

STATUTORY INSTRUMENTS

1986 No. 1032

The Companies (Northern Ireland) Order 1986 (revoked)

^{F1}^{F2}^{F3}^{F4}Part VIII

Accounts and Audit

- F1** mod. SR 1994/133
F2 [Pt. VIII](#) substituted by [S.I. 1990/593 \(N.I. 5\)](#), **Pt. II**
F3 [Pt. VIII](#) modified by [S.R. 2004/307](#) (as amended (1.10.2006) by [Limited Liability Partnerships \(Amendment\) Regulations \(Northern Ireland\) 2006 \(S.R. 2006/377\)](#), reg. 2, **Sch. 1**)
F4 [Pt. VIII](#) modified by [S.R. 2004/496](#)

- F1** Order repealed (prosp.) by [Companies Act 2006 \(c. 46\)](#), ss. 1284(2), 1295, 1300(2), **Sch. 16** and the repeal being partly in force, as to which see individual Articles (with savings (with adaptations) by Companies Act 2006 (Commencement No. 6, Saving and Commencement Nos. 3 and 5 (Amendment)) Order 2008 ([S.I. 2008/674](#)), arts. 2(3), {4}, Sch. 2) and subject to amendments (6.4.2008) by [Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), arts. 2(2), 3(1)(b)(2), **Sch. 1** paras. 135, 147, 148 {Sch. 2 Note 1} (with arts. 6, 11, 12) and subject to amendments (6.4.2008) by [S.R. 2008/133](#), {regs. 2, 3}

Chapter 1

Provisions Applying to Companies Generally

Accounting records

Duty to keep accounting records

229 ^{F5}.—(1) Every company shall keep accounting records which are sufficient to show and explain the company's transactions and are such as to—

- (a) disclose with reasonable accuracy, at any time, the financial position of the company at that time, and
 - (b) enable the directors to ensure that^{F6} any accounts required to be prepared under this Part comply with the requirements of this Order^{F6} (and, where applicable, of Article 4 of the IAS Regulation)].
- (2) The accounting records shall in particular contain—
- (a) entries from day to day of all sums of money received and expended by the company, and the matters in respect of which the receipt and expenditure takes place, and
 - (b) a record of the assets and liabilities of the company.
- (3) If the company's business involves dealing in goods, the accounting records shall contain—

- (a) statements of stock held by the company at the end of each financial year of the company,
- (b) all statements of stocktakings from which any such statement of stock as is mentioned in sub#paragraph (a) has been or is to be prepared, and
- (c) except in the case of goods sold by way of ordinary retail trade, statements of all goods sold and purchased, showing the goods and the buyers and sellers in su#cient detail to enable all these to be identified.

(4) A parent company which has a subsidiary undertaking in relation to which the above requirements do not apply shall take reasonable steps to secure that the undertaking keeps such accounting records as to enable the directors of the parent company to ensure that^{F6} any accounts required to be prepared under this Part comply] with the requirements of this Order^{F6} (and, where applicable, of Article 4 of the IAS Regulation)].

(5) If a company fails to comply with any provision of this Article, every o#cer of the company who is in default is guilty of an o#ence unless he shows that he acted honestly and that in the circumstances in which the company's business was carried on the default was excusable.

(6) A person guilty of an o#ence under this Article is liable to imprisonment or a fine, or both.

F5 mod. SR 1994/133

F6 SR 2004/496

Where and for how long records to be kept

230 ^{F7}.—(1) A company's accounting records shall be kept at its registered o#ce or such other place as the directors think fit, and shall at all times be open to inspection by the company's o#cers.

(2) If accounting records are kept at a place outside Northern Ireland, accounts and returns with respect to the business dealt with in the accounting records so kept shall be sent to, and kept at, a place in Northern Ireland, and shall at all times be open to such inspection.

(3) The accounts and returns to be sent to Northern Ireland shall be such as to—

- (a) disclose with reasonable accuracy the financial position of the business in question at intervals of not more than 6 months; and
- (b) enable the directors to ensure that^{F8} the accounts required to be prepared under this Part] comply with the requirements of this Order^{F8} (and, where applicable, Article 4 of the IAS Regulation)].

(4) If a company fails to comply with any provision of paragraphs (1) to (3), every o#cer of the company who is in default is guilty of an o#ence, and liable to imprisonment or a fine or both, unless he shows that he acted honestly and that in the circumstances in which the company's business was carried on the default was excusable.

(5) Accounting records which a company is required by Article 229 to keep shall be preserved by it—

- (a) in the case of a private company, for 3 years from the date on which they are made, and
- (b) in the case of a public company, for 6 years from the date on which they are made.

This is subject to any provision contained in rules made under Article 359 of the Insolvency (Northern Ireland) Order 1989 (insolvency rules).

(6) An o#cer of a company is guilty of an o#ence, and liable to imprisonment or a fine or both, if he fails to take all reasonable steps for securing compliance by the company with paragraph (5) or intentionally causes any default by the company under that paragraph.

(7) Until the coming into operation of Article 359 of the Insolvency (Northern Ireland) Order 1989, paragraph (5) shall have effect with the substitution of “ Article 613 (winding#up rules) ” for “Article 359 of the Insolvency (Northern Ireland) Order 1989 (insolvency rules).”

F7 mod. SR 1994/133

F8 SR 2004/496

A company's financial and accounting reference periods

A company's financial year

231 ^{F9}.—(1) A company's “financial year” is determined as follows.

(2) Its first financial year begins with the first day of its first accounting reference period and ends with the last day of that period or such other date, not more than 7 days before or after the end of that period, as the directors may determine.

(3) Subsequent financial years begin with the day immediately following the end of the company's previous financial year and end with the last day of its next accounting reference period or such other date, not more than 7 days before or after the end of that period, as the directors may determine.

(4) In relation to an undertaking which is not a company, references in this Order to its financial year are to any period in respect of which a profit and loss account of the undertaking is required to be made up (by its constitution or by the law under which it is established), whether that period is a year or not.

(5) The directors of a parent company shall secure that, except where in their opinion there are good reasons against it, the financial year of each of its subsidiary undertakings coincides with the company's own financial year.

F9 mod. SR 1994/133

Accounting reference periods and accounting reference date

232 ^{F10}.—(1) A company's accounting reference periods are determined according to its accounting reference date.

(2) A company^[F11] incorporated before 22nd August 1997] may, at any time before the end of the period of 9 months beginning with the date of its incorporation, by notice in the prescribed form given to the registrar specify its accounting reference date, that is, the date on which its accounting reference period ends in each calendar year.

(3) Failing such notice,^[F11] the accounting reference date of such a company] is—

- (a) in the case of a company incorporated before the coming into operation of Article 5 of the Companies (Northern Ireland) Order 1990, 31st March;
- (b) in the case of a company incorporated after the coming into operation of that Article, the last day of the month in which the anniversary of its incorporation falls.

^[F11](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.]

(4) A company's first accounting reference period is the period of more than 6 months, but not more than 18 months, beginning with the date of its incorporation and ending with its accounting reference date.

Status: Point in time view as at 01/01/2006. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Part VIII. (See end of Document for details)

(5) Its subsequent accounting reference periods are successive periods of 12 months beginning immediately after the end of the previous accounting reference period and ending with its accounting reference date.

(6) This Article has effect subject to the provisions of Article 233 relating to the alteration of accounting reference dates and the consequences of such alteration.

F10 mod. SR 1994/133

F11 SR 1997/314

Alteration of accounting reference date

233.—^{F12}(1) A company may by notice in the prescribed form given to the registrar specify a new accounting reference date^{F13} 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.]

Para. (2) rep. by SR 1997/314

^{F14}(3) The notice shall state whether the current or previous accounting reference period—

- (a) is to be shortened, so as to come to an end on the first occasion on which the new accounting reference date falls or fell after the beginning of the period, or
- (b) is to be extended, so as to come to an end on the second occasion on which that date falls or fell after the beginning of the period.

(4) A notice under paragraph (1) stating that the current^{F13} or previous] accounting reference period is to be extended is ineffective, except as mentioned below, if given less than 5 years after the end of an earlier accounting reference period of the company which was extended by virtue of this Article.

This paragraph does not apply—

- (a) ^{F13}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]
- (b) where^{F15} an administration order is in force under Part III of the Insolvency (Northern Ireland) Order 1989,

or where the Department directs that it should not apply, which it may do with respect to a notice which has been given or which may be given.

(5) A notice under^{F13} paragraph (1)] may not be given^{F13} in respect of a previous accounting reference period] if the period allowed for laying and delivering accounts and reports in relation to^{F13} that period] has already expired.

(6) ^{F15}An accounting reference period may not in any case, unless an administration order is in force under Part III of the Insolvency (Northern Ireland) Order 1989, be extended so as to exceed 18 months and a notice under this Article is ineffective if the current or previous accounting reference period as extended in accordance with the notice would exceed that limit.]

^{F13}(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.]

- F12** mod. SR 1994/133
- F13** SR 1997/314
- F14** [1990 NI 5](#)
- F15** prosp. (until 27.03.06) subst. by [2005 NI 10](#)

Annual accounts

^{F16}Duty to prepare individual accounts

234.—(1) The directors of every company shall prepare accounts for the company for each of its financial years.

Those accounts are referred to in this Part as the company's “individual accounts”.

(2) A company's individual accounts may be prepared—

- (a) in accordance with Article 234A (“Companies Order individual accounts”), or
- (b) in accordance with international accounting standards (“IAS individual accounts”).

This paragraph is subject to the following provisions of this Article and Article 235C.

(3) The individual accounts of a company that is a charity must be Companies Order individual accounts.

(4) After the first financial year in which the directors of a company prepare IAS individual accounts (“the first IAS year”), all subsequent individual accounts of the company must be prepared in accordance with international accounting standards unless there is a relevant change of circumstance.

(5) There is a relevant change of circumstance if, at any time during or after the first IAS year—

- (a) the company becomes a subsidiary undertaking of another undertaking that does not prepare IAS individual accounts,
- (b) the company ceases to be a company with securities admitted to trading on a regulated market, or
- (c) a parent undertaking of the company ceases to be an undertaking with securities admitted to trading on a regulated market.

In this paragraph “regulated market” has the same meaning as it has in Council Directive [93/22/EEC](#) on investment services in the securities field.

(6) If, having changed to preparing Companies Order individual accounts following a relevant change of circumstance, the directors again prepare IAS individual accounts for the company, paragraphs (4) and (5) apply again as if the first financial year for which such accounts are again prepared were the first IAS year.

- F16** [Arts. 234-235C](#) subst. for arts. 234, 235 by [S.R. 2004/496](#), [art. 2](#)

^{F17}Companies Order individual accounts

234A.—(1) Companies Order individual accounts must comprise—

- (a) a balance sheet as at the last day of the financial year, and
- (b) a profit and loss account.

(2) The balance sheet must give a true and fair view of the state of affairs of the company as at the end of the financial year; and the profit and loss account must give a true and fair view of the profit or loss of the company for the financial year.

(3) Companies Order individual accounts must comply with the provisions of Schedule 4 as to the form and content of the balance sheet and profit and loss account and additional information to be provided by way of notes to the accounts.

(4) Where compliance with the provisions of that Schedule, and the other provisions of this Order as to the matters to be included in a company's individual accounts or in notes to those accounts, would not be sufficient to give a true and fair view, the necessary additional information must be given in the accounts or in a note to them.

(5) If in special circumstances compliance with any of those provisions is inconsistent with the requirement to give a true and fair view, the directors must depart from that provision to the extent necessary to give a true and fair view.

(6) Particulars of any such departure, the reasons for it and its effect must be given in a note to the accounts.

F17 Arts. 234-235C subst. for arts. 234, 235 by S.R. 2004/496, art. 2

^{F18}IAS individual accounts

234B. Where the directors of a company prepare IAS individual accounts, they must state in the notes to those accounts that the accounts have been prepared in accordance with international accounting standards.

F18 Arts. 234-235C subst. for arts. 234, 235 by S.R. 2004/496, art. 2

[^{F19F20}Duty to prepare group accounts

235.—(1) If at the end of a financial year a company is a parent company the directors, as well as preparing individual accounts for the year, shall prepare consolidated accounts for the group for the year. Those accounts are referred to in this Part as the company's "group accounts".

(2) The group accounts of certain companies are required by Article 4 of the IAS Regulation to be prepared in accordance with international accounting standards ("IAS group accounts").

(3) The group accounts of other companies may be prepared—

- (a) in accordance with Article 235A ("Companies Order group accounts"), or
- (b) in accordance with international accounting standards ("IAS group accounts").

This paragraph is subject to the following provisions of this Article.

(4) The group accounts of a parent company that is a charity must be Companies Order group accounts.

(5) After the first financial year in which the directors of a parent company prepare IAS group accounts ("the first IAS year"), all subsequent group accounts of the company must be prepared in accordance with international accounting standards unless there is a relevant change of circumstance.

(6) There is a relevant change of circumstance if, at any time during or after the first IAS year—

- (a) the company becomes a subsidiary undertaking of another undertaking that does not prepare IAS group accounts,
- (b) the company ceases to be a company with securities admitted to trading on a regulated market, or

- (c) a parent undertaking of the company ceases to be an undertaking with securities admitted to trading on a regulated market.

In this paragraph “regulated market” has the same meaning as it has in Council Directive 93/22/EEC on investment services in the securities field.

(7) If, having changed to preparing Companies Order group accounts following a relevant change of circumstance, the directors again prepare IAS group accounts for the company, paragraphs (5) and (6) apply again as if the first financial year for which such accounts are again prepared were the first IAS year.

- (8) This Article is subject to the exemptions provided by Articles 236, 236A, 237(5) and 256.]

F19 1990 NI 5, [art. 7\(1\)](#)

F20 [Arts. 234-235C](#) subst. for arts. 234, 235 by [S.R. 2004/496](#), [art. 2](#)

^{F21} **Companies Order group accounts**

235A.—(1) Companies Order group accounts must comprise—

- (a) a consolidated balance sheet dealing with the state of affairs of the parent company and its subsidiary undertakings, and
- (b) a consolidated profit and loss account dealing with the profit or loss of the parent company and its subsidiary undertakings.

(2) The accounts must give a true and fair view of the state of affairs as at the end of the financial year, and the profit or loss for the financial year, of the undertakings included in the consolidation as a whole, so far as concerns members of the company.

(3) Companies Order group accounts must comply with the provisions of Schedule 4A as to the form and content of the consolidated balance sheet and consolidated profit and loss account and additional information to be provided by way of notes to the accounts.

(4) Where compliance with the provisions of that Schedule, and the other provisions of this Order as to the matters to be included in a company's group accounts or in notes to those accounts, would not be sufficient to give a true and fair view, the necessary additional information must be given in the accounts or in a note to them.

(5) If in special circumstances compliance with any of those provisions is inconsistent with the requirement to give a true and fair view, the directors must depart from that provision to the extent necessary to give a true and fair view.

(6) Particulars of any such departure, the reasons for it and its effect must be given in a note to the accounts.

F21 [Arts. 234-235C](#) subst. for arts. 234, 235 by [S.R. 2004/496](#), [art. 2](#)

^{F22} **IAS group accounts**

235B. Where the directors of a parent company prepare IAS group accounts, they must state in the notes to those accounts that the accounts have been prepared in accordance with international accounting standards.

F22 [Arts. 234-235C](#) subst. for arts. 234, 235 by [S.R. 2004/496](#), [art. 2](#)

^{F23}Consistency of accounts

235C.—(1) Subject to the following provisions of this Article, the directors of a parent company must secure that the individual accounts of—

- (a) the parent company, and
- (b) each of its subsidiary undertakings,

are all prepared using the same financial reporting framework, except to the extent that in their opinion there are good reasons for not doing so.

(2) Paragraph (1) does not apply if the directors do not prepare group accounts for the parent company.

(3) Paragraph (1) only applies to accounts of subsidiary undertakings that are required to be prepared under this Part.

(4) Paragraph (1) does not require accounts of undertakings that are charities to be prepared using the same financial reporting framework as accounts of undertakings which are not charities.

(5) Paragraph (1)(a) does not apply where the directors of a parent company prepare IAS group accounts and IAS individual accounts.

F23 Arts. 234-235C subst. for arts. 234, 235 by S.R.2004/496, art. 2

^{F24}Exemption for parent companies included in accounts of larger group

236^{F25}.—(1) A company is exempt from the requirement to prepare group accounts if it is itself a subsidiary undertaking and its immediate parent undertaking is established under the law of^{F26} an EEA state], in the following cases—

- (a) where the company is a wholly-owned subsidiary of that parent undertaking;
- (b) where that parent undertaking holds more than 50 per cent. of the shares in the company and notice requesting the preparation of group accounts has not been served on the company by shareholders holding in aggregate—
 - (i) more than half of the remaining shares in the company, or
 - (ii) 5 per cent. of the total shares in the company.

Such notice must be served not later than 6 months after the end of the financial year before that to which it relates.

(2) Exemption is conditional upon compliance with all of the following conditions—

- (a) that the company is included in consolidated accounts for a larger group drawn up to the same date, or to an earlier date in the same financial year, by a parent undertaking established under the law of^{F26} an EEA state];
- (b) that those accounts are drawn up and audited, and that parent undertaking's annual report is drawn up, according to that law, in accordance with the provisions of the Seventh Directive (83/349/EEC)^{F27} (where applicable as modified by the provisions of the Bank Accounts Directive (86/635/EEC))^{F28} or the Insurance Accounts Directive (91/674/EEC)^{F26} or in accordance with international accounting standards];
- (c) that the company discloses in its individual accounts that it is exempt from the obligation to prepare and deliver group accounts;
- (d) that the company states in its individual accounts the name of the parent undertaking which draws up the group accounts referred to above and—

- (i) if it is incorporated outside Northern Ireland, the country in which it is incorporated, and
 - (ii) if it is unincorporated, the address of its principal place of business;
 - (e) that the company delivers to the registrar, within the period allowed for delivering its individual accounts, copies of those group accounts and of the parent undertaking's annual report, together with the auditors' report on them; and
 - (f) that if any document comprised in accounts and reports delivered in accordance with sub#paragraph (e) is in a language other than English, there is annexed to the copy of that document delivered a translation of it into English, certified in the prescribed manner to be a correct translation.
- (3) The exemption does not apply to a company any of whose securities are^{F26} . . . [^{F26} admitted to trading on a regulated market of any EEA State within the meaning of Council Directive 93/22/EEC on investment services in the securities field].
- (4) Shares held by directors of a company for the purpose of complying with any share qualification requirement shall be disregarded in determining for the purposes of paragraph (1)(a) whether the company is a wholly#owned subsidiary.
- (5) For the purposes of paragraph (1)(b) shares held by a wholly#owned subsidiary of the parent undertaking, or held on behalf of the parent undertaking or a wholly#owned subsidiary, shall be attributed to the parent undertaking.
- (6) In paragraph (3) “securities” includes—
- (a) shares and stock,
 - (b) debentures, including debenture stock, loan stock, bonds, certificates of deposit and other instruments creating or acknowledging indebtedness,
 - (c) warrants or other instruments entitling the holder to subscribe for securities falling within sub#paragraph (a) or (b), and
 - (d) certificates or other instruments which confer—
 - (i) property rights in respect of a security falling within sub#paragraph (a), (b) or (c),
 - (ii) any right to acquire, dispose of, underwrite or convert a security, being a right to which the holder would be entitled if he held any such security to which the certificate or other instrument relates, or
 - (iii) a contractual right (other than an option) to acquire any such security otherwise than by subscription.]

F24 1990 NI 5, art. 7(3)

F25 mod. SR 1994/133

F26 SR 2004/496

F27 SR 1993/199

F28 SR 1994/428

[^{F29}Exemption for parent companies included in non#EEA group accounts

236A.—(1) A company is exempt from the requirement to prepare group accounts if it is itself a subsidiary undertaking and its parent undertaking is not established under the law of an EEA State, in the following cases—

- (a) where the company is a wholly-owned subsidiary of that parent undertaking;

Status: Point in time view as at 01/01/2006. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Part VIII. (See end of Document for details)

- (b) where that parent undertaking holds more than 50 per cent of the shares in the company and notice requesting the preparation of group accounts has not been served on the company by shareholders holding in aggregate—
 - (i) more than half of the remaining shares in the company, or
 - (ii) 5 per cent of the total shares in the company.

Such notice must be served not later than six months after the end of the financial year before that to which it relates.

(2) Exemption is conditional upon compliance with all of the following conditions—

- (a) that the company and all of its subsidiary undertakings are included in consolidated accounts for a larger group drawn up to the same date, or to an earlier date in the same financial year, by a parent undertaking;
- (b) that those accounts and, where appropriate, the group's annual report, are drawn up in accordance with the provisions of the Seventh Directive ([83/349/EEC](#)) (where applicable as modified by the provisions of the Bank Accounts Directive ([86/635/EEC](#)) or the Insurance Accounts Directive ([91/674/EEC](#))), or in a manner equivalent to consolidated accounts and consolidated annual reports so drawn up;
- (c) that the consolidated accounts are audited by one or more persons authorised to audit accounts under the law under which the parent undertaking which draws them up is established;
- (d) that the company discloses in its individual accounts that it is exempt from the obligation to prepare and deliver group accounts;
- (e) that the company states in its individual accounts the name of the parent undertaking which draws up the group accounts referred to above and—
 - (i) if it is incorporated outside Northern Ireland, the country in which it is incorporated, and
 - (ii) if it is unincorporated, the address of its principal place of business;
- (f) that the company delivers to the registrar, within the period allowed for delivering its individual accounts, copies of the group accounts and, where appropriate, of the consolidated annual report, together with the auditors' report on them.

(3) The exemption does not apply to a company any of whose securities are admitted to trading on a regulated market of any EEA State within the meaning of Council Directive [93/22/EEC](#) on investment services in the securities field.

(4) Shares held by directors of a company for the purposes of complying with any share qualification requirement are disregarded in determining for the purposes of paragraph (1)(a) whether the company is a wholly-owned subsidiary.

(5) For the purposes of paragraph (1)(b), shares held by a wholly-owned subsidiary of the parent undertaking or held on behalf of the parent undertaking or a wholly-owned subsidiary, are attributed to the parent undertaking.

(6) In paragraph (3) “securities” includes—

- (a) shares and stock,
- (b) debentures, including debenture stock, loan stock, bonds, certificates of deposit and other instruments creating or acknowledging indebtedness,
- (c) warrants or other instruments entitling the holder to subscribe for securities falling within sub-paragraph (a) or (b), and
- (d) certificates or other instruments which confer—
 - (i) property rights in respect of a security falling within sub-paragraph (a), (b) or (c),

- (ii) any right to acquire, dispose of, underwrite or convert a security, being a right to which the holder would be entitled if he held any such security to which the certificate or other instrument relates, or
- (iii) a contractual right (other than an option) to acquire any such security otherwise than by subscription.]

F29 Art. 236A inserted by S.R. 2004/496, art. 4.

[^{F30}**Subsidiary undertakings included in the consolidation**

237 ^{F31}—(1) [^{F32}In the case of Companies Order group accounts,] Subject to the exceptions authorised^{F32}. . . by this Article, all the subsidiary undertakings of the parent company shall be included in the consolidation.

(2) A subsidiary undertaking may be excluded from consolidation[^{F32} in Companies Order group accounts] if its inclusion is not material for the purpose of giving a true and fair view; but two or more undertakings may be excluded only if they are not material taken together.

(3) In addition, a subsidiary undertaking may be excluded from consolidation[^{F32} in Companies Order group accounts] where—

- (a) severe long#term restrictions substantially hinder the exercise of the rights of the parent company over the assets or management of that undertaking, or
- (b) the information necessary for the preparation of group accounts cannot be obtained without disproportionate expense or undue delay, or
- (c) the interest of the parent company is held exclusively with a view to subsequent resale^{F32}. . . .

The reference in sub#paragraph (a) to the rights of the parent company and the reference in sub#paragraph (c) to the interest of the parent company are, respectively, to rights and interests held by or attributed to the company for the purposes of Article 266 (definition of “parent undertaking”) in the absence of which it would not be the parent company.

Para. (4) rep. by SR 2004/496

This paragraph does not apply merely because some of the undertakings are industrial, some commercial and some provide services, or because they carry on industrial or commercial activities involving di#erent products or provide di#erent services.

[
^{F32}(5) A parent company is exempt from the requirement to prepare group accounts if under paragraph (2) or (3) all of its subsidiary undertakings could be excluded from consolidation in Companies Order group accounts.]]

F30 1990 NI 5, art. 7(3)

F31 mod. SR 1994/133

F32 SR 2004/496

[^{F33}**Treatment of individual profit and loss account where group accounts prepared**

238 ^{F34}—(1) The following provisions apply with respect to the individual profit and loss account of a parent company where—

Status: Point in time view as at 01/01/2006. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Part VIII. (See end of Document for details)

- (a) the company is required to prepare and does prepare group accounts in accordance with this Order, and
 - (b) the notes to the company's individual balance sheet show the company's profit or loss for the financial year determined in accordance with this Order.
- (2) ^{F35}Where the company prepares Companies Order individual accounts,] The profit and loss account need not contain the information specified in paragraphs 52 to 57 of Schedule 4 (information supplementing the profit and loss account).
- (3) The profit and loss account must be approved in accordance with Article 241(1) (approval by board of directors) but may be omitted from the company's annual accounts for the purposes of the other provisions below in this Chapter.
- (4) The exemption conferred by this Article is conditional upon its being disclosed in the company's annual accounts that the exemption applies.]

F33 Art. 238 inserted by 1990 NI 5, art. 7(4)

F34 mod. SR 1994/133

F35 SR 2004/496

^{F36}**Disclosure required in notes to accounts: related undertakings**

239 ^{F37}—(1) The information specified in Schedule 5 shall be given in notes to a company's annual accounts.

(2) Where the company is not required to prepare group accounts, the information specified in Part I of that Schedule shall be given; and where the company is required to prepare group accounts, the information specified in Part II of that Schedule shall be given.

(3) The information required by Schedule 5 need not be disclosed with respect to an undertaking which—

- (a) is established under the law of a country outside the United Kingdom, or
- (b) carries on business outside the United Kingdom,

if in the opinion of the directors of the company the disclosure would be seriously prejudicial to the business of that undertaking, or to the business of the company or any of its subsidiary undertakings, and the Department agrees that the information need not be disclosed.

This paragraph does not apply in relation to the information required under^{F38} paragraph^{F39} . . . 6, 9A, 20 or 28A] of that Schedule.

(4) Where advantage is taken of paragraph (3), that fact shall be stated in a note to the company's annual accounts.

(5) If the directors of the company are of the opinion that the number of undertakings in respect of which the company is required to disclose information under any provision of Schedule 5 is such that compliance with that provision would result in information of excessive length being given, the information need only be given in respect of—

- (a) the undertakings whose results or financial position, in the opinion of the directors, principally affected the figures shown in the company's annual accounts, and
- (b) undertakings excluded from consolidation under Article 237(3)^{F40} . . .

^{F39} . . .

(6) If advantage is taken of paragraph (5)—

- (a) there shall be included in the notes to the company's annual accounts a statement that the information is given only with respect to such undertakings as are mentioned in that paragraph, and
- (b) the full information (both that which is disclosed in the notes to the accounts and that which is not) shall be annexed to the company's next annual return.

For this purpose the “next annual return” means that next delivered to the registrar after the accounts in question have been approved under Article 241.

(7) If a company fails to comply with paragraph (6)(b), the company and every officer of it who is in default is liable to a fine and, for continued contravention, to a daily default fine.]

F36 1990 NI 5, [art. 8\(1\)](#)

F37 mod. SR 1994/133

F38 SR 1994/133

F39 SR 1997/314

F40 SR 2004/496

[^{F41}Disclosure required in notes to annual accounts: particulars of staff

239A.—(1) The following information with respect to the employees of the company must be given in notes to the company's annual accounts—

- (a) the average number of persons employed by the company in the financial year, and
- (b) the average number of persons so employed within each category of persons employed by the company.

(2) The average number required by paragraph (1)(a) or (b) is determined by dividing the relevant annual number by the number of months in the financial year.

(3) The relevant annual number is determined by ascertaining for each month in the financial year—

- (a) for the purposes of paragraph (1)(a), the number of persons employed under contracts of service by the company in that month (whether throughout the month or not);
- (b) for the purposes of paragraph (1)(b), the number of persons in the category in question of persons so employed;

and, in either case, adding together all the monthly numbers.

(4) In respect of all persons employed by the company during the financial year who are taken into account in determining the relevant annual number for the purposes of paragraph (1)(a) there must also be stated the aggregate amounts respectively of—

- (a) wages and salaries paid or payable in respect of that year to those persons;
- (b) social security costs incurred by the company on their behalf; and
- (c) other pension costs so incurred.

This does not apply in so far as those amounts, or any of them, are stated elsewhere in the company's accounts.

(5) For the purposes of paragraph (1)(b), the categories of person employed by the company are such as the directors may select, having regard to the manner in which the company's activities are organised.

(6) This Article applies in relation to group accounts as if the undertakings included in the consolidation were a single company.

(7) In this Article “social security costs” and “pension costs” have the same meaning as in Schedule 4 (see paragraph 92(1) and (2) of that Schedule).]

F41 Art. 239A inserted by SR 2004/496, art. 11

[^{F42}Disclosure required in notes to accounts: emoluments and other benefits of directors and others

240 ^{F43}.—[

^{F44}(1) The information specified in Schedule 6 shall be given in notes to a company's annual accounts, save that the information specified in paragraphs 2 to 14 in Part I of Schedule 6 shall be given only in the case of a company which is not a quoted company.]

(2) In that Schedule—

Part I relates to the emoluments of directors (including emoluments waived), pensions of directors and past directors, compensation for loss of office to directors and past directors and sums paid to third parties in respect of directors' services,

Part II relates to loans, quasi-loans and other dealings in favour of directors and connected persons, and

Part III relates to transactions, arrangements and agreements made by the company or a subsidiary undertaking for officers of the company other than directors.

(3) It is the duty of any director of a company, and any person who is or has at any time in the preceding 5 years been an officer of the company, to give notice to the company of such matters relating to himself as may be necessary for the purposes of Part I of Schedule 6.

(4) A person who makes default in complying with paragraph (3) commits an offence and is liable to a fine.]

F42 1990 NI 5, art. 8(3)

F43 mod. SR 1994/133

F44 SR 2005/56

Approval and signing of accounts

Approval and signing of accounts

241 ^{F45}.—(1) A company's annual accounts shall be approved by the board of directors and signed on behalf of the board by a director of the company.

(2) The signature shall be on the company's balance sheet.

(3) Every copy of the balance sheet which is laid before the company in general meeting, or which is otherwise circulated, published or issued, shall state the name of the person who signed the balance sheet on behalf of the board.

(4) The copy of the company's balance sheet which is delivered to the registrar shall be signed on behalf of the board by a director of the company.

(5) If annual accounts are approved which do not comply with the requirements of this Order^{F46} (or, where applicable, of Article 4 of the IAS Regulation)], every director of the company who is party to their approval and who knows that they do not comply or is reckless as to whether they comply is guilty of an offence and liable to a fine.

For this purpose every director of the company at the time the accounts are approved shall be taken to be a party to their approval unless he shows that he took all reasonable steps to prevent their being approved.

(6) If a copy of the balance sheet—

(a) is laid before the company, or otherwise circulated, published or issued, without the balance sheet having been signed as required by this Article or without the required statement of the signatory's name being included, or

(b) is delivered to the registrar without being signed as required by this Article,

the company and every officer of it who is in default is guilty of an offence and liable to a fine.

F45 mod. SR 1994/133

F46 SR 2004/496

DIRECTORS' REPORT

Duty to prepare directors' report

242.—(1) The directors of a company shall for each financial year prepare a report (a “directors' report”) complying with the general requirements of Article 242ZZA, and containing the business review specified in Article 242ZZB.

(2) For a financial year in which—

(a) the company is a parent company, and

(b) the directors of the company prepare group accounts,

the directors' report must be a consolidated report (a “group directors' report”) relating, to the extent specified in the following provisions of this Part, to the company and its subsidiary undertakings included in the consolidation.

^{F47}(3) 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.

(4) In the case of a quoted company, a directors' report need not contain any information included in the operating and financial review for that financial year (see Article 242AA).

(5) If a directors' report does not comply with the provisions of this Part relating to the preparation and contents of the report, every director of the company who—

(a) knew that it did not comply or was reckless as to whether it complied, and

(b) failed to take all reasonable steps to secure compliance with the provision in question,

is guilty of an offence and liable to a fine.

F47 prosp. insertion by 2005 NI 17

Directors' report: general requirements

242ZZA.—(1) The directors' report for a financial year must state—

(a) the names of the persons who, at any time during the financial year, were directors of the company,

(b) the principal activities of the company in the course of the year, and

- (c) the amount (if any) that the directors recommend should be paid by way of dividend.
- (2) In relation to a group directors' report paragraph (1)(b) has effect as if the reference to the company was a reference to the company and its subsidiary undertakings included in the consolidation.
- (3) The report must also comply with Schedule 7 as regards the disclosure of the matters mentioned there.
- (4) In Schedule 7—
 - Part I relates to matters of a general nature, including changes in asset values, directors' shareholdings and other interests and contributions for political and charitable purposes;
 - Part II relates to the acquisition by a company of its own shares or a charge on them;
 - Part III relates to the employment, training and advancement of disabled persons;
 - Part V relates to the involvement of employees in the affairs, policy and performance of the company;
 - Part VI relates to the company's policy and practice on the payment of creditors.

Directors' report: business review

- 242ZZB.**—(1) The directors' report for a financial year must contain—
- (a) a fair review of the business of the company, and
 - (b) a description of the principal risks and uncertainties facing the company.
- (2) The review required is a balanced and comprehensive analysis of—
- (a) the development and performance of the business of the company during the financial year, and
 - (b) the position of the company at the end of that year,
- consistent with the size and complexity of the business.
- (3) The review must, to the extent necessary for an understanding of the development, performance or position of the business of the company, include—
- (a) analysis using financial key performance indicators, and
 - (b) where appropriate, analysis using other key performance indicators, including information relating to environmental matters and employee matters.
- (4) The review must, where appropriate, include references to, and additional explanations of, amounts included in the annual accounts of the company.
- (5) In this Article, “key performance indicators” means factors by reference to which the development, performance or position of the business of the company can be measured effectively.
- (6) In relation to a group directors' report this Article has effect as if the references to the company were references to the company and its subsidiary undertakings included in the consolidation.

F48

F48 prosp. rep. by 2005 NI 17 (which amendment repealed (6.4.2008) by Companies Act 2006 (c. 46), s. 1295, Sch. 16; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 2)

Approval and signing of directors' report

- 242A**^{F49}.—(1) The directors' report shall be approved by the board of directors and signed on behalf of the board by a director or the secretary of the company.

(2) Every copy of the directors' report which is laid before the company in general meeting, or which is otherwise circulated, published or issued, shall state the name of the person who signed it on behalf of the board.

(3) The copy of the directors' report which is delivered to the registrar shall be signed on behalf of the board by a director or the secretary of the company.

(4) If a copy of the directors' report—

(a) is laid before the company, or otherwise circulated, published or issued, without the report having been signed as required by this Article or without the required statement of the signatory's name being included, or

(b) is delivered to the registrar without being signed as required by this Article,

the company and every officer of it who is in default is guilty of an offence and liable to a fine.

F49 mod. SR 1994/133

^{F50}*QUOTED COMPANIES: OPERATING AND FINANCIAL REVIEW*

F50 SR 2005/61

Duty to prepare operating and financial review

242AA.—(1) The directors of a quoted company shall for each financial year prepare an operating and financial review.

(2) The review must comply with Schedule 7ZA, save that nothing in that Schedule requires the disclosure of information about impending developments or about matters in the course of negotiation if the disclosure would, in the opinion of the directors, be seriously prejudicial to the interests of the company.

(3) For a financial year in which—

(a) the company is a parent company, and

(b) the directors of the company prepare group accounts,

the operating and financial review must be a consolidated review (a “group operating and financial review”) relating, to the extent specified in Schedule 7ZA, to the company and its subsidiary undertakings included in the consolidation.

(4) A group operating and financial review 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.

(5) If an operating and financial review does not comply with the provisions of this Part relating to the preparation and contents of the review, every director of the company who—

(a) knew that it did not comply or was reckless as to whether it complied, and

(b) failed to take all reasonable steps to secure compliance with the provision in question,

is guilty of an offence and liable to a fine.

Approval and signing of operating and financial review

242AB.—(1) The operating and financial review must be approved by the board of directors and signed on behalf of the board by a director or the secretary of the company.

(2) Every copy of the operating and financial review laid before the company in general meeting, or that is otherwise circulated, published or issued, must state the name of the person who signed it on behalf of the board.

(3) The copy of the operating and financial review delivered to the registrar must be signed on behalf of the board by a director or the secretary of the company.

(4) If a copy of the operating and financial review—

(a) is laid before the company, or otherwise circulated, published or issued without the review having been signed as required by this Article or without the required statement of the signatory's name being included, or

(b) is delivered to the registrar without being signed as required by this Article,

the company and every officer of it who is in default is guilty of an offence and liable to a fine.

Quoted companies: directors' remuneration report

Duty to prepare directors' remuneration report

242B.—(1) The directors of a quoted company shall for each financial year prepare a directors' remuneration report which shall contain the information specified in Schedule 7A and comply with any requirement of that Schedule as to how information is to be set out in the report.

(2) In Schedule 7A—

Part I is introductory,

Part II relates to information about remuneration committees, performance related remuneration and liabilities in respect of directors' contracts,

Part III relates to detailed information about directors' remuneration (information included under Part III is required to be reported on by the auditors, see Article 243), and

Part IV contains interpretative and supplementary provisions.

(3) In the case of any failure to comply with the provisions of this Part as to the preparation of a directors' remuneration report and the contents of the report, every person who was a director of the quoted company immediately before the end of the period for laying and delivering accounts and reports for the financial year in question is guilty of an offence and liable to a fine.

(4) In proceedings against a person for an offence under paragraph (3) it is a defence for him to prove that he took all reasonable steps for securing compliance with the requirements in question.

(5) It is the duty of any director of a company, and any person who has at any time in the preceding five years been a director of the company, to give notice to the company of such matters relating to himself as may be necessary for the purposes of Parts II and III of Schedule 7A.

(6) A person who makes default in complying with paragraph (5) commits an offence and is liable to a fine.

Approval and signing of directors' remuneration report

242C.—(1) The directors' remuneration report shall be approved by the board of directors and signed on behalf of the board by a director or the secretary of the company.

(2) Every copy of the directors' remuneration report which is laid before the company in general meeting, or which is otherwise circulated, published or issued, shall state the name of the person who signed it on behalf of the board.

(3) The copy of the directors' remuneration report which is delivered to the registrar shall be signed on behalf of the board by a director or the secretary of the company.

- (4) If a copy of the directors' remuneration report—
- (a) is laid before the company, or otherwise circulated, published or issued, without the report having been signed as required by this Article or without the required statement of the signatory's name being included, or
 - (b) is delivered to the registrar without being signed as required by this Article,
- the company and every officer of it who is in default is guilty of an offence and liable to a fine.

[^{F51}Auditors' report]

F51 1990 NI 5

Auditors' report

243 ^{F52}.—(1) A company's auditors shall make a report to the company's members on all annual accounts of the company of which copies are to be laid before the company in general meeting during their tenure of office.

^{F53}(1A) The auditors' report must include—

- (a) an introduction identifying the annual accounts that are the subject of the audit and the financial reporting framework that has been applied in their preparation;
- (b) a description of the scope of the audit identifying the auditing standards in accordance with which the audit was conducted.

(1B) The report must state clearly whether in the auditors' opinion the annual accounts have been properly prepared in accordance with the requirements of this Order (and, where applicable, Article 4 of the IAS Regulation).

(2) The report must state in particular whether the annual accounts give a true and fair view, in accordance with the relevant financial reporting framework—

- (a) in the case of an individual balance sheet, of the state of affairs of the company as at the end of the financial year,
- (b) in the case of an individual profit and loss account, of the profit or loss of the company for the financial year,
- (c) in the case of group accounts, of the state of affairs as at the end of the financial year and of the profit or loss for the financial year, of the undertakings included in the consolidation as a whole, so far as concerns members of the company.

(2A) The auditors' report—

- (a) must be either unqualified or qualified, and
- (b) must include a reference to any matters to which the auditors wish to draw attention by way of emphasis without qualifying the report.]

^{F54}(3) The auditors must state in their report whether in their opinion the information given in the directors' report for the financial year for which the annual accounts are prepared is consistent with those accounts.]

^{F54}(3A) If the company is a quoted company, the auditors must state in their report—

- (a) whether in their opinion the information given in the operating and financial review for the financial year for which the annual accounts are prepared is consistent with those accounts; and

- (b) whether any matters have come to their attention, in the performance of their functions as auditors of the company, which in their opinion are inconsistent with the information given in the operating and financial review.]

[^{F55}(4) If a director's remuneration report is prepared for the financial year for which the annual accounts are prepared the auditors shall in their report—

- (a) report to the company's members on the auditable part of the directors' remuneration report, and
- (b) state whether in their opinion that part of the directors' remuneration report has been properly prepared in accordance with this Order.

(5) For the purposes of this Part, “the auditable part” of a directors' remuneration report is the part containing the information required by Part III of Schedule 7A.]

F52 mod. SR 1994/133

F53 SR 2004/496

F54 SR 2005/61

F55 SR 2005/56

Signature of auditors' report

244 ^{F56}—(1) The auditors' report shall state the names of the auditors and be signed[^{F57} and dated] by them.

(2) Every copy of the auditors' report which is laid before the company in general meeting, or which is otherwise circulated, published or issued, shall state the names of the auditors.

(3) The copy of the auditors' report which is delivered to the registrar shall state the names of the auditors and be signed by them.

(4) If a copy of the auditors' report—

- (a) is laid before the company, or otherwise circulated, published or issued, without the required statement of the auditors' names, or
- (b) is delivered to the registrar without the required statement of the auditors' names or without being signed as required by this Article,

the company and every officer of it who is in default is guilty of an offence and liable to a fine.

(5) References in this Article to signature by the auditors are, where the office of auditor is held by a body corporate or partnership, to signature in the name of the body corporate or partnership by a person authorised to sign on its behalf.

F56 mod. SR 1994/133

F57 SR 2004/496

Duties of auditors

245 ^{F58}—(1) A company's auditors shall, in preparing their report, carry out such investigations as will enable them to form an opinion as to—

- (a) whether proper accounting records have been kept by the company and proper returns adequate for their audit have been received from branches not visited by them, and
- (b) whether the company's individual accounts are in agreement with the accounting records and returns^{F59} . . . [^{F59}, and]

[^{F59}(c) (in the case of a quoted company) whether the auditable part of the company's directors' remuneration report is in agreement with the accounting records and returns.]

(2) If the auditors are of opinion that proper accounting records have not been kept, or that proper returns adequate for their audit have not been received from branches not visited by them, or if the company's individual accounts are not in agreement with the accounting records and returns,[^{F59} or if in the case of a quoted company the auditable part of its directors' remuneration report is not in agreement with the accounting records and returns,] the auditors shall state that fact in their report.

(3) If the auditors fail to obtain all the information and explanations which, to the best of their knowledge and belief, are necessary for the purposes of their audit, they shall state that fact in their report.

[^{F59}(4) If—

- (a) the requirements of Schedule 6 (disclosure of information: emoluments and other benefits of directors and others) are not complied with in the annual accounts, or
- (b) where a directors' remuneration report is required to be prepared, the requirements of Part III of Schedule 7A (directors' remuneration report) are not complied with in that report,

the auditors shall include in their report, so far as they are reasonably able to do so, a statement giving the required particulars.]

[^{F60}(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 group accounts) and in the auditors' opinion they were not entitled so to do, the auditors shall state that fact in their report.]

F58 mod. SR 1994/133

F59 SR 2005/56

F60 SR 1997/314

[^{F61}Publication of accounts and reports]

F61 1990 NI 5

Persons entitled to receive copies of accounts and reports

246 ^{F62}—(1) [^{F63}A copy of each of the documents mentioned in paragraph (1A),] shall be sent to—

- (a) every member of the company,
- (b) every holder of the company's debentures, and
- (c) every person who is entitled to receive notice of general meetings,

not less than 21 days before the date of the meeting at which copies of those documents are to be laid in accordance with Article 249.

[^{F63}(1A) Those documents are—

- (a) the company's annual accounts for the financial year,
- (b) the directors' report for that financial year,

[(in the case of a quoted company) the operating and financial review for the financial year,]
^{F64}(ba)

- (c) (in the case of a quoted company) the directors' remuneration report for that financial year, and

[the auditors' report on those accounts and that directors' report and (in the case of a quoted ^{F64}(d) company) on that operating and financial review and the auditable part of that directors' remuneration report.]]

(2) Copies need not be sent—

- (a) to a person who is not entitled to receive notices of general meetings and of whose address the company is unaware, or
- (b) to more than one of the joint holders of shares or debentures none of whom is entitled to receive such notices, or
- (c) in the case of joint holders of shares or debentures some of whom are, and some not, entitled to receive such notices, to those who are not so entitled.

(3) In the case of a company not having a share capital, copies need not be sent to anyone who is not entitled to receive notices of general meetings of the company.

(4) If copies are sent less than 21 days before the date of the meeting, they shall, notwithstanding that fact, be deemed to have been duly sent if it is so agreed by all the members entitled to attend and vote at the meeting.

[^{F65}(4A) References in this Article to sending to any person copies of [^{F63} the documents mentioned in paragraph (1A)] include references to using electronic communications for sending copies of those documents to such address as may for the time being be notified to the company by that person for that purpose.

(4B) For the purposes of this Article copies of those documents are also to be treated as sent to a person where—

- (a) the company and that person have agreed to his having access to the documents on a web site (instead of their being sent to him);
- (b) the documents are documents to which that agreement applies; and
- (c) that person is notified, in a manner for the time being agreed for the purpose between him and the company, of—
 - (i) the publication of the documents on a web site;
 - (ii) the address of that web site; and
 - (iii) the place on that web site where the documents may be accessed, and how they may be accessed.

(4C) For the purposes of this Article documents treated in accordance with paragraph (4B) as sent to any person are to be treated as sent to him not less than 21 days before the date of a meeting if, and only if—

- (a) the documents are published on the web site throughout a period beginning at least 21 days before the date of the meeting and ending with the conclusion of the meeting; and
- (b) the notification given for the purposes of sub-paragraph (c) of that paragraph is given not less than 21 days before the date of the meeting.

(4D) Nothing in paragraph (4C) shall invalidate the proceedings of a meeting where—

- (a) any documents that are required to be published as mentioned in sub-paragraph (a) of that paragraph are published for a part, but not all, of the period mentioned in that sub-paragraph; and
- (b) the failure to publish those documents throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the company to prevent or avoid.

(4E) A company may, notwithstanding any provision to the contrary in its articles, take advantage of any of paragraphs (4A) to (4D).]

(5) If default is made in complying with this Article, the company and every officer of it who is in default is guilty of an offence and liable to a fine.

(6) Where copies are sent out under this Article over a period of days, references elsewhere in this Order to the day on which copies are sent out shall be construed as references to the last day of that period.

F62 mod. SR 1994/133

F63 SR 2005/56

F64 SR 2005/61

F65 SR 2003/3

VALID FROM 01/10/2007

Time allowed for sending out copies of accounts and reports

246A.—(1) The time allowed for sending out copies of the company's annual accounts and reports is as follows.

(2) A private company must comply with Article 246(1) not later than—

- (a) the end of the period for delivering accounts (see Article 252), or
- (b) if earlier, the date on which it actually delivers its accounts and reports under Article 250.

(3) A public company must comply with Article 246(1) not less than 21 days before the date of the meeting at which copies of the documents are to be laid in accordance with Article 249.

(4) If in the case of a public company copies are sent out later than is required by paragraph (3), they shall, despite that, be deemed to have been duly sent if it is so agreed by all the members entitled to attend and vote at the meeting.

Right to demand copies of accounts and reports

247 ^{F66}.—(1) Any member of a company and any holder of a company's debentures is entitled to be furnished, on demand and without charge, ^{F67} with a copy of—

- (a) the company's last annual accounts,
- (b) the last directors' report,
- [(in the case of a quoted company) the last operating and financial review,]

^{F68}(ba)

- (c) (in the case of a quoted company) the last directors' remuneration report, and

[the auditors' report on those accounts and that directors' report and (in the case of a quoted ^{F68}(d) company) on that operating and financial review and the auditable part of that directors' remuneration report.]]

(2) The entitlement under this Article is to a single copy of those documents, but that is in addition to any copy to which a person may be entitled under Article 246.

[^{F69}(2A) Any obligation by virtue of paragraph (1) to furnish a person with a document may be complied with by using electronic communications for sending that document to such address as may for the time being be notified to the company by that person for that purpose.

(2B) A company may, notwithstanding any provision to the contrary in its articles, take advantage of paragraph (2A).]

(3) If a demand under this Article is not complied with within 7 days, the company and every officer of it who is in default is guilty of an offence and liable to a fine and, for continued contravention, to a daily default fine.

(4) If in proceedings for such an offence the issue arises whether a person had already been furnished with a copy of the relevant document under this Article, it is for the defendant to prove that he had.

F66 mod. SR 1994/133

F67 SR 2005/56

F68 SR 2005/61

F69 SR 2003/3

Requirements in connection with publication of accounts

248^{F70}.—(1) If a company publishes any of its statutory accounts, they must be accompanied by the relevant auditors' report under Article 243^{F71} or, as the case may be, the relevant report made for the purposes of Article 257A(2)].

(2) A company which is required to prepare group accounts for a financial year shall not publish its statutory individual accounts for that year without also publishing with them its statutory group accounts.

(3) If a company publishes non-statutory accounts, it shall publish with them a statement indicating—

- (a) that they are not the company's statutory accounts,
- (b) whether statutory accounts dealing with any financial year with which the non-statutory accounts purport to deal have been delivered to the registrar,
- (c) whether the company's auditors have made a report under Article 243 on the statutory accounts for any such financial year^{F71} and, if no such report has been made, whether the company's reporting accountant has made a report for the purposes of Article 257A(2) on the statutory accounts for any such financial year^{F72}. . .

[^{F72}(d) whether any such auditors' report—

- (i) was qualified or unqualified, or included a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report, or
- (ii) contained a statement under Article 245(2) or (3) (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations); and

(e) whether any report made for the purposes of Article 257A(2) was qualified;]

and it shall not publish with the non-statutory accounts any auditors' report under Article 243^{F71} or any report made for the purposes of Article 257A(2)].

(4) For the purposes of this Article a company shall be regarded as publishing a document if it publishes, issues or circulates it or otherwise makes it available for public inspection in a manner calculated to invite members of the public generally, or any class of members of the public, to read it.

(5) References in this Article to a company's statutory accounts are to its individual or group accounts for a financial year as required to be delivered to the registrar under Article 250; and references to the publication by a company of “non-statutory accounts” are to the publication of—

- (a) any balance sheet or profit and loss account relating to, or purporting to deal with, a financial year of the company, or
- (b) an account in any form purporting to be a balance sheet or profit and loss account for the group consisting of the company and its subsidiary undertakings relating to, or purporting to deal with, a financial year of the company,

otherwise than as part of the company's statutory accounts.

(6) A company which contravenes any provision of this Article, and any officer of it who is in default, is guilty of an offence and liable to a fine.

F70 mod. SR 1994/133

F71 SR 1995/128

F72 SR 2004/496

[^{F73}Laying and delivering of accounts and reports]

F73 1990 NI 5

[^{F74}Accounts and reports to be laid before company in general meeting

249 ^{F75}.—(1) The directors of a company shall in respect of each financial year lay before the company in general meeting [^{F76} copies of—

(a) the company's annual accounts,

(b) the directors' report,

[(in the case of a quoted company) the operating and financial review,]
^{F77}(ba)

(c) (in the case of a quoted company) the directors' remuneration report, and

[the auditors' report on those accounts and that directors' report and (in the case of a quoted
^{F77}(d) company) on that operating and financial review and the auditable part of that directors' remuneration report.]]

(2) If the requirements of paragraph (1) are not complied with before the end of the period allowed for laying and delivering accounts and reports, every person who immediately before the end of that period was a director of the company is guilty of an offence and liable to a fine and, for continued contravention, to a daily default fine.

(3) It is a defence for a person charged with such an offence to prove that he took all reasonable steps for securing that those requirements would be complied with before the end of that period.

(4) It is not a defence to prove that the documents in question were not in fact prepared as required by this Part.]

F74 Arts. 249, 250, 250A, 251, 252 and cross-heading inserted by 1990 NI 5, art. 13

F75 mod. SR 1994/133

F76 SR 2005/56

F77 SR 2005/61

[^{F78}Members' approval of directors' remuneration report

249A.—(1) This Article applies to every company that is a quoted company immediately before the end of a financial year.

(2) In this Article “the meeting” means the general meeting of the company before which the company's annual accounts for the financial year are to be laid.

(3) The company must, prior to the meeting, give to the members of the company entitled to be sent notice of the meeting notice of the intention to move at the meeting, as an ordinary resolution, a resolution approving the directors' remuneration report for the financial year.

(4) Notice under paragraph (3) shall be given to each such member in any manner permitted for the service on him of notice of the meeting.

(5) The business that may be dealt with at the meeting includes the resolution.

(6) The existing directors must ensure that the resolution is put to the vote of the meeting.

(7) Paragraph (5) has effect notwithstanding—

(a) any default in complying with paragraphs (3) and (4);

(b) anything in the company's articles.

(8) No entitlement of a person to remuneration is made conditional on the resolution being passed by reason only of the provision made by this Article.

(9) In the event of default in complying with the requirements of paragraphs (3) and (4), every officer of the company who is in default is guilty of an offence and liable to a fine.

(10) If the resolution is not put to the vote of the meeting, each existing director is guilty of an offence and liable to a fine.

(11) If an existing director is charged with an offence under paragraph (10), it is a defence for him to prove that he took all reasonable steps for securing that the resolution was put to the vote at the meeting.

(12) In this Article “existing director” means a person who, immediately before the meeting, is a director of the company.]

F78 [Art. 249A](#) inserted by SR 2005/56, reg. 7

[^{F79}Accounts and reports to be delivered to the registrar

250^{F80}.—(1^{F81} The directors of a company shall in respect of each financial year deliver to the registrar^{F82} a copy of—

(a) the company's annual accounts,

(b) the directors' report,

[(in the case of a quoted company) the operating and financial review,]
^{F83}(ba)

(c) (in the case of a quoted company) the directors' remuneration report, and

[the auditors' report on those accounts and that directors' report and (in the case of a quoted
^{F83}(d) company) on that operating and financial review and the auditable part of that directors' remuneration report.]]

(2) If the requirements of paragraph (1) are not complied with before the end of the period allowed for laying and delivering accounts and reports, every person who immediately before the end of that period was a director of the company is guilty of an offence and liable to a fine and, for continued contravention, to a daily default fine.

(3) Further, if the directors of the company fail to make good the default within 14 days after the service of a notice on them requiring compliance, the court may on the application of any member or creditor of the company or of the registrar, make an order directing the directors (or any of them) to make good the default within such time as may be specified in the order. The court's order may provide that all costs of and incidental to the application shall be borne by the directors.

(4) It is a defence for a person charged with an offence under this Article to prove that he took all reasonable steps for securing that the requirements of paragraph (1) would be complied with before the end of the period allowed for laying and delivering accounts and reports.

(5) It is not a defence in any proceedings under this Article to prove that the documents in question were not in fact prepared as required by this Part.]

F79 Arts. 249, 250, 250A, 251, 252 and cross-heading inserted by 1990 NI 5, art. 13
F80 mod. SR 1994/133
F81 prosp. mod. by 2005 NI 17
F82 SR 2005/56
F83 SR 2005/61

[^{F84}Civil penalty for failure to deliver accounts

250A ^{F85}—(1) Where the requirements of Article 250(1) are not complied with before the end of the period allowed for laying and delivering accounts and reports, the company is liable to a civil penalty.

This is in addition to any liability of the directors under Article 250.

(2) The amount of the penalty is determined by reference to the length of the period between the end of the period allowed for laying and delivering accounts and reports and the day on which the requirements are complied with, and whether the company is a public or private company, as follows:—

[^{F86} Length of period]	[^{F86} Public company]	[^{F86} Private company]
[^{F86} Not more than 3 months.]	[^{F86} £500]	[^{F86} £100]
[^{F86} More than 3 months but not more than 6 months.]	[^{F86} £1,000]	[^{F86} £250]
[^{F86} More than 6 months but not more than 12 months.]	[^{F86} £2,000]	[^{F86} £500]
[^{F86} More than 12 months.]	[^{F86} £5,000]	[^{F86} £1,000]

(3) The penalty may be recovered by the registrar and shall be paid by him into the Consolidated Fund.

(4) It is not a defence in proceedings under this Article to prove that the documents in question were not in fact prepared as required by this Part.]

F84 Arts. 249, 250, 250A, 251, 252 and cross-heading inserted by 1990 NI 5, art. 13
F85 mod. SR 1994/133
F86 1990 NI 5

[^{F87}Delivery and publication of accounts in ECUs

250B ^{F88}.—(1) The amounts set out in the annual accounts of a company may also be shown in the same accounts translated into ECUs.

(2) When complying with Article 250, the directors of a company may deliver to the registrar an additional copy of the company's annual accounts in which the amounts have been translated into ECUs.

(3) In both cases—

- (a) the amounts must have been translated at the relevant exchange rate prevailing on the balance sheet date, and
- (b) that rate must be disclosed in the notes to the accounts.

(4) For the purposes of Article 248 any additional copy of the company's annual accounts delivered to the registrar under paragraph (2) shall be treated as statutory accounts of the company and, in the case of such a copy, references in Article 248 to the auditors' report under Article 243 shall be read as references to the auditors' report on the annual accounts of which it is a copy.

(5) In this Article —

“ECU” means a unit with a value equal to the value of the unit of account known as the ecu used in the European Monetary System, and

“relevant exchange rate” means the rate of exchange used for translating the value of the ecu for the purposes of that System.]

F87 SR 1992/503

F88 mod. SR 1994/133

Art. 251 rep. by SR 2004/496

[^{F89}Period allowed for laying and delivering accounts and reports

252 ^{F90}.—(1) The period allowed for laying and delivering accounts and reports is—

- (a) for a private company, 10 months after the end of the relevant accounting reference period, and
- (b) for a public company, 7 months after the end of that period.

This is subject to the following provisions of this Article.

(2) If the relevant accounting reference period is the company's first and is a period of more than 12 months, the period allowed is—

- (a) 10 months or 7 months, as the case may be, from the first anniversary of the incorporation of the company, or
- (b) 3 months from the end of the accounting reference period,

whichever last expires.

Para. (3) rep. by SR 2004/496

(4) If the relevant accounting period is treated as shortened by virtue of a notice given by the company under Article 233 (alteration of accounting reference date), the period allowed for laying and delivering accounts is that applicable in accordance with the above provisions or 3 months from the date of the notice under that Article, whichever last expires.

(5) If for any special reason the Department thinks fit it may, on an application made before the expiry of the period otherwise allowed, by notice in writing to a company extend that period by such further period as may be specified in the notice.

(6) In this Article “the relevant accounting reference period” means the accounting reference period by reference to which the financial year for the accounts in question was determined.]

F89 Arts. 249, 250, 250A, 251, 252 and cross-heading inserted by 1990 NI 5, art. 13

F90 mod. SR 1994/133

Modifications etc. (not altering text)

C1 Art. 252 modified (1.10.2007 with effect as mentioned in Sch. 4 para. 19(8) of the amending S.I.) by Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/2194), arts. 1(3), 10(1), Sch. 4 para. 19(4) (with art. 12)

[^{F91}Revision of defective accounts and reports]

F91 1990 NI 5

Voluntary revision of annual accounts or directors' report

253 ^{F92}.—(1) If it appears to the directors of a company that any annual accounts^[F93] or summary financial statement^[F93] of the company, or any directors' report^[F94] or operating and financial review^[F95] or directors' remuneration report^[F95], did not comply with the requirements of this Order^[F93] (or, where applicable, of Article 4 of the IAS Regulation), they may prepare revised accounts or a^[F94] revised statement, report or review].

(2) Where copies of the previous accounts^[F94], report or review^[F94] have been laid before the company in general meeting or delivered to the registrar, the revisions shall be confined to—

- (a) the correction of those respects in which the previous accounts^[F94], report or review^[F94] did not comply with the requirements of this Order^[F93] (or, where applicable, of Article 4 of the IAS Regulation), and
- (b) the making of any necessary consequential alterations.

(3) The Department may make provision by regulations as to the application of the provisions of this Order in relation to revised annual accounts^[F93] or a revised summary financial statement^[F93] or a revised directors' report^[F94] or a revised operating and financial review^[F95] or a revised directors' remuneration report^[F95].

(4) The regulations may, in particular—

- (a) make different provision according to whether the previous accounts^[F94], statement, report or review^[F94] are replaced or are supplemented by a document indicating the corrections to be made;
- (b) make provision with respect to the functions of the company's auditors^[F96] or reporting accountant^[F96] in relation to the revised accounts^[F94], statement, report or review^[F94];
- (c) require the directors to take such steps as may be specified in the regulations where the previous accounts^[F94], report or review^[F94] have been—
 - (i) sent out to members and others under Article 246(1),
 - (ii) laid before the company in general meeting, or
 - (iii) delivered to the registrar,

or where a summary financial statement^[F94] containing information derived from the previous accounts, report or review^[F94] has been sent to members under Article 259;

- (d) apply the provisions of this Order (including those creating criminal offences) subject to such additions, exceptions and modifications as are specified in the regulations.

F92 mod. SR 1994/133
F93 SR 2004/496
F94 SR 2005/61
F95 SR 2005/56
F96 SR 1995/128

Department's notice in respect of annual accounts

253A^{F97}.—[^{F98}(1) Where—

- (a) copies of a company's annual accounts, directors' report or operating and financial review have been sent out under Article 246, or
- (b) a copy of a company's annual accounts, directors' report or operating and financial review has been laid before the company in general meeting or delivered to the registrar,

and it appears to the Department that there is, or may be, a question whether the accounts, report or review comply with the requirements of this Order, it may give notice to the directors of the company indicating the respects in which it appears to the Department that such a question arises or may arise.]

(2) The notice shall specify a period of not less than one month for the directors to give the Department an explanation of the accounts[^{F98}, report or review or prepare revised accounts or a revised report or review].

(3) If at the end of the specified period, or such longer period as it may allow, it appears to the Department that[^{F98} the directors have not—

- (a) given a satisfactory explanation of the accounts, report or review, or
- (b) revised the accounts, report or review so as to comply with the requirements of this Order,

it may if it thinks fit apply to the court.]

[^{F98}(4) The provisions of this Article apply equally to revised annual accounts, revised directors' reports and revised operating and financial reviews, in which case they have effect as if the references to revised accounts, reports or reviews were references to further revised accounts, reports or reviews.]

F97 mod. SR 1994/133
F98 SR 2005/61

Application to court in respect of defective accounts

253B^{F99}.—(1) An application may be made to the court—

- (a) by the Department, after having complied with Article 253A, or
- (b) by a person authorised by the Department for the purposes of this Article,

for a declaration that the annual accounts of a company do not comply[^{F100}, or a directors' report or operating and financial review does not comply,] with the requirements of this Order[^{F101} (or, where applicable, of Article 4 of the IAS Regulation)] and for an order requiring the directors of the company to prepare revised accounts[^{F100} or revised report or review].

(2) Notice of the application, together with a general statement of the matters at issue in the proceedings, shall be given by the applicant to the registrar for registration.

- (3) If the court orders the preparation of revised accounts, it may give directions with respect to—
- (a) the auditing of the accounts,
 - (b) the revision of any directors' report^{F102}, directors' remuneration report] or summary financial statement, and
 - (c) the taking of steps by the directors to bring the making of the order to the notice of persons likely to rely on the previous accounts,

and such other matters as the court thinks fit.

[^{F100}(3A) If the court orders the preparation of a revised directors' report or a revised operating and financial review it may give directions with respect to—

- (a) the review of the directors' report or operating and financial review by the auditors,
- (b) the revision of any directors' report, directors' remuneration report, operating and financial review or summary financial statement,
- (c) the taking of steps by the directors to bring the making of the order to the notice of persons likely to rely on the previous report or review, and
- (d) such other matters as the court thinks fit.]

(4) If the court finds that the accounts^{F100}, report or review] did not comply with the requirements of this Order^{F101} (or, where applicable, of Article 4 of the IAS Regulation)] it may order that all or part of—

- (a) the costs of and incidental to the application, and
- (b) any reasonable expenses incurred by the company in connection with or in consequence of the preparation of revised accounts^{F100} or a revised report or review],

shall be borne by such of the directors as were party to the approval of the defective accounts^{F100}, report or review].

For this purpose every director of the company at the time^{F100} of the approval of the accounts, report or review] shall be taken to have been a party to^{F100} the approval] unless he shows that he took all reasonable steps to prevent^{F100} that approval].

(5) Where the court makes an order under paragraph (4) it shall have regard to whether the directors party to the approval of the defective accounts^{F100}, report or review] knew or ought to have known that the accounts^{F100}, report or review] did not comply with the requirements of this Order^{F101} (or, where applicable, of Article 4 of the IAS Regulation)], and it may exclude one or more directors from the order or order the payment of different amounts by different directors.

(6) On the conclusion of proceedings on an application under this Article, the applicant shall give to the registrar for registration an office copy of the court order or, as the case may be, notice that the application has failed or been withdrawn.

[^{F100}(7) The provisions of this Article apply equally to revised annual accounts, revised directors' reports and revised operating and financial reviews, in which case they have effect as if the references to revised accounts, reports or reviews were references to further revised accounts, reports or reviews.]

F99 mod. SR 1994/133

F100 SR 2005/61

F101 SR 2004/496

F102 SR 2005/56

Other persons authorised to apply to court

253C ^{F103}.—(1) The Department may authorise for the purposes of Article 253B any person appearing to it—

- (a) to have an interest in, and to have satisfactory procedures directed to securing, compliance by companies with^{F104} the requirements of this Order relating to accounts, directors' reports and operating and financial reviews^{F105} (or, where applicable, of Article 4 of the IAS Regulation)],
- (b) to have satisfactory procedures for receiving and investigating complaints about the^{F104} companies' annual accounts, directors' reports and operating and financial reviews], and
- (c) otherwise to be a fit and proper person to be authorised.

^{F106}(2) A person may be authorised generally or in respect of particular classes of case, and different persons may be authorised in respect of different classes of case.

(3) The Department may refuse to authorise a person if it considers that its authorisation is unnecessary having regard to the fact that there are one or more other persons who have been or are likely to be authorised.

(4) Authorisation shall be by order made subject to negative resolution.

^{F106}(5) Where authorisation is revoked, the revoking order may make such provision as the Department thinks fit with respect to pending proceedings.

^{F107}(6) Neither a person authorised under this Article, nor any officer, servant or member of the governing body of such a person, shall be liable in damages for anything done or purporting to be done for the purposes of or in connection with—

- (a) the taking of steps to discover whether there are grounds for an application to the court,
- (b) the determination whether or not to make such an application, or
- (c) the publication of its reasons for any such decision,

unless the act or omission is shown to have been in bad faith.

F103 mod. SR 1994/133

F104 SR 2005/61

F105 SR 2004/496

F106 prosp. insertion by 2005 NI 17 (which amendment repealed (6.4.2008) by Companies Act 2006 (c. 46), s. 1295, Sch. 16; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 2)

F107 prosp. rep. by 2005 NI 17

Disclosure of information held by Inland Revenue to persons authorised to apply to court

253D.—(1) Information which is held by or on behalf of the Commissioners of Inland Revenue may be disclosed to a person who is authorised under Article 253C, or under section 245C of the Companies Act 1985, if the disclosure—

- (a) is made for a permitted purpose, and
- (b) is made by the Commissioners or is authorised by them.

(2) Such information—

- (a) may be so disclosed despite any other restriction on the disclosure of information whether imposed by any statutory provision or otherwise, but
- (b) in the case of personal data (within the meaning of the Data Protection Act 1998), may not be disclosed in contravention of that Act.

(3) For the purposes of paragraph (1), a disclosure is made for a permitted purpose if it is made for the purpose of facilitating—

- (a) the taking of steps by the authorised person to discover whether there are grounds for an application to the court under Article 253B or section 245B of the Companies Act 1985; or
- (b) a determination by the authorised person as to whether or not to make such an application.

(4) The power of the Commissioners to authorise a disclosure under paragraph (1)(b) may be delegated (either generally or for a specified purpose) to an officer of the Board of Inland Revenue.

Restrictions on use and further disclosure of information disclosed under Article 253D

253E.—(1) Information that is disclosed to an authorised person under Article 253D may not be used except in or in connection with—

- (a) taking steps to discover whether there are grounds for an application to the court as mentioned in Article 253D(3)(a);
- (b) determining whether or not to make such an application; or
- (c) proceedings on any such application.

(2) Information that is disclosed to an authorised person under Article 253D may not be further disclosed except—

- (a) to the person to whom the information relates; or
- (b) in or in connection with proceedings on any such application to the court.

(3) A person who contravenes paragraph (1) or (2) is guilty of an offence and liable to imprisonment or a fine, or both.

(4) It is a defence for a person charged with an offence under paragraph (3) to prove— <

- (a) that he did not know, and had no reason to suspect, that the information had been disclosed under Article 253D; or
- (b) that he took all reasonable steps and exercised all due diligence to avoid the commission of the offence.

(5) Articles 680 (restriction on prosecutions), 680A (liability of individuals for corporate default) and 680B (criminal proceedings against unincorporated bodies) apply to offences under this Article.

F108

F108 prosp. insertion by 2005 NI 17 (which amendment repealed (6.4.2008) by Companies Act 2006 (c. 46), s. 1295, Sch. 16; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 2)

[^{F109}CHAPTER III]

[^{F109}Exemptions, exceptions and special provisions]

F109 1990 NI 5

[^{F110}Small and medium-sized companies and groups]

F110 1990 NI 5

[^{F111}Special provisions for small companies

254 ^{F112}—(1) Subject to Article 255A, this Article applies where a company qualifies as a small company in relation to a financial year.

(2) If the company's individual accounts for the year [^{F113} are Companies Order individual accounts and]

- (a) comply with the provisions of Schedule 8, or
- (b) fail to comply with those provisions only in so far as they comply instead with one or more corresponding provisions of Schedule 4,

they need not comply with the provisions or, as the case may be, the remaining provisions of Schedule 4; and where advantage is taken of this paragraph, references in [^{F113} Article 234A] to compliance with the provisions of Schedule 4 shall be construed accordingly.

[^{F114}(3) The company's individual accounts for the year—

- (a) may give the total of the aggregates required by heads (a), (c) and (d) of paragraph 1(1) of Schedule 6 (emoluments and other benefits etc. of directors) instead of giving those aggregates individually; and
- (b) need not give the information required by—
 - (i) paragraph 4 of Schedule 5 (financial years of subsidiary undertakings);
 - (ii) paragraph 1(2)(b) of Schedule 6 (numbers of directors exercising share options and receiving shares under long term incentive schemes);
 - (iii) paragraph 2 of Schedule 6 (details of highest paid director's emoluments etc.); or
 - (iv) paragraph 7 of Schedule 6 (excess retirement benefits of directors and past directors).]

(4) The directors' report for the year need not give the information required by—

[Articles 242ZZA(1)(c) (directors' report: amount to be paid as dividend) and 242ZZB
^{F115}(a) (directors' report: business review);]

- (b) paragraph 1(2) of Schedule 7 (statement of market value of fixed assets where substantially different from balance sheet amount);

[paragraph 5A of Schedule 7 (disclosures relating to the use of financial instruments);]
^{F113}(ba)

- (c) paragraph 6 of Schedule 7 (miscellaneous disclosures); or
- (d) paragraph 11 of Schedule 7 (employee involvement).

(5) Notwithstanding anything in Article 250(1), the directors of the company need not deliver to the registrar any of the following, namely—

- (a) a copy of the company's profit and loss account for the year;
- (b) a copy of the directors' report for the year; and
- (c) if [^{F113} they prepare Companies Order individual accounts and] they deliver a copy of a balance sheet drawn up as at the last day of the year which complies with the requirements of Schedule 8A, a copy of the company's balance sheet drawn up as at that day.

(6) Neither a copy of the company's accounts for the year delivered to the registrar under Article 250(1), nor a copy of a balance sheet delivered to the registrar under paragraph (5)(c), need give the information required by—

- (a) paragraph 4 of Schedule 5 (financial years of subsidiary undertakings);

- (b) paragraph 6 of Schedule 5 (shares of company held by subsidiary undertakings);
 - (c) Part I of Schedule 6 (directors' and chairman's emoluments, pensions and compensation for loss of office); or
 - (d) Article 398A(3) (amount of auditors' remuneration).
- (7) The provisions of Article 241 as to the signing of the copy of the balance sheet delivered to the registrar apply to a copy of a balance sheet delivered under paragraph (5)(c).
- (8) Subject to paragraph (9), each of the following, namely—
- (a) accounts prepared in accordance with paragraph (2) or (3),
 - (b) a report prepared in accordance with paragraph (4), and
 - (c) a copy of accounts delivered to the registrar in accordance with paragraph (5) or (6),
- shall contain a statement in a prominent position on the balance sheet, in the report or, as the case may be, on the copy of the balance sheet, above the signature required by Article 241, 242A or paragraph (7), that they are prepared in accordance with the special provisions of this Part relating to small companies.
- (9) Paragraph (8) does not apply where^{F116} the directors of the company have taken advantage of the exemption from audit conferred by Article 257AA (dormant companies)].]

F111 SR 1997/436
F112 mod. SR 1994/133
F113 SR 2004/496
F114 SR 1997/545
F115 SR 2005/61
F116 SR 2001/153

^{F117}**Special provisions for medium-sized companies**

254A^{F118}.—(1) Subject to Article 255A, this Article applies where a company qualifies as a medium-sized company in relation to a financial year^{F119} and its directors prepare Companies Order individual accounts for that year].

(2) The company's individual accounts for the year need not comply with the requirements of paragraph 36A of Schedule 4 (disclosure with respect to compliance with accounting standards).

^{F120}(2A) The directors' report for the year need not comply with the requirements of Article 242ZZB(3) (business review to include analysis using key performance indicators) so far as they relate to non-financial information.]

- (3) The company may deliver to the registrar a copy of the company's accounts for the year—
- (a) which includes a profit and loss account in which the following items listed in the profit and loss account formats set out in Part I of Schedule 4 are combined as one item under the heading “gross profit or loss”
 - Items 1, 2, 3 and 6 in Format 1;
 - Items 1 to 5 in Format 2;
 - Items A.1, B.1 and B.2 in Format 3;
 - Items A.1, A.2 and B.1 to B.4 in Format 4;
 - (b) which does not contain the information required by paragraph 55 of Schedule 4 (particulars of turnover).

Status: Point in time view as at 01/01/2006. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Part VIII. (See end of Document for details)

(4) A copy of accounts delivered to the registrar in accordance with paragraph (3) shall contain a statement in a prominent position on the copy of the balance sheet, above the signature required by Article 241, that the accounts are prepared in accordance with the special provisions of this Part relating to medium#sized companies.]

F117 SR 1997/436
F118 mod. SR 1994/133
F119 SR 2004/496
F120 SR 2005/61

Qualification of company as small or medium#sized

255 ^{F121}—(1) A company qualifies as small or medium#sized in relation to a financial year if the qualifying conditions are met—

- (a) in the case of the company's first financial year, in that year, and
- (b) in the case of any subsequent financial year, in that year and the preceding year.

(2) A company shall be treated as qualifying as small or medium#sized in relation to a financial year—

- (a) if it so qualified in relation to the previous financial year under^{F122} paragraph (1) or was treated as so qualifying under sub#paragraph (b)]; or
- (b) if it was treated as so qualifying in relation to the previous year by virtue of sub#paragraph (a) and the qualifying conditions are met in the year in question.

(3) The qualifying conditions are met by a company in a year in which it satisfies two or more of the following requirements—

[^{F123}Small company]

[^{F123} 1. Turnover]	[^{F124} Not more than £5.6 million]
[^{F123} 2. Balance sheet total]	[^{F124} Not more than £2.8 million]
[^{F123} 3. Number of employees]	[^{F123} Not more than 50]

[^{F123}Medium#sized company]

[^{F123} 1. Turnover]	[^{F124} Not more than £22.8 million]
[^{F123} 2. Balance sheet total]	[^{F124} Not more than £11.4 million]
[^{F123} 3. Number of employees]	[^{F123} Not more than 250.]

(4) For a period which is a company's financial year but not in fact a year the maximum figures for turnover shall be proportionately adjusted.

[^{F125}(5) The balance sheet total means—

- (a) in the case of Companies Order individual accounts—
 - (i) the aggregate of the amounts shown in the balance sheet under the headings corresponding to items A to D of Format 1 in Part I of Schedule 4 or Part I of Schedule 8, or

- (ii) if Format 2 is adopted, the aggregate of the amounts shown under the general heading “ASSETS”;
 - (b) in the case of IAS individual accounts, the aggregate of the amounts shown as assets in the balance sheet.]
- (6) The number of employees means the average number of persons employed by the company in the year (determined on a^{F126} monthly] basis).
That number shall be determined by applying the method of calculation prescribed by paragraph 56(2) and (3) of Schedule 4 for determining the corresponding number required to be stated in a note to the company's accounts.

F121 mod. SR 1994/133
F122 SR 1992/503
F123 1990 NI 5
F124 SR 2004/190
F125 SR 2004/496
F126 SR 1997/314

[^{F127}Cases in which special provisions do not apply

255A^{F128}.—[

^{F129}(1) If a company is, or was at any time within the financial year to which the accounts relate, an ineligible company, Articles 254 and 254A do not apply.

(1A) If a company does not fall within paragraph (1) but is, or was at any time within the financial year to which the accounts relate, a member of an ineligible group—

- (a) Article 254(4) and (5)(b) and Article 254(2A) apply;
- (b) the other provisions of Articles 254 and 254A do not apply.

(1B) A company is ineligible if—

- (a) it is a public company,
- (b) it has permission under Part IV of the Financial Services and Markets Act 2000 to carry on one or more regulated activities, or
- (c) it carries on an insurance market activity.]

(2) A group is ineligible if any of its members is—

- (a) a public company or a body corporate which (not being a company) has power under its constitution to offer its shares or debentures to the public and may lawfully exercise that power,

[a person who has permission under Part 4 of the Financial Services and Markets Act 2000^{F130}(b) to carry on a regulated activity, or

- (c) a person who carries on insurance market activity.]

(3) A parent company shall not be treated as qualifying as a small company in relation to a financial year unless the group headed by it qualifies as a small group, and shall not be treated as qualifying as a medium-sized company in relation to a financial year unless that group qualifies as a medium-sized group (see Article 257).]

F127 SR 1997/436, reg. 4
F128 mod. SR 1994/133
F129 SR 2005/61

F130 SI 2001/3649

[^{F131}Special auditors' report

255B ^{F132}.—(1) This Article applies where—

- (a) the directors of a company propose to deliver to the registrar copies of accounts ("abbreviated accounts") prepared in accordance with Article 254(5) or (6) or 254A(3) ("the relevant provision"),
- (b) the directors have not taken advantage of the exemption from audit conferred by Article 257A(1) or (2)[^{F133} or Article 257AA], ^{F133} . . .

Sub.#para. (c) rep. by SR 2001/153

(2) If abbreviated accounts prepared in accordance with the relevant provision are delivered to the registrar, they shall be accompanied by a copy of a special report of the auditors stating that in their opinion—

- (a) the company is entitled to deliver abbreviated accounts prepared in accordance with that provision, and
 - (b) the abbreviated accounts to be delivered are properly prepared in accordance with that provision.
- (3) In such a case a copy of the auditors' report under Article 243 need not be delivered, but—
- (a) if that report was qualified, the special report shall set out that report in full together with any further material necessary to understand the qualification; and
 - (b) if that report contained a statement under—
 - (i) Article 245(2) (accounts, records or returns inadequate or accounts not agreeing with records and returns), or
 - (ii) Article 245(3) (failure to obtain necessary information and explanations),

the special report shall set out that statement in full.

(4) Article 244 (signature of auditors' report) applies to a special report under this Article as it applies to a report under Article 243.

(5) If abbreviated accounts prepared in accordance with the relevant provision are delivered to the registrar, references in Article 248 (requirements in connection with publication of accounts) to the auditors' report under Article 243 shall be read as references to the special auditors' report under this Article.]

F131 SR 1997/436, reg. 5

F132 mod. SR 1994/133

F133 SR 2001/153

Exemption for small and medium#sized groups

256 ^{F134}.—(1) A parent company need not prepare group accounts for a financial year in relation to which the group headed by that company qualifies as a small or medium#sized group and is not an ineligible group.

(2) A group is ineligible if any of its members is—

- (a) a public company or a body corporate which (not being a company) has power under its constitution to offer its shares or debentures to the public and may lawfully exercise that power,

[^{F135}(b) a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on a regulated activity, or

(c) a person who carries on insurance market activity.]

Paras. (3), (4) rep. by SR 1997/314

F134 mod. SR 1994/133

F135 SI 2001/3649

[^{F136}**Group accounts prepared by small company**

256A ^{F137}.—(1) This Article applies where a small company—

(a) has prepared individual accounts for a financial year in accordance with Article 254(2) or (3), and

(b) is preparing[^{F138} Companies Order group accounts] in respect of the same year.

(2) If the group accounts—

(a) comply with the provisions of Schedule 8, or

(b) fail to comply with those provisions only in so far as they comply instead with one or more corresponding provisions of Schedule 4,

they need not comply with the provisions or, as the case may be, the remaining provisions of Schedule 4; and where advantage is taken of this paragraph, references in Schedule 4A to compliance with the provisions of Schedule 4 shall be construed accordingly.

(3) For the purposes of this Article, Schedule 8 shall have effect as if, in each balance sheet format set out in that Schedule, for item B.III there were substituted the following item—

“(B) Investments

(1) Shares in group undertakings

(2) Interests in associated undertakings

(3) Other participating interests

(4) Loans to group undertakings and undertakings in which a participating interest is held

(5) Other investments other than loans

(6) Others.”

(4) The group accounts need not give the information required by the provisions specified in Article 254(3).

(5) Group accounts prepared in accordance with this Article shall contain a statement in a prominent position on the balance sheet, above the signature required by Article 241, that they are prepared in accordance with the special provision of this Part relating to small companies.]

F136 SR 1997/436, reg. 6

F137 mod. SR 1994/133

F138 SR 2004/496

Qualification of group as small or medium-sized

257 ^{F139}.—(1) A group qualifies as small or medium-sized in relation to a financial year if the qualifying conditions are met—

(a) in the case of the parent company's first financial year, in that year, and

Status: Point in time view as at 01/01/2006. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Part VIII. (See end of Document for details)

- (b) in the case of any subsequent financial year, in that year and the preceding year.
- (2) A group shall be treated as qualifying as small or medium-sized in relation to a financial year—
- (a) if it so qualified in relation to the previous financial year under^{F140} paragraph (1) or was treated as so qualifying under sub-paragraph (b); or
- (b) if it was treated as so qualifying in relation to the previous year by virtue of sub-paragraph (a) and the qualifying conditions are met in the year in question.
- (3) The qualifying conditions are met by a group in a year in which it satisfies two or more of the following requirements—

[^{F141}Small group]

[^{F141} 1. Aggregate turnover]	[^{F142} Not more than £5.6 million net (or £6.72 million gross)]
[^{F141} 2. Aggregate balance sheet total]	[^{F142} Not more than £2.8 million net (or £3.36 million gross)]
[^{F141} 3. Aggregate number of employees]	[^{F141} Not more than 50]

[^{F141}Medium-sized group]

[^{F141} 1. Aggregate turnover]	[^{F142} Not more than £22.8 million net (or £27.36 million gross)]
[^{F141} 2. Aggregate balance sheet total]	[^{F142} Not more than £11.4 million net (or £13.68 million gross)]
[^{F141} 3. Aggregate number of employees]	[^{F141} Not more than 250]

(4) The aggregate figures shall be ascertained by aggregating the relevant figures determined in accordance with Article 255 for each member of the group.

In relation to the aggregate figures for turnover and balance sheet total, “net” means with the set-offs and other adjustments required by Schedule 4A in the case of group accounts and “gross” means without those set-offs and other adjustments; and a company may satisfy the relevant requirement on the basis of either the net or the gross figure.

(5) The figures for each subsidiary undertaking shall be those included in its accounts for the relevant financial year, that is—

- (a) if its financial year ends with that of the parent company, that financial year, and
- (b) if not, its financial year ending last before the end of the financial year of the parent company.

(6) If those figures cannot be obtained without disproportionate expense or undue delay, the latest available figures shall be taken.

F139 mod. SR 1994/133

F140 SR 1992/503

F141 1990 NI 5

F142 SR 2004/190

[^{F143}Exemptions from audit for certain categories of small company]

F143 SR 1995/128

Exemptions from audit

257A ^{F144}.—(1) Subject to Article 257B, a company which meets the total exemption conditions set out below in respect of a financial year is exempt from the provisions of this Part relating to the audit of accounts in respect of that year.

(2) Subject to Article 257B, [^{F145} a company which is a charity and] which meets the report conditions set out below in respect of a financial year is exempt from the provisions of this Part relating to the audit of accounts in respect of that year if the directors cause a report in respect of the company's individual accounts for that year to be prepared in accordance with Article 257C and made to the company's members.

- (3) The total exemption conditions are met by a company in respect of a financial year if—
- (a) it qualifies as a small company in relation to that year for the purposes of Article 254,
 - (b) its turnover in that year is not more than [^{F146} £5.6 million], and
 - (c) its balance sheet total for that year is not more than [^{F146} £2.8 million].

[^{F145}(3A) In relation to any company which is a charity, paragraph (3)(b) shall have effect with the substitution—

- (a) for the reference to turnover of a reference to gross income, and
- (b) for the reference to [^{F146} £5.6 million] of a reference to £90,000.]

(4) The report conditions are met by [^{F145} a company which is a charity] in respect of a financial year if—

- (a) it qualifies as a small company in relation to that year for the purposes of Article 254,
- (b) its [^{F145} gross income] in that year is more than £90,000 but not more than [^{F145} £250,000], and
- (c) its balance sheet total for that year is not more than £1.4 million.

Para. (5) rep. by SR 1997/500

(6) For a period which is a company's financial year but not in fact a year the maximum figures for turnover or gross income shall be proportionately adjusted.

[^{F145}(6A) A company is entitled to the exemption conferred by paragraph (1) or (2) notwithstanding that it falls within sub-paragraph (a) or (b) of [^{F147} Article 257AA(1)].]

(7) In this Article—

“balance sheet total” has the meaning given by Article 255(5), and

“gross income” means the company's income from all sources, as shown in the company's income and expenditure account.

F144 mod. SR 1994/133

F145 SR 1997/500

F146 SR 2004/190

F147 SR 2001/153

^{F148} Dormant Companies

257AA.—(1) Subject to Article 257B(2) to (5), a company is exempt from the provisions of this Part relating to the audit of accounts in respect of a financial year if—

- (a) it has been dormant since its formation, or
- (b) it has been dormant since the end of the previous financial year and paragraph (2) applies.

(2) This paragraph applies if the company—

- (a) is entitled in respect of its individual accounts for the financial year in question to prepare accounts in accordance with Article 254, or would be so entitled but for the application of Article 255A(1)(a)(i) or (b), and
- (b) is not required to prepare group accounts for that year.

(3) Paragraph (1) does not apply if at any time in the financial year in question the company was—

[a person who has permission under Part 4 of the Financial Services and Markets Act 2000 ^{F149}(a) to carry on one or more regulated activities;

(b) a person who carries on insurance market activity.]

(4) A company is "dormant" during any period in which it has no significant accounting transaction.

(5) "Significant accounting transaction" means a transaction which—

- (a) is required by Article 229 to be entered in the company's accounting records; but
- (b) is not a transaction to which paragraph (6) or (7) applies.

(6) This paragraph applies to a transaction arising from the taking of shares in the company by a subscriber to the memorandum as a result of an undertaking of his in the memorandum.

(7) This paragraph applies to a transaction consisting of the payment of—

- (a) a fee to the registrar on a change of name under Article 38 (change of name),
- (b) a fee to the registrar on the re-registration of a company under Part III (re-registration as a means of altering a company's status),
- (c) a penalty under Article 250A (penalty for failure to deliver accounts), or
- (d) a fee to the registrar for the registration of an annual return under Chapter III of Part XII.]

F148 SR 2001/153

F149 SI 2001/3649

Cases where exemptions not available

257B ^{F150}.—(1) [^{F151}Subject to^{F152} paragraphs (1A) to (1C)], a company is not entitled to the exemption conferred by paragraph (1) or (2) of Article 257A in respect of a financial year if at any time within that year—

(a) it was a public company,

[^{F153}(b) it was a person who had permission under Part 4 of the Financial Services and Markets Act 2000 to carry on a regulated activity,]

[^{F153}(bb) it carried on an insurance market activity,]

Sub#para. (c) rep. by SI 2001/1283

[^{F153}(d) it was an appointed representative, within the meaning of section 39 of the Financial Services and Markets Act 2000,]

(e) it was an employers' association as defined in Article 4 of the Industrial Relations (Northern Ireland) Order 1992,

(f) it was a parent company or a subsidiary undertaking.

[^{F151}(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 [^{F154} Article 257AA]) throughout that period.]

[^{F152}(1B) A company which, apart from this paragraph, would fall within paragraph (1)(f) by virtue of its being a parent company or a subsidiary undertaking for any period within a financial year, shall not be treated as so falling if throughout that period it was a member of a group meeting the conditions set out in paragraph (1C).

(1C) The conditions referred to in paragraph (1B) are—

(a) that the group qualifies as a small group, in relation to the financial year within which the period falls, for the purposes of Article 257[^{F154} (or if all bodies corporate in such group were companies, would so qualify)] and is not, and was not at any time within that year, an ineligible group within the meaning of Article 256(2).

(b) that the group's aggregate turnover in that year (calculated in accordance with Article 257) is[^{F154}, where the company referred to in paragraph (1B) is a charity,] not more than £350,000 net (or £420,000 gross)[^{F154} or, where the company so referred to is not a charity,[^{F155} not more than £5.6 million net (or £6.72 million gross)]], and

(c) that the group's aggregate balance sheet total for that year (calculated in accordance with Article 257) is[^{F155} not more than £2.8 million net (or £3.36 million gross)].]

(2) Any member or members holding not less in the aggregate than 10 per cent in nominal value of the company's issued share capital or any class of it or, if the company does not have a share capital, not less than 10 per cent in number of the members of the company, may, by notice in writing deposited at the registered office of the company during a financial year but not later than one month before the end of that year, require the company to obtain an audit of its accounts for that year.

(3) Where a notice has been deposited under paragraph (2), the company is not entitled to the exemption conferred by paragraph (1) or (2) of Article 257A[^{F154} or by paragraph (1) of Article 257AA] in respect of the financial year to which the notice relates.

(4) A company is not entitled to the exemption conferred by paragraph (1) or (2) of Article 257A[^{F154} or by paragraph (1) of Article 257AA] unless its balance sheet contains a statement by the directors—

(a) [^{F151}to the effect] that for the year in question the company was entitled to exemption under paragraph (1) or (2)[^{F154}. . . of Article 257A[^{F154} or paragraph (1) of Article 257AA],

[^{F154}(b) to the effect that members have not required the company to obtain an audit of its accounts for the year in question in accordance with paragraph (2), and]

(c) [^{F151}to the effect] that the directors acknowledge their responsibilities for—

(i) ensuring that the company keeps accounting records which comply with Article 229, and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Article 234, and which otherwise comply with the requirements of this Order relating to accounts, so far as applicable to the company.

(5) The statement required by paragraph (4) shall appear in the balance sheet[^{F151} above the signature required by Article 241].

F150 mod. SR 1994/133

F151 SR 1997/314

F152 SR 1997/500

F153 SI 2001/3649

F154 SR 2001/153

F155 SR 2004/190

The report required for the purposes of Article 257A(2)

257C ^{F156}—(1) The report required for the purposes of Article 257A(2) shall be prepared by a person (referred to in this Part as “the reporting accountant”) who is eligible under Article 257D.

(2) The report shall state whether in the opinion of the reporting accountant making it—

- (a) the accounts of the company for the financial year in question are in agreement with the accounting records kept by the company under Article 229, and
- (b) having regard only to, and on the basis of, the information contained in those accounting records, those accounts have been drawn up in a manner consistent with the provisions of this Order specified in paragraph (6), so far as applicable to the company.

(3) The report shall also state that in the opinion of the reporting accountant, having regard only to, and on the basis of, the information contained in the accounting records kept by the company under Article 229, the company satisfied the requirements of paragraph (4) of Article 257A ^{F157}. . . for the financial year in question, and did not fall within Article 257B(1)(a) to (f) at any time within that financial year.

(4) The report shall state the name of the reporting accountant and be signed by him.

(5) Where the reporting accountant is a body corporate or partnership, any reference to signature of the report, or any copy of the report, by the reporting accountant is a reference to signature in the name of the body corporate or partnership by a person authorised to sign on its behalf.

(6) The provisions referred to in paragraph (2)(b) are—

- (a) [^{F158}Article 234A(3)] and Schedule 4,
- (b) Article 239 and paragraphs 7 to 9A and 13(1), (3) and (4) of Schedule 5, and
- (c) Article 240 and Schedule 6,

where appropriate as modified by^{F159} Article 254(2) and (3)].

F156 mod. SR 1994/133

F157 SR 2001/153

F158 SR 2004/496

F159 SR 1997/436

The reporting accountant

257D ^{F160}—(1) The reporting accountant shall be either—

- (a) any member of a body listed in paragraph (4) who, under the rules of the body—
 - (i) is entitled to engage in public practice, and
 - (ii) is not ineligible for appointment as a reporting accountant, or
- (b) any person (whether or not a member of any such body) who—

(i) is subject to the rules of any such body in seeking appointment or acting as auditor under Chapter V of Part XII, and

(ii) under those rules, is eligible for appointment as auditor under that Chapter.

(2) In paragraph (1), references to the rules of a body listed in paragraph (4) are to the rules (whether or not laid down by the body itself) which the body has power to enforce and which are relevant for the purposes of Part III of the Companies (Northern Ireland) Order 1990 or this Article. This includes rules relating to the admission and expulsion of members of the body, so far as relevant for the purposes of that Part or this Article.

(3) An individual, a body corporate or a partnership may be appointed as a reporting accountant, and Article 29 of the Companies (Northern Ireland) Order 1990 (effect of appointment of partnership) shall apply to the appointment as reporting accountant of a partnership constituted under the law of England and Wales or Northern Ireland, or under the law of any other country or territory in which a partnership is not a legal person.

(4) The bodies referred to in paragraphs (1) and (2) are—

(a) the Institute of Chartered Accountants in England and Wales,

(b) the Institute of Chartered Accountants of Scotland,

(c) the Institute of Chartered Accountants in Ireland,

(d) [^{F161}the Association of Chartered Certified Accountants,]^{F162} . . .

(e) the Association of Authorised Public Accountants^{F162}, and]

[^{F162}(f) the Institute of Chartered Secretaries and Administrators.]

(5) A person is ineligible for appointment by a company as a reporting accountant if he would be ineligible for appointment as an auditor of that company under Article 30 of the Companies (Northern Ireland) Order 1990 (ineligibility on ground of lack of independence).

F160 mod. SR 1994/133

F161 SR 1997/500

F162 SR 2004/190

Effect of exemptions

257E ^{F163}.—(1) Where the directors of a company have taken advantage of the exemption conferred by Article 257A(1)[^{F164} or 257AA(1)]

(a) Articles 246 and 247 (right to receive or demand copies of accounts and reports) shall have effect with the omission of references to the auditors' report;

(b) no copy of an auditors' report need be delivered to the registrar or laid before the company in general meeting;

(c) paragraphs (3) to (5) of Article 279 (accounts by reference to which distribution to be justified) shall not apply.

[^{F164}(1A) Where the directors of a company have taken advantage of the exemption conferred by Article 257AA, then for the purposes of that Article the company shall be treated as a company entitled to prepare accounts in accordance with Article 254 even though it is a member of an ineligible group.]

(2) Where the directors of a company have taken advantage of the exemption conferred by Article 257A(2)—

Status: Point in time view as at 01/01/2006. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Part VIII. (See end of Document for details)

- (a) paragraphs (2) to (4) of Article 244 (which require copies of the auditors' report to state the names of the auditors) shall have effect with the substitution for references to the auditors and the auditors' report of references to the reporting accountant and the report made for the purposes of Article 257A(2) respectively;
- (b) Articles 246 and 247 (right to receive or demand copies of accounts and reports), Article 249 (accounts and reports to be laid before company in general meeting) and Article 250 (accounts and reports to be delivered to the registrar) shall have effect with the substitution for references to the auditors' report of references to the report made for the purposes of Article 257A(2);
- (c) paragraphs (3) to (5) of Article 279 (accounts by reference to which distribution to be justified) shall not apply;
- (d) ^{F165}Article 397A(1) and (2) (rights to information) shall have effect with the substitution for references to ^{F165}the auditors of references to the reporting accountant.

F163 mod. SR 1994/133

F164 SR 2001/153

F165 prosp. subst. by 2005 NI 17

Art. 258 rep. by SR 2001/153

[^{F166}Listed public companies]

F166 1990 NI 5

[^{F167}Summary financial statement]

259 ^{F168}—(1) [^{F167}A company] need not, in such cases as may be specified by regulations made by the Department, and provided any conditions so specified are complied with, send copies of the documents referred to in [^{F169}Article 246(1A)] to [^{F170}entitled persons], but may instead send them a summary financial statement.

[^{F170}In this Article—

“entitled person”, in relation to a company, means such of the persons specified in Article 246(1)(a) to (c) as are or would apart from this Article be entitled to be sent copies of those documents relating to the company which are referred to in that paragraph;

[^{F169}“summary financial statement” means a statement that is derived from the company's annual accounts and (in the case of a quoted company) the directors' remuneration report and prepared in accordance with this Article and regulations made under it;]

Definitions rep. by SR 2004/496

(2) Copies of the documents referred to in [^{F169}Article 246(1A)] shall, however, be sent to [^{F170}any entitled person] who wishes to receive them; and the Department may by regulations make provision as to the manner in which it is to be ascertained [^{F170}(whether before or after he becomes an entitled person)] whether [^{F170}an entitled person] wishes to receive them.

[^{F169}(2ZA) A quoted company that—

- (a) sends a summary financial statement to an entitled person, and
- (b) does not send a full copy of its operating and financial review for the financial year to which that statement relates to each entitled person in accordance with Article 246(1),

must publish its operating and financial review on a web site throughout the period beginning at least 21 days before the date of the meeting at which the accounts and directors' remuneration report from which the statement is derived are to be laid and ending with the conclusion of that meeting.]

[^{F171}(2A) References in this Article to sending a summary financial statement to an entitled person include references to using electronic communications for sending the statement to such address as may for the time being be notified to the company by that person for that purpose.

(2B) For the purposes of this Article a summary financial statement is also to be treated as sent to an entitled person where—

- (a) the company and that person have agreed to his having access to summary financial statements on a web site (instead of their being sent to him);
- (b) the statement is a statement to which that agreement applies; and
- (c) that person is notified, in a manner for the time being agreed for the purpose between him and the company, of—
 - (i) the publication of the statement on a web site;
 - (ii) the address of that web site; and
 - (iii) the place on that web site where the statement may be accessed, and how it may be accessed.

(2C) For the purposes of this Article a statement treated in accordance with paragraph (2B) as sent to an entitled person is to be treated as sent to him if, and only if—

- (a) the statement is published on the web site throughout a period beginning at least 21 days before the date of the meeting at which the accounts and [^{F169} directors' remuneration report] from which the statement is derived are to be laid and ending with the conclusion of that meeting; and
- (b) the notification given for the purposes of sub-paragraph (c) of that paragraph is given not less than 21 days before the date of the meeting.

(2D) Nothing in [^{F169} paragraph (2ZA) or (2C)] shall invalidate the proceedings of a meeting where—

- [any review or statement that is required to be published on a web site as mentioned in those ^{F169}(a) paragraphs is published for a part, but not all, of the period mentioned in those paragraphs; and]
- (b) the failure to publish that [^{F169} review or] statement throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the company to prevent or avoid.

(2E) A company may, notwithstanding any provision to the contrary in its articles, take advantage of any of paragraphs (2A) to (2D).]

[^{F169}(3) The summary financial statement must—

- (a) be in such form, and
- (b) contain such information,

as the Department may by regulations specify, including information derived from the company's directors' report or (in the case of a quoted company) operating and financial review.

(3A) Nothing in this Article or regulations made under it prevents a company from including in its summary financial statement additional information derived from the company's annual accounts, directors' remuneration report, directors' report or operating and financial review.]

[^{F172}(4) Every summary financial statement shall—

Status: Point in time view as at 01/01/2006. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Part VIII. (See end of Document for details)

- (a) state that it is only a summary of information in the company's annual accounts^{F169} . . . and (in the case of a quoted company) the directors' remuneration report;
 - [state whether it contains additional information derived from the directors' report or (in
 - ^{F169}(aa) the case of a quoted company) the operating and financial review and, if so, state that it does not contain the full text of that report or review;
 - (ab) state how an entitled person can obtain a full copy of the documents referred to in Article 246(1A);
 - (ac) (in the case of a quoted company to which paragraph (2ZA) applies) state the address of the web site on which the operating and financial review is published, the place on that web site where it may be accessed and how it may be accessed;]
- (b) contain a statement by the company's auditors of their opinion as to whether the summary financial statement
 - [is consistent with the company's annual accounts and directors' remuneration report
 - ^{F169}(i) and (where information derived from the directors' report or operating and financial review is included in the statement) with that report or review, and
 - (ii) complies with the requirements of this Article and regulations made under it;]
- (c) state whether the auditors' report on the annual accounts, or on the annual accounts and the auditable part of the directors' remuneration report, was unqualified or qualified, and if it was qualified set out the report in full together with any further material needed to understand the qualification;
 - [state whether, in that report, the auditors' statements under—
 - ^{F169}(ca) (i) Article 243(3) (whether directors' report is consistent with accounts), and
 - (ii) (in the case of a quoted company) under Article 243(3A) (whether operating and financial review is consistent with accounts),

were qualified or unqualified and, if either was qualified, set out the qualified statement in full together with any further material needed to understand the qualification;]
- (d) state whether that auditors' report contained a statement under—
 - (i) Article 245(2); or
 - (ii) Article 245(3),

and if so, set out the statement in full.]
- (5) If default is made in complying with this Article or regulations made under it, the company and every officer of it who is in default is guilty of an offence and liable to a fine.
- (6) Article 248 (requirements in connection with publication of accounts) does not apply in relation to the provision to^{F170} entitled persons] of a summary financial statement in accordance with this Article.

F167 SR 2004/496

F168 mod. SR 1994/133

F169 SR 2005/61

F170 SR 1993/220

F171 SR 2003/3

F172 SR 2005/56

Private companies

Election to dispense with laying of accounts and reports before general meeting

260 ^{F173}.—(1) A private company may elect (by elective resolution in accordance with Article 387A) to dispense with the laying of accounts and reports before the company in general meeting.

(2) An election has effect in relation to the accounts and reports in respect of the financial year in which the election is made and subsequent financial years.

(3) Whilst an election is in force, the references in the following provisions of this Order to the laying of accounts before the company in general meeting shall be read as references to the sending of copies of the accounts to members and others under Article 246(1)—

- (a) Article 243(1) (accounts on which auditors are to report),
- (b) Article 278(3) and (4) (accounts by reference to which distributions are justified), and
- (c) Article 328(2) (accounts relevant for determining company's net assets for purposes of ascertaining whether approval required for certain transactions);

and the requirement in Article 279(4) that the auditors' statement under that provision be laid before the company in general meeting shall be read as a requirement that it be sent to members and others along with the copies of the accounts sent to them under Article 246(1).

(4) If an election under this Article ceases to have effect, Article 249 applies in relation to the accounts and reports in respect of the financial year in which the election ceases to have effect and subsequent financial years.

F173 mod. SR 1994/133

Right of shareholder to require laying of accounts

261 ^{F174}.—(1) Where an election under Article 260 is in force, the copies of the accounts and reports sent out in accordance with Article 246(1)—

- (a) shall be sent not less than 28 days before the end of the period allowed for laying and delivering accounts and reports, and
- (b) shall be accompanied, in the case of a member of the company, by a notice informing him of his right to require the laying of the accounts and reports before a general meeting;

and Article 246(5) (penalty for default) applies in relation to the above requirements as to the requirements contained in that Article.

(2) Before the end of the period of 28 days beginning with the day on which the accounts and reports are sent out in accordance with Article 246(1), any member or auditor of the company may by notice in writing deposited at the registered office of the company require that a general meeting be held for the purpose of laying the accounts and reports before the company.

[^{F175}(2A) The power of a member or auditor under paragraph (2) to require the holding of a general meeting is exercisable not only by the deposit of a notice in writing but also by the transmission to the company at such address as may for the time being be specified for the purpose by or on behalf of the company of an electronic communication containing the requirement.]

(3) If the directors do not within 21 days from the date of

- [^{F175}(a) the deposit of a notice containing a requirement under paragraph (2), or
- (b) the receipt of such a requirement contained in an electronic communication, proceed]

duly to convene a meeting, the person who^{F175} required the holding of the meeting] may do so himself.

(4) A meeting so convened shall not be held more than 3 months from that date and shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by directors.

(5) Where the directors do not duly convene a meeting, any reasonable expenses incurred by reason of that failure by the person who^{F175} required the holding of the meeting] shall be made good to him by the company, and shall be recouped by the company out of any fees, or other remuneration in respect of their services, due or to become due to such of the directors as were in default.

(6) The directors shall be deemed not to have duly convened a meeting if they convene a meeting for a date more than 28 days after the date of the notice convening it.

F174 mod. SR 1994/133

F175 SR 2003/3

Unlimited companies

Exemption from requirement to deliver accounts and reports

262 ^{F176}—(1) The directors of an unlimited company are not required to deliver accounts and reports to the registrar in respect of a financial year if the following conditions are met.

- (2) The conditions are that at no time during the relevant accounting reference period—
- (a) has the company been, to its knowledge, a subsidiary undertaking of an undertaking which was then limited, or
 - (b) have there been, to its knowledge, exercisable by or on behalf of two or more undertakings which were then limited, rights which if exercisable by one of them would have made the company a subsidiary undertaking of it, or
 - (c) has the company been a parent company of an undertaking which was then limited.

The references above to an undertaking being limited at a particular time are to an undertaking (under whatever law established) the liability of whose members is at that time limited.

(3) The exemption conferred by this Article does not apply^{F177} if—]

- ^{F177}(a) the company is a banking^{F178} or insurance] company or the parent company of a banking^{F178} or insurance] group, or
- (b) the company is a qualifying company within the meaning of the Partnerships and Unlimited Companies (Accounts) Regulations (Northern Ireland) 1994,^{F179} . . .]

Sub#para. (c) rep. by 2005 NI 7

(4) Where a company is exempt by virtue of this Article from the obligation to deliver accounts, Article 248 (requirements in connection with publication of accounts) has effect with the following modifications—

- (a) in paragraph (3)(b) for the words from “whether statutory accounts” to “have been delivered to the registrar” substitute “ that the company is exempt from the requirement to deliver statutory accounts ”, and
- (b) in paragraph (5) for “as required to be delivered to the registrar under Article 250” substitute “ as prepared in accordance with this Part and approved by the board of directors ”.

F176 mod. SR 1994/133

F177 SR 1994/133

F178 SR 1994/428

F179 2005 NI 7

[^{F180}Banking and insurance companies and groups]

F180 SR 1992/258

Special provisions for banking and insurance companies

263 ^{F181}—(1) A banking company shall prepare its individual accounts in accordance with Part I of Schedule 9 rather than Schedule 4.

(2) An insurance company [^{F182} shall] prepare its individual accounts in accordance with Part I of Schedule 9A rather than Schedule 4.

(3) Accounts so prepared shall contain a statement that they are prepared in accordance with the special provisions of this Part relating to banking companies or to insurance companies, as the case may be.

(4) In relation to the preparation of individual accounts in accordance with the special provisions of this Part, the references to Schedule 4 in Article 234(4) and (5) (relationship between specific requirements and duty to give true and fair view) shall be read as references to the provisions of Part I of Schedule 9, in the case of the accounts of banking companies, or to the provisions of Part I of Schedule 9A, in the case of the accounts of insurance companies.

[^{F183}(4A) References to Companies Order individual accounts include accounts prepared in accordance with this Article.

(4B) This Article does not apply to banking companies and insurance companies that prepare IAS individual accounts.]

Para. (5) rep. by SR 1994/428

F181 mod. SR 1994/133

F182 SR 1994/428

F183 SR 2004/496

Special provisions for banking and insurance groups

263A ^{F184}—(1) The parent company of a banking group shall prepare group accounts in accordance with the provisions of this Part as modified by Part II of Schedule 9.

(2) The parent company of an insurance group [^{F185} shall] prepare group accounts in accordance with the provisions of this Part as modified by Part II of Schedule 9A.

(3) Accounts so prepared shall contain a statement that they are prepared in accordance with the special provisions of this Part relating to banking groups or to insurance groups, as the case may be.

[^{F185}(4) References in this Part to a banking group are to a group where the parent company is a banking company or where—

- (a) the parent company's principal subsidiary undertakings are wholly or mainly credit institutions, and

Status: Point in time view as at 01/01/2006. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Part VIII. (See end of Document for details)

- (b) the parent company does not itself carry on any material business apart from the acquisition, management and disposal of interests in subsidiary undertakings.
 - (5) References in this Part to an insurance group are to a group where the parent company is an insurance company or where—
 - (a) the parent company's principal subsidiary undertakings are wholly or mainly insurance companies, and
 - (b) the parent company does not itself carry on any material business apart from the acquisition, management and disposal of interests in subsidiary undertakings.
 - (5A) For the purposes of paragraphs (4) and (5)—
 - (a) a parent company's principal subsidiary undertakings are the subsidiary undertakings of the company whose results or financial position would principally affect the figures shown in the group accounts, and
 - (b) the management of interests in subsidiary undertakings includes the provision of services to such undertakings.]
 - (6) In relation to the preparation of group accounts in accordance with the special provisions of this Part:
 - (a) the references to the provisions of Schedule 4A in^{F186} Article 235A(4) and (5)] (relationship between specific requirements and duty to give true and fair view) shall be read as references to those provisions as modified by Part II of Schedule 9, in the case of the group accounts of a banking group, or Part II of Schedule 9A, in the case of the group accounts of an insurance group; and
 - (b) the reference to paragraphs 52 to 57 of Schedule 4 in Article 238(2) (relief from obligation to comply with those paragraphs where group accounts prepared) shall be read as a reference to^{F187} paragraphs 75 to 77], 80 and 81 of Part I of Schedule 9, in the case of the group accounts of a banking group^{F185} and as a reference to paragraphs 73, 74, 79 and 80 of Part I of Schedule 9A, in the case of the group accounts of an insurance group].
 - ^{F186}(6A) References to Companies Order group accounts include accounts prepared in accordance with paragraphs (1) to (3).
 - (6B) Paragraphs (1) to (3) and (6) do not apply to parent companies of banking groups or insurance groups that prepare IAS group accounts.]
- Para. (7) rep. by SR 1994/428*

F184 mod. SR 1994/133

F185 SR 1994/428

F186 SR 2004/496

F187 SR 1997/314

Modification of disclosure requirements in relation to banking company or group

263B^{F188}.—(1) In relation to a banking company, or the^{F189} parent company of a banking group], the provisions of Schedule 5 (Disclosure of information: related undertakings) have effect subject to Part III of Schedule 9.

(2) In relation to a banking company, or the parent company of a banking company, the provisions of Schedule 6 (Disclosure of information: emoluments and other benefits of directors and others) have effect subject to Part IV of Schedule 9.

F188 mod. SR 1994/133

F189 SR 1993/199

Art. 263C rep. by SR 1994/428

Power to apply provisions to banking partnerships

263D ^{F190}.—(1) The Department may by regulations apply to banking partnerships, subject to such exceptions, adaptations and modifications as it considers appropriate, the provisions of this Part applying to banking companies.

[^{F191}(2) A “banking partnership” means a partnership which has permission under Part 4 of the Financial Services and Markets Act 2000.

(2A) But a partnership is not a banking partnership if it has permission to accept deposits only for the purpose of carrying on another regulated activity in accordance with that permission.]

(3) No regulations under this Article shall be made unless a draft of the regulations has been laid before and approved by a resolution of the Assembly.

[^{F191}(5) Paragraphs (2) and (2A) must be read with —

- (a) section 22 of the Financial Services and Markets Act 2000;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act.]

F190 mod. SR 1994/133

F191 SI 2001/3649

[^{F192}CHAPTER III]

SUPPLEMENTARY PROVISIONS

F192 1990 NI 5

[^{F193}Accounting standards]

F193 1990 NI 5

Accounting standards

264 ^{F194}.—(1) In this Part “accounting standards” means statements of standard accounting practice issued by such body or bodies as may be prescribed.

(2) References in this Part to accounting standards applicable to a company's annual accounts are to such standards as are, in accordance with their terms, relevant to the company's circumstances and to the accounts.

^{F195}(3) The Department may make grants to or for the purposes of bodies concerned with—

- (a) issuing accounting standards,
- (b) overseeing and directing the issuing of such standards, or
- (c) investigating departures from such standards or from the accounting requirements of this Order and taking steps to secure compliance with them.

(4) Regulations under this Article may contain such transitional provisions as appear to the Department to be appropriate.

F194 mod. SR 1994/133

F195 prosp. rep. by [2005 NI 17](#)

Power to alter accounting requirements

Power of Department to alter accounting requirements

265^{F196}.—(1) The Department may by regulations modify the provisions of this Part.

(2) Regulations which—

- (a) add to the classes of documents required to be prepared, laid before the company in general meeting or delivered to the registrar,
- (b) restrict the classes of company which have the benefit of any exemption, exception or special provision,
- (c) require additional matter to be included in a document of any class, or
- (d) otherwise render the requirements of this Part more onerous,

shall not be made unless a draft of the regulations has been laid before and approved by a resolution of the Assembly.

(3) Regulations under this Article may—

- (a) repeal and re-enact provisions with modifications of form or arrangement, whether or not they are modified in substance,
- (b) make consequential amendments or repeals in other provisions of this Order, or in other statutory provisions;
- (c) contain such transitional provisions as the Department thinks fit.

(4) Any modification by regulations under this Article of Article 266 or Schedule 10A (parent and subsidiary undertakings) does not apply for the purposes of statutory provisions outside the Companies Orders unless the regulations so provide.^{F197}

F196 mod. SR 1994/133

F197 prosp. insertion by [2005 NI 17](#) (which amendment repealed (6.4.2008) by [Companies Act 2006 \(c. 46\)](#), s. 1295, [Sch. 16](#); [S.I. 2007/3495](#), art. 8(a), [Sch. 2 Pt. 2](#))

Parent and subsidiary undertakings

Parent and subsidiary undertakings

266^{F198}.—^{F199}(1) The expressions “parent undertaking” and “subsidiary undertaking” in this Part shall be construed as follows; and a “parent company” means a parent undertaking which is a company.

(2) An undertaking is a parent undertaking in relation to another undertaking, a subsidiary undertaking, if—

- (a) it holds a majority of the voting rights in the undertaking, or

- (b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors, or
 - (c) it has the right to exercise a dominant influence over the undertaking—
 - (i) by virtue of provisions contained in the undertaking's memorandum or articles, or
 - (ii) by virtue of a control contract, or
 - (d) it is a member of the undertaking and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the undertaking.
- (3) For the purposes of paragraph (2) an undertaking shall be treated as a member of another undertaking—
- (a) if any of its subsidiary undertakings is a member of that undertaking, or
 - (b) if any shares in that other undertaking are held by a person acting on behalf of the undertaking or any of its subsidiary undertakings.
- (4) An undertaking is also a parent undertaking in relation to another undertaking, a subsidiary undertaking, if^{F200} . . .
- [^{F200}(a) it has the power to exercise, or actually exercises, dominant influence or control over it, or]
- (b) it and the subsidiary undertaking are managed on a unified basis.
- (5) A parent undertaking shall be treated as the parent undertaking of undertakings in relation to which any of its subsidiary undertakings are, or are to be treated as, parent undertakings; and references to its subsidiary undertakings shall be construed accordingly.
- (6) Schedule 10A contains provisions explaining expressions used in this Article and otherwise supplementing this Article.

F198 mod. by SI 1994/1516

F199 mod. SR 1994/133

F200 SR 2004/496

[^{F201}Other interpretation provisions]

F201 1990 NI 5

Meaning of “undertaking” and related expressions

- 267** ^{F202}—(1) In this Part “undertaking” means—
- (a) a body corporate or partnership, or
 - (b) an unincorporated association carrying on a trade or business, with or without a view to profit.
- (2) In this Part references to shares—
- (a) in relation to an undertaking with a share capital, are to allotted shares;
 - (b) in relation to an undertaking with capital but no share capital, are to rights to share in the capital of the undertaking; and
 - (c) in relation to an undertaking without capital, are to interests—
 - (i) conferring any right to share in the profits or liability to contribute to the losses of the undertaking, or

- (ii) giving rise to an obligation to contribute to the debts or expenses of the undertaking in the event of a winding up.

(3) Other expressions appropriate to companies shall be construed, in relation to an undertaking which is not a company, as references to the corresponding persons, officers, documents or organs, as the case may be, appropriate to undertakings of that description.

This is subject to provision in any specific context providing for the translation of such expressions.

(4) References in this Part to “fellow subsidiary undertakings” are to undertakings which are subsidiary undertakings of the same parent undertaking but are not parent undertakings or subsidiary undertakings of each other.

(5) In this Part “group undertaking”, in relation to an undertaking, means an undertaking which is—

- (a) a parent undertaking or subsidiary undertaking of that undertaking, or
- (b) a subsidiary undertaking of any parent undertaking of that undertaking.

F202 mod. SR 1994/133

Participating interests

268^{F203}—(1) In this Part a “participating interest” means an interest held by an undertaking in the shares of another undertaking which it holds on a long-term basis for the purpose of securing a contribution to its activities by the exercise of control or influence arising from or related to that interest.

(2) A holding of 20 per cent. or more of the shares of an undertaking shall be presumed to be a participating interest unless the contrary is shown.

(3) The reference in paragraph (1) to an interest in shares includes—

- (a) an interest which is convertible into an interest in shares, and
- (b) an option to acquire shares or any such interest;

and an interest or option falls within sub-paragraph (a) or (b) notwithstanding that the shares to which it relates are, until the conversion or the exercise of the option, unissued.

(4) For the purposes of this Article an interest held on behalf of an undertaking shall be treated as held by it.

Para. (5) rep. by SR 2004/496

(6) In the balance sheet and profit and loss formats set out in Part I of Schedule 4,^{[F204} Part I of Schedule 8, Schedule 8A,[]]^{F205} Chapter I of Part I of Schedule 9 and Chapter I of Part I of Schedule 9A] “participating interest” does not include an interest in a group undertaking.

(7) For the purposes of this Article as it applies in relation to the expression “participating interest”

- (a) in those formats as they apply in relation to group accounts, and
- (b) in paragraph 20 of Schedule 4A (group accounts: undertakings to be accounted for as associated undertakings),

the references in paragraphs (1) to (4) to the interest held by, and the purposes and activities of, the undertaking concerned shall be construed as references to the interest held by, and the purposes and activities of, the group (within the meaning of paragraph 1 of that Schedule).

F203 mod. SR 1994/133

F204 SR 1997/436

F205 SR 1994/428

Notes to the accounts

269 ^{F206}.—(1) Information required by this Part to be given in notes to a company's annual accounts may be contained in the accounts or in a separate document annexed to the accounts.

(2) References in this Part to a company's annual accounts, or to a balance sheet or profit and loss account, include notes to the accounts giving information which is required by any provision of this Order^{F207} or international accounting standards], and required or allowed by any such provision to be given in a note to company accounts.

F206 mod. SR 1994/133

F207 SR 2004/496

Minor definitions

270 ^{F208}.—(1) In this Part—

[^{F209}“address”, except in Article 236, in relation to electronic communications, includes any number or address used for the purposes of such communications;]

“annual accounts” means—

- (a) the individual accounts required by Article 234, and
- (b) any group accounts required by Article 235,

(but see also Article 238 (treatment of individual profit and loss account where group accounts prepared));

“annual report”, in relation to a company, means the directors' report required by Article 242;

“balance sheet date” means the date as at which the balance sheet was made up;

“capitalisation”, in relation to work or costs, means treating that work or those costs as a fixed asset;

[^{F210}“Companies Order accounts” means Companies Order individual accounts or Companies Order group accounts;]

[^{F211}“credit institution” means a credit institution as defined in article 1(1)(a) of Directive [2001/12/EC](#) of the European Parliament and of the Council of 20th March 2000 relating to the taking up and pursuit of the business of credit institutions, that is to say an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credit for its own account;]

Definition rep. by SR 2004/263

“fixed assets” means assets of a company which are intended for use on a continuing basis in the company's activities, and “current assets” means assets not intended for such use;

“group” means a parent undertaking and its subsidiary undertakings;

[^{F210}“IAS accounts” means IAS individual accounts or IAS group accounts;]

[^{F210}“IAS Regulation” means EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19th July 2002 on the application of international accounting standards;]

“included in the consolidation”, in relation to group accounts, or “included in consolidated group accounts”, means that the undertaking is included in the accounts by the method of

full (and not proportional) consolidation, and references to an undertaking excluded from consolidation shall be construed accordingly;

[^{F210}“international accounting standards” means the international accounting standards, within the meaning of the IAS Regulation, adopted from time to time by the European Commission in accordance with that Regulation;]

[^{F210}“profit and loss account”, in relation to a company that prepares IAS accounts, includes an income statement or other equivalent financial statement required to be prepared by international accounting standards;]

“purchase price”, in relation to an asset of a company or any raw materials or consumables used in the production of such an asset, includes any consideration (whether in cash or otherwise) given by the company in respect of that asset or those materials or consumables, as the case may be;

“qualified”, in relation to an auditors' report, means that the report does not state the auditors' unqualified opinion that the accounts have been properly prepared in accordance with this Order or, in the case of an undertaking not required to prepare accounts in accordance with this Order, under any corresponding legislation under which it is required to prepare accounts;

[^{F212}“quoted company” means a company whose equity share capital#

- (a) has been included in the official list in accordance with the provisions of Part VI of the Financial Services and Markets Act 2000; or
- (b) is officially listed in an EEA State; or
- (c) is admitted to dealing on either the New York Stock Exchange or the exchange known as Nasdaq;

and in sub-paragraph (a) the official list shall have the meaning given it by section 103(1) of the Financial Services and Markets Act 2000;]

Definition rep. by SR 2004/496

“turnover”, in relation to a company, means the amounts derived from the provision of goods and services falling within the company's ordinary activities, after deduction of—

- (i) trade discounts,
- (ii) value added tax, and
- (iii) any other taxes based on the amounts so derived.

(2) In the case of an undertaking not trading for profit, any reference in this Part to a profit and loss account is to an income and expenditure account; and references to profit and loss and, in relation to group accounts, to a consolidated profit and loss account shall be construed accordingly.

[^{F210}(2A) References in this Part to accounts giving a “true and fair view” are references—

- (a) in the case of Companies Order individual accounts, to the requirement under Article 234A that such accounts give a true and fair view;
- (b) in the case of Companies Order group accounts, to the requirement under Article 235A that such accounts give a true and fair view; and
- (c) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.]

(3) References in this Part to “realised profits” and “realised losses”, in relation to a company's accounts, are to such profits or losses of the company as fall to be treated as realised in accordance with principles generally accepted, at the time when the accounts are prepared, with respect to the determination for accounting purposes of realised profits or losses.

This is without prejudice to—

- (a) the construction of any other expression (where appropriate) by reference to accepted accounting principles or practice, or
- (b) any specific provision for the treatment of profits or losses of any description as realised.

F208 mod. SR 1994/133

F209 SR 2003/3

F210 SR 2004/496

F211 SI 2002/765

F212 SR 2005/56

Index of defined expressions

270A. The following Table shows the provisions of this Part defining or otherwise explaining expressions used in this Part (other than expressions used only in the same Article or paragraph)—

[^{F213} accounting reference date and accounting reference period]	[^{F213} Article 232]
[^{F213} accounting standards and applicable accounting standards]	[^{F213} Article 264]
[^{F214} address]	[^{F214} Article 270(1)]
[^{F213} annual accounts]	
[^{F213} (generally)]	[^{F213} Article 270(1)]
[^{F213} (includes notes to the accounts)]	[^{F213} Article 269(2)]
[^{F213} annual report]	[^{F213} Article 270(1)]
[^{F213} associated undertaking (in Schedule 4A)]	[^{F213} paragraph 20 of that Schedule]
[^{F215} auditable part (of a directors' remuneration report)]	[^{F215} Article 243(5)]
[^{F213} balance sheet (includes notes)]	[^{F213} Article 269(2)]
[^{F213} balance sheet date]	[^{F213} Article 270(1)]
[^{F216} banking activities (in Schedule 9)]	[^{F216} paragraph 82 of Part I of that Schedule]
[^{F213} banking group]	[^{F216} Article 263A(4)]
[^{F216} banking transactions (in Schedule 9)]	[^{F216} paragraph 82 of Part I of that Schedule]
[^{F213} capitalisation (in relation to work or costs)]	[^{F213} Article 270(1)]
[^{F217} Companies Order accounts]	[^{F217} Section 270(1)]
[^{F217} Companies Order group accounts]	[^{F217} Articles 235(2) and 263A(6A)]
[^{F217} Companies Order individual accounts]	[^{F217} Articles 234(2) and 263(4A)]
[^{F213} credit institution]	[^{F213} Article 270(1)]
[^{F213} current assets]	[^{F213} Article 270(1)]

Status: Point in time view as at 01/01/2006. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Part VIII. (See end of Document for details)

[^{F218} directors' report]	[^{F218} Article 242]
^{F219}	^{F219}
.
[^{F213} fellow subsidiary undertaking]	[^{F213} Article 267(4)]
[^{F216} financial fixed assets (in Schedule 9)]	[^{F216} paragraph 82 of Part I of that Schedule]
[^{F213} financial year]	[^{F213} Article 231]
[^{F213} fixed assets]	[^{F213} Article 270(1)]
[^{F220} general business (in Schedule 9)]	[^{F220} paragraph 81 of Pt I of that Schedule]
[^{F213} group]	[^{F213} Article 270(1)]
[^{F217} group accounts]	[^{F217} Article 235(1)]
[^{F218} group directors' report]	[^{F218} Article 242]
[^{F218} group operating and financial review]	[^{F218} Article 242AA]
[^{F213} group undertaking]	[^{F213} Article 267(5)]
[^{F216} historical cost accounting rules]	
[^{F216} — in Schedule 4]	[^{F216} paragraph 29 of that Schedule]
[^{F221} — in Schedule 8]	[^{F221} paragraph 29 of that Schedule]
[^{F216} — in Schedule 9]	[^{F216} paragraph 39 of Part I of that Schedule]
[^{F220} — in Schedule 9A]	[^{F220} paragraph 29(b) of Part I of that Schedule]
[^{F217} IAS accounts]	[^{F217} Article 270(1)]
[^{F217} IAS group accounts]	[^{F217} Article 235(2) and (3)]
[^{F217} IAS individual accounts]	[^{F217} Article 234(2)]
[^{F217} IAS Regulation]	[^{F217} Article 270(1)]
[^{F213} included in the consolidation and related expressions]	[^{F213} Article 270(1)]
[^{F213} individual accounts]	[^{F213} Article 234(1)]
[^{F213} insurance group]	[^{F216} Article 263A(5)]
[^{F217} international accounting standards]	[^{F217} Article 270(1)]
[^{F213} lease, long lease and short lease]	
[^{F213} —in Schedule 4]	[^{F213} paragraph 82 of that Schedule]
[^{F216} —in Schedule 9]	[^{F216} paragraph 82 of Part I of that Schedule]
[^{F213} —in][^{F220} Schedule 9A]	[^{F220} paragraph 81 of Part I that Schedule]
[^{F213} listed investment]	
[^{F213} —in Schedule 4]	[^{F213} paragraph 83 of that Schedule]

[^{F221} —in Schedule 8]	[^{F221} paragraph 54 of that Schedule]
[^{F213} —in][^{F220} Schedule 9A]	[^{F220} paragraph 81 of Part I of that Schedule]
[^{F216} listed security (in Schedule 9)]	[^{F216} paragraph 82 of Part I of that Schedule]
[^{F220} long term business (in Schedule 9A)]	[^{F220} paragraph 81 of Part I of that Schedule]
[^{F220} long term fund (in Schedule 9A)]	[^{F220} paragraph 81 of Part I of that Schedule]
[^{F213} notes to the accounts]	[^{F213} Article 269(1)]
[^{F218} operating and financial review]	[^{F218} Article 242AA]
[^{F213} parent undertaking (and parent company)]	[^{F213} Article 266 and Schedule 10A]
[^{F213} participating interest]	[^{F213} Article 268]
[^{F221} pension costs]	
[^{F221} — in Schedule 4]	[^{F221} paragraph 92(2) of that Schedule]
[^{F221} — in Schedule 8]	[^{F221} paragraph 59(2) of that Schedule]
[^{F221} — in Schedule 9]	[^{F221} paragraph 86(b) of Part I of that Schedule]
[^{F221} — in Schedule 9A]	[^{F221} paragraph 85(b) of Part I of that Schedule]
[^{F213} period allowed for laying and delivering accounts and reports]	[^{F213} Article 252]
[^{F220} policy holder (in Schedule 9A)]	[^{F220} paragraph 81 of Part I of that Schedule]
[^{F213} profit and loss account]	
[^{F213} (includes notes)]	[^{F213} Article 269(2)]
[^{F217} (in relation to IAS accounts)]	[^{F217} Article 270(1)]
[^{F213} (in relation to a company not trading for profit)]	[^{F213} Article 270(2)]
[^{F213} provision]	
[^{F213} —in Schedule 4]	[^{F213} paragraphs 87 and 88 of that Schedule]
[^{F221} — in Schedule 8]	[^{F221} paragraphs 57 and 58 of that Schedule]
[^{F216} —in Schedule 9]	[^{F216} paragraph 85 of Part I of that Schedule]
[^{F213} —in][^{F220} Schedule 9A]	[^{F220} paragraph 84 of Part I of that Schedule]
[^{F213} —in][^{F220} provision for unexpired risks (in Schedule 9A)]	[^{F220} paragraph 81 of Part I of that Schedule]
[^{F213} purchase price]	[^{F213} Article 270(1)]
[^{F213} qualified]	[^{F213} Article 270(1)]
[^{F215} quoted company]	[^{F215} Article 270(1)]
[^{F213} realised losses and realised profits]	[^{F213} Article 270(3)]

Status: Point in time view as at 01/01/2006. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Part VIII. (See end of Document for details)

[^{F216} repayable on demand (in Schedule 9)]	[^{F216} paragraph 82 of Part I of that Schedule]
[^{F222} reporting accountant]	[^{F222} Article 257C(1)]
[^{F213} reserve (in [^{F216} Schedule 9A])]	[^{F213} paragraph 32 of that Schedule]
[^{F216} sale and repurchase transaction (in Schedule 9)]	[^{F216} paragraph 82 of Part I of that Schedule]
[^{F216} sale and option to resell transaction (in Schedule 9)]	[^{F216} paragraph 82 of Part I of that Schedule]
[^{F213} shares]	[^{F213} Article 267(2)]
[^{F216} social security costs]	
[^{F216} — in Schedule 4]	[^{F216} paragraph 92(1) and (3) of that Schedule]
[^{F221} — in Schedule 8]	[^{F221} paragraphs 59(1) and (3) of that Schedule]
[^{F216} — in Schedule 9]	[^{F216} paragraph 86(a) and (c) of Part I of that Schedule]
[^{F220} — in Schedule 9A]	[^{F220} paragraph 85(a) and (c) of Part I of that Schedule]
[^{F213} special provisions for banking and insurance companies and groups]	[^{F213} Articles 263 and 263A]
[^{F213} subsidiary undertaking]	[^{F213} Article 266 and Schedule 10A]
[^{F220} the 1982 Act (in Schedule 9A)]	[^{F220} paragraph 81 of Part I of that Schedule]
[^{F217} true and fair view]	[^{F217} Article 270(2A)]
[^{F213} turnover]	[^{F213} Article 270(1)]
[^{F213} undertaking and related expressions]	[^{F213} Article 267(1) to (3).]

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F214 SR 2003/3

F215 SR 2005/56

F216 SR 1992/258

F217 SR 2004/496

F218 SR 2005/61

F219 SR 2004/263

F220 SR 1994/428

F221 SR 1997/436

F222 SR 1995/128

Status:

Point in time view as at 01/01/2006. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation:

There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Part VIII.