

## CHAPTER 9 Directors' report

Obligation to prepare directors' report for every financial year

325. (1) The directors of a company shall for each financial year prepare a report (a “directors' report”) dealing with the following matters:

- (a) general matters in relation to the company and the directors as specified in section 326;
- (b) a business review in accordance with section 327;
- (c) information on the acquisition or disposal of own shares as specified in section 328;
- (d) information on interests in shares or debentures as specified in section 329;
- (e) statement on relevant audit information as specified in section 330 ;

and containing the notice referred to in section 331 that (if such be the case) has been issued in that financial year in respect of the company under section 33AK of the Central Bank Act 1942 .

(2) Subsection (1) is in addition to the other requirements of this Act that apply in certain cases with regard to the inclusion of matters in a directors' report, namely the requirements of—

(a) section 167 (3) (statement as to establishment or otherwise of an audit committee in the case of a large private company), and

(b) section 225 (2) (directors' compliance statement in case of a company to which that section applies).

(3) For a financial year in which—

- (a) the company is a holding company, and
- (b) the directors of the company prepare group financial statements,

the directors shall also prepare a directors' report that is a consolidated report (a “group directors' report”) dealing, to the extent provided in the following provisions of this Part, with the company and its subsidiary undertakings included in the consolidation taken as a whole.

(4) Where group financial statements are published with entity financial statements, it is sufficient to prepare the group directors' report referred to in subsection (3) (as distinct from that report and a directors' report in respect of the holding company as well) provided that any information relating to the holding company only, being information which would otherwise be required to be provided by subsection (1) or

section 167 (3) or 225 (2), is provided in the group directors' report.

(5) A group directors' report may, where appropriate, give greater emphasis to the matters that are significant to the company and its subsidiary undertakings included in the consolidation taken as a whole.

(6) If a director fails to fulfil his or her obligation under subsection (1), (3) or (4), he or she shall be guilty of a category 3 offence.

(7) Without limiting the obligations of the directors of a company under this section or subsection (6), it shall be the duty of a person who is a shadow director or de facto director of a company to ensure that the requirements of subsections (1), (3) and (4) are complied with in relation to the company.

(8) If a person fails to comply with his or her duty under subsection (7), the person shall be guilty of a category 3 offence.