

1987 No. 37

COMPANIES

**Companies (Accounting Thresholds) (Modification)
Regulations (Northern Ireland) 1987**

Made 4th February 1987

Coming into operation 11th March 1987

The Department of Economic Development, in exercise of the powers conferred on it by Article 259(1) of the Companies (Northern Ireland) Order 1986(a) and of every other power enabling it in that behalf, hereby makes the following regulations:

Citation, commencement and interpretation

1.—(1) These regulations may be cited as the Companies (Accounting Thresholds) (Modification) Regulations (Northern Ireland) 1987 and shall come into operation on 11th March 1987.

(2) In these regulations—

“the Order” means the Companies (Northern Ireland) Order 1986.

Small company qualification

2. In Article 256(1) of the Order—

(a) for “£1.4 million” there shall be substituted “£2 million”; and

(b) for “£700,000” there shall be substituted “£975,000”.

Medium-sized company qualification

3. In Article 256(2) of the Order—

(a) for “£5.75 million” there shall be substituted “£8 million”; and

(b) for “£2.8 million” there shall be substituted “£3.9 million”.

Transitional provisions: small companies

4. In determining under Article 257(3) to (6) of the Order (subject to Article 258 where the company has subsidiaries) whether a company’s directors may deliver accounts modified as for a small company in respect of financial years ending on or after 11th March 1987—

(a) the company shall be treated as having qualified as small in each previous financial year ending on or after 27th November 1984 in which it would have so qualified under Article 256(1) as modified by these regulations; and

(b) the directors shall be treated as having been entitled to deliver accounts so modified in any such financial year if they would have

been so entitled had the company had the qualification it is treated as having had under sub-paragraph (a).

Transitional provisions: medium-sized companies

5. In determining under Article 257(3) to (6) of the Order (subject to Article 258 where the company has subsidiaries) whether a company's directors may deliver accounts modified as for a medium-sized company in respect of financial years ending on or after 11th March 1987—

- (a) the company shall be treated as having qualified as medium-sized in each previous financial year ending on or after 27th November 1984 in which it would have so qualified under Article 256(2) as modified by these regulations; and
- (b) the directors shall be treated as having been entitled to deliver accounts so modified in any such financial year if they would have been so entitled had the company had the qualification it is treated as having had under sub-paragraph (a).

Sealed with the Official Seal of the Department of Economic Development on 4th February 1987.

(L.S.)

Joan Dixon

Assistant Secretary

EXPLANATORY NOTE

(This note is not part of the Regulations.)

The directors of a company which qualifies as small or medium-sized may be entitled under Article 257 of the Companies (Northern Ireland) Order 1986 ("the Order") to deliver modified individual accounts to the registrar of companies. The directors of a holding company may be entitled under Article 258 of the Order to deliver modified individual accounts where the group taken as a whole qualifies as small or medium-sized. Where the directors of a holding company are entitled to deliver modified individual accounts they may also deliver modified group accounts. The directors of those categories of companies listed in Article 255 of the Order are excluded from delivering modified accounts.

Whether a company qualifies as small or medium-sized is defined in each case by three thresholds. These regulations raise the thresholds for turnover and balance sheet total in respect of each class. The third threshold (average number of employees in the year) is not changed in either case.

The new thresholds only apply to determine whether a company qualifies as small or medium-sized in financial years ending on or after 11th March 1987. The entitlement to deliver modified accounts depends (except for a company's first financial year) on the company having qualified as small or medium-sized and/or the directors having been entitled to deliver modified accounts in previous financial years. The regulations make transitional provisions so that directors may take advantage of the new thresholds as soon as possible.

The original thresholds in Article 257 of the Order were prescribed by the Fourth Council Directive on the annual accounts of certain types of companies No. 78/660/EEC(a). These regulations raise the thresholds to the maximum extent permitted by the Council Directive revising the amounts expressed in ECU in the Fourth Council Directive No. 84/569/EEC(b).

(a) O.J. No. L222, 14.8.1978, p. 11

(b) O.J. No. L314, 4.12.1984, p. 28