

2006 No. 139

COMPANIES

**The Companies (Revision of Defective Accounts and Report)
(Amendment) Regulations (Northern Ireland) 2006**

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

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

The Department of Enterprise, Trade and Investment(a), in exercise of the powers conferred on it by Article 253(3) and (4) of the Companies (Northern Ireland) Order 1986(b) makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Companies (Revision of Defective Accounts and Report) (Amendment) Regulations (Northern Ireland) 2006 and come into operation on 1st April 2006.

Regulations to be amended

2. The Companies (Revision of Defective Accounts and Report) Regulations (Northern Ireland) 1991 (“the 1991 Regulations”)(c) are amended in accordance with the following provisions of these Regulations.

Interpretation

3.—(1) Regulation 2 of the 1991 Regulations (interpretation) is amended as follows.

(2) At the appropriate place insert ““date of the original directors’ remuneration report” means the date on which the original directors’ remuneration report was approved by the board of directors under Article 242C of the Order(d);”.

(3) In the definition of “date of revision”—

- (a) for “report” substitute “directors’ report or directors’ remuneration report”, and
- (b) for “Regulation 5” substitute “Regulation 5 or 5A”.

(4) In the definition of “original” after “directors’ report” in each place where it occurs insert “or directors’ remuneration report”.

(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 253 was inserted by Article 14 of the Companies (Northern Ireland) Order 1990 (S.I. 1990/593 (N.I. 5)) and amended by regulation 4 of, and paragraph 2 of Schedule 1 to, S.R. 1995 No. 128, regulations 3 and 10 of, and paragraph 13 of Schedule 1 to, S.R. 2004 No. 496, regulation 10(9) of S.R. 2005 No. 56 and regulation 13 of S.R. 2005 No. 61
(c) S.R. 1991 No. 268, as amended by regulation 10 of S.R. 1993 No. 267, regulation 5 of, and Schedule 2 to, S.R. 1995 No. 128, regulation 12 of S.R. 1996 No. 179 and S.R. 1997 No. 423
(d) Article 242C was inserted by regulation 3 of S.R. 2005 No. 56

(5) In the definition of “revised report” after “directors’ report” in both places where it occurs insert “or directors’ remuneration report”.

(6) In the definitions of “revision by replacement” and “revision by supplementary note”, for “or directors’ report” in each place where it occurs substitute “, directors’ report or directors’ remuneration report”.

Content of revised accounts, revised report or revised review

4.—(1) Regulation 3 of the 1991 Regulations (content of revised accounts or a revised report) is amended as follows.

(2) For the heading before regulation 3 substitute “Content of revised accounts or revised report”.

(3) In paragraph (1), after “provisions of the Order” insert “(and, where applicable, Article 4 of the IAS Regulation)”.

(4) For paragraph (2) substitute—

“(2) In particular—

(a) in the case of Companies Order accounts, Articles 234A(2) and 235A(2) of the Order(a), and

(b) in the case of IAS accounts, international accounting standards, shall apply so as to require a true and fair view to be shown in the revised accounts of the matters therein referred to viewed as at the date of the original annual accounts.”.

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

(6) In paragraph (4) after “directors’ report” in both places where it occurs, insert “or directors’ remuneration report”.

Approval and signature of revised report or revised directors’ report

5.—(1) Regulations 4 and 5 of the 1991 Regulations (approval and signature of revised accounts or a revised report) are amended as follows.

(2) For the heading before regulation 4 substitute “Approval and signature of revised accounts or a revised directors’ report”.

(3) In regulation 5(1), for “revised report” substitute “revised directors’ report”.

Approval and signature of revised directors’ remuneration report or revised review

6. After regulation 5 of the 1991 Regulations (approval and signature of revised directors’ report) insert—

“Approval and signature of revised directors’ remuneration report

5A.—(1) Article 242C of the Order (approval and signing of directors’ remuneration report) shall apply to a revised directors’ remuneration report, save that in the case of revision by supplementary note, it shall apply as if it required the signature to be on the supplementary note.

(2) Where copies of the original directors’ remuneration report have been sent out to members under Article 246(1) of the Order(b), laid before the company in general meeting under Article 249(1) of the Order(c) or delivered to the registrar under Article 250(1) of the

(a) Articles 234A and 235A were inserted by regulation 2 of S.R. 2004 No. 496

(b) Article 246 was inserted by Article 12 of S.I. 1990/593 (N.I. 5), and amended by Article 10 of S.R. 2003 No. 3, regulation 10(4) of S.R. 2005 No. 56 and regulation 17 of, and paragraph 2 of the Schedule to, S. R. 2005 No. 61

(c) Article 249 was inserted by Article 13 of S.I. 1990/593 (N.I. 5), and amended by regulation 10(7) of S.R. 2005 No. 56 and regulation 17 of, and paragraph 4 of the Schedule to, S.R. 2005 No. 61

Order(a), the directors shall, before approving the revised report under Article 242C of the Order, cause statements as to the following matters to be made in a prominent position in the revised report (in the case of a revision by supplementary note, in that note)—

- (a) in the case of a revision by replacement that—
 - (i) the revised report replaces the original report for the financial year (specifying it);
 - (ii) it has been prepared as at the date of the original directors' remuneration report and not as at the date of revision and accordingly does not deal with any events between those dates;
 - (iii) the respects in which the original directors' remuneration report did not comply with the requirements of the Order; and
 - (iv) any significant amendments made consequential upon the remedying of those defects;
- (b) in the case of revision by a supplementary note that—
 - (i) the note revises in certain respects the original directors' remuneration report of the company and is to be treated as forming part of that report; and
 - (ii) the directors' remuneration report has been revised as at the date of the original directors' remuneration report and not as at the date of the revision and accordingly does not deal with events between those dates,

and shall, when approving the revised report, cause the date by which the approval is given to be stated in it (in the case of a revision by supplementary note, in that note); Article 242B(3)(b) shall apply with respect to a failure to comply with this paragraph as if the requirements of this paragraph were requirements of Part VIII of the Order.”.

Auditors' report on revised accounts and revised report

7.—(1) Regulation 6 of the 1991 Regulations (auditors' report on revised accounts and revised report)(c) is amended as follows.

- (2) In paragraph (3)—
 - (a) after “provisions of the Order” insert “ (and, where applicable, Article 4 of the IAS Regulation)”, and
 - (b) after “requirements of the Order” insert “ (and, where applicable, Article 4 of the IAS Regulation)”.
- (3) In paragraph (4)—
 - (a) for “consider” substitute “state”, and
 - (b) omit from “and if they are of the opinion” to the end.

Auditors' report on revised report alone

8. In regulation 7 of the 1991 Regulations (auditors' report on revised report)(d), for paragraph (3) substitute—

“(3) Where a revised directors' report is prepared under Article 253, the auditors' report shall state whether in their opinion the information given in that revised report is consistent with the annual accounts for the relevant year (specifying it).

(3A) Where a revised directors' remuneration report is prepared under Article 253, the auditors' report shall state whether in their opinion any auditable part of the revised report

(a) Article 250 was inserted by Article 13 of S.I. 1990/593 (N.I. 5) and amended by regulation 10(8) of S.R. 2005 No. 56 and regulation 17 of, and paragraph 5 of the Schedule to S.R. 2005 No. 61
(b) Article 242B was inserted by regulation 3 of S.R. 2005 No. 56
(c) Regulation 6 was amended by regulation 3 of S.R. 1997 No. 423
(d) Regulation 7 was amended by regulation 3 of S.R. 1997 No. 423

has been properly prepared (“auditable part” being a part containing information required by Part III of Schedule 7A to the Order(a)).”.

Effect of revision

- 9.—(1) Regulation 9 of the 1991 Regulations (effect of revision) is amended as follows.
- (2) In paragraph (1)—
- (a) after “Regulation 5” insert “or 5A (as the case may be)”, and
 - (b) after “directors’ report” in both places where it occurs insert “or directors’ remuneration report (as the case may be)”.
- (3) In paragraph (2)—
- (a) after “directors’ report” insert “or directors’ remuneration report”.

Publication of revised accounts and reports

10. In regulation 10(4) of the 1991 Regulations (publication of revised accounts and reports)(b) after “Regulation 5” insert “or 5A (as the case may be)”.

Small and medium-sized company abbreviated accounts where main accounts revised

11.—(1) Regulation 13 of the 1991 Regulations (effect on small and medium-sized company abbreviated accounts of revision of main accounts) is amended as follows.

- (2) In paragraph (1), for “Article 254” substitute “Articles 254(c) and 254A(d)”.
- (3) In paragraph 2(b), for the words from “in accordance with” to “to the Order” substitute “or 254A (as the case may be) in accordance with the provisions of those Articles and (in the case of small companies) of Schedule 8A to the Order”.

Small and medium-sized company abbreviated accounts where main accounts not revised

12.—(1) Regulation 13A of the 1991 Regulations (revision of small and medium-sized company abbreviated accounts where main accounts not revised)(e) is amended as follows.

(2) In paragraph (2)(a), for the words from “in accordance with” to “to the Order” substitute “or 254A (as the case may be) in accordance with the provisions of those Articles and (in the case of small companies) of Schedule 8A to the Order(f)”.

Summary financial statements

13.—(1) Regulation 14 of the 1991 Regulations (summary financial statements)(g) is amended as follows.

- (2) For paragraph (1) substitute—
- “(1) This Regulation has effect (subject to regulation 16(3)) where a summary financial statement has been sent to any person under Article 259 of the Order(h).”.

(a) Schedule 7A was inserted by regulation 9 of, and the Schedule to, S.R. 2005 No. 56

(b) Regulation 10 was amended by regulation 10 of S.R. 1993 No. 267, and regulation 4 of S.R. 1997 No. 423

(c) Article 254 was substituted by regulation 2(1) of S.R. 1997 No. 436, amended by regulation 6(1) of S.R. 1997 No. 545, regulation 8(1) of S.R. 2001 No. 153, regulations 3 and 13(2) of, and paragraph 14 of Schedule 1 to, S.R. 2004 No. 496 and regulation 4 of S.R. 2005 No. 61

(d) Article 254A was inserted by regulation 3 of S.R. 1997 No. 436, amended by regulation 3 of, and paragraph 15 of Schedule 1 to, S.R. 2004 No. 496 and regulation 5 of S.R. 2005 No. 61

(e) Regulation 13A was inserted by regulation 5 of S.R. 1997 No. 423

(f) Schedule 8A was inserted by regulation 2(3) of, and Schedule 2 to, S.R.1997 No. 436, amended by regulation 14(3) of, and Schedule 4 to, S.R. 2004 No. 496

(g) Regulation 14 was amended by regulation 10 of S.R. 1993 No. 267, and regulation 12 of S.R. 1996 No. 179

(h) Article 259 was inserted by Article 17 of S.I. 1990/593 (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

(3) In paragraph (2) for “Where the summary financial statement” to “directors of the company shall” substitute “Where the summary financial statement does not comply with Article 259 or the Companies (Summary Financial Statement) Regulations (Northern Ireland) 1996, or if it had been prepared by reference to revised accounts or a revised report would not have complied with those requirements, the directors of the company shall, subject to paragraphs (3A) and (3B),”.

(4) After paragraph (3) insert—

“(3A) The directors of the company may, instead of causing the company to prepare a further summary financial statement under paragraph (2), cause the company to prepare and send to the persons mentioned in that paragraph a supplementary note indicating the corrections to the original summary financial statement, and Article 259(1) to (2E) and (6) shall apply mutatis mutandis to such a supplementary note.

(3B) A supplementary note prepared under the last paragraph shall contain a statement that it revises the original summary financial statement in certain respects and is to be treated as forming part of that statement.”.

(5) In paragraph (4), after “directors’ report” insert “or directors’ remuneration report”.

(6) In paragraph (6), for “or the revised report under regulation 5” substitute “, the revised directors’ report under regulation 5 or the revised directors’ remuneration report under regulation 5A.”.

Dormant companies

14. In regulation 15 of the 1991 Regulations (dormant companies), for “has passed a resolution under Article 258 of the Order(a) exempting itself” substitute “is exempt under Article 257AA of the Order(b)”.

Modifications of the Order

15.—(1) Regulation 16 of the 1991 Regulations (modifications of the Order)(c) is amended as follows.

(2) In paragraph (1), after “directors’ report” in each place where it occurs, insert “or directors’ remuneration report”.

(3) In paragraph (2)—

(a) after “Article 254” insert “or 254A”, and

(b) for “Schedule 8(d)” substitute “Schedule 8A”.

(4) Omit paragraph (4).

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

(a) Article 258 was repealed by regulation 8(6) of S.R. 2001 No. 153
(b) Article 257AA was inserted by regulation 3 of S.R. 2001 No. 153, amended by article 53 of S.I. 2001/3649
(c) Regulation 16 was amended by regulation 12 of S.R. 1996 No. 179 and regulation 6 of S.R. 1997 No. 423
(d) Schedule 8 was substituted by regulation 2(2) of, and Schedule 1 to, S.R. 1997 No. 436

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into operation on 1st April 2006, are made under Article 253 of the Companies (Northern Ireland) Order 1986 (“the Order”). Article 253 concerns the voluntary revision by the directors of a company of defective accounts and reports prepared by the company. The Regulations further amend the Companies (Revision of Defective Accounts and Report) Regulations (Northern Ireland) 1991 (S.R. 1991 No. 268).

Part VIII of the Order has previously been amended to require quoted companies (as defined in Article 270) to prepare directors’ remuneration reports (Article 242B). The Regulations provide for the voluntary revision of such reports where they are defective (regulations 3 to 10).

Regulations 11 and 12 make amendments consequential on previous amendments to the provisions of the Order concerning abbreviated accounts delivered to the registrar of companies by small and medium-sized companies.

Regulation 13 amends the provisions in regulation 14 of the 1991 Regulations for revision of defective summary financial statements prepared under Article 259 of the Order. The amendments provide for such a revised statement to be prepared whether or not the original accounts, reports on which they were based were defective. It also enables the revision to be by way of a supplementary note setting out the corrections made, as an alternative to the complete replacement of the original statement.

The Regulations also make certain amendments consequential on EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19th July 2002 on the application of international accounting standards (O.J. No. L.243/1 of 11th September 2002) and on amendments made to Part VIII of the Order on accounts and audit by the Companies (1986 Order) (International Accounting Standards and Other Accounting Amendments) Regulations (Northern Ireland) 2004 (S.R. 2004 No.496) and by the Companies (1986 Order) (Operating and Financial Review and Directors’ Report etc.) Regulations (Northern Ireland) 2005 (S.R. 2005 No.61).