

SCHEDULES

SCHEDULE 7

MATTERS TO BE DEALT WITH IN DIRECTORS' REPORT

PART I

MATTERS OF A GENERAL NATURE

Asset values

- 1 (1) If significant changes in the fixed assets of the company or of any of its subsidiaries have occurred in the financial year, the report shall contain particulars of the changes.
- (2) If, in the case of such of those assets as consist in interests in land, their market value (as at the end of the financial year) differs substantially from the amount at which they are included in the balance sheet, and the difference is, in the directors' opinion, of such significance as to require that the attention of members of the company or of holders of its debentures should be drawn to it, the report shall indicate the difference with such degree of precision as is practicable.

Directors' interests

- 2 (1) The report shall state the following, with respect to each person who, at the end of the financial year, was a director of the company—
 - (a) whether or not, according to the register kept by the company for the purposes of sections 324 to 328 of this Act (director's obligation to notify his interests in the company and companies in the same group), he was at the end of that year interested in shares in, or debentures of, the company or any other body corporate, being the company's subsidiary or holding company or a subsidiary of the company's holding company;
 - (b) if he was so interested—
 - (i) the number and amount of shares in, and debentures of, each body (specifying it) in which, according to that register, he was then interested,
 - (ii) whether or not (according to that register) he was, at the beginning of that year (or, if he was not then a director, when he became one), interested in shares in, or debentures of, the company or any other such body corporate, and
 - (iii) if he was, the number and amount of shares in, and debentures of, each body (specifying it) in which, according to that register, he was interested at the beginning of the financial year or (as the case may be) when he became a director.
- (2) An interest in shares or debentures which, under sections 324 to 328, falls to be treated as being the interest of a director is so treated for the purposes of this

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paragraph; and the references above to the time when a person became a director, in the case of a person who became a director on more than one occasion, is to the time when he first became a director.

- (3) The particulars required by this paragraph may be given by way of notes to the company's accounts in respect of the financial year, instead of being stated in the directors' report.

Political and charitable gifts

- 3 (1) The following applies if the company (not being the wholly-owned subsidiary of a company incorporated in Great Britain) has in the financial year given money for political purposes or charitable purposes or both.
- (2) If the money given exceeded £200 in amount, there shall be contained in the directors' report for the year—
- (a) in the case of each of the purposes for which money has been given, a statement of the amount of money given for that purpose, and
 - (b) in the case of political purposes for which money has been given, the following particulars (so far as applicable)—
 - (i) the name of each person to whom money has been given for those purposes exceeding £200 in amount and the amount of money given.
 - (ii) if money exceeding £200 in amount has been given by way of donation or subscription to a political party, the identity of the party and the amount of money given.
- 4 (1) Paragraph 3 does not apply to a company which, at the end of the financial year, has subsidiaries which have, in that year, given money as mentioned above, but is not itself the wholly-owned subsidiary of a company incorporated in Great Britain.
- (2) But in such a case there shall (if the amount of money so given in that year by the company and the subsidiaries between them exceeds £200) be contained in the directors' report for the year—
- (a) in the case of each of the purposes for which money has been given by the company and the subsidiaries between them, a statement of the amount of money given for that purpose, and
 - (b) in the case of political purposes for which money has been given, the like particulars (so far as applicable) as are required by paragraph 3.
- 5 (1) The following applies for the interpretation of paragraphs 3 and 4.
- (2) A company is to be treated as giving money for political purposes if, directly or indirectly—
- (a) it gives a donation or subscription to a political party of the United Kingdom or any part of it; or
 - (b) it gives a donation or subscription to a person who, to the company's knowledge, is carrying on, or proposing to carry on, any activities which can, at the time at which the donation or subscription was given, reasonably be regarded as likely to affect public support for such a political party as is mentioned above.
- (3) Money given for charitable purposes to a person who, when it was given, was ordinarily resident outside the United Kingdom is to be left out of account.

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- (4) " Charitable purposes " means purposes which are exclusively charitable; and, as respects Scotland, " charitable" is to be construed as if it were contained in the Income Tax Acts.

Miscellaneous

- 6 The directors' report shall contain—
- (a) particulars of any important events affecting the company or any of its subsidiaries which have occurred since the end of the financial year,
 - (b) an indication of likely future developments in the business of the company and of its subsidiaries, and
 - (c) an indication of the activities (if any) of the company and its subsidiaries in the field of research and development