



Companies Act 2006

2006 CHAPTER 46

PART 15

ACCOUNTS AND REPORTS

CHAPTER 4

ANNUAL ACCOUNTS

Individual accounts

395 Individual accounts: applicable accounting framework

- (1) A company's individual accounts may be prepared—
- in accordance with section 396 ("Companies Act individual accounts"), or
 - in accordance with international accounting standards ("IAS individual accounts").

This is subject to the following provisions of this section and to section 407 (consistency of financial reporting within group).

- (2) The individual accounts of a company that is a charity must be Companies Act individual accounts.
- (3) After the first financial year in which the directors of a company prepare IAS individual accounts ("the first IAS year"), all subsequent individual accounts of the company must be prepared in accordance with international accounting standards unless there is a relevant change of circumstance.
- (4) There is a relevant change of circumstance if, at any time during or after the first IAS year—
- the company becomes a subsidiary undertaking of another undertaking that does not prepare IAS individual accounts,

Status: This is the original version (as it was originally enacted).

- (b) the company ceases to be a company with securities admitted to trading on a regulated market in an EEA State, or
 - (c) a parent undertaking of the company ceases to be an undertaking with securities admitted to trading on a regulated market in an EEA State.
- (5) If, having changed to preparing Companies Act individual accounts following a relevant change of circumstance, the directors again prepare IAS individual accounts for the company, subsections (3) and (4) apply again as if the first financial year for which such accounts are again prepared were the first IAS year.