
STATUTORY INSTRUMENTS

2018 No. 1155

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018

PART 2

Amendments to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

Amendment of Part 7 of Schedule 7 (disclosures concerning greenhouse gas emissions)

6.—(1) Part 7 of Schedule 7 is amended as follows.

(2) In the heading, after “emissions”, insert “, energy consumption and energy efficiency action by quoted companies”.

(3) In paragraph 15—

(a) in sub-paragraph (1), at the beginning insert “Subject to sub-paragraph (1A),”;

(b) after sub-paragraph (1), insert—

“(1A) This Part does not apply if—

(a) the company is a subsidiary undertaking at the end of the financial year;

(b) the company is included in the group report of a parent undertaking; and

(c) the group report is prepared for a financial year of the parent undertaking that ends at the same time as, or before the end of, the company's financial year; and—

(i) if the group report is a group directors' report—

(aa) of a quoted company, it complies with this Part of this Schedule other than in reliance on paragraph 15(5)(b); or

(bb) of an unquoted company, it complies with Part 7A of this Schedule other than in reliance on paragraph 20D(7)(b); or

(ii) if the group report is a group energy and carbon report, it complies with Part 7A of this Schedule as applied and modified by regulation 12B of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008(1) other than in reliance on paragraph 20D(7)(b).

(1B) For the purpose of sub-paragraph (1A), “group energy and carbon report” means a report prepared in accordance with section 415(2) of the 2006 Act as applied and modified

(1) Part 3 of these Regulations amends the Limited Liability Partnerships (Accounts and Audits) (Application of Companies Act 2006) Regulations 2008 (S.I. 2008/1911) to apply to LLPs sections 415 and 416 of the Companies Act 2006, and other sections, with modifications. Section 416(2) as it applies to LLPs requires an energy and carbon report to comply, with modifications, with paragraphs 20A(1) and 20D to 20K of Part 7A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (S.I. 2008/410), which is inserted by regulation 7 of these Regulations.

by regulation 12B of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008;”;

(c) after sub-paragraph (3), insert—

“(3A) The report must state a figure, in kWh, which is the aggregate of—

(a) the annual quantity of energy consumed from activities for which the company is responsible, including—

(i) the combustion of fuel; and

(ii) the operation of any facility; and

(b) the annual quantity of energy consumed resulting from the purchase of electricity, heat, steam or cooling by the company for its own use.

(3B) The report must state what proportion of the figures reported in accordance with sub-paragraphs (2) and (3) relate to emissions in the United Kingdom and offshore area.

(3C) The report must state what proportion of the figure reported in accordance with sub-paragraph (3A) relates to energy consumed in the United Kingdom and offshore area.

(3D) If the company has in the financial year to which the report relates taken any measures for the purpose of increasing the company’s energy efficiency, the report must contain a description of the principal measures taken for that purpose.”;

(d) in sub-paragraph (4), for “(2) and (3)”, substitute “(2) to (3D) and paragraphs 16 and 17”;

(e) after sub-paragraph (4), insert—

“(5) Nothing in sub-paragraphs (2) to (3D) and paragraphs 16 and 17 requires the disclosure of information if—

(a) the company consumed 40,000 kWh of energy or less during the period in respect of which the directors’ report is prepared and the report states that the information is not disclosed for that reason; or

(b) the disclosure would, in the opinion of the directors, be seriously prejudicial to the interests of the company, and the report states that the information is not disclosed for that reason.”.

(4) After paragraph 15, insert—

“**15A.**—(1) If the report is a group directors’ report, subject to sub-paragraph (2), paragraph 15(2) to (3A), (3D) and (5)(a) and paragraph 17 have effect as if references to the company were references to the company and its subsidiary undertakings included in the consolidation that are quoted companies, unquoted companies or limited liability partnerships.

(2) The company may exclude from the report any information which relates to—

(a) a subsidiary undertaking that is a quoted company and which that quoted company would not be required to include in its directors’ report by this Part of this Schedule;

(b) a subsidiary undertaking that is an unquoted company and which that unquoted company would not be required to include in its directors’ report by Part 7A of this Schedule;

(c) a subsidiary undertaking that is a limited liability partnership and which that limited liability partnership would not be required to include in its energy and carbon report by section 416(2) of the 2006 Act as applied and modified by regulation 12B of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

(3) For the purpose of this paragraph, “limited liability partnership” means a limited liability partnership registered under the Limited Liability Partnerships Act 2000(2).”

(5) In paragraph 16, for “and (3)”, substitute “, (3) and (3A)”.

(6) In paragraph 17, omit “quoted”.

(7) After paragraph 18, insert—

“**18A.** With the exception of the first year for which the directors’ report contains the information required by paragraph 15(3A) to (3D), the report must state not only the information required by paragraph 15(3A) to (3D) but that information as disclosed in the report for the preceding financial year.”.

(8) In paragraph 19—

(a) omit “if”;

(b) for “and (3)”, substitute “if it”.

(9) After paragraph 19, insert—

“**19A.** The period for which the directors’ report is reporting the information required by paragraph 15(3) and (3A) must be the same as the period for which it is reporting the information required by paragraph 15(2).”.

(10) In paragraph 20, after the definition of “emissions”, insert—

““energy” means all forms of energy products where “energy products” means combustible fuels, heat, renewable energy, electricity, or any other form of energy;

“energy efficiency” means the ratio of output of performance, service, goods or energy to input of energy;

“kWh” means kilowatt hours;

“offshore area” means the areas comprising—

(a) the sea adjacent to the United Kingdom from the low water mark to the landward baseline of the United Kingdom territorial sea;

(b) the United Kingdom territorial sea;

(c) the sea in any designated area within the meaning of section 1(7) of the Continental Shelf Act 1964(3); and

(d) the sea in any area for the time being designated under section 41(3) of the Marine and Coastal Access Act 2009(4),

and includes the places above those areas, and the bed and subsoil of the sea within those areas.”.

(2) 2000 c.12. There are amendments to the Act which are not relevant.

(3) 1964 c.29. Section 1(7) was amended by the Oil and Gas (Enterprise) Act 1982 (c.23), Schedule 3, paragraph 1 and the Energy Act 2011 (c.16), section 103.

(4) 2009 c.23. There are amendments to the Act which are not relevant.