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STATUTORY RULES OF NORTHERN IRELAND

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**1997 No. 314**

**COMPANIES**

**Companies (1986 Order) (Miscellaneous Accounting Amendments) Regulations (Northern Ireland) 1997**

*Made - - - - 24th June 1997*

*To be laid before Parliament under paragraph 3(3) of  
Schedule 1 to the Northern Ireland Act 1974*

*Coming into operation 22nd August 1997*

The Department of Economic Development, in exercise of the powers conferred on it by Articles 2(3)(1) and 265 of the Companies (Northern Ireland) Order 1986(2) and of every other power enabling it in that behalf, hereby makes the following Regulations:

**Citation, interpretation and commencement**

1.—(1) These Regulations may be cited as the Companies (1986 Order) (Miscellaneous Accounting Amendments) Regulations (Northern Ireland) 1997 and shall come into operation on 22nd August 1997.

(2) In these Regulations, “the 1986 Order” means the Companies (Northern Ireland) Order 1986.

**Amendment of Article 232**

2.—(1) Article 232 of the 1986 Order (accounting reference periods and accounting reference date)(3) is amended as follows.

(2) In paragraph (2), after “company” insert “incorporated before 22nd August 1997”.

(3) In paragraph (3), for “a company’s accounting reference date” substitute “the accounting reference date of such a company”.

(4) After that paragraph insert—

“(3A) The accounting reference date of a company incorporated on or after 22nd August 1997 is the last day of the month in which the anniversary of its incorporation falls.”.

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(1) See the definition of “the Department”

(2) S.I. 1986/1032 (N.I. 6); Article 265 was inserted into the 1986 Order by Article 22 of the Companies (Northern Ireland) Order 1990 (S.I. 1990/593 (N.I. 5)) in place of an existing Article of that number

(3) Article 232 was inserted into the 1986 Order by Article 5 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

### **Amendment of Article 233**

3.—(1) Article 233 of the 1986 Order (alteration of accounting reference date)(4) is amended as follows.

- (2) In paragraph (1), for the words from “having effect” to the end substitute—  
“having effect in relation to—  
(a) the company’s current accounting reference period and subsequent periods; or  
(b) the company’s previous accounting reference period and subsequent periods.  
A company’s “previous accounting reference period” means that immediately preceding its current accounting reference period.”
- (3) Paragraph (2) is hereby repealed.
- (4) In paragraph (4)—  
(a) after “current” insert “or previous”, and  
(b) for sub-paragraph (a) substitute—  
“(a) to a notice given by a company which is a subsidiary undertaking or parent undertaking of another EEA undertaking if the new accounting reference date coincides with that of the other EEA undertaking or, where that undertaking is not a company, with the last day of its financial year, or”.
- (5) In paragraph (5)—  
(a) for “paragraph (2)(a)” substitute “paragraph (1)”,  
(b) after “given” insert “in respect of a previous accounting reference period”, and  
(c) for “the previous accounting reference period” substitute “that period”.
- (6) After paragraph (6) insert—  
“(7) In this Article “EEA undertaking” means an undertaking established under the law of any part of the United Kingdom or the law of any other EEA State.”.

### **Amendment of Article 242**

- 4.—(1) Article 242 of the 1986 Order (duty to prepare directors' report)(5) is amended as follows.
- (2) In paragraph (1)(b), the words from “and the” to the end are hereby repealed.
- (3) In paragraph (4)—  
(a) omit the words from “Part IV” to “employees, and”, and  
(b) at the end insert—  
“Part VI relates to the company’s policy on the payment of creditors.”.

### **Amendment of Article 245**

5. In Article 245 of the 1986 Order (duties of auditors)(6) after paragraph (4) insert—  
“(5) If the directors of the company have taken advantage of the exemption conferred by Article 256 (exemption for small and medium-sized groups from the need to prepare

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(4) Article 233 was inserted into the 1986 Order by Article 5 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number  
(5) Article 242 was inserted into the 1986 Order by Article 10(1) of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number  
(6) Article 245 was inserted into the 1986 Order by Article 11 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

group accounts) and in the auditors' opinion they were not entitled so to do, the auditors shall state that fact in their report.”.

#### **Amendment of Article 254**

**6.**—(1) Article 254 of the 1986 Order (exemptions for small and medium-sized companies)(7) is amended as follows.

(2) In paragraphs (1A) and (1B)—

- (a) for “immediately above the signature” substitute “above the signature”, and
- (b) for “that advantage has been taken” substitute “to the effect that advantage has been taken”.

#### **Amendment of Article 255**

**7.** In Article 255(6) of the 1986 Order (calculation of number of employees to determine whether company small or medium-sized)(8) for “weekly” substitute “monthly”.

#### **Amendment of Article 256**

**8.** Paragraphs (3) and (4) of Article 256 of the 1986 Order (auditors' report on entitlement to claim exemption from preparation of group accounts)(9) are hereby repealed.

#### **Amendment of Article 257B**

**9.**—(1) Article 257B of the 1986 Order (cases where exemptions from audit not available)(10) is amended as follows.

(2) In paragraph (1), at the beginning insert “Subject to paragraph (1A).”.

(3) Insert the following paragraph after paragraph (1)—

“(1A) A company which, apart from this paragraph, would fall within paragraph (1)(f) by virtue of its being a subsidiary undertaking for any period within a financial year shall not be treated as so falling if it is dormant (within the meaning of Article 258) throughout that period.”.

(4) In paragraph (4), at the beginning of each of sub-paragraphs (a) to (c) insert “to the effect”.

(5) In paragraph (5), for the words from “immediately above the signature” to the end substitute “above the signature required by Article 241”.

#### **Amendment of Article 258**

**10.**—(1) Article 258 of the 1986 Order (resolution not to appoint auditors)(11) is amended as follows.

(2) Sub-paragraph (a) of paragraph (2) is hereby repealed.

(3) In paragraph (4)(c)—

- (a) for “immediately above the signature” substitute “above the signature”, and

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(7) Article 254 was inserted into the 1986 Order by Article 15(1) of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number and was amended by regulation 3 of [S.R. 1992 No. 503](#)

(8) Article 255 was inserted into the 1986 Order by Article 15(1) of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number and was amended by regulation 4 of [S.R. 1992 No. 503](#)

(9) Article 256 was inserted into the 1986 Order by Article 15(3) of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

(10) Article 257B was inserted into the 1986 Order by regulation 2 of [S.R. 1995 No. 128](#)

(11) Article 258 was inserted into the 1986 Order by Article 16 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number. It was subsequently amended by regulation 2 of [S.R. 1993 No. 220](#)

(b) for “that the company” substitute “to the effect that the company”.

### **Amendment of Articles 270 and 270A**

**11.**—(1) The following definition shall be inserted at the appropriate place in Article 270(1) of the 1986 Order (minor definitions)(**12**)—

““EEA State” means a State which is a Contracting Party to the Agreement on the European Economic Area signed at Oporto on 2nd May 1992, as adjusted by the Protocol signed at Brussels on 17th March 1993 and by Council Decision Number 1/95 of 10th March 1995;”.

(2) The following entry shall be inserted at the appropriate place in the index of defined expressions set out in Article 270A of the 1986 Order(**13**)—

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““EEA State”	Article 270(1)”.
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### **Amendment of Article 276**

**12.**—(1) Article 276 of the 1986 Order (realised profits of insurance company with long term business)(**14**) is amended as follows.

(2) In paragraph (1), for sub-paragraph (a) substitute—

“(a) any amount included in the relevant part of the balance sheet of the company which represents a surplus in the fund or funds maintained by it in respect of that business and which has not been allocated to policy holders in accordance with section 30(1) of that Act or carried forward unappropriated as mentioned in section 30(7) of that Act, and”.

(3) In paragraph (2), before sub-paragraph (a) insert—

“(aa) the reference to the relevant part of the balance sheet is to that part of the balance sheet which represents Liabilities item A.V. (profit and loss account) in the balance sheet format set out in section B of Chapter I of Part I of Schedule 9A.”.

### **Amendment of Schedules**

**13.**—(1) Schedule 4 to the 1986 Order (form and content of company accounts)(**15**) is amended in accordance with Schedule 1 to these Regulations.

(2) Schedule 4A to the 1986 Order (form and content of group accounts)(**16**) is amended in accordance with Schedule 2 to these Regulations.

(3) Schedule 5 to the 1986 Order (disclosure of information: related undertakings)(**17**) is amended in accordance with Schedule 3 to these Regulations.

(4) The following provisions of Schedule 7 to the 1986 Order (matters to be dealt with in the directors' report) are hereby repealed—

(a) paragraph 1(1) (significant changes in fixed assets)(**18**),

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(12) Article 270 was inserted into the 1986 Order by Article 24 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number and was amended by regulation 6 of [S.R. 1993 No. 199](#)

(13) Article 270A was inserted into the 1986 Order by Article 24 of the Companies (Northern Ireland) Order 1990 and was amended by regulation 6 of, and paragraph 3 of Schedule 2 to, [S.R. 1992 No. 258](#), by regulation 5 of, and paragraph 5 of Schedule 2 to, [S.R. 1994 No. 428](#) and by regulation 4 of, and paragraph 3 of Schedule 1 to, [S.R. 1995 No. 128](#)

(14) Article 276(1)(a) was amended by regulation 5 of, and paragraph 6 of Schedule 2 to, [S.R. 1994 No. 428](#)

(15) Schedule 4 was amended by Article 6(2) of, and Schedule 1 to, the Companies (Northern Ireland) Order 1990

(16) Schedule 4A was inserted by Article 7(2) of, and Schedule 2 to, the Companies (Northern Ireland) Order 1990

(17) Schedule 5 was substituted by Article 8(2) of, and Schedule 3 to, the Companies (Northern Ireland) Order 1990

(18) Paragraph 1 of Schedule 7 was amended by Article 10(2) of, and paragraph 2(1) of Schedule 5 to, the Companies (Northern Ireland) Order 1990

- (b) paragraph 5A (insurance effected for officers or auditors)(**19**), and
  - (c) Part IV (health, safety and welfare at work of company’s employees).
- (5) Schedule 7 to the 1986 Order(**20**) is further amended by adding at the end the following Part—

## “Part VI

### Policy on the Payment of Creditors

- 12.**—(1) This Part applies to a report by the directors of a company for a financial year if—
- (a) the company was at any time within the financial year a public company, or
  - (b) the company did not qualify as small or medium-sized in relation to the financial year by virtue of Article 255 and was at any time within the year a member of a group of which the parent company was a public company.
- (2) The report shall, with respect to the financial year immediately following that covered by the report, state—
- (a) whether in respect of some or all of its suppliers it is the company’s policy to follow any code or standard on payment practice and, if so, the name of the code or standard and the place where information about, and copies of, the code or standard can be obtained,
  - (b) whether in respect of some or all of its supplies it is the company’s policy—
    - (i) to settle the terms or payment with those suppliers when agreeing the terms of each transaction,
    - (ii) to ensure that those suppliers are made aware of the terms of payment, and
    - (iii) to abide by the terms of payment,
  - (c) where the company’s policy is not as mentioned in head (a) or (b) in respect of some or all of its suppliers, what its policy is with respect to the payment of those suppliers.
- (3) If the company’s policy is different for different suppliers or classes of suppliers, the report shall identify the suppliers or classes of suppliers to which the different policies apply.
- (4) For the purposes of this Part a supplier is any person whose claim on the reporting company in respect of goods or services supplied would be included under “trade creditors” within “Creditors; amounts falling due within one year” in a balance sheet drawn up in accordance with balance sheet format 1 in Schedule 4.”.
- (6) Schedule 9 to the 1986 Order (form and content of accounts of banking companies and groups)(**21**) is amended in accordance with Schedule 4 to these Regulations.
- (7) Schedule 9A to the 1986 Order (form and content of accounts of insurance companies and groups)(**22**) is amended in accordance with Schedule 5 to these Regulations.

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(19) Paragraph 5A of Schedule 7 was inserted by Article 72(2) of the Companies (No. 2) (Northern Ireland) Order 1990 (S.I. 1990/1504 (N.I. 10))

(20) Part V of Schedule 7 was added by Article 3(2) of the Industrial Relations (Northern Ireland) Order 1987 (S.I. 1987/936 (N.I. 9))

(21) Parts I to III of Schedule 9 were inserted before a re-numbered Schedule 9A by regulation 5(4) of, and Schedule 1 to, S.R. 1992 No. 258. Part IV of Schedule 9 was substituted by Article 20(3) and (4) of, and Part IV of Schedule 7 to, the Companies (Northern Ireland) Order 1990

(22) Parts I and II of Schedule 9 were formed into a new Schedule 9A by regulation 5(1) of S.R. 1992 No. 258. A new Schedule 9A was substituted by regulation 4 of, and Schedule 1 to, S.R. 1994 No. 428

(8) Schedule 11 to the 1986 Order (modifications of Part IX where company's accounts prepared in accordance with special provisions for banking or insurance companies)(23) is amended in accordance with Schedule 6 to these Regulations.

### **Minor and consequential amendments**

**14.**—(1) In Article 239 of the 1986 Order (disclosure required in notes to accounts: related undertakings)(24) the words “5(2)” in paragraph (3), and the words from “This paragraph” to the end in paragraph (5), are hereby repealed.

(2) In Article 263A(6)(b) of the 1986 Order (modifications of references in Article 238(2) to Schedule 4 where Schedule 9 or 9A apply)(25) for “paragraphs 74 to 77” substitute “paragraphs 75 to 77”.

(3) In paragraph 1(2) of Schedule 7 to the 1986 Order (statement of market value of fixed assets where substantially different from balance sheet amount) for “such of those assets” substitute “such of the fixed assets of the company or of any of its subsidiary undertakings”.

(4) In Schedule 8 to the 1986 Order (exemptions for small and medium-sized companies)(26)—

(a) in paragraph 15—

(i) for sub-paragraph (b) substitute—

“(b) paragraph 1(2) of Schedule 7 (statement of market value of fixed assets where substantially different from balance sheet amount)”, and

(ii) omit sub-paragraphs (c) and (e);

(b) in paragraph 23(2) for the words from “immediately above the signature” to the end substitute “above the signature required by Article 241”; and

(c) in paragraph 26(3) for “paragraph 8” substitute “paragraph 24”.

### **Application and transitional provisions**

**15.**—(1) Subject to the following provisions of this regulation, these Regulations apply to the annual accounts and annual report of any company (including any body corporate to which Part VIII of the 1986 Order is applied by any statutory provision) for any financial year ending on or after 22nd August 1997.

(2) Subject to paragraphs (3) to (6), a company may, with respect to a financial year of the company ending on or before 17th October 1997, prepare and deliver to the registrar such annual accounts and annual report as it would have been required to prepare and deliver had the amendments to the 1986 Order effected by these Regulations not been made.

(3) The amendments effected by regulations 2 and 3 shall have effect on and from 22nd August 1997.

(4) A public company may pass a special resolution in accordance with Article 258 of the 1986 Order as amended by regulation 10(2) at any time after the coming into operation of these Regulations.

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(23) Schedule 11 was amended by Article 25 of, and paragraph 24 of Schedule 10 to, the Companies (Northern Ireland) Order 1990, by regulation 7 of, and paragraph 1 of Schedule 3 to, [S.R. 1992 No. 258](#), and by regulation 5 of, and paragraph 8 of Schedule 2 to, [S.R. 1994 No. 428](#)

(24) Article 239 was inserted into the 1986 Order by Article 8(1) of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number, and was subsequently amended by regulation 11(1) of [S.R. 1994 No. 133](#)

(25) Article 263A was inserted into the 1986 Order by Article 20(1) of the Companies (Northern Ireland) Order 1990. It was subsequently substituted by regulation 3 of [S.R. 1992 No. 258](#), and amended by regulation 4 of [S.R. 1993 No. 199](#) and by regulation 3 of [S.R. 1994 No. 428](#)

(26) Schedule 8 was substituted by Article 15(2) of, and Schedule 6 to, the Companies (Northern Ireland) Order 1990 and amended by regulation 3(3) of, and the Schedule to, [S.R. 1992 No. 503](#), and by regulation 4 of, and paragraph 5 of Schedule 1 to, [S.R. 1995 No. 128](#)

(5) The amendments to the 1986 Order effected by regulations 5, 8 and 9(1) to (3), and by paragraphs 3, 4, 6, 10 and 18 of Schedule 5 apply to any annual accounts of a company which are approved by the board of directors on or after 22nd August 1997.

(6) The amendments to the 1986 Order effected by regulations 12 and 13(8) apply in respect of any distribution made on or after 22nd August 1997.

Sealed with the Official Seal of the Department of Economic Development on

L.S.

24th June 1997.

*A. L. Brown*  
Assistant Secretary

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## SCHEDULE 1

Regulation 13(1)

## Form and Content of Company Accounts

1. Schedule 4 to the 1986 Order (form and content of company accounts) is amended as follows.
2. In paragraph 3(7) (aggregate amount of dividends to be shown separately in profit and loss account etc.)—
  - (a) omit “and” at the end of head (a), and
  - (b) after head (b) insert—
    - (c) if it is not shown in the notes to the accounts, the aggregate amount of any dividends proposed.”.
3. In note (13) of the notes on the balance sheet formats set out in Section B of Part 1, for the words from “and their aggregate” to the end substitute “and for the aggregate of all of these items.”.
- 4.—(1) Paragraph 34 (revaluation reserve)(**27**) is amended as follows.
  - (2) In sub-paragraph (3), for “from the revaluation reserve” to “on capitalisation;” substitute—
    - “(a) from the revaluation reserve—
      - (i) to the profit and loss account, if the amount was previously charged to that account or represents realised profit, or
      - (ii) on capitalisation,
    - (b) to or from the revaluation reserve in respect of the taxation relating to any profit or loss credited or debited to the reserve;”.
  - (3) In sub-paragraph (3A)(**28**), for “sub-paragraph (3)(b)” substitute “sub-paragraph (3)(a)(ii)”.
5. Sub-paragraph (a) of paragraph 39 (statement in notes to accounts of reason for allotting shares) is hereby repealed.
6. In paragraph 41 (information in notes to accounts about debentures issued during the financial year), sub-paragraphs (1)(a) and (2) are hereby repealed.
7. In paragraph 45(1) (information in notes to accounts about investments)(**29**), head (b) and the word “and” immediately preceding it are hereby repealed.
8. For sub-paragraph (1) of paragraph 48 (statement in notes to accounts of details of indebtedness) substitute the following—
  - “(1) In respect of each item shown under “creditors” in the company’s balance sheet there shall be stated the aggregate of the following amounts, that is to say—
    - (a) the amount of any debts included under that item which are payable or repayable otherwise than by instalments and fall due for payment or repayment after the end of the period of five years beginning with the day next following the end of the financial year; and
    - (b) the amount of any debts so included which are payable or repayable by instalments any of which fall due for payment after the end of that period.”.
9. In paragraph 50(3) (statement in notes to accounts of amounts of capital expenditure)(**30**), head (b) and the word “and” immediately preceding it are hereby repealed.

(27) Paragraph 34 was amended by Article 6(2) of and paragraph 6 of Schedule 1 to, the Companies (Northern Ireland) Order 1990

(28) Sub-paragraph (3A) was inserted by Article 6(2) of, and paragraph 6 of Schedule 1 to, the Companies (Northern Ireland) Order 1990

(29) Paragraph 45 was amended by section 212 of, and paragraph 38(a) of Schedule 16 to, the Financial Services Act 1986 (c. 60)

(30) Paragraph 50 was amended by Article 26 of, and Schedule 15 to, the Companies (Northern Ireland) Order 1990

10. Paragraph 51(3) (statement in notes to accounts of aggregate amount of recommended dividend)(31) is hereby repealed.

11.—(1) Paragraph 53 (separate statement of certain items of income and expenditure)(32) is amended as follows.

(2) In sub-paragraph (2)(a) the words from “and loans” to “that period” are hereby repealed.

(3) Sub-paragraphs (3) to (6) are hereby repealed.

12. Paragraph 54(1) (statement in notes to accounts of basis on which charge for tax computed) is hereby repealed.

13.—(1) Paragraph 55 (particulars of turnover) is amended as follows.

(2) In sub-paragraph (1), head (b) and the word “and” immediately preceding it are hereby repealed.

(3) In sub-paragraph (3) omit the words “or (as the case may be) of profit or loss”.

14.—(1) Paragraph 56 (particulars of staff) is amended as follows.

(2) In sub-paragraph (2) for “weeks” substitute “months”.

(3) In sub-paragraph (3) for “week” wherever it occurs substitute “month” and for “weekly” substitute “monthly”.

15. Paragraph 59 (dealings with or interests in group undertakings)(33) is hereby repealed.

16.—(1) Paragraph 92 (staff costs) is amended as follows.

(2) For sub-paragraph (2) substitute—

“(2) “pension costs” includes any costs incurred by the company in respect of any pension scheme established for the purpose of providing pensions for persons currently or formerly employed by the company, any sums set aside for the future payment of pensions directly by the company to current or former employees and any pensions paid directly to such persons without having first been set aside.”.

(3) In sub-paragraph (3), for “either of the above items” substitute “the item “social security costs”.”

## SCHEDULE 2

Regulation 13(2)

### Form and Content of Group Accounts

1. Schedule 4A to the 1986 Order (form and content of group accounts)(34) is amended as follows.

2. In paragraph 1(1) (group accounts to comply with provisions of Schedule 4) for “provisions of Schedule 4” substitute “provisions of Article 398A(3) (amount of auditors' remuneration) and Schedule 4 (form and content of company accounts)”.

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(31) Paragraph 51 was amended by Article 6(2) of, and paragraph 9 of Schedule 1 to, the Companies (Northern Ireland) Order 1990

(32) Paragraph 53 was amended by Article 6(2) of, and paragraph 2 of Schedule 1 to, the Companies (Northern Ireland) Order 1990 and by Article 113 of, and Schedule 6 to, the Companies (No. 2) (Northern Ireland) Order 1990

(33) Paragraph 59 was substituted by Article 6(2) of, and paragraph 11(2) of Schedule 1 to, the Companies (Northern Ireland) Order 1990

(34) Schedule 4A was inserted by Article 7(2) of, and Schedule 2 to, the Companies (Northern Ireland) Order 1990

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3. In paragraph 2(2) (composition of group accounts where financial year of subsidiary undertaking different from that of parent) for “differs from that of the parent company” substitute “does not end with that of the parent company”.

4.—(1) Paragraph 13 (information about acquisitions in notes to group accounts) is amended as follows.

(2) Sub-paragraph (4) is hereby repealed.

(3) In sub-paragraph (7) omit “(4),”.

5. At the end of paragraph 14(1) (statement in notes to accounts of cumulative amount of goodwill written off) insert “otherwise than in the consolidated profit and loss account for that or any earlier financial year”.

### SCHEDULE 3

Regulation 13(3)

#### Disclosure of Information: Related Undertakings

1. Schedule 5 to the 1986 Order (disclosure of information: related undertakings)(**35**) is amended as follows.

2. In paragraph 3 (financial information about subsidiary undertakings) after sub-paragraph (2) insert—

“(2A) That information need not be given if the company’s investment in the subsidiary undertaking is included in the company’s accounts by way of the equity method of valuation.”.

3. For paragraph 4 (financial years of subsidiary undertakings) substitute—

“4. Where—

(a) disclosure is made under paragraph 3(1) with respect to a subsidiary undertaking, and

(b) that undertaking’s financial year does not end with that of the company,

there shall be stated in relation to that undertaking the date on which its last financial year ended (last before the end of the company’s financial year).”.

4. Paragraph 5 (further information about subsidiary undertakings) is hereby repealed.

5.—(1) Paragraph 6 (shares and debentures of company held by subsidiary undertakings) is amended as follows.

(2) In sub-paragraph (1), omit “and debentures of”.

(3) In sub-paragraphs (2) and (3) omit “or debentures”.

6. In paragraph 7(2) (definition of when a holding is significant for purposes of paragraphs 8 and 9) for “10 per cent.” substitute “20 per cent.” and for “one-tenth” substitute “one-fifth”.

7. In paragraph 9(1) omit from the beginning to “shares in the undertaking”.

8. Paragraph 10 (arrangements attracting merger relief) is hereby repealed.

9. In paragraph 13(2) (constructions of references to shares held by company), for “paragraphs 2 to 5” substitute “paragraphs 2 to 4”.

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(35) Schedule 5 was substituted by Article 8(2) of, and Schedule 3 to, the Companies (Northern Ireland) Order 1990

10. Paragraph 18 (further information about subsidiary undertakings excluded from consolidation) is hereby repealed.

11. Paragraph 19 (financial years of subsidiary undertakings) is hereby repealed.

12.—(1) Paragraph 20 (shares and debentures of company held by subsidiary undertakings) is amended as follows.

(2) In sub-paragraph (1), omit “and debentures of”.

(3) In sub-paragraphs (2) and (3) omit “or debentures”.

13. In paragraphs 23(2) and 26(2) (definition of when a holding is significant for the purposes of paragraphs 24, 25, 27 and 28) for “10 per cent.” substitute “20 per cent.” and for “one-tenth” substitute “one fifth”.

14. In paragraphs 25(1) and 28(1) omit from the beginning to “shares in the undertaking.”.

15. Paragraph 29 (arrangements attracting merger relief) is hereby repealed.

#### SCHEDULE 4

Regulation 13(6)

##### Form and Content of Accounts of Banking Companies and Groups

1. Part I of Schedule 9 to the 1986 Order (form and content of accounts of banking companies and groups)(36) is amended as follows.

2. In paragraph 8 (aggregate amount of dividends to be shown separately in profit and loss accounts etc.)—

(a) omit “and” at the end of sub-paragraph (a), and

(b) after sub-paragraph (b) insert—

“(c) if it is not shown in the notes to the accounts, the aggregate amount of any dividends proposed.”.

3.—(1) Paragraph 44 (revaluation reserve) is amended as follows.

(2) In sub-paragraph (3), for “from the revaluation reserve” to “on capitalisation;” substitute—

“(a) from the revaluation reserve—

(i) to the profit and loss account, if the amount was previously charged to that account or represents realised profit, or

(ii) on capitalisation,

(b) to or from the revaluation reserve in respect of the taxation relating to any profit or loss credited or debited to the reserve;”.

(3) In sub-paragraph (4), for “sub-paragraph (3)(b)” substitute “sub-paragraph (3)(a)(ii)”.

4. In paragraph 47(1) (information to be given by way of notes to accounts), after “shall” insert “(if not given in the company’s accounts)”, and omit “, unless otherwise provided”.

5. Sub-paragraph (a) of paragraph 52 (statement in notes to accounts of reason for allotting shares) is hereby repealed.

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(36) Parts I to III of Schedule 9 were inserted before a re-numbered Schedule 9A by regulation 5(4) of, and Schedule 1 to, [S.R. 1992 No. 258](#). Part IV of Schedule 9 was substituted by Article 20(3) and (4) of, and Part IV of Schedule 7 to, the Companies (Northern Ireland) Order 1990

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6. In paragraph 54 (information in notes to accounts about debentures issued during the financial year), sub-paragraphs (1)(a) and (2) are hereby repealed.

7. In paragraph 66(1) (statement in notes to accounts of amounts of capital expenditure), head (b) and the word “and” immediately preceding it are hereby repealed.

8. In paragraph 68(1) (information in notes to accounts about transferable securities), head (b) and the word “and” immediately preceding it are hereby repealed.

9. Paragraph 73(3) (statement in notes to accounts of aggregate amount of recommended dividend) is hereby repealed.

10. Paragraph 74 (separate statement of certain items of income and expenditure) is hereby repealed.

11. Paragraph 75(1) (statement in notes to accounts of basis on which charge for tax computed) is hereby repealed.

12.—(1) Paragraph 77 (particulars of staff) is amended as follows.

(2) In sub-paragraph (2) for “weeks” substitute “months”.

(3) In sub-paragraph (3) for “week” wherever it occurs substitute “month” and for “weekly” substitute “monthly”.

13.—(1) Paragraph 86 (staff costs) is amended as follows.

(2) For sub-paragraph (b) substitute—

“(b) “pension costs” includes any costs incurred by the company in respect of any pension scheme established for the purpose of providing pensions for persons currently or formerly employed by the company, any sums set aside for the future payment of pensions directly by the company to current or former employees and any pensions paid directly to such persons without having first been set aside; and”.

(3) In sub-paragraph (c), for “either of the above items” substitute “the item “social security costs””.

## SCHEDULE 5

Regulation 13(7)

### Form and Content of Accounts of Insurance Companies and Groups

1. Part I of Schedule 9A to the 1986 Order (form and content of accounts of insurance companies and groups<sup>(37)</sup>) is amended as follows.

2. In paragraph 5 (aggregate amount of dividends to be shown separately in profit and loss account etc.)—

(a) omit “and” at the end of sub-paragraph (a), and

(b) after sub-paragraph (b) insert—

“(c) if it is not shown in the notes to the accounts, the aggregate amount of any dividends proposed.”.

3. In the profit and loss account format set out in section B of Chapter I of Part I, under the heading “III Non-technical account”, after item 2 insert—

<sup>(37)</sup> Parts I and II of Schedule 9 to the 1986 Order were formed into a new Schedule 9A by regulation 5(1) of S.R. 1992 No. 258. A new Schedule 9A was substituted by regulation 4 of, and Schedule 1 to, S.R. 1994 No. 428

- “2a Tax credit attributable to balance on the long term business technical account”.
4. Paragraph 21 (valuation method to be applied to investments) is hereby repealed.
- 5.—(1) Paragraph 29 (revaluation reserve) is amended as follows.
- (2) In sub-paragraph (3), for “from the revaluation reserve” to “on capitalisation;” substitute—
- “(a) from the revaluation reserve—
- (i) to the profit and loss account, if the amount was previously charged to that account or represents realised profit, or
- (ii) on capitalisation,
- (b) to or from the revaluation reserve in respect of the taxation relating to any profit or loss credited or debited to the reserve;”.
- (3) In sub-paragraph (4), for “sub-paragraph (3)(b)” substitute “sub-paragraph (3)(a)(ii)”.
6. For paragraph 54 (preliminary matters concerning notes to accounts) substitute—
- “54.—(1) Any information required in the case of any company by the following provisions of this Part shall (if not given in the company’s accounts) be given by way of a note to those accounts.
- (2) Subject to sub-paragraph (3), in respect of every item stated in a note to the accounts—
- (a) the corresponding amount for the financial year immediately preceding that to which the accounts relate shall also be stated, and
- (b) where the corresponding amount is not comparable, that amount shall be adjusted and particulars of the adjustment and the reasons for it shall be given.
- (3) Sub-paragraph (2) does not apply to—
- (a) paragraphs 62 and 66 of this Part (assets and reserves and provisions),
- (b) paragraph 13 of Schedule 4A (details of accounting treatment of acquisitions),
- (c) paragraphs 2, 8(3), 16, 21(1)(d), 22(4) and (5), 24(3) and (4) and 27(3) and (4) of Schedule 5 (shareholdings in other undertakings), and
- (d) Parts II and III of Schedule 6 (loans and other dealings in favour of directors and others).”.
7. Sub-paragraph (a) of paragraph 59 (statement in notes to accounts of reason for allotting shares) is hereby repealed.
8. In paragraph 61 (information in notes to accounts about debentures issued during the financial year), sub-paragraphs (1)(a) and (2) are hereby repealed.
9. In paragraph 65 (information in notes to accounts about investments), sub-paragraph (b) and the word “and” immediately preceding it are hereby repealed.
10. In sub-paragraph (1) of paragraph 66 (reserves and provisions) for the words “provisions for liabilities and charges” in both places where they occur substitute “provisions for other risks and charges”.
11. For sub-paragraph (1) of paragraph 68 (statement in notes to accounts of details of indebtedness) substitute the following—
- “(1) In respect of each item shown under “creditors” in the company’s balance sheet there shall be stated the aggregate of the following amounts, that is to say—

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- (a) the amount of any debts included under that item which are payable or repayable otherwise than by instalments and fall due for payment or repayment after the end of the period of five years beginning with the day next following the end of the financial year; and
- (b) the amount of any debts so included which are payable or repayable by instalments any of which fall due for payment after the end of that period.”.

12. In paragraph 70(3) (statement in notes to accounts of amounts of capital expenditure), paragraph (b) and the word “and” immediately preceding it are hereby repealed.

13. Paragraph 71 (dealings with or interests in group undertakings) is hereby repealed.

14. Paragraph 72(3) (statement in notes to accounts of aggregate amount of recommended dividend) is hereby repealed.

15.—(1) Paragraph 73 (separate statement of certain items of income and expenditure) is amended as follows.

(2) In sub-paragraph (2)(a) the words from “and loans” to “that period” are hereby repealed.

(3) Sub-paragraphs (3) to (5) are hereby repealed.

16. Paragraph 74(1) (statement in notes to accounts of basis on which charge for tax computed) is hereby repealed.

17.—(1) Paragraph 79 (particulars of staff) is amended as follows.

(2) In sub-paragraph (2) for “weeks” substitute “months”.

(3) In sub-paragraph (3) for “week” wherever it occurs substitute “month” and for “weekly” substitute “monthly”.

18. In sub-paragraph (c) of paragraph 84 (provisions) for “provisions for liabilities or charges” substitute “provisions for other risks and charges” and omit the words in parentheses.

19.—(1) Paragraph 85 (staff costs) is amended as follows.

(2) For sub-paragraph (b) substitute—

“(b) “pension costs” includes any costs incurred by the company in respect of any pension scheme established for the purpose of providing pensions for persons currently or formerly employed by the company, any sums set aside for the future payment of pensions directly by the company to current or former employees and any pensions paid directly to such persons without having first been set aside; and”.

(3) In sub-paragraph (c), for “either of the above items” substitute “the item “social security costs” ”.

## SCHEDULE 6

Regulation 13(8)

### Modifications of Part IX of the 1986 Order where Company’s Accounts prepared in accordance with Special Provisions for Insurance Companies

1. Schedule 11 to the 1986 Order (modifications of Part IX where company’s accounts prepared in accordance with special provisions for banking or insurance companies)(38) is amended as follows.

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(38) Schedule 11 was amended by Article 25 of, and paragraph 24 of Schedule 10 to, the Companies (Northern Ireland) Order 1990, regulation 7 of, and paragraph 1 of Schedule 3 to, S.R. 1992 No. 258, and by regulation 5 of, and paragraph 8 of Schedule 2 to, S.R. 1994 No. 428

2. For paragraph 7 (modification of Article 272(2)) substitute—

“7. Article 272(2) shall apply as if for the words in parentheses there were substituted “(“liabilities” to include any provision for other risks and charges within paragraph 84(c) of Part I of Schedule 9A and any amount included under Liabilities items Ba (fund for future appropriations), C (technical provisions) and D (technical provisions for linked liabilities) in a balance sheet drawn up in accordance with the balance sheet format set out in section B of Part I of Schedule 9A).””

3. For paragraph 9 (modification of Articles 278(2) and 283) substitute—

“9. Articles 278(2) and 283 shall apply as if the reference to provisions of any of the kinds mentioned in paragraphs 87 and 88 of Schedule 4 were a reference to provisions of any of the kinds mentioned in paragraph 84 of Part I of Schedule 9A and to any amount included under Liabilities items Ba (fund for future appropriations), C (technical provisions) and D (technical provisions for linked liabilities) in a balance sheet drawn up in accordance with the balance sheet format set out in section B of Part I of Schedule 9A.”

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## EXPLANATORY NOTE

*(This note is not part of the Regulations.)*

These Regulations make a number of miscellaneous amendments to the provisions of the Companies (Northern Ireland) Order 1986 (S.I.1986/1032 (N.I. 6) (“the 1986 Order”) concerning accounts and audit. The principal changes are as follows:

- (a) Regulation 2 amends Article 232 of the 1986 Order (accounting reference periods and accounting reference date) to alter the method by which the accounting reference date of companies incorporated on or after 22nd August 1997 is calculated.
- (b) Regulation 3 amends Article 233 of the 1986 Order (alteration of accounting reference date) to widen the circumstances in which the accounting reference date of a company may be changed.
- (c) Regulation 4(3) amends Article 242 of the 1986 Order (duty to prepare directors' report) by inserting in paragraph (4) a reference to new Part VI of Schedule 7 to the 1986 Order. Regulation 13(5) amends Schedule 7 to the 1986 Order by the insertion of a new Part VI. Part VI provides that the directors' report of public companies and large private companies which are subsidiaries of a public company must contain a statement of the company's policy on payment of its suppliers. Companies which follow any code or standard on payment practice must state what code or standard is followed and where information about it can be found; companies which do not follow such codes or standards must give a fuller statement on their payment practices.
- (d) Regulation 9 amends Article 257B of the 1986 Order (cases where exemption from audit not available). The amendment enables a company which would otherwise be disqualified from claiming exemption from audit under Article 257A of the 1986 Order for a financial year because it was a subsidiary undertaking for any period in that year, to claim that exemption provided it was dormant throughout that period.
- (e) Regulation 12 and paragraphs 3, 4, 6 and 10 and 18 of Schedule 5 make certain amendments to the provisions of the 1986 Order concerning the accounts of insurance

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companies and groups so as to align those provisions more closely with the provisions of the Insurance Accounts Directive (Council Directive [91/674/EEC](#) Official journal No. L374 of 31.12.91, pages 7 to 31). Regulation 13(8) and Schedule 6 contain amendments to Schedule 11 to the 1986 Order (modifications of Part IX where company's accounts prepared in accordance with special provisions for banking or insurance companies) consequential on those amendments.

- (f) Regulation 13(1) and Schedule 1 contain amendments to Schedule 4 to the 1986 Order (form and content of company accounts).
- (g) Regulation 13(2) and Schedule 2 contain amendments to Schedule 4A to the 1986 Order (form and content of group accounts).
- (h) Regulation 13(3) and Schedule 3 contain amendments to Schedule 5 to the 1986 Order (disclosure of information: related undertakings).
- (i) Regulation 13(4) repeals certain provisions in Schedule 7 to the 1986 Order concerning the matters to be dealt with in the directors' report.
- (j) Regulation 13(6) and Schedule 4 contain amendments to Schedule 9 to the 1986 Order (form and content of accounts of banking companies and groups).
- (k) Regulation 13(7) and Schedule 5 contain amendments to Schedule 9A to the 1986 Order (form and content of accounts of insurance companies and groups) in addition to those mentioned in paragraph (e) above.
- (l) Regulation 14 makes certain minor and consequential amendments to Articles 239 and 263A of, and Schedules 7 and 8 to, the 1986 Order, and regulation 15 makes provision concerning the application of the Regulations and contains transitional provisions.