

**2006 No. 138**

**COMPANIES**

**The Companies (Summary Financial Statement) (Amendment)  
Regulations (Northern Ireland) 2006**

*Made* - - - - - *16th March 2006*

*Coming into operation* - - - - - *1st April 2006*

The Department of Enterprise, Trade and Investment<sup>(a)</sup>, in exercise of the powers conferred on it by Article 259(1), (2) and (3) of the Companies (Northern Ireland) Order 1986<sup>(b)</sup>, makes the following Regulations:

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Companies (Summary Financial Statement) (Amendment) Regulations (Northern Ireland) 2006, and shall come into operation on 1st April 2006.

(2) In these Regulations, “the 1996 Regulations” means the Companies (Summary Financial Statement) Regulations (Northern Ireland) 1996<sup>(c)</sup>.

**Interpretation**

2. In regulation 2 of the 1996 Regulations (interpretation)<sup>(d)</sup> omit the definition of “listed public company”.

**Cases in which sending of summary financial statement prohibited**

3.—(1) Regulation 3 of the 1996 Regulations (cases in which sending of summary financial statement prohibited) is amended as follows.

(2) In paragraph (1) omit “listed public”.

(3) After paragraph (1) insert—

“(1A) A company may not send a summary financial statement to an entitled person instead of copies of its full accounts and reports in respect of any financial year for which no auditors’ report has been prepared in accordance with Article 243 of the 1986 Order<sup>(e)</sup>.”

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(a) Formerly the Department of Economic Development: *see* S.I. 1999/283 (N.I.1), Article 3(5)

(b) S.I. 1986/1032 (N.I. 6); Article 259 was inserted by Article 17 of the Companies (Northern Ireland) Order 1990 (S.I. 1990 No. 593 (N.I.5)) and amended by regulation 3 of S.R. 1993 No. 220, article 55 of S.I. 2001/3649, Article 12 of S.R. 2003 No.3, regulation 11 of S.R. 2004 No. 496, regulation 8 of S.R. 2005 No. 56 and regulation 11 of S.R. 2005 No. 61

(c) S.R. 1996 No. 179, as amended by Article 29 of, and Schedule 2 to, S.R. 2003 No. 3 and S.R. 2005 No. 57

(d) Regulation 2 was amended by Article 29(2) of, and paragraphs 1 and 2 of Schedule 2 to, S.R. 2003 No. 3 and regulation 2 of S.R. 2005 No. 57

(e) Article 243 was inserted by Article 11 of S.I. 1990/593 (N.I. 5), and amended by regulation 6 of S.R. 2004 No. 496, regulation 4 of S.R. 2005 No. 56 and regulation 3 of S.R. 2005 No. 61

### **Ascertainment of entitled person's wishes**

4. In regulation 4(1) of the 1996 Regulations (ascertainment of entitled person's wishes)(a) omit "listed public".

### **Consultation by notice**

5.—(1) Regulation 5 of the 1996 Regulations (consultation by notice)(b) is amended as follows.

(2) In paragraph (1)—

- (a) omit "listed public",
- (b) in sub-paragraph (b), for "directors' report for that year" substitute "in the case of a quoted company, directors' remuneration report for that year, and may contain additional information derived from the directors' report", and
- (c) for sub-paragraph (e) substitute—

"(e) state that the summary financial statement will contain a statement by the company's auditors as to whether—

- (i) the summary financial statement is consistent with the company's annual accounts and, in the case of a quoted company, directors' remuneration report, and where information derived from the directors' report is included in the statement, with that report,
- (ii) the summary financial statement complies with the requirements of Article 259 of the 1986 Order(c) and of these Regulations, and
- (iii) the auditors' report on the company's annual accounts was qualified or unqualified."

### **Relevant consultation**

6. In regulation 6(1) (relevant consultation)(d) omit "listed public".

### **Provisions applying to all companies and groups**

7. In regulation 7(1) of the 1996 Regulations (provisions applying to all companies and groups)(e) omit "listed public".

### **Companies and groups other than banking and insurance companies and groups**

8.—(1) Regulation 8 of the 1996 Regulations (companies and groups other than banking and insurance companies and groups) is amended as follows.

(2) In paragraphs (1) and (2)—

- (a) at the beginning insert "Subject to regulation 10A," and
- (b) omit "listed public".

### **Banking companies and groups**

9.—(1) Regulation 9 of the 1996 Regulations (banking companies and groups) is amended as follows.

(2) In paragraphs (1) and (2)—

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(a) Regulation 4 was amended by Article 29(2) of, and paragraphs 1 and 3 in Schedule 2 to, S.R. 2003 No. 3  
(b) Regulation 5 was amended by Article 29(2) of, and paragraphs 1 and 4 in Schedule 2 to, S.R. 2003 No. 3  
(c) Article 259 was inserted by Article 17 of the Companies (Northern Ireland) Order 1990, and amended by regulation 3 of S.R. 1993 No.220, article 55 of S.I. 2001/3649, Article 12 of S.R. 2003 No. 3, , and regulation 8 of S.R. 2005 No. 56  
(d) Regulation 6 was amended by Article 29(2) of, and paragraphs 1 and 5 in Schedule 2 to, S.R. 2003 No. 3  
(e) Regulation 7 was amended by Article 29(2) of, and paragraphs 1 and 6 in Schedule 2 to, S.R. 2003 No. 3 and regulation 3 of S.R. 2005 No. 57

- (a) at the beginning insert “Subject to regulation 10A,” and
- (b) omit “listed public”.

### **Insurance companies and groups**

**10.**—(1) Regulation 10 of the 1996 Regulations (insurance companies and groups) is amended as follows.

(2) In paragraphs (1) and (2)—

- (a) at the beginning insert “Subject to regulation 10A,” and
- (b) omit “listed public”.

### **Companies and groups preparing accounts in accordance with the IAS Regulation**

**11.** After regulation 10 of the 1996 regulations insert—

“**10A.** The summary financial statement of a company that is required to prepare group accounts and prepares IAS group accounts or, in the case of a company that is not required to prepare group accounts, prepares IAS individual accounts, must be in the form and contain the information required by Schedule 3A to these Regulations, so far as applicable to such a company.”.

### **Form and content of summary financial statement of non-banking or insurance companies and groups**

**12.**—(1) Schedule 1 to the 1996 Regulations (form and content of summary financial statement of non-banking or insurance companies and groups)(a) is amended as follows.

- (2) Omit paragraph 2 (summary directors’ report).
- (3) In paragraph 3(3), omit item (i) (dividends).
- (4) After paragraph 3 insert—

“*Dividends*

**3A.** The summary financial statement shall also contain the information concerning recognised and proposed dividends included in the full accounts and reports.”.

(5) At the end of paragraph 4(1) insert “, and shall also contain the information required by paragraph 3A above”.

(6) In paragraph 7, for “after any adjustments” to the end substitute “taking account of any adjustments to corresponding amounts made in the full accounts and report”.

### **Form and content of summary financial statement of banking companies and groups**

**13.**—(1) Schedule 2 to the 1996 Regulations (form and content of summary financial statement of banking companies and groups)(b) is amended as follows.

- (2) In paragraph 1(2), after “annual accounts” insert “, the directors’ remuneration report (if any)”.
- (3) Omit paragraph 2 (summary directors’ report).
- (4) In paragraph 3(3), omit item (k) (dividends).
- (5) After paragraph 3 insert—

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(a) Schedule 1 was amended by regulations 4 and 5 of S.R. 2005 No. 57  
(b) Schedule 2 was amended by regulation 6 of S.R. 2005 No. 57

*“Dividends*

**3A.** The summary financial statement shall also contain the information concerning recognised and proposed dividends included in the full accounts and reports.”.

(6) At the end of paragraph 4(1) insert, “, and shall also contain the information required by paragraph 3A above”.

(7) In paragraph 7, for “after any adjustments” to the end substitute “taking account of any adjustments to corresponding amounts made in the full accounts and reports”.

**Form and content of summary financial statement of insurance companies and groups**

**14.**—(1) Schedule 3 to the 1996 Regulations (form and content of summary financial statement of insurance companies and groups)(a) is amended as follows.

(2) In paragraph 2(2), after “annual accounts” insert “, the directors’ remuneration report (if any)”.

(3) Omit paragraph 3 (summary directors’ report).

(4) In paragraph 4(3), omit item (l) (dividends).

(5) After paragraph 4 insert—

*“Dividends*

**4A.** The summary financial statement shall also contain the information concerning recognised and proposed dividends included in the full accounts and reports.”.

(6) At the end of paragraph 5(1) insert, “, and shall also contain the information required by paragraph 4A above”.

(7) In paragraph 8, for “after any adjustments” to the end substitute “taking account of any adjustments to corresponding amounts made in the full accounts and reports”.

**Form and content of summary financial statement for companies and groups preparing IAS accounts**

**15.** The Schedule to these Regulations (form and content of summary financial statement of companies and group preparing accounts in accordance with international accounting standards) is inserted after Schedule 3 to the 1996 Regulations as Schedule 3A.

**Transitional provision**

**16.**—(1) Where a company (whether or not a listed company) has, before 1st April 2006, ascertained in accordance with regulation 4 of the unamended 1996 Regulations that an entitled person does not wish to receive copies of the full accounts and reports, it may send a summary financial statement to such an entitled person in place of the full accounts and reports.

(2) In paragraph (1)—

(a) “unamended 1996 Regulations” means the 1996 Regulations without the amendments contained in these Regulations, and disregarding any references to the company being a listed public company, and

(b) “full accounts and reports” is construed in accordance with regulation 2 of the unamended 1996 Regulations.

**Repeal of spent provisions**

**17.** Omit the following provisions of the 1996 Regulations—

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(a) Schedule 3 was amended by regulation 7 of S.R. 2005 No. 57

- (a) Regulation 11(2) (saving in respect of financial years beginning before 10<sup>th</sup> June 1996),  
and
- (b) Paragraphs 1 and 9 to 11 of Schedule 3 (spent transitional provisions concerning  
insurance companies and groups).

Sealed with the Official Seal of the Department of Enterprise, Trade and Investment on 16th  
March 2006



*M Bohill*  
A senior officer of the Department of Enterprise, Trade and Investment

## SCHEDULE

Regulation 15

[Schedule 3A to the 1996 Regulations]

## “SCHEDULE 3A

Regulation 10A

### FORM AND CONTENT OF SUMMARY FINANCIAL STATEMENT OF COMPANIES AND GROUPS PREPARING ACCOUNTS IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

#### **Form of summary financial statement**

1.—(1) The summary financial statement shall contain the information prescribed by the following paragraph of this Schedule in such order, and under such headings, as the directors consider appropriate.

(2) The summary financial statement shall contain any other information necessary to ensure that the statement is consistent with the full accounts and reports for the year in question.

(3) Nothing in this Schedule shall be construed as prohibiting the inclusion in the summary financial statement of any additional information derived from the company's annual accounts, directors' report or directors' remuneration report (if any).

#### **Summary of paragraph 1(1) of Schedule 6 to the 1986 Order and of the directors' remuneration report**

2. The summary financial statement shall contain the whole of, or a summary of—

- (a) that portion of the notes to the accounts for the year in question which set out the information required by paragraph 1(1) of Part I of Schedule 6 to the 1986 Order (aggregate amount of directors' emoluments etc); and
- (b) to the extent that the company is required to produce a directors' remuneration report, those portions of the directors' remuneration report for the year in question which set out the matters required by paragraphs 3 (statement of company's policy on directors' remuneration) and 4 (performance graph) of Schedule 7A to the 1986 Order.

#### **Summary profit loss and account: companies not required to prepare group accounts**

3.—(1) The summary financial statement shall contain, in the case of a company the directors of which are not required to prepare group accounts for the financial year, a summary profit and loss account showing either—

- (a) each of the headings and sub-totals included in the full profit and loss account in accordance with international accounting standards, or
- (b) where the directors consider it appropriate, a combination of such headings and sub-totals where they are of a similar nature.

(2) The summary financial statement shall also contain the information concerning recognised and proposed dividends included in the full accounts and reports.

(3) In this paragraph, and in paragraphs 4 to 6 below, the expressions “headings” and “sub-totals” have the same meaning as in international accounting standard 1 on the presentation of financial statements.

**Summary profit and loss account: companies required to prepare group accounts**

4.—(1) The summary financial statement shall contain, in the case of a company the directors of which are required to prepare group accounts for the financial year, a summary consolidated profit and loss account showing either—

- (a) each of the headings and sub-totals included in the full consolidated profit and loss account in accordance with international accounting standards, or
- (b) where the directors consider it appropriate, a combination of such headings and sub-totals where they are of a similar nature.

(2) The summary financial statement shall also contain the information concerning recognised and proposed dividends included in the full accounts and reports.

**Summary balance sheet: companies not required to prepare group accounts**

5. The summary financial statement shall contain, in the case of a company the directors of which are not required to prepare group accounts for the financial year, a summary balance sheet showing either—

- (a) each of the headings and sub-totals included in the full balance sheet in accordance with international accounting standards, or
- (b) where the directors consider it appropriate, a combination of such headings and sub-totals where they are of a similar nature.

**Summary balance sheet: companies required to prepare group accounts**

6. The summary financial statement shall contain, in the case of a company the directors of which are required to prepare group accounts for the financial year, a summary consolidated balance sheet showing either—

- (a) each of the headings and sub-totals included in the full consolidated balance sheet in accordance with international accounting standards, or
- (b) where the directors consider it appropriate, a combination of such headings and sub-totals where they are of a similar nature.

**Corresponding amounts**

7.—(1) In respect of every item shown in the summary profit and loss account or summary consolidated profit and loss account (as the case may be), or in the summary balance sheet or summary consolidated balance sheet (as the case may be), the corresponding amount must be shown for the immediately preceding financial year.

(2) For the purposes of sub-paragraph (1), “the corresponding amount” is the amount shown in the summary financial statement for that year or which would have been so shown had such a statement been prepared for that year, taking account of any adjustments to corresponding amounts made in the full accounts and reports.”

## EXPLANATORY NOTE

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

These Regulations, which come into operation on 1st April 2006, amend the Companies (Summary Financial Statement) Regulations (Northern Ireland) 1996 (S.R. 1996 No. 179) (“the 1996 Regulations”). The provisions in the Regulation reflect amendments made to Article 259 of the Companies (Northern Ireland) Order 1986 (S.I. 1986/1032 (N.I.6)) (provision of summary financial statements to shareholders) by regulation 11 of the Companies (1986 Order) (International Accounting Standards and Other Accounting Amendments) Regulations (Northern Ireland) 2004 (S.R. 2004 No. 496) and regulation 11 of the Companies (1986 Order) (Operating and Financial Review and Directors’ Report etc.) Regulations (Northern Ireland) 2005 (S.R. 2005 No. 61).

Regulations 2 to 11 extend to all companies the ability to send out summary financial statements (“SFS”) to members and others (“entitled persons”) instead of the full accounts and reports, subject to the conditions set out in the 1996 Regulations, as amended, being satisfied. Previously only listed public companies as defined in regulation 2(1) of the 1996 regulations have had that ability. One of the conditions that must be satisfied is that the full accounts and reports for the year in question must have been audited (regulation 3(1A) of the 1996 Regulations, as inserted by regulation 3 of these Regulations).

New regulation 10A of, and Schedule 3A to, the 1996 Regulations, inserted by regulations 11 and 15 of, and the Schedule to, these Regulations, specify the form and content of the SFS of companies and groups which prepare their accounts in accordance with international accounting standards.

Under the Regulations (regulations 12(3), 13(3) and 14(3)) a company’s SFS need no longer contain a summary of the directors’ report. Companies may however include such a summary if they wish.

The form of a consultation by notice under regulation 5 of the 1996 Regulations is amended by regulation 5 of these Regulations to take account of these changes.

The content of SFS is amended to reflect the fact that, as a result of amendments to Part VIII of the Companies (Northern Ireland) Order 1986 made by S.R. 2004 No. 496, information concerning a company’s dividends is now contained in the notes to a company’s accounts rather than in the profit and loss account (regulations 12(4) to (6), 13(4) to (6) and 14(4) to (6)). For companies preparing accounts in accordance with international accounting standards, dividend disclosures are required by paragraphs 3(2) and 4(2) of new Schedule 3A to the 1996 Regulations inserted by regulation 15 of these Regulations.

Amendments to the content of SFS also reflect changes to the provisions on adjustment of prior year amounts contained in regulations 3, 5, 8 and 10 of the Companies (1986 Order) (Investment Companies and Accounting and Audit Amendments) Regulations (Northern Ireland) 2006 (regulations 12(7), 13(7), and 14(7)).

Regulation 16 contains a transitional provision so that where a company (whether or not a listed public company) has before 1st April 2006 ascertained that an entitled person does not wish to receive full accounts and reports then that is valid for the purposes of the amended 1996 Regulations.

Regulation 17 repeals provisions of the 1996 Regulations that are spent.



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