (1) Sections 223 to 225 (financial year and accounting reference periods) apply to an oversea company, subject to the following modifications.
- (2) For the references to the incorporation of the company substitute references to the company establishing a place of business in Great Britain.
- (3) Omit section 225(4) (restriction on frequency with which current accounting reference period may be extended).

**Delivery to registrar of accounts and reports of oversea company.**

- 702 (1) An oversea company shall in respect of each financial year of the company deliver to the registrar copies of the accounts and reports prepared in accordance with section 700.

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If any document comprised in those accounts or reports is in a language other than English, the directors shall annex to the copy delivered a translation of it into English, certified in the prescribed manner to be a correct translation.

- (2) In relation to an overseas company the period allowed for delivering accounts and reports is 13 months after the end of the relevant accounting reference period.

This is subject to the following provisions of this section.

- (3) If the relevant accounting reference period is the company's first and is a period of more than 12 months, the period allowed is 13 months from the first anniversary of the company's establishing a place of business in Great Britain.
- (4) If the relevant accounting period is treated as shortened by virtue of a notice given by the company under section 225 (alteration of accounting reference date), the period allowed is that applicable in accordance with the above provisions or three months from the date of the notice under that section, whichever last expires.
- (5) If for any special reason the Secretary of State thinks fit he may, on an application made before the expiry of the period otherwise allowed, by notice in writing to an overseas company extend that period by such further period as may be specified in the notice.
- (6) In this section "the relevant accounting reference period" means the accounting reference period by reference to which the financial year for the accounts in question was determined.

#### **Penalty for non-compliance.**

- 703 (1) If the requirements of section 702(1) are not complied with before the end of the period allowed for delivering accounts and reports, or if the accounts and reports delivered do not comply with the requirements of this Act, the company and every person who immediately before the end of that period was a director of the company is guilty of an offence and liable to a fine and, for continued contravention, to a daily default fine.
- (2) It is a defence for a person charged with such an offence to prove that he took all reasonable steps for securing that the requirements in question would be complied with.
- (3) It is not a defence in relation to a failure to deliver copies to the registrar to prove that the documents in question were not in fact prepared as required by this Act."

14

F10 .....

#### **Textual Amendments**

**F10** Sch. 10 para. 14 repealed (20.1.2007) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300, [Sch. 16](#); S.I. 2006/3428, [art. 7\(b\)](#), [Sch. 3 Pt. 1](#)

15

For section 742 (expressions used in connection with accounts) substitute—

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**“742 Expressions used in connection with accounts.**

(1) In this Act, unless a contrary intention appears, the following expressions have the same meaning as in Part VII (accounts)—

- “annual accounts”,
- “accounting reference date” and “accounting reference period”,
- “balance sheet” and “balance sheet date”,
- “current assets”,
- “financial year”, in relation to a company,
- “fixed assets”,
- “parent company” and “parent undertaking”,
- “profit and loss account”, and
- “subsidiary undertaking”.

(2) References in this Act to “realised profits” and “realised losses”, in relation to a company’s accounts, shall be construed in accordance with section 262(3).”.

16 In section 744 (interpretation), omit the definition of “authorised institution” and at the appropriate place insert—

““banking company” means a company which is authorised under the Banking Act 1987;”.

17 In Schedule 1, in paragraph 2(2)(a) for “section 252(5)” substitute “section 250(3)”.

18 (1) Schedule 2 (interpretation of references to “beneficial interest”) is amended as follows.

(2) After the heading at the beginning of the Schedule, and before the cross-heading preceding paragraph 1, insert the following heading—

**“PART I**

REFERENCES IN SECTIONS 23, 145, 146 AND 148”.

(3) In paragraph 1—

- (a) in sub-paragraph (1) omit “paragraph 60(2) of Schedule 4, or paragraph 19(3) of Schedule 9”; and
- (b) omit sub-paragraph (5).

(4) In paragraph 3—

- (a) in sub-paragraph (1) omit “, paragraph 60(2) of Schedule 4 or paragraph 19(3) of Schedule 9”; and
- (b) omit sub-paragraph (3).

(5) In paragraph 4—

- (a) in sub-paragraph (1) omit “(whether as personal representative or otherwise)”, and
- (b) in sub-paragraph (2) omit “, paragraph 60(2) of Schedule 4 and paragraph 19(3) of Schedule 9”; and at the end add—

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“(3) As respects sections 145, 146 and 148, sub-paragraph (1) above applies where a company is a personal representative as it applies where a company is a trustee.”.

(6) In paragraph 5(1) for “this Schedule” substitute “this Part of this Schedule”.

(7) <sup>F11</sup> .....

**Textual Amendments**  
**F11** Sch. 10 para. 18(7) repealed (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 2](#)

19 <sup>F12</sup> .....

**Textual Amendments**  
**F12** Sch. 10 para. 19 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300(2), [Sch. 16](#); [S.I. 2007/3495](#), art. 8, [Sch. 2 Pt. 1](#) (with arts. 7, 12)

20 <sup>F13</sup> .....

**Textual Amendments**  
**F13** Sch. 10 para. 20 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300(2), [Sch. 16](#); [S.I. 2007/3495](#), art. 8, [Sch. 2 Pt. 1](#) (with arts. 7, 12)

21 <sup>F14</sup> .....

**Textual Amendments**  
**F14** Sch. 10 para. 21 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300(2), [Sch. 16](#); [S.I. 2007/3495](#), art. 8, [Sch. 2 Pt. 1](#) (with arts. 7, 12)

22 <sup>F15</sup> .....

**Textual Amendments**  
**F15** Sch. 10 para. 22 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300(2), [Sch. 16](#); [S.I. 2007/3495](#), art. 8, [Sch. 2 Pt. 1](#) (with arts. 7, 12)

23 <sup>F16</sup> .....

**Textual Amendments**  
**F16** Sch. 10 para. 23 repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300(2), [Sch. 16](#); [S.I. 2007/3495](#), art. 8, [Sch. 2 Pt. 1](#) (with arts. 7, 12)

24 (1) Schedule 24 (punishment of offences) is amended as follows.

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- (2) The existing entries for provisions in Part VII are amended as follows, and shall be re-ordered according to the new order of the sections in that Part:

<i>Provision of Part VII</i>	<i>Amendment</i>
223(1)	In column 1, for “223(1)” substitute “221(5) or 222(4)”.
223(2)	In column 1, for “223(2)” substitute “222(6)”.
	In column 2, for “222(4)” substitute “222(5)”.
231(3)	In column 1, for “231(3)” substitute “231(6)”.
231(4)	In column 1, for “231(4)” substitute “232(4)”.
	In column 2, for “Schedule 5, Part V” substitute “Schedule 6, Part I”.
235(7)	In column 1, for “235(7)” substitute “234(5)”.
	In column 2, for “the section” substitute “Part VII”.
238(2)	In column 1, for “238(2)” substitute “233(6)”.
240(5)	In column 1, for “240(5)” substitute “238(5)”.
	In column 2, for “company balance sheet” substitute “company’s annual accounts”.
243(1)	In column 1, for “243(1)” substitute “241(2) or 242(2)”.
	In column 2, for “company accounts” substitute “company’s annual accounts, directors’ report and auditors’ report”.
245(1)	Omit the entry.
245(2)	Omit the entry.
246(2)	In column 1, for “246(2)” substitute “239(3)”.
	In column 2, after “accounts” insert “and reports”.
254(6)	In column 1, for “254(6)” substitute “240(6)”.
	In column 2, for the present words substitute “Failure to comply with

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	requirements in connection with publication of accounts”.
255(5)	Omit the entry.
260(3)	Omit the entry.

(3) At the appropriate places insert the following new entries—

“233(5)	Approving defective accounts.	1. On indictment.	A fine
		2. Summary.	The statutory maximum.
234A(4)	Laying, circulating or delivering directors’ report without required signature.	Summary.	One-fifth of the statutory maximum.
236(4)	Laying, circulating or delivering auditors’ report without required signature.	Summary.	One-fifth of the statutory maximum.
251(6)	Failure to comply with requirements in relation to summary financial statements.	Summary.	One-fifth of the statutory maximum.”.

(4) In the entry for section 703(1) (failure by oversea company to comply with requirements as to accounts and reports), in column 2 for the words from “s.700” to the end substitute “requirements as to accounts and reports”.

## PART II

### AMENDMENTS OF OTHER ENACTMENTS

#### *Betting, Gaming and Lotteries Act 1963 (c.2)*

25

F17

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#### Textual Amendments

**F17** Sch. 10 para. 25 repealed (1.9.2007) by *Gambling Act 2005 (c. 19)*, ss. 356(4)(5), 358, **Sch. 17** (with ss. 352, 354); S.I. 2006/3272, **art. 2(4)** (with Sch. 4)

#### *Harbours Act 1964 (c.40)*

26 (1) Section 42 of the Harbours Act 1964 (accounts and reports of statutory harbour undertakers) is amended as follows.

(2) For subsection (2) substitute—



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“(2) Where a statutory harbour undertaker is a parent undertaking with subsidiary undertakings which carry on harbour activities or any associated activities, then, it shall be the duty of the company also to prepare group accounts relating to the harbour activities and associated activities carried on by it and its subsidiary undertakings.”

- (3) In subsection (6) (application of provisions of the <sup>M1</sup>Companies Act 1985)—
- (a) in paragraph (a) for “company accounts” substitute “ individual company accounts ”;
  - (b) in paragraph (c) omit the words “required to be attached to a company’s balance sheet”.

- (4) In subsection (9), for the definition of “holding company” and “subsidiary” substitute—

““parent undertaking” and “subsidiary undertaking” have the same meaning as in Part VII of the Companies Act 1985;”.

**Marginal Citations**

**M1** 1985 c. 6.

*Coal Industry Act 1971 (c.16)*

27

**F18** .....

**Textual Amendments**

**F18** Sch. 10 para. 27 repealed (27.3.2004) by 1994 c. 21, ss. 67, 68(3)(b)(c), Sch. 11 Pt. IV (with s. 40(7), 66); S.I. 2004/144, art. 3

*Aircraft and Shipbuilding Industries Act 1977 (c.3)*

- 28 (1) Section 17 of the Aircraft and Shipbuilding Industries Act 1977 (British Shipbuilders: accounts and audit) is amended as follows.

- (2) In subsection (1)(c) (duty to prepare consolidated accounts) for “subsidiaries” substitute “ subsidiary undertakings ”.

- (3) In subsection (9) (copies of accounts to be sent to the Secretary of State) for “subsidiaries” substitute “ subsidiary undertakings ” and for “subsidiary” substitute “ subsidiary undertaking ”.

- (4) After subsection (9) add—

“(10) In this section “subsidiary undertaking” has the same meaning as in Part VII of the Companies Act 1985.”.

*Crown Agents Act 1979 (c.43)*

**F19**29 .....

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#### Textual Amendments

**F19** Sch. 10 para. 29 repealed (21.3.1997) by 1995 c. 24, s. 13(2), **Sch. 2 Pt.I**; S.I. 1997/1139, **art.2**

#### *British Telecommunications Act 1981 (c.38)*

**F20**<sup>30</sup> .....

#### Textual Amendments

**F20** Sch. 10 para. 30 repealed (26.3.2001) by 2000 c. 26, s. 127(6), **Sch. 9**; S.I. 2001/1148, **art. 2(2)**, **Sch. Table**

#### *Transport Act 1981 (c.56)*

31 In section 11(4) of the Transport Act 1981, for “section 235” substitute “ section 234 ”.

#### *Iron and Steel Act 1982 (c.25)*

32 In section 24(5) of the Iron and Steel Act 1982 (meaning of “directors’ report”) for the words from “which, under section 235” to the end substitute “ which is required to be prepared under section 234 of the Companies Act 1985 ”.

#### *Oil and Pipelines Act 1985 (c.62)*

33 In Schedule 3 to the Oil and Pipelines Act 1985 (Oil and Pipelines Agency: financial and other provisions), in paragraph 9(2) (duty to prepare consolidated accounts) for “subsidiaries” (three times) substitute “ subsidiary undertakings ”, and at the end of that sub-paragraph add—

“In this sub-paragraph “subsidiary undertaking” has the same meaning as in Part VII of the Companies Act 1985.”.

#### *Patents, Designs and Marks Act 1986 (c.39)*

34 In Schedule 2 to the Patents, Designs and Marks Act 1986 (service marks), in paragraph 1(2) (provisions in which reference to trade mark includes service mark) for sub-paragraph (ii) substitute—

“(ii) Part I of Schedule 4 and paragraphs 5(2)(d) and 10(1)(b) and (2) of Schedule 9 (form of company balance sheets); and”.

#### *Company Directors Disqualification Act 1986 (c.46)*

35 (1) The Company Directors Disqualification Act 1986 is amended as follows.

(2) In section 3(3)(b) (default orders)—

(a) in sub-paragraph (i) for “section 244” substitute “ section 242(4) ”, and

(b) after that sub-paragraph insert—

“(ia) section 245B of that Act (order requiring preparation of revised accounts),”.

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(3) In Schedule 1, for paragraph 5 substitute—

- “5 The extent of the director’s responsibility for any failure by the directors of the company to comply with—
- (a) section 226 or 227 of the Companies Act (duty to prepare annual accounts), or
  - (b) section 233 of that Act (approval and signature of accounts).”.

*Financial Services Act 1986 (c.60)*

<sup>F21</sup>36 .....

**Textual Amendments**

**F21** Sch. 10 paras. 36, 37 repealed (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 75\(n\)](#)

*Banking Act 1987 (c.22)*

<sup>F22</sup>37 .....

**Textual Amendments**

**F22** Sch. 10 paras. 36, 37 repealed (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 75\(n\)](#)

*Income and Corporation Taxes Act 1988 (c.1)*

38 (1) The Income and Corporation Taxes Act 1988 is amended as follows.

[<sup>F23</sup>(2) In section 180 (annual return of registered profit-related pay scheme), in subsection (3) for “section 242(3)” substitute “ section 244(3) ”.]

(3) <sup>F24</sup> .....

**Textual Amendments**

**F23** Sch. 10 para. 38(2) repealed (19.3.1997) by [1997 c. 16, ss. 61\(2\)\(3\), 113](#), [Sch. 18 Pt. VI\(3\)](#) (with effect as mentioned in the Notes 1 and 2 at the end of Pt. VI(3), Note 2 providing that the repeal does not affect the repealed provision in relation to profit periods beginning before 1.1.2000 or for certain other purposes in relation to any such periods)

**F24** Sch. 10 para. 38(3) repealed (22.7.2004 with effect in accordance with [s. 77](#) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [s. 326](#), [Sch. 42 Pt. 2\(7\)](#)

*Dartford–Thurrock Crossing Act 1988 (c.20)*

39 In section 33 of the Dartford–Thurrock Crossing Act 1988 (duty to lay before Parliament copies of accounts of persons appointed to levy tolls), for subsection (2) substitute—

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“(2) In relation to a company “accounts” in subsection (1) means the company’s annual accounts for a financial year, together with the relevant directors’ report and the auditors’ report on those accounts.

Expressions used in this subsection have the same meaning as in Part VII of the Companies Act 1985.”.

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