

## Supplemental provisions in relation to section 305

306. (1) The amounts to be shown for the purpose of section 305 in relation to a director shall include all amounts paid or payable to a person connected with a director within the meaning of section 220 .

(2) The amounts to be shown for the purpose of section 305 for any financial year shall be the sums receivable in respect of that year, whenever paid, or, in the case of sums not receivable in respect of a period, the sums paid during that year, so, however, that where—

(a) any sums are not shown in the statutory financial statements for the relevant financial year on the ground that the person receiving them is liable to account for them as mentioned in subsection (13)(a) of that section, but the liability is thereafter wholly or partly released or is not enforced within a period of 2 years, or

(b) any sums paid by way of expenses allowance are chargeable to income tax after the end of the relevant financial year,

those sums shall, to the extent to which the liability is released or not enforced or they are chargeable as so mentioned, as the case may be, be shown in the first statutory financial statements in which it is practicable to show them and shall be distinguished from the amounts to be shown in those statements apart from this provision.

(3) Where it is necessary to do so for the purpose of making any distinction required by section 305 or this section in any amount to be shown for the purpose of either section, the directors may apportion any payments between the matters in respect of which they have been paid or are receivable in such manner as they think appropriate.

(4) If, in the case of any statutory financial statements, the requirements of section 305 or this section are not complied with, it shall be the duty of the statutory auditors of the company by whom the statutory financial statements are examined to include in the report on those statements, so far as they are reasonably able to do so, a statement giving the required particulars.

(5) In section 305 any reference to a company's subsidiary undertaking—

(a) in relation to a person who is or was, while a director of the company, a director also, by virtue of the company's nomination, direct or indirect, of any other body corporate, shall, subject to the following paragraph, include that body corporate, whether or not it is or was in fact the company's subsidiary undertaking, and

(b) shall for the purpose of subsections (3) to (6) and (8) to (10) of that section, be taken as referring to a subsidiary undertaking at the time the services were rendered, and, for the purposes of subsection (12) of that section, be taken as referring to a subsidiary undertaking immediately before the loss of office as director of the company.

(6) In section 305 and this section “director” includes any shadow director and de facto director.