STATUTORY RULES OF NORTHERN IRELAND

1997 No. 314

COMPANIES

Companies (1986 Order) (Miscellaneous Accounting Amendments) Regulations (Northern Ireland) 1997

Made - - - - 24th June 1997
To be laid before Parliament under paragraph 3(3) of Schedule 1 to the Northern Ireland Act 1974

Coming into operation 22nd August 1997

The Department of Economic Development, in exercise of the powers conferred on it by Articles 2(3)(**1**) and 265 of the Companies (Northern Ireland) Order 1986(**2**) and of every other power enabling it in that behalf, hereby makes the following Regulations:

Citation, interpretation and commencement

1.—(1) These Regulations may be cited as the Companies (1986 Order) (Miscellaneous Accounting Amendments) Regulations (Northern Ireland) 1997 and shall come into operation on 22nd August 1997.

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

Amendment of Article 232

2.—(1) Article 232 of the 1986 Order (accounting reference periods and accounting reference date)(**3**) is amended as follows.

(2) In paragraph (2), after "company" insert "incorporated before 22nd August 1997".

(3) In paragraph (3), for "a company's accounting reference date" substitute "the accounting reference date of such a company".

(4) After that paragraph insert—

"(3A) The accounting reference date of a company incorporated on or after 22nd August 1997 is the last day of the month in which the anniversary of its incorporation falls.".

(**1**) *See* the definition of "the Department"
(**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 232 was inserted into the 1986 Order by Article 5 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

Amendment of Article 233

3.—(1) Article 233 of the 1986 Order (alteration of accounting reference date)(**4**) is amended as follows.

(2) In paragraph (1), for the words from "having effect" to the end substitute—

"having effect in relation to—

(a) the company's current accounting reference period and subsequent periods; or

(b) the company's previous accounting reference period and subsequent periods.

A company's "previous accounting reference period" means that immediately preceding its current accounting reference period.".

(3) Paragraph (2) is hereby repealed.

(4) In paragraph (4)—

(a) after "current" insert "or previous", and

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

"(a) to a notice given by a company which is a subsidiary undertaking or parent undertaking of another EEA undertaking if the new accounting reference date coincides with that of the other EEA undertaking or, where that undertaking is not a company, with the last day of its financial year, or".

(5) In paragraph (5)—

(a) for "paragraph (2)(*a*)" substitute "paragraph (1)",

(b) after "given" insert "in respect of a previous accounting reference period", and

(c) for "the previous accounting reference period" substitute "that period".

(6) After paragraph (6) insert—

"(7) In this Article "EEA undertaking" means an undertaking established under the law of any part of the United Kingdom or the law of any other EEA State.".

Amendment of Article 242

4.—(1) Article 242 of the 1986 Order (duty to prepare directors' report)(**5**) is amended as follows.

(2) In paragraph (1)(*b*), the words from "and the" to the end are hereby repealed.

(3) In paragraph (4)—

(a) omit the words from "Part IV" to "employees, and", and

(b) at the end insert—

"Part VI relates to the company's policy on the payment of creditors.".

Amendment of Article 245

5. In Article 245 of the 1986 Order (duties of auditors)(**6**) after paragraph (4) insert—

"(5) If the directors of the company have taken advantage of the exemption conferred by Article 256 (exemption for small and medium-sized groups from the need to prepare

(**4**) Article 233 was inserted into the 1986 Order by Article 5 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

(**5**) Article 242 was inserted into the 1986 Order by Article 10(1) of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

(**6**) Article 245 was inserted into the 1986 Order by Article 11 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

group accounts) and in the auditors' opinion they were not entitled so to do, the auditors shall state that fact in their report.".

Amendment of Article 254

6.—(1) Article 254 of the 1986 Order (exemptions for small and medium-sized companies)(**7**) is amended as follows.

(2) In paragraphs (1A) and (1B)—

(a) for "immediately above the signature" substitute "above the signature", and

(b) for "that advantage has been taken" substitute "to the effect that advantage has been taken".

Amendment of Article 255

7. In Article 255(6) of the 1986 Order (calculation of number of employees to determine whether company small or medium-sized)(**8**) for "weekly" substitute "monthly".

Amendment of Article 256

8. Paragraphs (3) and (4) of Article 256 of the 1986 Order (auditors' report on entitlement to claim exemption from preparation of group accounts)(**9**) are hereby repealed.

Amendment of Article 257B

9.—(1) Article 257B of the 1986 Order (cases where exemptions from audit not available)(**10**) is amended as follows.

(2) In paragraph (1), at the beginning insert "Subject to paragraph (1A),".

(3) Insert the following paragraph after paragraph (1)—

"(1A) A company which, apart from this paragraph, would fall within paragraph (1)(*f*) by virtue of its being a subsidiary undertaking for any period within a financial year shall not be treated as so falling if it is dormant (within the meaning of Article 258) throughout that period.".

(4) In paragraph (4), at the beginning of each of sub-paragraphs (*a*) to (*c*) insert "to the effect".

(5) In paragraph (5), for the words from "immediately above the signature" to the end substitute "above the signature required by Article 241".

Amendment of Article 258

10.—(1) Article 258 of the 1986 Order (resolution not to appoint auditors)(**11**) is amended as follows.

(2) Sub-paragraph (*a*) of paragraph (2) is hereby repealed.

(3) In paragraph (4)(*c*)—

(a) for "immediately above the signature" substitute "above the signature", and

(**7**) Article 254 was inserted into the 1986 Order by Article 15(1) of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number and was amended by regulation 3 of S.R. 1992 No. 503

(**8**) Article 255 was inserted into the 1986 Order by Article 15(1) of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number and was amended by regulation 4 of S.R. 1992 No. 503

(**9**) Article 256 was inserted into the 1986 Order by Article 15(3) of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number

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

(**11**) Article 258 was inserted into the 1986 Order by Article 16 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number. It was subsequently amended by regulation 2 of S.R. 1993 No. 220

(b) for "that the company" substitute "to the effect that the company".

Amendment of Articles 270 and 270A

11.—(1) The following definition shall be inserted at the appropriate place in Article 270(1) of the 1986 Order (minor definitions)(**12**)—

""EEA State" means a State which is a Contracting Party to the Agreement on the European Economic Area signed at Oporto on 2nd May 1992, as adjusted by the Protocol signed at Brussels on 17th March 1993 and by Council Decision Number 1/95 of 10th March 1995;".

(2) The following entry shall be inserted at the appropriate place in the index of defined expressions set out in Article 270A of the 1986 Order(**13**)—

""EEA State"	Article 270(1)".

Amendment of Article 276

12.—(1) Article 276 of the 1986 Order (realised profits of insurance company with long term business)(**14**) is amended as follows.

(2) In paragraph (1), for sub-paragraph (*a*) substitute—

"(a) any amount included in the relevant part of the balance sheet of the company which represents a surplus in the fund or funds maintained by it in respect of that business and which has not been allocated to policy holders in accordance with section 30(1) of that Act or carried forward unappropriated as mentioned in section 30(7) of that Act, and".

(3) In paragraph (2), before sub-paragraph (*a*) insert—

"(aa) the reference to the relevant part of the balance sheet is to that part of the balance sheet which represents Liabilities item A.V. (profit and loss account) in the balance sheet format set out in section B of Chapter I of Part I of Schedule 9A,".

Amendment of Schedules

13.—(1) Schedule 4 to the 1986 Order (form and content of company accounts)(**15**) is amended in accordance with Schedule 1 to these Regulations.

(2) Schedule 4A to the 1986 Order (form and content of group accounts)(**16**) is amended in accordance with Schedule 2 to these Regulations.

(3) Schedule 5 to the 1986 Order (disclosure of information: related undertakings)(**17**) is amended in accordance with Schedule 3 to these Regulations.

(4) The following provisions of Schedule 7 to the 1986 Order (matters to be dealt with in the directors' report) are hereby repealed—

(a) paragraph 1(1) (significant changes in fixed assets)(**18**),

(**12**) Article 270 was inserted into the 1986 Order by Article 24 of the Companies (Northern Ireland) Order 1990 in place of an existing Article of that number and was amended by regulation 6 of S.R. 1993 No. 199
(**13**) Article 270A was inserted into the 1986 Order by Article 24 of the Companies (Northern Ireland) Order 1990 and was amended by regulation 6 of, and paragraph 3 of Schedule 2 to, S.R. 1992 No. 258, by regulation 5 of, and paragraph 5 of Schedule 2 to, S.R. 1994 No. 428 and by regulation 4 of, and paragraph 3 of Schedule 1 to, S.R. 1995 No. 128
(**14**) Article 276(1)(*a*) was amended by regulation 5 of, and paragraph 6 of Schedule 2 to, S.R. 1994 No. 428
(**15**) Schedule 4 was amended by Article 6(2) of, and Schedule 1 to, the Companies (Northern Ireland) Order 1990
(**16**) Schedule 4A was inserted by Article 7(2) of, and Schedule 2 to, the Companies (Northern Ireland) Order 1990
(**17**) Schedule 5 was substituted by Article 8(2) of, and Schedule 3 to, the Companies (Northern Ireland) Order 1990
(**18**) Paragraph 1 of Schedule 7 was amended by Article 10(2) of, and paragraph 2(1) of Schedule 5 to, the Companies (Northern Ireland) Order 1990

(b) paragraph 5A (insurance effected for officers or auditors)(**19**), and

(c) Part IV (health, safety and welfare at work of company's employees).

(5) Schedule 7 to the 1986 Order(**20**) is further amended by adding at the end the following Part—

"Part VI

Policy on the Payment of Creditors

12.—(1) This Part applies to a report by the directors of a company for a financial year if—

(a) the company was at any time within the financial year a public company, or

(b) the company did not qualify as small or medium-sized in relation to the financial year by virtue of Article 255 and was at any time within the year a member of a group of which the parent company was a public company.

(2) The report shall, with respect to the financial year immediately following that covered by the report, state—

(a) whether in respect of some or all of its suppliers it is the company's policy to follow any code or standard on payment practice and, if so, the name of the code or standard and the place where information about, and copies of, the code or standard can be obtained,

(b) whether in respect of some or all of its supplies it is the company's policy—

(i) to settle the terms or payment with those suppliers when agreeing the terms of each transaction,

(ii) to ensure that those suppliers are made aware of the terms of payment, and

(iii) to abide by the terms of payment,

(c) where the company's policy is not as mentioned in head (*a*) or (*b*) in respect of some or all of its suppliers, what its policy is with respect to the payment of those suppliers.

(3) If the company's policy is different for different suppliers or classes of suppliers, the report shall identify the suppliers or classes of suppliers to which the different policies apply.

(4) For the purposes of this Part a supplier is any person whose claim on the reporting company in respect of goods or services supplied would be included under "trade creditors" within "Creditors; amounts falling due within one year" in a balance sheet drawn up in accordance with balance sheet format 1 in Schedule 4.".

(6) Schedule 9 to the 1986 Order (form and content of accounts of banking companies and groups)(**21**) is amended in accordance with Schedule 4 to these Regulations.

(7) Schedule 9A to the 1986 Order (form and content of accounts of insurance companies and groups)(**22**) is amended in accordance with Schedule 5 to these Regulations.

(**19**) Paragraph 5A of Schedule 7 was inserted by Article 72(2) of the Companies (No. 2) (Northern Ireland) Order 1990 (S.I. 1990/1504 (N.I. 10))

(**20**) Part V of Schedule 7 was added by Article 3(2) of the Industrial Relations (Northern Ireland) Order 1987 (S.I. 1987/936 (N.I. 9))

(**21**) Parts I to III of Schedule 9 were inserted before a re-numbered Schedule 9A by regulation 5(4) of, and Schedule 1 to, S.R. 1992 No. 258. Part IV of Schedule 9 was substituted by Article 20(3) and (4) of, and Part IV of Schedule 7 to, the Companies (Northern Ireland) Order 1990

(**22**) Parts I and II of Schedule 9 were formed into a new Schedule 9A by regulation 5(1) of S.R. 1992 No. 258. A new Schedule 9A was substituted by regulation 4 of, and Schedule 1 to, S.R. 1994 No. 428