

2006 No. 94

COMPANIES

**The Companies (1986 Order) (Operating and Financial Review)
(Repeal) Regulations (Northern Ireland) 2006**

Made - - - - *8th March 2006*

Coming into operation - *31st March 2006*

The Department of Enterprise, Trade and Investment(a), in exercise of the powers conferred upon it by Article 265 of the Companies (Northern Ireland) Order 1986(b), makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Companies (1986 Order) (Operating and Financial Review) (Repeal) Regulations (Northern Ireland) 2006.

(2) These Regulations come into operation on 31 March 2006.

(3) In these Regulations “the 1986 Order” means the Companies (Northern Ireland) Order 1986.

Repeal of requirement to prepare operating and financial review

2.—(1) Article 242AA of the 1986 Order (duty of directors of quoted company to prepare operating and financial review)(c) is repealed.

(2) In consequence of that repeal the 1986 Order is amended in accordance with the Schedule to these Regulations.

Sealed with the Official Seal of the Department of Enterprise, Trade and Investment on 8th March 2006



M Bohill

A senior officer of the Department of Enterprise, Trade and Investment

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

(b) 1986 No. 1032 (N.I.6); Article 265 was substituted by Article 22 of the Companies (Northern Ireland) Order 1990 (N.I. 5)

(c) Article 242AA was inserted by regulation 8 of S.R. 2005 No. 61

CONSEQUENTIAL AMENDMENTS OF THE 1986 ORDER

1. In Article 242 (directors' report)(a), omit paragraph (4).
2. Omit the heading before Article 242AA(b).
3. Omit Article 242AB (approval and signing of operating and financial review)(c).
4. In Article 243 (auditors' report)(d), omit sub-paragraph (3A).
5. In Article 246(1A) (documents to be sent to persons entitled to receive copies of accounts and reports)(e), omit—
 - (a) sub-paragraph (ba), and
 - (b) in sub-paragraph (d), the words “that operating and financial review and”.
6. In Article 247(1) (right to demand copies of accounts and reports)(f), omit—
 - (a) sub-paragraph (ba), and
 - (b) in sub-paragraph (d), the words “that operating and financial review and”.
7. In Article 249(1) (accounts and reports to be laid before company in general meeting)(g), omit—
 - (a) sub-paragraph (ba), and
 - (b) in sub-paragraph (d), the words “that operating and financial review and”.
8. In Article 250(1) (accounts and reports to be delivered to the registrar)(h), omit—
 - (a) sub-paragraph (ba), and
 - (b) in sub-paragraph (d), the words “that operating and financial review and”.
- 9.—(1) Article 253 (voluntary revision of defective accounts, reports and reviews)(i) is amended as follows.
 - (2) In paragraph (1)—
 - (a) omit the words “, operating and financial review”, and
 - (b) for “revised statement, report or review” substitute “revised statement or report”.
 - (3) In paragraph (2), for “, report or review” (in both places) substitute “or report”.

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- (a) Article 242 was substituted by regulation 2 of S.R. 2005 No. 61
 - (b) Article 242AA and the heading preceding it were inserted by regulation 8 of S.R. 2005 No. 61
 - (c) Article 242AB was inserted by regulation 8 of S.R. 2005 No. 61
 - (d) Article 243 was inserted into the 1986 Order by Article 11 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number, amended by regulation 6 of S.R. 2004 No. 496, regulation 4 of S.R. 2005 No. 56 and regulations 3 and 10 of S.R. 2005 No. 61
 - (e) Article 246 was inserted into the 1986 Order by Article 12 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number, amended by Article 10 of S.R. 2003 No. 3, regulation 10 of S.R. 2005 No. 56, and regulation 17 of, and paragraph 2 of the Schedule to, S.R. 2005 No. 61
 - (f) Article 247 was inserted into the 1986 Order by Article 12 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number, amended by Article 11 of S.R. 2003 No. 3, regulation 10(6) of S.R. 2005 No. 56, and regulation 17 of, and paragraph 3 of the Schedule to, S.R. 2005 No. 61
 - (g) Article 249 was inserted into the 1986 Order by Article 13 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number, 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
 - (h) Article 250 was inserted into the 1986 Order by Article 13 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number, 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
 - (i) Article 253 was inserted into the 1986 Order by Article 14 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number, 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 14 of S.R. 2005 No. 61

- (4) In paragraph (3), omit the words “, a revised operating and financial review”.
- (5) In paragraph (4)(a) and (b), for “, statement, report or review” substitute “statement or report”.
- (6) In paragraph (4)(c)—
- (a) for “, report or review” (in the first place it occurs) substitute “or report”, and
 - (b) for “derived from the previous accounts, report or review” substitute “derived from the previous accounts or report”.
- 10.**—(1) Article 253A (Department’s notice in respect of annual accounts, reports and reviews)(a) is amended as follows.
- (2) In paragraph (1)—
- (a) in sub-paragraphs (a) and (b), for “, directors’ report or operating and financial review” substitute “or directors’ report”, and
 - (b) for “, report or review” substitute “or report”.
- (3) In paragraph (2)—
- (a) for “, report or review” substitute “or report”, and
 - (b) for “a revised report or review” substitute “a revised report”.
- (4) In paragraph (3), for “, report or review” (in both places) substitute “or report”.
- (5) In paragraph (4)—
- (a) for “, revised directors’ reports and revised operating and financial reviews” substitute “and revised directors’ reports”, and
 - (b) for “, reports or reviews” (in both places) substitute “or reports”.
- 11.**—(1) Article 253B (application to court in respect of defective accounts, reports and reviews)(b) is amended as follows.
- (2) In paragraph (1), omit—
- (a) the words “or operating and financial review”, and
 - (b) the words “or review”.
- (3) In paragraph (3A)—
- (a) omit the words “or a revised operating and financial review”;
 - (b) in sub-paragraph (a), omit the words “or operating and financial review”;
 - (c) in sub-paragraph (b), omit the words “, operating and financial review”;
 - (d) in sub-paragraph (c), omit the words “or review”.
- (4) In paragraph (4)—
- (a) for “, report or review” substitute “or report”;
 - (b) in sub-paragraph (b), omit the words “or review”;
 - (c) for “defective accounts, report or review” substitute “defective accounts or report”;
 - (d) for “approval of the accounts, report or review” substitute “approval of the accounts or report”.
- (5) In paragraph (5), for “, report or review” (in both places) substitute “or report”.
- (6) In paragraph (7)—

(a) Article 253A was inserted into the 1986 Order by Article 14 of the Companies (Northern Ireland) 1990, amended by regulation 3 of, and paragraph 13 of Schedule 1 to, S.R. 2004 No. 496, and regulation 14 of S.R. 2005 No. 61

(b) Article 253B was inserted into the 1986 Order by Article 14 of the Companies (Northern Ireland) Order 1990, amended by regulation 3 of, and paragraph 13 of Schedule 1 to, S.R. 2004 No. 496, regulation 10 of S.R. 2005 No. 56 and regulation 15 of S.R. 2005 No. 61

- (a) for “, revised directors’ reports and revised operating and financial reviews” substitute “and revised directors’ reports”, and
- (b) for “, reports or reviews” (in both places) substitute “or reports”.

12.—(1) Article 253C (other persons authorised to apply to court)(**a**) is amended as follows.

(2) In paragraph (1), in sub-paragraphs (a) and (b), for “, directors’ reports and operating and financial reviews” substitute “and directors’ reports”.

13.—(1) Article 259 (summary financial statements)(**b**) is amended as follows.

(2) Omit paragraph (2ZA).

(3) In paragraph (2D)—

- (a) omit the words “(2ZA) or”, and
- (b) in sub-paragraphs (a) and (b) omit the words “review or”.

(4) In paragraph (3) omit the words “or (in the case of a quoted company) operating and financial review”.

(5) In paragraph (3A) for “, directors’ report or operating and financial review” substitute “or directors’ report”.

(6) In paragraph (4)—

- (a) in sub-paragraph (aa) omit—
 - (i) the words “or (in the case of a quoted company) the operating and financial review”, and
 - (ii) the words “or review”;
- (b) omit sub-paragraph (ac);
- (c) in sub-paragraph (b)(i) omit—
 - (i) the words “or operating and financial review”, and
 - (ii) the words “or review”;
- (d) for sub-paragraph (ca) substitute—

“(ca) state whether, in that report, the auditor’s statement under Article 243(3). (whether directors’ report is consistent with accounts) was qualified or unqualified and, if qualified, set out the qualified statement in full together with any further material needed to understand the qualification;”.

14. In Article 270A (index of defined expressions)(**c**), omit the entries relating to “group operating and financial review”, “operating and financial review” and “reporting standards and relevant reporting standards”.

15. Omit Schedule 7ZA (contents of operating and financial review)(**d**).

16. In Schedule 23 (punishment of offences)(**e**), omit the entries relating to Articles 242AA(5) and 242AB(4).

(a) Article 253C was inserted into the 1986 Order by Article 14 of the Companies (Northern Ireland) Order 1990, amended by regulation 3 of, and paragraph 13 of Schedule 1 to, S.R. 2004 No. 496, and regulation 16 of S.R. 2005 No. 61

(b) Article 259 was inserted into the 1986 Order by Article 17 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number, amended by regulation 3 of S.R. 1993 No. 220, Article 12 of S.R. 2003 No. 3, article 55 of S.I. 2001/3649, 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) Article 270A was inserted into the 1986 Order by Article 24 of the Companies (Northern Ireland) Order 1990, and amended by regulation 6 of, and paragraph 3 of Schedule 2 to, S.R. 1992 No. 258, regulation 5 of, and paragraph 5 of Schedule 2 to, S.R. 1994 No. 428, regulation 4 of, and paragraph 3 of Schedule 1 to, S.R. 1995 No. 128, regulation 11 of S.R. 1997 No. 314, regulation 7 of S.R. 1997 No. 436, Article 14(2) of S.R. 2003 No. 3, regulation 5(2) of S.R. 2004 No. 263, regulation 3 of, and paragraph 23 of Schedule 1 to, S.R. 2004 No. 496, regulation 10 of S.R. 2005 No. 56 and regulation 17 of, and paragraph 6 of the Schedule to, S.R. 2005 No. 61

(d) Schedule 7ZA was inserted by regulation 9 of S.R. 2005 No. 61

(e) The entries for Articles 242AA(5) and 242AB(4) were inserted by regulation 17 of, and paragraph 7 of the Schedule to, S.R. 2005 No. 61

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations remove the requirement in Article 242AA of the Companies (Northern Ireland) Order 1986 for directors of quoted companies (as defined in Article 270(1) of that Order) to prepare operating and financial reviews for financial years beginning on or after 1st April 2005 (regulation 2(1)). Regulation 2(2) and Schedule amend the Companies (Northern Ireland) Order 1986 consequentially on that repeal.

A separate regulatory impact assessment of the effect that this instrument will have on the costs of business in Northern Ireland has not been carried out. The regulatory impact assessment carried out in GB is available electronically at www.dti.gov.uk/cld.