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## STATUTORY INSTRUMENTS

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### 2005 No. 1011

#### The Companies Act 1985 (Operating and Financial Review and Directors' Report etc. ) Regulations 2005

#### PART 4

#### Summary financial statements

##### Summary financial statements

**12.**—(1) Section 251 of the 1985 Act (summary financial statements)(**1**) is amended as follows.

(2) In subsection (1)—

- (a) for “section 238(1)” substitute “section 238(1A)”;
- (b) after the definition of “entitled person” insert—

““summary financial statement” means a statement that is derived from the company’s annual accounts and (in the case of a quoted company) the directors’ remuneration report and prepared in accordance with this section and regulations made under it.”

(3) In subsection (2), for “section 238(1)” substitute “section 238(1A)”.

(4) After subsection (2) insert—

“(2ZA) A quoted company that—

- (a) sends a summary financial statement to an entitled person, and
- (b) does not send a full copy of its operating and financial review for the financial year to which that statement relates to each entitled person in accordance with section 238(1),

must publish its operating and financial review on a web site throughout the period beginning at least 21 days before the date of the meeting at which the accounts and directors’ remuneration report from which the statement is derived are to be laid and ending with the conclusion of that meeting.”

(5) In subsection (2C)(a), for “directors’ report” substitute “directors’ remuneration report”.

(6) In subsection (2D)—

- (a) for “subsection (2C)” substitute “subsection (2ZA) or (2C)”;
- (b) for paragraph (a) substitute—

“(a) any review or statement that is required to be published on a web site as mentioned in those subsections is published for a part, but not all, of the period mentioned in those subsections; and”;

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(1) Section 251 was substituted by section 15 of the Companies Act 1989, and amended by regulation 3 of S.I. [1992/3003](#), by article 14 of S.I. [2000/3373](#), by article 15 of S.I. [2001/3649](#), by regulation 8 of S.I. [2002/1986](#), and by regulation 11 of S.I. [2004/2947](#).

(c) in paragraph (b), after “publish that” insert “review or”.

(7) For subsection (3) substitute—

“(3) The summary financial statement must—

(a) be in such form, and

(b) contain such information,

as the Secretary of State may by regulations specify, including information derived from the company’s directors’ report or (in the case of a quoted company) operating and financial review.

(3A) Nothing in this section or regulations made under it prevents a company from including in its summary financial statement additional information derived from the company’s annual accounts, directors’ remuneration report, directors’ report or operating and financial review.”

(8) In subsection (4)—

(a) in paragraph (a) omit “, the directors’ report”;

(b) after paragraph (a) insert—

“(aa) state whether it contains additional information derived from the directors’ report or (in the case of a quoted company) the operating and financial review and, if so, state that it does not contain the full text of that report or review;

(ab) state how an entitled person can obtain a full copy of the documents referred to in section 238(1A);

(ac) (in the case of a quoted company to which subsection (2ZA) applies) state the address of the web site on which the operating and financial review is published, the place on that web site where it may be accessed and how it may be accessed;”

(c) in paragraph (b) for “is consistent with those accounts and those reports and” substitute—

“(i) is consistent with the company’s annual accounts and directors’ remuneration report and (where information derived from the directors’ report or operating and financial review is included in the statement) with that report or review, and

(ii)”;

(d) after paragraph (c) insert—

“(ca) state whether, in that report, the auditors’ statements under—

(i) section 235(3) (whether directors’ report is consistent with accounts), and

(ii) (in the case of a quoted company) under section 235(3A) (whether operating and financial review is consistent with accounts),

were qualified or unqualified and, if either was qualified, set out the qualified statement in full together with any further material needed to understand the qualification;”.

## Commencement Information

**II** Reg. 12 in force at 22.3.2005 (with effect in accordance with reg. 1(3)), see [reg. 1\(2\)](#)

### **Transitional provision**

**13.** As respects companies' financial years beginning on or after 1st April 2005, regulations made by the Secretary of State under section 251 of the 1985 Act before the date on which these Regulations come into force have effect as if—

- (a) any requirement in the regulations that a summary financial statement contain information derived from the company's directors' report was omitted, and
- (b) the regulations had been made (with those omissions) under section 251 as amended by these Regulations.

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#### **Commencement Information**

**I2** Reg. 13 in force at 22.3.2005 (with effect in accordance with reg. 1(3)), see [reg. 1\(2\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the The Companies Act 1985 (Operating and Financial Review and Directors' Report etc. ) Regulations 2005, PART 4.