



# Companies Act 1985

## 1985 CHAPTER 6

### PART VII

#### ACCOUNTS AND AUDIT

### CHAPTER I

#### PROVISIONS APPLYING TO COMPANIES GENERALLY

#### *[<sup>F1</sup> Director's report]*

#### **234 Duty to prepare director's report.**

- (1) The directors of a company shall for each financial year prepare a report—
  - (a) containing a fair review of the development of the business of the company and its subsidiary undertakings during the financial year and of their position at the end of it, and
  - (b) stating the amount (if any) which they recommend should be paid as dividend
- (2) The report shall state the names of the persons who, at any time during the financial year, were directors of the company, and the principal activities of the company and its subsidiary undertakings in the course of the year and any significant change in those activities in the year.
- (3) The report shall also comply with Schedule 7 as regards the disclosure of the matters mentioned there.
- (4) In Schedule 7—

Part I relates to matters of a general nature, including changes in asset values, directors' shareholdings and other interests and contributions for political and charitable purposes,

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*Status: Point in time view as at 02/02/1996. This version of this provision has been superseded.*

*Changes to legislation: Companies Act 1985, Section 234 is up to date with all changes known to be in force on or before 18 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

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Part II relates to the acquisition by a company of its own shares or a charge on them,

Part III relates to the employment, training and advancement of disabled persons,

<sup>F2</sup> . . .

Part V relates to the involvement of employees in the affairs, policy and performance of the company.

[<sup>F3</sup>Part VI relates to the company's policy on the payment of creditors.]

- (5) In the case of any failure to comply with the provisions of this Part as to the preparation of a directors' report and the contents of the report, every person who was a director of the company immediately before the end of the period for laying and delivering accounts and reports for the financial year in question is guilty of an offence and liable to a fine.
- (6) In proceedings against a person for an offence under this section it is a defence for him to prove that he took all reasonable steps for securing compliance with the requirements in question.

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**Textual Amendments**

- F1** Words in s. 234(1)(b) substituted (2.2.1996) by S.I. 1996/189, **reg. 5(2)**  
**F2** Words in s. 234(4) omitted (2.2.1996) by virtue of S.I. 1996/189, **reg. 5(3)(a)**  
**F3** Words in s. 234(4) inserted (2.2.1996) by S.I. 1996/189, **reg. 5(3)(b)**
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**Modifications etc. (not altering text)**

- C1** Ss. 226-237 extended (with modifications) (19.12.1993) by S.I. 1993/3245, **reg. 3**  
**C2** S. 234(5) applied with modifications by S.I. 1990/2570, **reg. 5(2)**

**Status:**

Point in time view as at 02/02/1996. This version of this provision has been superseded.

**Changes to legislation:**

Companies Act 1985, Section 234 is up to date with all changes known to be in force on or before 18 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.