STATUTORY INSTRUMENTS

2015 No. 980

COMPANIES
PARTNERSHIP

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

Made - - - -	*26th March 2015*
Coming into force - -	*6th April 2015*

The Secretary of State is a Minister designated [F1] for the purposes of section 2(2) of the European Communities Act 1972 [F2] in relation to the creation, operation, regulation or dissolution of companies and other forms of business organisation, and in relation to auditors and the audit of accounts.

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 2(2) of that Act and sections 396(3), 404(3), 409(1) and (2), 412(1) and (2), 468(1) and (2), 473(2), 484 and 1292(1) of the Companies Act 2006 [F3].

In accordance with paragraph 2(2) [F4] of Schedule 2 to the European Communities Act 1972 and sections 473(3), 484(3), 1290 and 1292(4) of the Companies Act 2006, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Annotations:

F1 S.I. 2007/193 and S.I. 2007/1679.

F2 1972 c.68. Section 2(2) was amended by section 27(1)(a) of the Legislative and Regulatory Reform Act 2006 (c.51) and by Part 1 of the Schedule to the European Union (Amendment) Act 2008 (c.7). The enabling powers of section 2(2) were extended by virtue of the amendment of section 1(2) by section 1 of the European Economic Area Act 1993 (c.51).

F3 2006 c.46. Part 15 (accounts and reports) and Chapter 1 of Part 16 (requirement for audited accounts) of the Companies Act 2006 are applied, with modifications, to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (S.I. 2008/569).

F4 Paragraph 2(2) was amended by section 27(c) of the Legislative and Regulatory Reform Act 2006.

PART 1

Introduction

Citation and interpretation

1.—(1) These Regulations may be cited as the Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015.

(2) In these Regulations—

"the Act" means the Companies Act 2006;

"the Small Companies Accounts Regulations" means the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 [F5]; and

"the Large and Medium-sized Companies Accounts Regulations" means the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 [F6].

Annotations:

F5 S.I. 2008/409, amended by S.I. 2013/3008; there are other amending instruments but none is relevant. S.I. 2008/409 is applied, with modifications, to qualifying partnerships by S.I. 2008/569.

F6 S.I. 2008/410, relevant amending instruments are S.I. 2008/569 and S.I. 2013/2005. S.I. 2008/410 is applied, with modifications, to qualifying partnerships by S.I. 2008/569.

Commencement and application

2.—(1) These Regulations come into force on 6th April 2015.

(2) Subject to paragraph (3) and regulation 3, the amendments made by these Regulations have effect in relation to—

(a) financial years beginning on or after 1st January 2016, and

(b) a financial year of a company beginning on or after 1st January 2015, but before 1st January 2016, if the directors of the company so decide.

(3) Where—

(a) **[**[F7]by virtue of paragraph (2)(b) above and regulation 2(2)(b) of the Companies, Partnerships and Groups (Accounts and Reports) (No. 2) Regulations 2015 ("the No. 2 Regulations"), the amendments made by these Regulations and by regulations 3 and 4 of the No. 2 Regulations**]** have effect in relation to a financial year beginning on or after 1st January 2015, but before 1st January 2016, and

(b) as a result the company qualifies as a small company in relation to that year,

the company is not exempt from the requirements of the Act relating to the audit of annual accounts for that year if the company would not have been so exempt had the amendments not had effect in relation to that year.

(4) In determining whether a company or group qualifies as small or medium-sized under section 382(2) [F8], 383(3) [F9], 465(2) or 466(3) of the Act (qualification in relation to subsequent financial year by reference to circumstances in preceding financial years) in relation to a financial year in relation to which the amendments made by these Regulations **[**[F10]and by regulations 3 and 4 of the No. 2 Regulations**]** have effect, the company or group is to be treated as having qualified as small or medium-sized (as the case may be) in any previous year in which it would have so qualified if amendments to the same effect as the amendments made by these Regulations **[**[F10]and by regulations 3 and 4 of the No. 2 Regulations**]** had had effect in relation to that previous year.

(5) Notwithstanding paragraph (2), the directors of a company cannot take advantage of subsection (2) of section 410 of the Act (information about related undertakings: alternative compliance) in relation to annual accounts of the company approved, pursuant to section 414 [F11] of the Act, on or after 1st July 2015.

Annotations:

F7 Words in reg. 2(3)(a) substituted (1.10.2015) by The Companies, Partnerships and Groups (Accounts and Reports) (No. 2) Regulations 2015 (S.I. 2015/1672), regs. 2(1), **5(2)(a)**

F8 Section 382(2) was substituted by the Small Companies (Micro-Entities' Accounts) Regulations 2013 (S.I. 2013/3008), **regulation 4(1)** and (2)(b).

F9 Section 383(3) was substituted by S.I. 2013/3008, **regulation 4(1)** and (3)(b).

F10 Words in reg. 2(4) inserted (1.10.2015) by The Companies, Partnerships and Groups (Accounts and Reports) (No. 2) Regulations 2015 (S.I. 2015/1672), regs. 2(1), **5(2)(b)**

F11 Section 414 was amended by S.I. 2013/3008, **regulation 5(1)** and (4).

Disapplication of these Regulations to limited liability partnerships

3. The amendments made by these Regulations to the Act, the Small Companies Accounts Regulations or the Large and Medium-sized Companies Accounts Regulations do not have effect in relation to the application of any provision of the Act or those regulations—

(a) to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 [F12], [F13]...

(b) to limited liability partnerships by the Small Limited Liability Partnerships (Accounts) Regulations 2008 [F14].**[**[F15], or**]**

[[F15](c) to limited liability partnerships by the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008**]**

Annotations:

F12 S.I. 2008/1911, to which there are amendments not relevant to these Regulations.

F13 Word in reg. 3 omitted (1.10.2015) by virtue of The Companies, Partnerships and Groups (Accounts and Reports) (No. 2) Regulations 2015 (S.I. 2015/1672), regs. 2(1), **5(3)(a)**

F14 S.I. 2008/1912.

F15 Reg. 3(c) and word inserted (1.10.2015) by The Companies, Partnerships and Groups (Accounts and Reports) (No. 2) Regulations 2015 (S.I. 2015/1672), regs. 2(1), **5(3)(b)**

PART 2

Amendment of the Act

Amendment of Chapter 1 of Part 15 (accounts and reports: introduction)

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

(2) In section 380 (scheme of Part 15), omit subsections (3) and (4).

(3) In the table in subsection (3) of section 382 (companies qualifying as small: general) [F16]—

(a) in item 1 (turnover), for "Not more than £6.5 million" substitute " Not more than £10.2 million ", and

(b) in item 2 (balance sheet total), for "Not more than £3.26 million" substitute " Not more than 5.1 million ".

(4) In the table in subsection (4) of section 383 (companies qualifying as small: parent companies) [F17]—

(a) in item 1 (aggregate turnover), for "Not more than £6.5 million net (or £7.8 million gross)" substitute " Not more than £10.2 million net (or £12.2 million gross) ", and

(b) in item 2 (aggregate balance sheet total), for "Not more than £3.26 million net (or £3.9 million gross)" substitute " Not more than £5.1 million net (or £6.1 million gross) ".

(5) In section 384 (companies excluded from the small companies regime)—

(a) omit the words "is, or" in subsection (1), and

(b) for paragraph (a) of subsection (2) substitute—

"(a) a traded company,".

Annotations:

F16 Section 382(3) was amended by S.I. 2008/393, **regulation 3(1)**.

F17 Section 383(4) was amended by S.I. 2008/393, **regulation 3(2)**.

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) [F18], substitute—

"(i) the provisions of Directive 2013/34/EU[F19] 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) [F20], 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—

"**IAS individual accounts**

397.—(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.

(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.