
STATUTORY INSTRUMENTS

1992 No. 3003

COMPANIES

**The Companies Act 1985 (Amendment of
Sections 250 and 251) Regulations 1992**

<i>Made</i>	- - - -	<i>2nd December 1992</i>
<i>Laid before Parliament</i>		<i>2nd December 1992</i>
<i>Coming into force</i>		
	<i>regulations 1 and 34th</i>	<i>4th December 1992</i>
	<i>regulation 2</i>	<i>31st December 1992</i>

The Secretary of State, in exercise of the powers conferred on him by section 257 of the Companies Act 1985(1) and of all other powers enabling him in that behalf, hereby makes the following Regulations:

Citation

1. These Regulations may be cited as the Companies Act 1985 (Amendment of Sections 250 and 251) Regulations 1992 and shall come into force in the case of this regulation and regulation 3 on 4th December 1992 and in the case of regulation 2 on 31st December 1992.

Amendment of section 250

2.—(1) Section 250 of the Companies Act 1985 (resolution not to appoint auditors)(2) is amended as follows.

(2) In subsection (1), in paragraph (a) the words from “by a special resolution” to the end of that paragraph shall be omitted.

(3) In subsection (1), in paragraph (b) for the words “at which the annual accounts for that year are laid” substitute “at any time after copies of the annual accounts and reports for that year have been sent out in accordance with section 238(1)”.

(1) 1985 c. 6; section 257 was inserted by sections 1 and 20 of the Companies Act 1989 (1989 c. 40).
(2) Section 250 was inserted by sections 1 and 14 of the Companies Act 1989.

Amendment of section 251

3.—(1) Section 251 of the Companies Act 1985 (provision of summary financial statement)(3) is amended as follows.

(2) In subsection (1)—

(a) after the word “shares” in both places where it occurs insert “or debentures”, and

(b) for “members of the company” substitute “entitled persons”.

(3) For the second paragraph of subsection (1), substitute the following:—

“In this section—

“entitled persons”, in relation to a company, means such of the persons specified in paragraphs (a) to (c) of subsection (1) of section 238 as are or would apart from this section be entitled to be sent copies of those documents relating to the company which are referred to in that subsection; and

“listed” means admitted to the Official List of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited.”.

(4) In subsection (2)—

(a) for “any member of the company” and “a member of the company” substitute “any entitled person” and “an entitled person” respectively, and

(b) after “ascertained” insert “(whether before or after he becomes an entitled person)”.

(5) In subsection (7), for “members of a company” substitute “entitled persons”.

2nd December 1992

N. Hamilton
Parliamentary Under-Secretary of State for
Corporate Affairs,
Department of Trade and Industry

(3) Section 251 was inserted into the Companies Act 1985 by sections 1 and 15 of the Companies Act 1989.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend sections 250 and 251 of the Companies Act 1985.

Section 250 enables a private company which is dormant, subject to certain conditions, to exempt itself by special resolution from the audit requirements of Part VII of the 1985 Act. Regulation 2 amends section 250(1) by removing the references in that subsection to general meetings of the company at which annual accounts are laid. Under section 250(1)(a) as amended the special resolution required by the section can be passed at any time, provided that the company has been dormant from the time of its formation. Under section 250(1)(b) as amended the special resolution must be passed after copies of the annual accounts and reports for the previous financial year have been sent out under section 238 of the 1985 Act.

Section 251 permits certain public companies to send out summary financial statements to members of the company instead of the full accounts and reports where the requirements of regulations made under the section are satisfied. Regulation 3 of these Regulations extends the scope of section 251 so that it applies not only to public companies whose shares, or any class of whose shares, are listed on the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited, but also to public companies whose debentures, or any class of whose debentures, are so listed. The scope of section 251 is also extended so that that section and any regulations made under it apply not only to the members of a company but to any person entitled under section 238 to receive copies of a company's accounts and reports.

Finally, regulation 3(4)(b) amends section 251(2) to enable regulations to be made as to the ascertainment of the wishes of persons regarding the receipt of full accounts and reports before they become entitled persons (as defined).