STATUTORY RULES OF NORTHERN IRELAND

2001 No. 153

COMPANIES

Companies (1986 Order) (Audit Exemption) (Amendment) Regulations (Northern Ireland) 2001

Made - - - -	*3rd April 2001*
Laid before the Assembly in draft	
Coming into operation	*13th April 2001*

The Department of Enterprise, Trade and Investment(**1**), in exercise of the powers conferred by Article 265 of the Companies (Northern Ireland) Order 1986(**2**) and now vested in it and of every other power enabling it in that behalf, hereby makes the following Regulations:

Introduction

Citation, application and interpretation

1.—(1) These Regulations may be cited as the Companies (1986 Order) (Audit Exemption) (Amendment) Regulations (Northern Ireland) 2001 and shall come into operation on 13th April 2001.

(2) These Regulations apply to annual accounts and reports in respect of financial years ending on or after 13th June 2001.

(3) In these Regulations, "1986 Order" means the Companies (Northern Ireland) Order 1986, and references to Articles or Schedules are to Articles of or Schedules to the 1986 Order.

Audit Exemption

Modification of Article 257A

2.—(1) Article 257A (exemptions from audit for certain categories of small company)(**3**) is modified as follows.

(2) In paragraph (3*b*) and (3A)(*b*), for "£350,000" substitute "£1 million".

(3) In paragraph (6A), for "Article 258(1)", substitute "Article 257AA(1)".

(**1**) S.I.1999/283 (N.I. 1)
(**2**) S.I. 1986/1032 (N.I. 6); Article 265 was inserted into the 1986 Order by Article 22 of the Companies (Northern Ireland) Order 1990 (S.I. 1990/593 (N.I. 5)) in place of an existing Article of that number
(**3**) Article 257A was inserted into the 1986 Order by regulation 2 of S.R. 1995 No. 128, and amended by regulation 2 of S.R. 1997 No. 500

Insertion of new Article 257AA

3. The following Article shall be inserted after Article 257A.

"**Dormant Companies**

257AA.—(1) Subject to Article 257B(2) to (5), a company is exempt from the provisions of this Part relating to the audit of accounts in respect of a financial year if—

(a) it has been dormant since its formation, or

(b) it has been dormant since the end of the previous financial year and paragraph (2) applies.

(2) This paragraph applies if the company—

(a) is entitled in respect of its individual accounts for the financial year in question to prepare accounts in accordance with Article 254, or would be so entitled but for the application of Article 255A(1)(*a*)(i) or (*b*), and

(b) is not required to prepare group accounts for that year.

(3) Paragraph (1) does not apply if at any time in the financial year in question the company was—

(a) a banking or insurance company, or

(b) an authorised person for the purposes of the Financial Services Act 1986.

(4) A company is "dormant" during any period in which it has no significant accounting transaction.

(5) "Significant accounting transaction" means a transaction which—

(a) is required by Article 229 to be entered in the company's accounting records; but

(b) is not a transaction to which paragraph (6) or (7) applies.

(6) This paragraph applies to a transaction arising from the taking of shares in the company by a subscriber to the memorandum as a result of an undertaking of his in the memorandum.

(7) This paragraph applies to a transaction consisting of the payment of—

(a) a fee to the registrar on a change of name under Article 38 (change of name),

(b) a fee to the registrar on the re-registration of a company under Part III (re-registration as a means of altering a company's status),

(c) a penalty under Article 250A (penalty for failure to deliver accounts), or

(d) a fee to the registrar for the registration of an annual return under Chapter III of Part XII.".

Modification of Article 257B

4.—(1) Article 257B (cases where exemption from audit not available)(**4**) is modified as follows.

(2) In paragraph (1A), for "Article 258" substitute "Article 257AA".

(3) In paragraph (1C)—

(a) in sub-paragraph (*a*), after "Article 257" insert "(or if all bodies corporate in such group were companies, would so qualify)", and

(b) in sub-paragraph (*b*)—

(**4**) Article 257B was inserted into the 1986 Order by regulation 2 of S.R. 1995 No. 128, and amended by regulation 9 of S.R. 1997 No. 314 and regulation 3 of S.R. 1997 No. 500

(i) after "Article 257) is" insert ", where the company referred to in paragraph (1B) is a charity,", and

(ii) after "(or £420,000 gross)" insert "or, where the company so referred to is not a charity, not more than £1 million net (or £1.2 million gross)"

(4) In paragraph (3), after "Article 257A" insert "or by paragraph (1) of Article 257AA".

(5) In paragraph (4)—

(a) after "paragraph (1) or (2) of Article 257A", insert "or by paragraph (1) of Article 257AA",

(b) in sub-paragraph (*a*), omit "(as the case may be)", and after "Article 257A" insert "or paragraph (1) of Article 257AA", and

(c) for sub-paragraph (*b*) substitute—

"(b) to the effect that members have not required the company to obtain an audit of its accounts for the year in question in accordance with paragraph (2), and".

Disclosure where Dormant Company Acting as Agent

Additional disclosures in notes to accounts

5.—(1) Schedule 4 (form and content of company accounts)(**5**) is amended as follows.

(2) After paragraph 58 insert—

"**Dormant companies acting as agents**

58A. Where the directors of a company take advantage of the exemption conferred by Article 257AA, and the company has during the financial year in question acted as an agent for any person, the fact that it has so acted must be stated.".

6.—(1) Schedule 8 (form and content of accounts prepared by small companies)(**6**) is amended as follows.

(2) After paragraph 51 insert—

"**Dormant companies acting as agents**

51A. Where the directors of a company take advantage of the exemption conferred by Article 257AA, and the company has during the financial year in question acted as an agent for any person, the fact that it has so acted must be stated.".

7.—(1) Schedule 8A (form and content of abbreviated accounts of small companies delivered to registrar)(**7**) is amended as follows.

(2) After paragraph 9 insert—

"**Dormant companies acting as agents**

9A. Where the directors of a company take advantage of the exemption conferred by Article 257AA, and the company has during the financial year in question acted as an agent for any person, the fact that it has so acted must be stated.".

(**5**) Schedule 4 was amended by Article 6(2) of, and Schedule 1 to, the Companies (Northern Ireland) Order 1990, and by regulation 13(1) of, and Schedule 1 to, S.R. 1997 No. 314

(**6**) Schedule 8 was substituted by regulation 2(2) of, and Schedule 1 to, S.R. 1997 No. 436

(**7**) Schedule 8A was inserted into the 1986 Order by regulation 2(3) of, and Schedule 2 to, S.R. 1997 No. 436