
EXPLANATORY NOTE

(This note is not part of the Regulations.)

1. These Regulations implement Council Directive [90/605/EEC](#) (Official Journal No. L317 of 16.11.1990, pages 60 to 62) which amends Directive [78/660/EEC](#) on annual accounts (O.J. No. L222 of 14.8.1978, pages 11 to 31) (the Fourth EC Company Law Directive) and Directive [83/349/EEC](#) on consolidated accounts (O.J. No. L193 of 18.7.1983, pages 1 to 17) (the Seventh EC Company Law Directive) as regards the scope of those Directives.

2. The scope of application of the Regulations is set out in regulations 3 (qualifying partnerships) and 9 (qualifying companies). They apply, in effect, to partnerships, limited partnerships and unlimited companies all of whose members having unlimited liability are limited companies.

3. Members of a qualifying partnership (general partners in the case of limited partnerships) are required by regulation 4 to prepare accounts and a directors' report, and to obtain an auditors' report on such accounts, in accordance with the provisions of Part VIII of the Companies (Northern Ireland) Order 1986 (the 1986 Order), subject to certain modifications set out in the Schedule to the Regulations. The Schedule disapplies requirements of Part VIII which do not derive from the European Community Directives on accounts.

4. Regulations 5 and 6 contain requirements about the publication of accounts prepared under the Regulations by members of qualifying partnerships.

5. Regulation 7 provides an exemption from the Regulations where the partnership has been dealt with in consolidated group accounts prepared by a member of the partnership established under the law of a member State of the EEC (or a parent of such a member), by the method of full or proportional consolidation or by the equity method of accounting.

6. Regulation 8 imposes criminal penalties for failure to comply with the Regulations.

7. Regulation 10 requires that unlimited companies which are qualifying companies deliver their accounts to the registrar of companies (they are already required to prepare accounts under Part VIII of the 1986 Order).

8. Regulation 11 imposes additional disclosure requirements in the notes to the accounts of companies which are members of qualifying partnerships or qualifying companies.

9. Regulation 12 permits the members of a qualifying partnership not to prepare accounts and a directors' report (and obtain an auditor's report on the accounts) under the Regulations for financial years commencing on a date prior to 23rd December 1994.