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STATUTORY INSTRUMENTS

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**2015 No. 980**

**The Companies, Partnerships and Groups  
(Accounts and Reports) Regulations 2015**

**PART 2**

Amendment of the Act

**Amendment of Chapter 4 of Part 15 (accounts and reports: annual accounts)**

5.—(1) Chapter 4 of Part 15 of the Act is amended as follows.

(2) For paragraph (c)(i) of subsection (2) of section 394A (individual accounts: exemption for dormant subsidiaries)<sup>M1</sup>, substitute—

“(i) the provisions of Directive 2013/34/EU<sup>M2</sup> of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, or”.

(3) In section 394B (companies excluded from the dormant subsidiaries exemption)<sup>M3</sup>, for paragraph (a) substitute—

“(a) a traded company,”.

(4) In section 396 (Companies Act individual accounts), before subsection (1) insert—

“(A1) Companies Act individual accounts must state—

- (a) the part of the United Kingdom in which the company is registered,
- (b) the company's registered number,
- (c) whether the company is a public or a private company and whether it is limited by shares or by guarantee,
- (d) the address of the company's registered office, and
- (e) where appropriate, the fact that the company is being wound-up.”.

(5) For section 397 (IAS individual accounts), substitute—

**“397 IAS individual accounts**

(1) IAS individual accounts must state—

- (a) the part of the United Kingdom in which the company is registered,
- (b) the company's registered number,
- (c) whether the company is a public or a private company and whether it is limited by shares or by guarantee,
- (d) the address of the company's registered office, and
- (e) where appropriate, the fact that the company is being wound-up.

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- (2) The notes to the accounts must state that the accounts have been prepared in accordance with international accounting standards.”.
- (6) In section 399 (duty to prepare group accounts)—
- (a) after subsection (2) insert—
- “(2A) A company is exempt from the requirement to prepare group accounts if—
- (a) it would be subject to the small companies regime but for being a public company, and
- (b) it is not a traded company.”, and
- (b) after the word “are” in subsection (3), insert the word “ further ”.
- (7) In section 400 (exemption for company included in EEA group accounts of larger group)—
- (a) in subsection (1), for paragraph (b) substitute—
- “(b) where that parent undertaking holds 90% or more of the allotted shares in the company and the remaining shareholders have approved the exemption;
- (c) where that parent undertaking holds more than 50% (but less than 90%) of the allotted shares in the company and notice requesting the preparation of group accounts has not been served on the company by the shareholders holding in aggregate at least 5% of the allotted shares in the company.
- Such notice must be served at least six months before the end of the financial year to which it relates.”,
- (b) in subsection (2)—
- (i) for sub-paragraph (i) of paragraph (b) substitute—
- “(i) in accordance with the provisions of Directive 2013/34/EU of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, or”,
- (ii) insert the words “ the notes to ” before the words “its individual accounts” in paragraph (c), and
- (iii) in paragraph (d), for sub-paragraph (i) substitute—
- “(i) the address of the undertaking's registered office (whether in or outside the United Kingdom), or”,
- (c) in subsection (3), after “subsection (1)(b)” insert “ and (c) ”,
- (d) in subsection (4), for the words from “any” to the end, substitute “ which is a traded company. ”, and
- (e) omit subsection (6).
- (8) In section 401 (exemption for company included in non-EEA group accounts of larger group)
- (a) in subsection (1), for paragraph (b) substitute—
- “(b) where that parent undertaking holds 90% or more of the allotted shares in the company and the remaining shareholders have approved the exemption; or
- (c) where that parent undertaking holds more than 50% (but less than 90%) of the allotted shares in the company and notice requesting the preparation of group accounts has not been served on the company by the shareholders holding in aggregate at least 5% of the allotted shares in the company.

Such notice must be served at least six months before the end of the financial year to which it relates.”,

(b) for subsection (2)(b), substitute—

“(b) those accounts and, where appropriate, the group's annual report, must be drawn up—

(i) in accordance with the provisions of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings,

(ii) in a manner equivalent to consolidated accounts and consolidated reports so drawn up,

(iii) in accordance with international accounting standards adopted pursuant to the IAS Regulation, or

(iv) in accordance with accounting standards which are equivalent to such international accounting standards, as determined pursuant to Commission Regulation (EC) No. 1569/2007<sup>M4</sup> of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council; ”,

(c) in subsection (2)(e), for sub-paragraph (i) substitute—

“(i) the address of the undertaking's registered office (whether in or outside the United Kingdom), or;”

(d) in subsection (3), after “subsection (1)(b)” insert “ and (c) ”,

(e) in subsection (4), for the words “any” to the end substitute “ which is a traded company ”, and

(f) omit subsection (6).

(9) In section 404 (Companies Act group accounts), before subsection (1) insert—

“(A1) Companies Act group accounts must state, in respect of the parent company—

(a) the part of the United Kingdom in which the company is registered,

(b) the company's registered number,

(c) whether the company is a public or a private company and whether it is limited by shares or by guarantee,

(d) the address of the company's registered office, and

(e) where appropriate, the fact that the company is being wound-up.”

(10) At the beginning of subsection (3)(b) of section 405 (Companies Act group accounts: subsidiary undertakings included in the consolidation), insert “ extremely rare circumstances mean that ”.

(11) For section 406 (IAS group accounts), substitute—

**“406 IAS group accounts**

(1) IAS group accounts must state—

(a) the part of the United Kingdom in which the company is registered,

(b) the company's registered number,

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- (c) whether the company is a public or a private company and whether it is limited by shares or by guarantee,
  - (d) the address of the company's registered office, and
  - (e) where appropriate, the fact that the company is being wound-up.
- (2) The notes to the accounts must state that the accounts have been prepared in accordance with international accounting standards.”
- (12) In section 408 (individual profit and loss account where group accounts prepared) <sup>M5</sup>—
- (a) for subsection (1)(b) substitute—
    - “(b) the company's individual balance sheet shows the company's profit and loss for the financial year determined in accordance with this Act.”, and
  - (b) omit subsection (2).
- (13) Omit section 410.
- (14) In section 410A (information about off-balance arrangements) <sup>M6</sup>—
- (a) for subsection (1) substitute—
    - “(1) If in any financial year—
      - (a) a company is or has been party to arrangements that are not reflected in its balance sheet, and
      - (b) at the balance sheet date the risks or benefits arising from those arrangements are material,
 the information required by this section must be given in the notes to the company's annual accounts.”, and
  - (b) for subsection (4), substitute—
    - “(4) If the company is subject to the small companies regime in relation to the financial year (see section 381), it need not comply with subsection (2)(b).”
- (15) In section 411 (information about employee numbers and costs)—
- (a) for subsection (1) substitute—
    - “(1) The notes to a company's annual accounts must disclose the average number of persons employed by the company in the financial year.
    - (1A) In the case of a company not subject to the small companies regime, the notes to the company's accounts must also disclose the average number of persons within each category of persons so employed.”,
  - (b) in subsection (2), for “subsection (1)(b)” substitute “ subsection (1A) ”,
  - (c) in subsection (3), for “subsection (1)(a) or (b)” substitute “ subsection (1) or (1A) ”,
  - (d) in subsection (4)—
    - (i) in paragraph (a), for “subsection (1)(a)” substitute “ subsection (1) ”, and
    - (ii) in paragraph (b), for “subsection (1)(b)” substitute “ subsection (1A) ”, and
  - (e) for subsection (5) substitute—
    - “(5) Except in the case of a company subject to the small companies regime, the notes to the company's annual accounts or the profit and loss account must disclose, with reference to all persons employed by the company during the financial year, the total staff costs of the company relating to the financial year broken down between—
      - (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.”
- (16) In section 413 (information about directors' benefits: advances, credit and guarantees)—
- (a) in subsection (3)—
- (i) omit the word “and” at the end of paragraph (c),
- (ii) after paragraph (d) insert—
- “(e) any amounts written off, and
- (f) any amounts waived.”,
- (b) in subsection (5), insert after paragraph (b)—
- “(ba) of amounts stated under subsection 3(e),
- (bb) of amounts stated under subsection 3(f),” and
- (c) in subsection (6), for “a director” substitute “ directors ”.

#### **Marginal Citations**

- M1** Section 394A was inserted by the Companies and Limited Liability Partnerships (Accounts and Audit Exemptions and Change of Accounting Framework) Regulations 2012 (S.I. 2012/2301), **regulation 9**.
- M2** OJ No. L 182, 29.6.13, p. 19.
- M3** Section 394B was inserted by S.I. 2012/2301, **regulation 9**.
- M4** OJ No. L 340, 22.12.07, p.66.
- M5** Section 408 was amended by S.I. 2008/393, **regulation 10**.
- M6** Section 410A was inserted by S.I. 2008/393, **regulation 8**.

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