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STATUTORY INSTRUMENTS

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**2004 No. 2947**

**COMPANIES**

**The Companies Act 1985 (International Accounting Standards and Other Accounting Amendments) Regulations 2004**

*Made - - - - 11th November 2004*

*Coming into force 12th November 2004*

**THE COMPANIES ACT 1985 (INTERNATIONAL ACCOUNTING STANDARDS AND OTHER ACCOUNTING AMENDMENTS) REGULATIONS 2004**

PART 1

General

1. Citation, commencement and interpretation

PART 2

Accounts prepared in accordance with international accounting standards

2. Preparation of individual and group accounts in accordance with IAS Regulation
3. Consequential amendments

PART 3

Other modifications of provisions relating to accounts

4. Exemption for parent companies included in accounts of larger non-EEA group
5. Subsidiary undertakings included in consolidation
6. Content of auditors' report
7. Auditors' report to be dated
8. Requirements for auditors' report published with accounts
9. Repeal of 3 month extension for laying and delivering accounts etc
10. Voluntary revision of annual accounts
11. Summary financial statements
12. Participating interest no longer required to be subsidiary undertaking
13. Disclosures in relation to financial instruments

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14. Amendment of Schedules to the 1985 Act
15. Minor and consequential amendments  
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SCHEDULE 1 — IAS ACCOUNTS: CONSEQUENTIAL AMENDMENTS TO 1985  
ACT

1. The 1985 Act is amended as follows.
2. In section 152(2) (definition of “net assets” for Chapter 6...
3. In section 172(2) (determination of availability of profits where private...
4. In section 221 (duty to keep accounting records), in subsections...
5. In section 222(3)(b) (accounts and returns to be sent to...
6. In section 228 (exemption from obligation to prepare group accounts...
7. In section 229 (subsidiary undertakings included in the consolidation)–
8. In section 230 (treatment of individual profit and loss account...
9. After section 231 insert– Disclosure required in notes to annual...
10. In section 233(5) (criminal penalty for failing to comply with...
11. (1) In sections 245 to 245C (revision of defective accounts...
12. (1) Section 246 (special provisions for small companies) is amended...
13. In section 246A(1) (special provisions for medium-sized companies), in subsection...
14. In section 247 (qualification of company as small or medium-sized),...
15. In section 248A(1)(b) (group accounts prepared by small company) for...
16. In section 249C (report required for the purposes of exemption...
17. In section 255 (special provisions for banking and insurance companies),...
18. (1) Section 255A (special provisions for banking and insurance groups)...
19. In section 261(2) (notes to the accounts), after “any provision...
20. (1) Section 262 (minor definitions) is amended as follows.
21. (1) Section 262A (index of defined expressions) is amended as...
22. In section 264(2) (restriction on distribution of assets), after “Schedule...
23. In section 265(2) (other distributions by investment companies), at the...
24. In section 268(2)(aa) (realised profits of insurance company with long...
25. (1) Section 269(2) (treatment of development costs) is amended as...
26. In section 270(2) (distribution to be justified by reference to...
27. In section 272(3) (interim accounts must be properly prepared) after...
28. In section 275 (treatment of assets in the relevant accounts),...
29. In section 742(1) (expressions used in connection with accounts) insert...
30. (1) Section 744A (index of defined expressions) is amended as...
31. (1) Schedule 4 (form and content of company accounts) is...
32. In paragraph 25 of Schedule 6 (disclosure of information: emoluments...
33. In Schedule 7, in paragraph 12(5)(c) (identifying amounts owed to...
34. In Part 1 of Schedule 9 (form and content of...
35. In Part 1 of Schedule 9A (form and content of...
36. (1) Schedule 11 (modifications of Part 8 for banking and...

SCHEDULE 2 — FORM AND CONTENT OF COMPANY ACCOUNTS

1. Schedule 4 to the 1985 Act (form and content of...
2. Omit sub-paragraph (7) of paragraph 3 (dividends in profit and...
3. After paragraph 5 insert– The directors of a company must, in determining how amounts...
4. (1) In the Balance Sheet Formats, for “provisions for liabilities...
5. In paragraph 12(b) (extent to which liabilities and losses to...

6. (1) Part 2 (accounting principles and rules) is amended as...
7. (1) Part 3 (notes to the accounts) is amended as...
8. In paragraph 46(1) (transfers to and from reserves and provisions)–...
9. In paragraph 72(2) (distributions by investment companies), for “provision for...”
10. After paragraph 76 (interpretation) insert– Financial instruments References to “derivatives” include commodity-based contracts that give either contracting...
11. After paragraph 82 insert– Investment property “Investment property” means land held to earn rent or for...
12. In paragraph 89 (interpretation of references to provisions for liabilities...

#### SCHEDULE 3 — FORM AND CONTENT OF ACCOUNTS PREPARED BY SMALL COMPANIES

1. Schedule 8 to the 1985 Act (form and content of...
2. Omit sub-paragraph (7) of paragraph 3 (dividends in profit and...
3. After paragraph 5 insert– The directors of a company must, in determining how amounts...
4. (1) In the Balance Sheet Formats, for “provisions for liabilities...
5. In paragraph 12(b) (extent to which liabilities and losses to...
6. (1) Part 2 (accounting principles and rules) is amended as...
7. (1) Part 3 (notes to the accounts) is amended as...
8. In paragraph 43(1)(transfers to and from reserves and provisions)–
9. After paragraph 52 (interpretation) insert– Financial instruments References to “derivatives” include commodity-based contracts that give either contracting...
10. After paragraph 53 insert– Investment property “Investment property” means land held to earn rent or for...
11. In paragraph 58 (interpretation of references to provisions for liabilities...

#### SCHEDULE 4 — FORM AND CONTENT OF ABBREVIATED ACCOUNTS OF SMALL COMPANIES DELIVERED TO REGISTRAR

1. Schedule 8A to the 1985 Act (form and content of...
2. (1) In the Balance Sheet Formats, for “provisions for liabilities...
3. After paragraph 7 (notes to be included in small company...

#### SCHEDULE 5 — FORM AND CONTENT OF ACCOUNTS OF BANKING COMPANIES AND GROUPS

1. Part 1 of Schedule 9 to the 1985 Act (form...
2. Omit paragraph 8 (dividends in profit and loss account to...
3. After paragraph 8 insert– The directors of a company must, in determining how amounts...
4. In the Balance Sheet Format, under the heading “LIABILITIES”, for...
5. In paragraph 19(b) (extent to which liabilities and losses to...
6. In paragraph 23 (preliminary paragraph on historical cost accounting rules)...
7. After paragraph 44 insert– FAIR VALUE ACCOUNTING Inclusion of financial...
8. (1) Chapter 3 (notes to the accounts) is amended as...
9. In paragraph 59(1) (transfers to and from reserves and provisions)–...
10. In paragraph 82 (general interpretation), at the appropriate place, insert–...
11. After paragraph 82 (general interpretation) insert– Financial instruments For the purposes of this Part of this Schedule, references...

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12. In paragraph 85(c) (interpretation of references to provisions for liabilities...

SCHEDULE 6 — FORM AND CONTENT OF ACCOUNTS OF INSURANCE  
COMPANIES AND GROUPS

1. Part 1 of Schedule 9A to the 1985 Act (form...
2. Omit paragraph 5 (dividends in profit and loss account to...
3. After paragraph 6 insert— The directors of a company must, in determining how amounts...
4. In the Balance Sheet Format, under the heading “LIABILITIES”, for...
5. In paragraph 16(b) (extent to which liabilities and losses to...
6. (1) After paragraph 19 insert – Valuation (1) The amounts to be included in respect of assets...
7. (1) In Chapter 2 (accounting principles and rules), after paragraph...
8. After paragraph 57 insert— Reserves and dividends There must be stated— (a) any amount set aside or...
9. After paragraph 65 (information supplementing the balance sheet) insert— Information...
10. In paragraph 66(1)(b) and (c) (transfers to or from provisions)...
11. In paragraph 81 (general interpretation), at the appropriate place, insert—...
12. After paragraph 81 (general interpretation) insert— Financial instruments For the purposes of this Part of this Schedule, references...
13. In paragraph 84(c) (interpretation of references to provisions for risks...

SCHEDULE 7 — MINOR AND CONSEQUENTIAL AMENDMENTS  
PART 1 — AMENDMENTS OF THE COMPANIES ACT 1985

1. The following minor and consequential amendments to the 1985 Act...
2. In section 152(2) (definition of “net assets” for Chapter 6...
3. In section 154(2)(b) (definition of “liabilities” for the purposes of...
4. (1) Section 228 (exemption for parent companies included in accounts...
5. In section 231(5)(b) (disclosure required in notes to accounts of...
6. Omit section 243 (accounts of subsidiary undertakings to be appended...
7. In section 260 (definition of “participating interest”), omit subsection (5)...
8. In section 264(2) (restriction on distribution of assets), for “provision...
9. In section 265(2) (other distributions by investment companies), for “provision...
10. In Schedule 4A (interests in subsidiary undertakings excluded from consolidation),...
11. In paragraph 25 of Schedule 6 (disclosure of information: emoluments...
12. In Part 2 of Schedule 9 (undertakings to be included...

PART 2 — AMENDMENTS OF OTHER ENACTMENTS

13. In section 101A(6)(a) of the Government of Wales Act 1998...
14. In the Government Resources and Accounts Act 2000, in—
15. The amendments in this Part of this Schedule do not...

Explanatory Note