
STATUTORY INSTRUMENTS

2008 No. 410

The Large and Medium-sized Companies and
Groups (Accounts and Reports) Regulations 2008

PART 1

INTRODUCTION

Citation and interpretation

1.—(1) These Regulations may be cited as the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

(2) In these Regulations “the 2006 Act” means the Companies Act 2006.

Commencement and application

2.—(1) These Regulations come into force on 6th April 2008.

(2) Subject to paragraph (3), they apply in relation to financial years beginning on or after 6th April 2008.

(3) The requirement for disclosure in paragraph 4 of Schedule 8 to these Regulations (directors’ remuneration report: disclosure relating to consideration of conditions in company and group) applies in relation to financial years beginning on or after 6th April 2009.

(4) These Regulations apply to companies other than those which are subject to the small companies regime under Part 15 of the 2006 Act.

PART 2

FORM AND CONTENT OF ACCOUNTS

Companies Act individual accounts (companies other than banking and insurance companies)

3.—(1) Subject to regulation 4, the directors of a company—

(a) for which they are preparing Companies Act individual accounts under section 396 of the 2006 Act (Companies Act: individual accounts), and

(b) which is not a banking company or an insurance company,

must comply with the provisions of Schedule 1 to these Regulations as to the form and content of the balance sheet and profit and loss account, and additional information to be provided by way of notes to the accounts.

(2) The profit and loss account of a company that falls within section 408 of the 2006 Act (individual profit and loss account where group accounts prepared) need not contain the information

specified in paragraphs 65 to 69 of Schedule 1 to these Regulations (information supplementing the profit and loss account).

Medium-sized companies: exemptions for Companies Act individual accounts

- 4.—(1) This regulation applies to a company—
- (a) which qualifies as medium-sized in relation to a financial year under section 465 of the 2006 Act⁽¹⁾, and
 - (b) the directors of which are preparing Companies Act individual accounts under section 396 of that Act for that year.
- (2) The individual accounts for the year need not comply with the following provisions of Schedule 1 to these Regulations—
- (a) paragraph 45 (disclosure with respect to compliance with accounting standards), and
 - (b) paragraph 72 (related party transactions).
- (3) The directors of the company may deliver to the registrar of companies a copy of the accounts for the year—
- (a) which includes a profit and loss account in which the following items listed in the profit and loss account formats set out in Schedule 1 are combined as one item—
 - items 2, 3 and 6 in format 1;
 - items 2 to 5 in format 2;
 - items A.1 and B.2 in format 3;
 - items A.1, A.2 and B.2 to B.4 in format 4;
 - (b) which does not contain the information required by paragraph 68 of Schedule 1 (particulars of turnover).

Companies Act individual accounts: banking companies

- 5.—(1) The directors of a company—
- (a) for which they are preparing Companies Act individual accounts under section 396 of the 2006 Act, and
 - (b) which is a banking company,
- must comply with the provisions of Schedule 2 to these Regulations as to the form and content of the balance sheet and profit and loss account, and additional information to be provided by way of notes to the accounts.
- (2) The profit and loss account of a banking company that falls within section 408 of the 2006 Act (individual profit and loss account where group accounts prepared) need not contain the information specified in paragraphs 85 to 91 of Schedule 2 to these Regulations (information supplementing the profit and loss account).

(3) Accounts prepared in accordance with this regulation must contain a statement that they are prepared in accordance with the provisions of these Regulations relating to banking companies.

Companies Act individual accounts: insurance companies

- 6.—(1) The directors of a company—

(1) Section 465 is amended by regulation 4(1) of [S.I. 2008/393](#).

- (a) for which they are preparing Companies Act individual accounts under section 396 of the 2006 Act, and
- (b) which is an insurance company,

must comply with the provisions of Schedule 3 to these Regulations as to the form and content of the balance sheet and profit and loss account, and additional information to be provided by way of notes to the accounts.

(2) The profit and loss account of a company that falls within section 408 of the 2006 Act (individual profit and loss account where group accounts prepared)⁽²⁾ need not contain the information specified in paragraphs 83 to 89 of Schedule 3 to these Regulations (information supplementing the profit and loss account).

(3) Accounts prepared in accordance with this regulation must contain a statement that they are prepared in accordance with the provisions of these Regulations relating to insurance companies.

Information about related undertakings (Companies Act or IAS individual or group accounts)

7.—(1) Companies Act or IAS individual or group accounts must comply with the provisions of Schedule 4 to these Regulations as to information about related undertakings to be given in notes to the company's accounts.

(2) In Schedule 4—

Part 1 contains provisions applying to all companies

Part 2 contains provisions applying only to companies not required to prepare group accounts

Part 3 contains provisions applying only to companies required to prepare group accounts

Part 4 contains additional disclosures for banking companies and groups

Part 5 contains interpretative provisions.

(3) Information otherwise required to be given by Schedule 4 need not be disclosed with respect to an undertaking that—

(a) is established under the law of a country outside the United Kingdom, or

(b) carries on business outside the United Kingdom,

if the conditions specified in section 409(4) of the 2006 Act are met (see section 409(5) of the 2006 Act for disclosure required where advantage taken of this exemption).

This paragraph does not apply in relation to the information otherwise required by paragraph 3, 7 or 21 of Schedule 4.

Information about directors' benefits: remuneration (Companies Act or IAS individual or group accounts: quoted and unquoted companies)

8.—(1) Companies Act or IAS individual or group accounts must comply with the provisions of Schedule 5 to these Regulations as to information about directors' remuneration to be given in notes to the company's accounts.

(2) In Schedule 5—

Part 1 contains provisions applying to quoted and unquoted companies,

Part 2 contains provisions applying only to unquoted companies, and

Part 3 contains supplementary provisions.

(2) Section 408 is amended by regulation 9 of [S.I. 2008/393](#).

Companies Act group accounts

9.—(1) Subject to paragraphs (2) and (3), where the directors of a parent company prepare Companies Act group accounts under section 403 of the 2006 Act (group accounts: applicable accounting framework), those accounts must comply with the provisions of Part 1 of Schedule 6 to these Regulations as to the form and content of the consolidated balance sheet and consolidated profit and loss account, and additional information to be provided by way of notes to the accounts.

(2) The directors of the parent company of a banking group preparing Companies Act group accounts must do so in accordance with the provisions of Part 1 of Schedule 6 as modified by Part 2 of that Schedule.

(3) The directors of the parent company of an insurance group preparing Companies Act group accounts must do so in accordance with the provisions of Part 1 of Schedule 6 as modified by Part 3 of that Schedule.

(4) Accounts prepared in accordance with paragraph (2) or (3) must contain a statement that they are prepared in accordance with the provisions of these Regulations relating to banking groups or to insurance groups, as the case may be.

PART 3

DIRECTORS' REPORT

Directors' report

10.—(1) The report which the directors of a company are required to prepare under section 415 of the 2006 Act (duty to prepare directors' report) must disclose the matters specified in Schedule 7 to these Regulations.

(2) In Schedule 7—

Part 1 relates to matters of a general nature, including changes in asset values and contributions for political and charitable purposes,

Part 2 relates to the acquisition by a company of its own shares or a charge on them,

Part 3 relates to the employment, training and advancement of disabled persons,

Part 4 relates to the involvement of employees in the affairs, policy and performance of the company, and

Part 5 relates to the company's policy and practice on the payment of creditors.

PART 4

DIRECTORS' REMUNERATION REPORT

Directors' remuneration report (quoted companies)

11.—(1) The remuneration report which the directors of a quoted company are required to prepare under section 420 of the 2006 Act (duty to prepare directors' remuneration report) must contain the information specified in Schedule 8 to these Regulations, and must comply with any requirement of that Schedule as to how information is to be set out in the report.

(2) In Schedule 8—

Part 1 is introductory,

Part 2 relates to information about remuneration committees, performance related remuneration, consideration of conditions elsewhere in company and group and liabilities in respect of directors' contracts,

Part 3 relates to detailed information about directors' remuneration (information included under Part 3 is required to be reported on by the auditor (see subsection (3)), and

Part 4 contains interpretative and supplementary provisions.

(3) For the purposes of section 497 in Part 16 of the 2006 Act (auditor's report on auditable part of directors' remuneration report), "the auditable part" of a directors' remuneration report is the part containing the information required by Part 3 of Schedule 8 to these Regulations.

PART 5

INTERPRETATION

Definition of "provisions"

12. Schedule 9 to these Regulations defines "provisions" for the purposes of these Regulations and for the purposes of—

- (a) section 677(3)(a) (Companies Act accounts: relevant provisions for purposes of financial assistance) in Part 18 of the 2006 Act,
- (b) section 712(2)(b)(i) (Companies Act accounts: relevant provisions to determine available profits for redemption or purchase by private company out of capital) in that Part, and
- (c) sections 831(3)(a) (Companies Act accounts: net asset restriction on public company distributions), 832(4)(a) (Companies Act accounts: investment companies distributions) and 836(1)(b)(i) (Companies Act accounts: relevant provisions for distribution purposes) in Part 23 of that Act.

General interpretation

13. Schedule 10 to these Regulations contains general definitions for the purposes of these Regulations.

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and Consumer Affairs,
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19th February 2008