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STATUTORY INSTRUMENTS

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**1995 No. 1520**

**COMPANIES**

**The Companies Act 1985 (Disclosure of Remuneration  
for Non-Audit Work) (Amendment) Regulations 1995**

<i>Made</i>	- - - -	<i>8th June 1995</i>
<i>Laid before Parliament</i>		<i>14th June 1995</i>
<i>Coming into force</i>	- -	<i>10th July 1995</i>

The Secretary of State, in exercise of his powers under section 390B of the Companies Act 1985<sup>(1)</sup> and of all other powers enabling him in that behalf, hereby makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Companies Act 1985 (Disclosure of Remuneration for Non-Audit Work) (Amendment) Regulations 1995 and shall come into force on 10th July 1995.

**Interpretation**

2. In these Regulations—

“the 1991 Regulations” means the Companies Act 1985 (Disclosure of Remuneration for Non-Audit Work) Regulations 1991<sup>(2)</sup>;

“acting as an insolvency practitioner” shall be construed in accordance with section 388 of the Insolvency Act 1986<sup>(3)</sup>;

any reference to “a receiver, or a receiver or manager, of the property of a company” includes a receiver, or (as the case may be) a receiver or manager, of part only of that property.

**Amendment of the 1991 Regulations**

3. In regulation 3 of the 1991 Regulations, in paragraph 1, after the words “This regulation applies” there shall be inserted “, subject to regulation 7 below,”.

4. After regulation 6 of the 1991 Regulations there shall be inserted the following regulation—

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<sup>(1)</sup> 1985 c. 6; section 390B was inserted into the Companies Act 1985 by section 121 of the Companies Act 1989 (c. 40).  
<sup>(2)</sup> S.I.1991/2128.  
<sup>(3)</sup> 1986 c. 45.

**“Persons who are not to be regarded as associates of a company’s auditors**

7. For the purposes of these Regulations a body corporate shall not be regarded as an associate of a company’s auditors in a relevant financial year—

- (a) by virtue of regulation 3(2)(e) of these Regulations if the relevant director of the auditors was entitled to exercise, or control the exercise of, 20% or more of the voting rights at any general meeting of such body corporate solely by virtue of acting as an insolvency practitioner in relation to any person, or in his capacity as a receiver, or a receiver or manager, of the property of a company, or a judicial factor on the estate of any person;
- (b) by virtue of regulation 3(3)(c) of these Regulations if the auditors or the relevant partner in the auditors were or was entitled to exercise, or control the exercise of, 20% or more of the voting rights at any general meeting of such body corporate solely by virtue of acting as an insolvency practitioner in relation to any person, or in his capacity as a receiver, or a receiver or manager, of the property of a company, or a judicial factor on the estate of any person;
- (c) by virtue of regulation 3(4)(b) of these Regulations if neither the auditor nor any associate of his was entitled to exercise, or control the exercise of, 20% or more of the voting rights at any general meeting of such body corporate otherwise than by virtue of acting as an insolvency practitioner in relation to any person, or in his capacity as a receiver, or a receiver or manager, of the property of a company, or a judicial factor on the estate of any person.”

*Jonathan Evans,*  
Parliamentary Under-Secretary of State for  
Corporate and Consumer Affairs,  
Department of Trade and Industry

8th June 1995

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend the Companies Act 1985 (Disclosure of Remuneration for Non-Audit Work) Regulations 1991 (the “1991 Regulations”) which require disclosure in notes to a company’s annual accounts of remuneration of a company’s auditors and their associates for non-audit work done for the company and its associated undertakings.

Regulation 4 amends the definition of “associate” of a company’s auditors contained in the 1991 Regulations to exclude any body corporate in respect of which any partner in or director of the company’s auditors, was at any time in the relevant financial year entitled to exercise, or control the exercise of, 20 per cent or more of the voting rights at any general meeting solely in his capacity as an insolvency practitioner, a receiver, a receiver or manager, or a judicial factor.