STATUTORY RULES OF NORTHERN IRELAND

1997 No. 500

COMPANIES

Companies (1986 Order) (Audit Exemption) (Amendment) Regulations (Northern Ireland) 1997

Made - - - -	*17th November 1997*
Coming into operation	*22nd December 1997*

The Department of Economic Development, in exercise of the powers conferred on it by Article 265 of the Companies (Northern Ireland) Order 1986(**1**) and of every other power enabling it in that behalf, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Companies (1986 Order) (Audit Exemption) (Amendment) Regulations (Northern Ireland) 1997 and shall come into operation on 22nd December 1997.

(2) These Regulations apply to the annual accounts of any company for any financial year ending on or after 22nd February 1998.

(3) In these Regulations, "the 1986 Order" means the Companies (Northern Ireland) Order 1986.

Amendment of Article 257A

2.—(1) Article 257A of the 1986 Order (exemptions from audit for certain categories of small company)(**2**) is amended as follows.

(2) In paragraph (2), for the words "a company", substitute the words "a company which is a charity and".

(3) In paragraph (3)(*b*) for "£90,000" substitute "£350,000".

(4) After paragraph (3) insert the following paragraph—

"(3A) In relation to any company which is a charity, paragraph (3)(*b*) shall have effect with the substitution—

(a) for the reference to turnover of a reference to gross income, and

(**1**) 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

(**2**) Article 257A was inserted into the 1986 Order by regulation 2 of S.R. 1995 No. 128

(b) for the reference to £350,000 of a reference to £90,000.".

(5) In paragraph (4)—

(a) for the words "a company" substitute the words "a company which is a charity", and

(b) in paragraph (*b*)—

(i) for the word "turnover" substitute the words "gross income", and

(ii) for "£350,000" substitute "£250,000".

(6) Paragraph (5) is hereby repealed.

(7) After paragraph (6) insert the following paragraph—

"(6A) A company is entitled to the exemption conferred by paragraph (1) or (2) notwithstanding that it falls within sub-paragraph (*a*) or (*b*) of Article 258(1).".

Amendment of Article 257B

3.—(1) Article 257B of the 1986 Order (cases where exemption from audit not available)(**3**) is amended as follows.

(2) In paragraph (1), for "paragraph (1A)" substitute "paragraphs (1A) to (1C)".

(3) After paragraph (1A) insert the following paragraphs—

"(1B) A company which, apart from this paragraph, would fall within paragraph (1)(*f*) by virtue of its being a parent company or a subsidiary undertaking for any period within a financial year, shall not be treated as so falling if throughout that period it was a member of a group meeting the conditions set out in paragraph (1C).

(1C) The conditions referred to in paragraph (1B) are—

(a) that the group qualifies as a small group, in relation to the financial year within which the period falls, for the purposes of Article 257 and is not, and was not at any time within that year, an ineligible group within the meaning of Article 256(2).

(b) that the group's aggregate turnover in that year (calculated in accordance with Article 257) is not more than £350,000 net (or £420,000 gross), and

(c) that the group's aggregate balance sheet total for that year (calculated in accordance with Article 257) is not more than £1·4 million net (or £1·68 million gross).".

Amendment of Article 257D

4. In Article 257D of the 1986 Order (definition of reporting accountant)(**4**) in sub-paragraph (*d*) of paragraph (3), for "the Chartered Association of Certified Accountants," substitute "the Association of Chartered Certified Accountants,".

(**3**) 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

(**4**) Article 257D was inserted into the 1986 Order by regulation 2 of S.R. 1995 No. 128