



Companies Act 1985

1985 CHAPTER 6

PART XIV

INVESTIGATION OF COMPANIES AND THEIR AFFAIRS; REQUISITION OF DOCUMENTS

Appointment and functions of inspectors

432 Other company investigations.

- (1) The Secretary of State shall appoint one or more competent inspectors to investigate the affairs of a company and [^{F1}report the result of their investigations to him], if the court by order declares that its affairs ought to be so investigated.
- (2) The Secretary of State may make such an appointment if it appears to him that there are circumstances suggesting—
 - (a) that the company's affairs are being or have been conducted with intent to defraud its creditors or the creditors of any other person, or otherwise for a fraudulent or unlawful purpose, or in a manner which is unfairly prejudicial to some part of its members, or
 - (b) that any actual or proposed act or omission of the company (including an act or omission on its behalf) is or would be so prejudicial, or that the company was formed for any fraudulent or unlawful purpose, or
 - (c) that persons concerned with the company's formation or the management of its affairs have in connection therewith been guilty of fraud, misfeasance or other misconduct towards it or towards its members, or
 - (d) that the company's members have not been given all the information with respect to its affairs which they might reasonably expect.

[^{F2}(2A) Inspectors may be appointed under subsection (2) on terms that any report they may make is not for publication; and in such a case, the provisions of section 437(3) (availability and publication of inspectors' reports) do not apply.]

- (3) Subsections (1) and (2) are without prejudice to the powers of the Secretary of State under section 431; and the power conferred by subsection (2) is exercisable with

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for the Companies Act 1985, Section 432. (See end of Document for details)*

respect to a body corporate notwithstanding that it is in course of being voluntarily wound up.

- (4) The reference in subsection (2)(a) to a company's members includes any person who is not a member but to whom shares in the company have been transferred or transmitted by operation of law.

Textual Amendments

- F1** Words in s. 432(1) substituted (1.10.2007) by [Companies Act 2006 \(c. 46\)](#), **ss. 1035(3)**, 1300; S.I. 2007/2194, **art. 2(1)(k)** (with art. 12, Sch. 3 para. 48)
- F2** S. 432(2A) inserted by [Companies Act 1989 \(c. 40, SIF 27\)](#), **ss. 55**, 213(2)

Modifications etc. (not altering text)

- C1** S. 432 applied (with modifications) (6.4.2001) by S.I. 2001/1090, reg. 4, **Sch. 2 Pt. I**
- C2** S. 432 applied (with modifications) (E.W.S.) (6.4.2014) by [The Co-operative and Community Benefit Societies and Credit Unions \(Investigations\) Regulations 2014 \(S.I. 2014/574\)](#), regs. 1(1), 2
- C3** S. 432(1)(2) extended (with modifications) by S.I. 1989/638, regs. 18, 21, **Sch. 4 para. 5**

Changes to legislation:

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