

## SCHEDULE 5

Regulation 7

### MATTERS TO BE DEALT WITH IN DIRECTORS' REPORT

#### **Introduction**

1. In addition to the information required by section 416 of the 2006 Act, the directors' report must contain the following information.

#### **Political donations and expenditure**

2.—(1) If—

- (a) the company (not being the wholly-owned subsidiary of a company incorporated in the United Kingdom) has in the financial year—
  - (i) made any political donation to any political party or other political organisation,
  - (ii) made any political donation to any independent election candidate, or
  - (iii) incurred any political expenditure, and
- (b) the amount of the donation or expenditure, or (as the case may be) the aggregate amount of all donations and expenditure falling within paragraph (a), exceeded £2000,

the directors' report for the year must contain the following particulars.

(2) Those particulars are—

- (a) as respects donations falling within sub-paragraph (1)(a)(i) or (ii)—
  - (i) the name of each political party, other political organisation or independent election candidate to whom any such donation has been made, and
  - (ii) the total amount given to that party, organisation or candidate by way of such donations in the financial year; and
- (b) as respects expenditure falling within sub-paragraph (1)(a)(iii), the total amount incurred by way of such expenditure in the financial year.

(3) If—

- (a) at the end of the financial year the company has subsidiaries which have, in that year, made any donations or incurred any such expenditure as is mentioned in sub-paragraph (1)(a), and
- (b) it is not itself the wholly-owned subsidiary of a company incorporated in the United Kingdom,

the directors' report for the year is not, by virtue of sub-paragraph (1), required to contain the particulars specified in sub-paragraph (2).

But, if the total amount of any such donations or expenditure (or both) made or incurred in that year by the company and the subsidiaries between them exceeds £2000, the directors' report for the year must contain those particulars in relation to each body by whom any such donation or expenditure has been made or incurred.

(4) Any expression used in this paragraph which is also used in Part 14 of the 2006 Act (control of political donations and expenditure) has the same meaning as in that Part.

3.—(1) If the company (not being the wholly-owned subsidiary of a company incorporated in the United Kingdom) has in the financial year made any contribution to a non-EU political party, the directors' report for the year must contain—

- (a) a statement of the amount of the contribution, or

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- (b) (if it has made two or more such contributions in the year) a statement of the total amount of the contributions.

(2) If—

- (a) at the end of the financial year the company has subsidiaries which have, in that year, made any such contributions as are mentioned in sub-paragraph (1), and
- (b) it is not itself the wholly-owned subsidiary of a company incorporated in the United Kingdom,

the directors' report for the year is not, by virtue of sub-paragraph (1), required to contain any such statement as is there mentioned, but it must instead contain a statement of the total amount of the contributions made in the year by the company and the subsidiaries between them.

(3) In this paragraph, "contribution", in relation to an organisation, means—

- (a) any gift of money to the organisation (whether made directly or indirectly);
- (b) any subscription or other fee paid for affiliation to, or membership of, the organisation; or
- (c) any money spent (otherwise than by the organisation or a person acting on its behalf) in paying any expenses incurred directly or indirectly by the organisation.

(4) In this paragraph, "non-EU political party" means any political party which carries on, or proposes to carry on, its activities wholly outside the member States.

#### **Charitable donations**

4.—(1) If—

- (a) the company (not being the wholly-owned subsidiary of a company incorporated in the United Kingdom) has in the financial year given money for charitable purposes, and
- (b) the money given exceeded £2000 in amount,

the directors' report for the year must contain, 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.

(2) If—

- (a) at the end of the financial year the company has subsidiaries which have, in that year, given money for charitable purposes, and
- (b) it is not itself the wholly owned subsidiary of a company incorporated in the United Kingdom,

sub-paragraph (1) does not apply to the company.

But, if the amount given in that year for charitable purposes by the company and the subsidiaries between them exceeds £2000, the directors' report for the year must contain, 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.

(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 for the purposes of this paragraph.

(4) For the purposes of this paragraph, "charitable purposes" means purposes which are exclusively charitable, and as respects Scotland a purpose is charitable if it is listed in section 7(2) of the Charities and Trustee Investment (Scotland) Act 2005(1).

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(1) 2005 asp 10.

### **Disclosure concerning employment etc. of disabled persons**

5.—(1) This paragraph applies to the directors' report where the average number of persons employed by the company in each week during the financial year exceeded 250.

(2) That average number is the quotient derived by dividing, by the number of weeks in the financial year, the number derived by ascertaining, in relation to each of those weeks, the number of persons who, under contracts of service, were employed in the week (whether throughout it or not) by the company, and adding up the numbers ascertained.

(3) The directors' report must in that case contain a statement describing such policy as the company has applied during the financial year—

- (a) for giving full and fair consideration to applications for employment by the company made by disabled persons, having regard to their particular aptitudes and abilities,
  - (b) for continuing the employment of, and for arranging appropriate training for, employees of the company who have become disabled persons during the period when they were employed by the company, and
  - (c) otherwise for the training, career development and promotion of disabled persons employed by the company.
- (4) In this paragraph—
- (a) “employment” means employment other than employment to work wholly or mainly outside the United Kingdom, and “employed” and “employee” are to be construed accordingly; and
  - (b) “disabled person” means the same as in the Disability Discrimination Act 1995(2).

### **Disclosure required by company acquiring its own shares etc.**

6.—(1) This paragraph applies where shares in a company—

- (a) are purchased by the company or are acquired by it by forfeiture or surrender in lieu of forfeiture, or in pursuance of any of the following provisions (acquisition of own shares by company limited by shares)—
  - (i) section 143(3) of the Companies Act 1985(3),
  - (ii) Article 153(3) of the Companies (Northern Ireland) Order 1986(4), or
  - (iii) section 659 of the 2006 Act, or
- (b) are acquired by another person in circumstances where paragraph (c) or (d) of any of the following provisions applies (acquisition by company's nominee, or by another with company financial assistance, the company having a beneficial interest)—
  - (i) section 146(1) of the Companies Act 1985(5),
  - (ii) Article 156(1) of the Companies (Northern Ireland) Order 1986(6), or
  - (iii) section 662(1) of the 2006 Act, or
- (c) are made subject to a lien or other charge taken (whether expressly or otherwise) by the company and permitted by any of the following provisions (exceptions from general rule against a company having a lien or charge on its own shares)—

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(2) [1995 c.50](#).

(3) Section 143 is prospectively repealed by the 2006 Act.

(4) Article 153 is prospectively repealed by the 2006 Act.

(5) Section 146(1)(aa) was inserted by section 102C(5) of [1986 c.53](#), as inserted by section 1(1) of [1997 c.41](#). Section 146 is prospectively repealed by the 2006 Act.

(6) Article 156(1)(aa) was inserted by section 102C(6) of [1986 c.53](#), as inserted by section 1(1) of [1997 c.41](#). Article 156 is prospectively repealed by the 2006 Act.

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- (i) section 150(2) or (4) of the Companies Act 1985<sup>(7)</sup>,
  - (ii) Article 160(2) or (4) of the Companies (Northern Ireland) Order 1986<sup>(8)</sup>, or
  - (iii) section 670(2) or (4) of the 2006 Act.
- (2) The directors' report for a financial year must state—
- (a) the number and nominal value of the shares so purchased, the aggregate amount of the consideration paid by the company for such shares and the reasons for their purchase;
  - (b) the number and nominal value of the shares so acquired by the company, acquired by another person in such circumstances and so charged respectively during the financial year;
  - (c) the maximum number and nominal value of shares which, having been so acquired by the company, acquired by another person in such circumstances or so charged (whether or not during that year) are held at any time by the company or that other person during that year;
  - (d) the number and nominal value of the shares so acquired by the company, acquired by another person in such circumstances or so charged (whether or not during that year) which are disposed of by the company or that other person or cancelled by the company during that year;
  - (e) where the number and nominal value of the shares of any particular description are stated in pursuance of any of the preceding sub-paragraphs, the percentage of the called-up share capital which shares of that description represent;
  - (f) where any of the shares have been so charged the amount of the charge in each case; and
  - (g) where any of the shares have been disposed of by the company or the person who acquired them in such circumstances for money or money's worth the amount or value of the consideration in each case.

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<sup>(7)</sup> Section 150 is prospectively repealed by the 2006 Act.

<sup>(8)</sup> Article 160 is prospectively repealed by the 2006 Act.