

## SCHEDULE 1

Regulation 3

## IAS ACCOUNTS: CONSEQUENTIAL AMENDMENTS TO 1986 ORDER

1. The 1986 Order is amended as follows.

2.—(1) Article 2A (index of defined expressions)(1) is amended as follows.

(2) At the appropriate places insert the following defined expressions –

“Companies Order accounts	Articles 10(1) and 270(1)”
“Companies Order individual accounts	Articles 10(1), 233(4A) and 234(2)”
“ IAS accounts	Articles 10(1) and 270(1)”
“ IAS individual accounts	Articles 10(1) and 234(2)”.

(3) In the definition of “profit and loss account”, in the second column, for “270(2)” substitute “270(1) and (2)”.

3. In Article 10(1) (expressions used in connection with accounts)(2) insert at the appropriate place “ “Companies Order accounts” ”, “ “Companies Order individual accounts” ”, “ “ IAS accounts” ” and “ “ IAS individual accounts” ”.

4. In Article 162(2) (definition of “net assets” for Chapter VI of Part VI), after “Schedule 4” insert “that is made in Companies Order individual accounts and any provision that is made in IAS individual accounts”.

5. In Article 182(2) (determination of availability of profits where private company wishes to redeem or purchase own shares out of capital) –

(a) after “reference to” insert “the following items as stated in the relevant accounts for determining the permissible capital payments for shares”,

(b) in sub-paragraph (b) –

(i) at the beginning insert – “the following provisions –

(i) in the case of Companies Order individual accounts,”;

(ii) after “etc.” insert – “, and

(ii) in the case of IAS individual accounts, provisions of any kind”, and

(c) omit from “as stated” to the end.

6. In Article 229 (duty to keep accounting records)(3), in paragraphs (1)(b) and (4) –

(a) for “any balance sheet and profit and loss account prepared under this Part complies” substitute “any accounts required to be prepared under this Part comply”; and

(b) at the end insert “(and, where applicable, of Article 4 of the IAS Regulation)”.

(1) Article 2A was inserted into the 1986 Order by Article 78 of, and paragraph 1 of Schedule 5 to, the Companies (No. 2) (Northern Ireland) Order 1990 (S.I.1990/1504 (N.I.10))

(2) Article 10 was substituted by Article 25 of, and paragraph 2 of Schedule 10 to, the Companies (Northern Ireland) Order 1990, and amended by S.R. 2003 No. 3

(3) Article 229 was inserted into the 1986 Order by Article 4 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

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7. In Article 230(3)(b) (accounts and returns to be sent to Northern Ireland)(4) –
  - (a) for “the company’s balance sheet and profit and loss account” substitute “the accounts required to be prepared under this Part”; and
  - (b) at the end insert “(and, where applicable, Article 4 of the IAS Regulation)”.
8. In Article 236 (exemption from obligation to prepare group accounts for parent companies included in accounts of larger group)(5), in paragraph (2)(b) at the end insert “or in accordance with international accounting standards”.
9. In Article 237 (subsidiary undertakings included in the consolidation)(6) –
  - (a) in paragraph (1) –
    - (i) at the beginning insert “In the case of Companies Order group accounts,”;
    - (ii) omit “or required”;
  - (b) in each of paragraphs (2) and (3), after “consolidation” insert “in Companies Order group accounts”;
  - (c) for paragraph (5) substitute –

“(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.”.
10. In Article 238 (treatment of individual profit and loss account where group accounts prepared)(7), in paragraph (2) at the beginning insert “Where the company prepares Companies Order individual accounts,”.
11. After Article 239 insert –

**“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;

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(4) Article 230 was inserted into the 1986 Order by Article 4 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

(5) Article 236 was inserted into the 1986 Order by Article 7(3) of the Companies (Northern Ireland) Order 1990, and amended by [S.R. 1993 No. 199](#) and [S.R. 1994 No. 428](#)

(6) Article 237 was inserted into the 1986 Order by Article 7(3) of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

(7) Article 238 was inserted into the 1986 Order by Article 7(3) of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

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).”.

12. In Article 241(5) (criminal penalty for failing to comply with accounting requirements)(**8**), after “requirements of this Order” insert “(or, where applicable, of Article 4 of the IAS Regulation)”.

13.—(1) In Articles 253 to 253C (revision of defective accounts or reports)(**9**), after “requirements of this Order”, wherever occurring, insert “(or, where applicable, of Article 4 of the IAS Regulation)”.

(2) That expression occurs in Article 253(1) and (2), in Article 253A(1) and (3), in Article 253B(1), (4) and (5) and in Article 253C(1).

14.—(1) Article 254 (special provisions for small companies)(**10**) is amended as follows.

(2) In paragraph (2) –

- (a) after “for the year” insert “are Companies Order individual accounts and”; and
- (b) for “Article 234” substitute “Article 234A”.

(3) In paragraph (5)(c), after “if” insert “they prepare Companies Order individual accounts and”.

15. In Article 254A(1) (special provisions for medium-sized companies)(**11**), in paragraph (1) at the end insert “and its directors prepare Companies Order individual accounts for that year”.

16. In Article 255 (qualification of company as small or medium-sized)(**12**), for paragraph (5) substitute –

“(5) The balance sheet total means –

- (a) in the case of Companies Order individual accounts –

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(8) Article 241 was inserted into the 1986 Order by Article 9 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

(9) Articles 253 to 253C were inserted into 1986 Order by Article 14 of the Companies (Northern Ireland) Order 1990. Article 253 was amended by [S.R. 1995 No. 128](#)

(10) Article 254 was inserted into the 1986 Order by Article 15 of the Companies (Northern Ireland) Order 1990, subsequently substituted by [S.R. 1997 No. 436](#), and amended by [S.R. 1997 No. 545](#) and [S.R. 2001 No. 153](#)

(11) Article 254A was inserted into the 1986 Order by [S.R. 1997 No. 436](#)

(12) Article 255 was inserted into the 1986 Order by Article 15 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number, and amended by [S.R. 1992 No. 503](#), [S.R. 1997 No. 314](#) and [S.R. 1997 No. 436](#)

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- (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.”.
17. In Article 256A(1)(b) (group accounts prepared by small company)(**13**) for “group accounts” substitute “Companies Order group accounts”.
18. In Article 257C (report required for the purposes of exemption from audit under Article 257A)(**14**), in paragraph (6)(a), for “Article 234(3)” substitute “Article 234A(3)”.
19. In Article 263 (special provisions for banking and insurance companies)(**15**), after paragraph (4) insert –
- “(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.”.
- 20.—(1) Article 263A (special provisions for banking and insurance groups)(**16**) is amended as follows.
- (2) In paragraph (6)(a), for “Article 235(5) and (6)” substitute “Article 235A(4) and (5)”.
  - (3) After paragraph (6) insert –
    - “(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.”.
21. In Article 269(2) (notes to the accounts)(**17**), after “any provision of this Order” insert “or international accounting standards”.
- 22.—(1) Article 270 (minor definitions)(**18**) is amended as follows.
- (2) In paragraph (1) –
    - (a) at the appropriate place insert –
      - ““Companies Order accounts” means Companies Order individual accounts or Companies Order group accounts;”;
    - (b) at the appropriate place insert –
      - ““ IAS accounts” means IAS individual accounts or IAS group accounts;”;

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(13) Article 256A was inserted into the 1986 Order by [S.R. 1997 No. 436](#)

(14) Article 257C was inserted into the 1986 Order by [S.R. 1995 No. 128](#), and amended by [S.R. 1997 No. 436](#) and [S.R. 2001 No. 153](#)

(15) Article 263 was inserted into the 1986 Order by Article 20 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number, substituted by [S.R. 1992 No. 258](#), and amended by [S.R. 1994 No. 428](#)

(16) Article 263A was inserted into the 1986 Order by Article 20 of the Companies (Northern Ireland) Order 1990, substituted by [S.R. 1992 No. 258](#), and amended by [S.R. 1993 No. 199](#), [S.R. 1994 No. 428](#) and [S.R. 1997 No. 314](#)

(17) Article 269 was inserted into the 1986 Order by Article 24 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

(18) Article 270 was inserted into the 1986 Order by Article 24 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number, and amended by [S.R. 1993 No. 199](#), [S.R. 1997 No. 314](#), [S.I. 2002/765](#) and [S.R. 2003 No. 3](#)

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(c) at the appropriate place insert –  
““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;”(19);

(d) at the appropriate place insert –  
““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;”;

(e) at the appropriate place insert –  
““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;”;

(f) omit the definition of “true and fair view”.

(3) After paragraph (2) insert –

“(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.”.

23.—(1) Article 270A (index of defined expressions)(20) is amended as follows.

(2) At the appropriate places insert the following defined expressions –

“Companies Order accounts	Section 270(1)”
“Companies Order group accounts	Articles 235(2) and 263A(6A)”
“Companies Order individual accounts	Articles 234(2) and 263(4A)”
“group accounts	Article 235(1)”
“ IAS accounts	Article 270(1)”
“ IAS group accounts	Article 235(2) and (3)”
“ IAS individual accounts	Article 234(2)”
“IAS Regulation	Article 270(1)”

(19) Official Journal of 11th September 2002 (O.J. L243)

(20) Article 270A was inserted into the 1986 Order by Article 24 of the Companies (Northern Ireland) Order 1990, and amended by S.R. 1992 No. 258, S.R. 1994 No. 428, S.R. 1995 No. 128, S.R. 1997 No. 314, S.R. 1997 No. 436 and S.R. 2003 No. 3

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“international accounting standards	Article 270(1)”.
(3) After the entry for “profit and loss account (includes notes)” insert –	
“(in relation to IAS accounts)	Article 270(1).”
(4) For the entry for “true and fair view” substitute –	
“true and fair view	Article 270(2A)”.

24. In Article 272(2) (restriction on distribution of assets), after “Schedule 4” insert “that is made in Companies Order accounts and any provision that is made in IAS accounts”.

25. In Article 273(2) (other distributions by investment companies)(**21**), after “Schedule 4” insert “that is made in Companies Order accounts and any provision that is made in IAS accounts”.

26. In Article 276(2)(aa) (realised profits of insurance company with long term business)(**22**) –
- (a) after “balance sheet is” insert –
    - “(i) in the case of Companies Order individual accounts,”;
  - (b) at the end insert – “and
    - (ii) in the case of IAS individual accounts, to that part of the balance sheet which represents accumulated profit or loss,”.

27.—(1) Article 277(2) (treatment of development costs)(**23**) is amended as follows.

- (2) Omit “and” at the end of sub-paragraph (a).
- (3) In sub-paragraph (b) –
  - (a) at the beginning insert – “it is stated –
    - (i) in the case of Companies Order individual accounts, in”;
  - (b) for “states” substitute – “, or
    - (ii) in the case of IAS individual accounts, in any note to the accounts,”;
  - (c) for “and explains” substitute – “, and
    - (c) the note explains”.

28. In Article 278(2) (distribution to be justified by reference to company’s accounts), in sub-paragraph (b) –

- (a) at the beginning insert – “the following provisions –
  - (i) in the case of Companies Order individual accounts,”;
- (b) after “etc.)” insert – “, and
  - (ii) in the case of IAS individual accounts, provisions of any kind”.

29. In Article 280(3) (interim accounts must be properly prepared)(**24**) after “that Article” insert “and Articles 234A and 234B”.

(21) Article 273 was amended by section 212 of, and paragraph 19 of Schedule 16 to, the Financial Services Act 1986 (c. 60), and by S.I. 2001/3649

(22) Article 276 was amended by S.R. 1997 No. 314 and S.I. 2001/3649

(23) Article 277 was amended by S.R. 1997 No. 436

(24) Article 280 was amended by Article 25 of, and paragraphs 7 and 8 of Schedule 10 to, the Companies (Northern Ireland) Order 1990

30. In Article 283 (treatment of assets in the relevant accounts), for paragraph (1) substitute –  
“(1) For the purposes of Articles 271 and 272, the following are treated as realised losses

–  
(a) in the case of Companies Order individual accounts, provisions of any kind mentioned in paragraphs 87 and 88 of Schedule 4 (other than revaluation provisions), and

(b) in the case of IAS individual accounts, provisions of any kind (other than revaluation provisions).

(1A) In paragraph (1), a revaluation provision means a provision in respect of a diminution in value of a fixed asset appearing on a revaluation of all the fixed assets of the company, or of all of its fixed assets other than goodwill.”.

31.—(1) Schedule 4 (form and content of company accounts)(**25**) is amended as follows.

(2) In Part III (notes to the accounts), omit paragraph 56.

(3) In Part V (special provisions where the company is an investment company), in paragraph 72(2) after “paragraph 88” insert “that is made in Companies Order accounts and any provision that is made in IAS accounts”.

(4) In Part VII (interpretation) in paragraph 92(3) for “paragraph 56(1)(a)” substitute “Article 239A(1)(a)”.

32. In paragraph 25 of Schedule 6 (disclosure of information: emoluments and other benefits of directors and others)(**26**), after “Schedule 4” insert “that is made in Companies Order accounts and any provision that is made in IAS accounts.”.

33. In Schedule 7, in paragraph 12(5)(c) (identifying amounts owed to trade creditors for purposes of directors' report)(**27**) after “Schedule 9 or 9A” insert “or the company’s accounts are IAS accounts”.

34. In Part I of Schedule 9 (form and content of banking companies' accounts)(**28**) –

(a) omit paragraph 77, and

(b) in paragraph 86(c) (interpretation) for “paragraph 77(1)(a)” substitute “Article 239A(1)(a)”.

35. In Part I of Schedule 9A (form and content of insurance companies' accounts)(**29**) –

(a) omit paragraph 79, and

(b) in paragraph 85(c) (interpretation) for “paragraph 79(1)(a)” substitute “Article 239A(1)(a)”.

36.—(1) Schedule 11 (modifications of Part IX for banking and insurance companies)(**30**) is amended as follows.

(2) In paragraph 5, for “Article 234” substitute “Articles 234, 234A and 234B”.

(3) At the beginning of paragraph 9 insert “In the case of Companies Order accounts,”.

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

(26) Paragraph 25 and its internal cross-references were renumbered by Article 8(4) of, and paragraph 4 of Schedule 4 to, the Companies (Northern Ireland) Order 1990

(27) Paragraph 12 was inserted by [S.R. 1997 No. 314](#) and substituted by [S.R. 1997 No. 501](#)

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

(29) Parts I and II of Schedule 9 to the 1986 Order were formed into a new Schedule 9A by [S.R. 1992 No. 258](#). A new Schedule 9A was substituted by [S.R. 1994 No. 428](#)

(30) Schedule 11 was amended by Article 25 of, and paragraph 24 of Schedule 10 to, the Companies (Northern Ireland) Order 1990, [S.R. 1992 No. 258](#), [S.R. 1994 No. 428](#) and [S.R. 1997 No. 314](#)

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(4) In paragraph 10, for “Article 234” substitute “Articles 234, 234A and 234B”.