

SCHEDULE 1

Consequential amendments and transitional provision relating to the adoption of international accounting standards in the United Kingdom

PART 1

Amendments to Primary Legislation

CHAPTER 1

Amendments to the Companies Act 2006

Amendments to the Companies Act 2006

1. The Companies Act 2006(1) is amended in accordance with this Chapter.

Companies qualifying as small: parent companies

2. In section 383(6), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Duty to keep accounting records

3. In section 386(2)(c) and (5), omit “(and, where applicable, of Article 4 of the IAS Regulation)”.

Where and for how long records to be kept

4. In section 388(3)(b), omit “(and, where applicable, of Article 4 of the IAS Regulation)”.

Individual accounts: exemption for dormant subsidiaries

5. In section 394A(2)(c)(ii)(2), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Individual accounts: applicable accounting framework

6. In section 395(1)(b) and (3)(3), for “international accounting standards” substitute “UK-adopted international accounting standards”.

IAS individual accounts

7. In section 397(2)(4), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Exemption for company included in EEA group accounts of larger group

8. In section 400(2)(b)(ii), for “international accounting standards” substitute “UK-adopted international accounting standards”.

(1) 2006 c.46.

(2) Section 394A was inserted by S.I. 2012/2301.

(3) Section 395(3) was amended by S.I. 2012/2301.

(4) Section 397 was substituted by S.I. 2015/980.

Exemption for company included in non-EEA group accounts of larger group

9. In section 401(2)(b)(iii)(5), for “international accounting standards adopted pursuant to the IAS Regulation” substitute “UK-adopted international accounting standards”.

Group accounts: applicable accounting framework

10. In section 403(6)—

(a) for subsection (1) substitute—

“(1) The group accounts of a parent company whose securities are, on its balance sheet date, admitted to trading on a UK regulated market must be prepared in accordance with UK-adopted international accounting standards (“IAS group accounts”).”;

(b) in subsections (2)(b) and (4), for “international accounting standards” substitute “UK-adopted international accounting standards”.

IAS group accounts

11. In section 406(2)(7), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Approval and signing of accounts

12. In section 414(4), omit “(and, where applicable, of Article 4 of the IAS Regulation)”.

Dormant subsidiaries exempt from obligation to file accounts

13. In section 448A(2)(c)(ii)(8), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Voluntary revision of accounts etc.

14. In section 454(1)(9) and (2)(a), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

Secretary of State’s notice in respect of accounts or reports

15. In section 455(1)(10) and (4)(b), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

Application to court in respect of defective accounts or reports

16. In section 456(1)(11), (5) and (6), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

(5) Section 401(2)(b) was substituted by S.I. 2015/980.

(6) Section 403(4) was amended by S.I. 2012/2301.

(7) Section 406 was substituted by S.I. 2015/980.

(8) Section 448A was inserted by S.I. 2012/2301. There are no relevant amendments.

(9) Section 454(1) was amended by S.I. 2013/1970.

(10) Section 455(1) was amended by S.I. 2013/1970.

(11) Section 456(1) was amended by S.I. 2013/1970.

Other persons authorised to apply to the court

17. In section 457(1)(a)(12), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

Power of authorised person to require documents, information and explanations

18. In section 459(1)(13), omit “(or, where applicable, of Article 4 of the IAS Regulation)”.

Companies qualifying as medium-sized: parent companies

19. In section 466(6), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Notes to the accounts

20. In section 472(2), for “international accounting standards” substitute “UK-adopted international accounting standards”.

Minor definitions

21. In section 474(1)(14)—

- (a) omit the definition of “IAS Regulation”;
- (b) in the definition of “international accounting standards”, for “the IAS Regulation, adopted from time to time by the European Commission in accordance with that Regulation” substitute “Article 2 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards”;
- (c) in the definition of “profit and loss account”, for “international accounting standards” substitute “UK-adopted international accounting standards”;
- (d) after the definition of “UCITS management company” insert—

““UK-adopted international accounting standards” means the international accounting standards which are adopted for use within the United Kingdom by virtue of Chapter 2 or 3 of Part 2 of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019.”.

Subsidiary companies: conditions for exemption from audit

22. In section 479A(2)(c)(ii)(15), for “international accounting standards” substitute “UK-adopted international accounting standards (within the meaning given by section 474(1))”.

Auditor’s report on company’s annual accounts

23. In section 495(3)(c), omit “(and, where applicable, Article 4 of the IAS Regulation)”.

Supplementary accounting statement (merger)

24. In section 910(3), omit “(and where relevant Article 4 of the IAS Regulation)”.

(12) Section 457(1)(a) was amended by [S.I. 2013/1970](#).

(13) Section 459(1) was amended by [S.I. 2013/1970](#).

(14) There are amendments to section 474(1) but none is relevant.

(15) Section 479A was inserted by [S.I. 2012/2301](#). There are no relevant amendments.

Status: This is the original version (as it was originally made).

Supplementary accounting statement (division)

25. In section 925(3), omit “(and where relevant Article 4 of the IAS Regulation)”.

Index of defined expressions

26. In Schedule 8, in the index of defined expressions—

(a) omit the entry for “IAS Regulation (in Part 15)”;

(b) after the entry for “UCITS management company”, insert—

“UK-adopted	international	accounting	section 474(1)”.
standards (in Part 15)			