

Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (Text with EEA relevance)

CHAPTER 4

NOTES TO THE FINANCIAL STATEMENTS

Article 17

Additional disclosures for medium-sized and large undertakings and public-interest entities

1 In the notes to the financial statements, medium-sized and large undertakings and public-interest entities shall, in addition to the information required under Article 16 and any other provisions of this Directive, disclose information in respect of the following matters:

- a for the various fixed asset items:
 - (i) the purchase price or production cost or, where an alternative basis of measurement has been followed, the fair value or revalued amount at the beginning and end of the financial year,
 - (ii) additions, disposals and transfers during the financial year,
 - (iii) the accumulated value adjustments at the beginning and end of the financial year,
 - (iv) value adjustments charged during the financial year,
 - (v) movements in accumulated value adjustments in respect of additions, disposals and transfers during the financial year, and
 - (vi) where interest is capitalised in accordance with Article 12(8), the amount capitalised during the financial year.
- b if fixed or current assets are the subject of value adjustments for taxation purposes alone, the amount of the adjustments and the reasons for making them;
- c where financial instruments are measured at purchase price or production cost:
 - (i) for each class of derivative financial instrument:
 - the fair value of the instruments, if such a value can be determined by any of the methods prescribed in point (a) of Article 8(7), and
 - information about the extent and nature of the instruments,
 - (ii) for financial fixed assets carried at an amount in excess of their fair value:
 - the book value and the fair value of either the individual assets or appropriate groupings of those individual assets, and

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- the reasons for not reducing the book value, including the nature of the evidence underlying the assumption that the book value will be recovered;
- d the amount of the emoluments granted in respect of, the financial year to the members of administrative, managerial and supervisory bodies by reason of their responsibilities and any commitments arising or entered into in respect of retirement pensions of former members of those bodies, with an indication of the total for each category of body.

Member States may waive the requirement to disclose such information where its disclosure would make it possible to identify the financial position of a specific member of such a body;

- e the average number of employees during the financial year, broken down by categories and, if they are not disclosed separately in the profit and loss account, the staff costs relating to the financial year, broken down between wages and salaries, social security costs and pension costs;
- f where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year;
- g the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in his own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by the undertaking.

Member States may allow the information required to be disclosed by the first subparagraph of this point to take the form of a statement filed in accordance with Article 3(1) and (3) of Directive 2009/101/EC; the filing of such a statement shall be disclosed in the notes to the financial statements. Member States may also allow that information to be omitted when its nature is such that it would be seriously prejudicial to any of the undertakings to which it relates. Member States may make such omissions subject to prior administrative or judicial authorisation. Any such omission shall be disclosed in the notes to the financial statements;

- h the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital, without prejudice as far as the amount of that capital is concerned to point (e) of Article 2 of Directive 2009/101/EC or to points (c) and (d) of Article 2 of Directive 2012/30/EU;
- i where there is more than one class of shares, the number and the nominal value or, in the absence of a nominal value, the accounting par value for each class;
- j the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer;
- k the name, the head or registered office and the legal form of each of the undertakings of which the undertaking is a member having unlimited liability;
- l the name and registered office of the undertaking which draws up the consolidated financial statements of the largest body of undertakings of which the undertaking forms part as a subsidiary undertaking;
- m the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest body of undertakings of which the undertaking

- forms part as a subsidiary undertaking and which is also included in the body of undertakings referred to in point (l);
- n the place where copies of the consolidated financial statements referred to in points (l) and (m) may be obtained, provided that they are available;
 - o the proposed appropriation of profit or treatment of loss, or where applicable, the appropriation of the profit or treatment of the loss;
 - p the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking;
 - q the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet; and
 - r transactions which have been entered into with related parties by the undertaking, including the amount of such transactions, the nature of the related party relationship and other information about the transactions necessary for an understanding of the financial position of the undertaking. Information about individual transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the undertaking.

Member States may permit or require that only transactions with related parties that have not been concluded under normal market conditions be disclosed.

Member States may permit that transactions entered into between one or more members of a group be not disclosed, provided that subsidiaries which are party to the transaction are wholly owned by such a member.

Member States may permit that a medium-sized undertaking limit the disclosure of transactions with related parties to transactions entered into with:

- (i) owners holding a participating interest in the undertaking;
- (ii) undertakings in which the undertaking itself has a participating interest; and
- (iii) members of the administrative, management or supervisory bodies of the undertaking.

2 Member States shall not be required to apply point (g) of paragraph 1 to an undertaking which is a parent undertaking governed by their national laws in the following cases:

- a where the undertaking in which that parent undertaking holds a participating interest for the purposes of point (g) of paragraph 1 is included in consolidated financial statements drawn up by that parent undertaking, or in the consolidated financial statements of a larger body of undertakings as referred to in Article 23(4);
- b where that participating interest has been dealt with by that parent undertaking in its annual financial statements in accordance with Article 9(7), or in the consolidated financial statements drawn up by that parent undertaking in accordance with Article 27(1) to (8).