

1990 No. 515

COMPANIES

**The Companies (Summary Financial Statement)
Regulations 1990**

<i>Made - - - -</i>	<i>7th March 1990</i>
<i>Laid before Parliament</i>	<i>9th March 1990</i>
<i>Coming into force</i>	<i>1st April 1990</i>

The Secretary of State, in exercise of his powers under section 251(1), (2) and (3) of the Companies Act 1985^(a) and of all other powers enabling him in that behalf, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Companies (Summary Financial Statement) Regulations 1990 and shall come into force on 1st April 1990.

Interpretation

2. In these Regulations, unless otherwise stated:

“the 1985 Act” means the Companies Act 1985 as amended by the Companies Act 1989^(b);

“the 1989 Act” means the Companies Act 1989;

“a listed public company” means a public company whose shares, or any class of whose shares, are listed within the meaning of section 251(1) of the 1985 Act;

“full accounts and reports” means a company’s annual accounts, the directors’ report and the auditors’ report on those accounts required to be circulated to members under section 238(1) of the 1985 Act^(c) and “full” in relation to any balance sheet, profit and loss account, group accounts or directors’ report means any such document comprised in the full accounts and reports.

3. Regulations 4 to 9 have effect in connection with a summary financial statement of a listed public company for a financial year commencing on or after 23rd December 1989, whilst regulation 10 has effect for adapting those Regulations for a financial year of such a company commencing prior to that date, that is for a financial year to which the transitional arrangements set out in article 7 of, and Part II of Schedule 2 to, the Companies Act 1989 (Commencement No. 4 and Transitional and Saving Provisions) Order 1990^(d) are applicable.

^(a) 1985 c.6; section 251 is inserted into the Companies Act 1985 in place of the existing section of that number by sections 1 and 15 of the Companies Act 1989 (c.40).

^(b) 1989 c.40.

^(c) Section 238 is inserted into the 1985 Act in place of the existing section of that number by sections 1 and 10 of the 1989 Act.

^(d) S.I. 1990/355.

Cases in which a summary financial statement may be sent

4.—(1) A listed public company may send a summary financial statement to members of the company in accordance with section 251 of the 1985 Act and these Regulations, instead of copies of its full accounts and reports, in any case where it is not prohibited from doing so by any relevant provision in its memorandum or articles of association.

(2) For the purposes of paragraph (1) above, any provision (however expressed) in a company's memorandum or articles of association which requires copies of the full accounts and reports to be sent to members, or which forbids the sending of summary financial statements under section 251 of the 1985 Act, is a relevant provision, save that in the case of a company incorporated prior to 1st July 1985 a provision in its articles of association equivalent to Article 127 of Table A of Schedule 1 to the Companies Act 1948^(a) (whether as originally enacted or as amended by Schedule 2 to the Companies Act 1976^(b)) is not a relevant provision in the case of a financial year of the company which commences prior to 23rd December 1989 in respect of which no accounts have been circulated to members under section 238(1) of the 1985 Act prior to 1st April 1990.

Conditions that must be complied with

5. A listed public company may not send out under section 251 of the 1985 Act a summary financial statement to a member, in place of copies of its full accounts and reports, unless the following conditions have been complied with:

- (a) the company must have ascertained, in accordance with section 251(2) of the 1985 Act and regulation 6 below, that the member does not wish to continue to receive copies of those documents;
- (b) the period allowed for laying and delivering full accounts and reports under section 244 of the 1985 Act^(c) for the financial year must not have expired;
- (c) the summary financial statement must have been approved by the board of directors and the original statement signed on behalf of the board by a director of the company;
- (d) the summary financial statement must state the name of the person who signed it on behalf of the board;
- (e) the summary financial statement of a company which is not required to prepare group accounts under Part VII of the 1985 Act must include the following statement in a prominent position: "This summary financial statement does not contain sufficient information to allow for a full understanding of the results and state of affairs of the company. For further information the full annual accounts, the auditors' report on those accounts and the directors' report should be consulted.";
- (f) the summary financial statement of a company which is required to prepare group accounts under Part VII of the 1985 Act must include the following statement in a prominent position: "This summary financial statement does not contain sufficient information to allow for a full understanding of the results of the group and state of affairs of the company or of the group. For further information the full annual accounts, the auditors' report on those accounts and the directors' report should be consulted.";
- (g) the summary financial statement must contain a conspicuous statement of the right of members, under section 239 of the 1985 Act^(d) to demand, free of charge, a copy of the company's last full accounts and reports;
- (h) the summary financial statement must be accompanied by a printed card or form in respect of which any postage necessary for its return to the company has been, or will be, paid by the company and which is so worded as to enable a member, by marking a box and returning the card or form, to notify the company of either or both of the following matters:

(a) 1948 c.38. The Table A regulations contained in the First Schedule to the Companies Act 1948 were replaced by the Table A regulations in the Schedule to the Companies (Tables A to F) Regulations 1985 (S.I. 1985/805), as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (S.I. 1985/1052).

(b) 1976 c.69.

(c) Section 244 is inserted into the 1985 Act in place of the existing provision of that number by sections 1 and 11 of the 1989 Act.

(d) Section 239 was inserted into the 1985 Act in place of the existing section of that number by sections 1 and 10 of the 1989 Act.

- (i) that he wishes to receive full accounts and reports for the financial year covered by the summary financial statement, in reliance on his rights under section 239 of the 1985 Act;
- (ii) that he wishes to receive full accounts and reports for future financial years.

The manner in which the wishes of members are to be ascertained

6.—(1) For the purposes of section 251(2) of the 1985 Act, whether or not a member wishes to receive copies of the full accounts and reports for a financial year is to be ascertained:

- (a) from any relevant notification in writing he has given to the company as to whether he wishes to continue to receive (or, having previously chosen to receive a summary financial statement, to receive for the future) copies of the full accounts and reports or as to whether he wishes, instead of copies of those documents, to receive summary financial statements under section 251 of the 1985 Act; or
- (b) failing any such express notification, from any failure to respond to an opportunity given to the member to elect to receive copies of the full accounts and reports as part of a relevant consultation of his wishes by the company.

(2) For the purposes of paragraph (1)(a) above, a notification is a relevant notification with respect to a financial year if it relates to that year (whether or not it has been given at the invitation of the company and whether before or after the date of these Regulations) and if it:

- (a) is received by the company not later than 28 days before the first date on which copies of the full accounts and reports are sent out to members in compliance with section 238(1) of the 1985 Act with respect to the financial year; and
- (b) has not been impliedly countermanded, where the notification is of a wish to receive full accounts and reports, by a failure by the member concerned to respond to a subsequent relevant consultation of his wishes.

(3) For the purposes of this Regulation, a relevant consultation of the wishes of a member is a notice given to the member which:

- (a) states that for the future he will be sent a summary financial statement instead of the full accounts and reports of the company, unless he notifies the company in writing that he wishes to continue to receive those documents;
- (b) contains a statement in a prominent position that a failure to respond to the notice has important consequences;
- (c) accompanies a copy of the full accounts and reports;
- (d) accompanies a copy of a summary financial statement, prepared in accordance with section 251 of the 1985 Act and these Regulations, with respect to the financial year covered by those full accounts and reports and which is identified in the notice as an example of the document which the member will receive for the future unless he notifies the company to the contrary; and
- (e) is accompanied by a printed card or form, in respect of which any postage necessary for its return to the company has been, or will be, paid by the company, which is so worded as to enable a member, by marking a box and returning the card or form, to notify the company of either or both of the following matters:
 - (i) that he wishes to receive full accounts and reports for the next financial year for which he is entitled to receive them,
 - (ii) to notify it that he wishes to receive them for all future financial years.

Form and content of summary financial statements: Companies and groups other than banking and insurance companies and groups

7.—(1) The summary financial statement of a listed public company the directors of which are not required to prepare group accounts under Part VII of the 1985 Act, other than a banking or insurance company the directors of which have prepared accounts for the financial year in question in accordance with the special provisions of Part VII of the 1985 Act relating to banking and insurance companies, shall be in the form, and contain

the information, required by Schedule 1 to these Regulations so far as applicable to such a company.

(2) The summary financial statement of a listed public company the directors of which are required to prepare group accounts under Part VII of the 1985 Act, other than the parent company of a banking or insurance group the directors of which have prepared accounts for the financial year in question in accordance with the special provisions of Part VII of the 1985 Act relating to banking and insurance groups, shall be in the form, and contain the information, required by Schedule 1 to these Regulations, so far as applicable to such a company.

Form and content of summary financial statements: Banking companies and groups

8.—(1) The summary financial statement of a listed public company the directors of which are not required to prepare group accounts under Part VII of the 1985 Act and who, being entitled to do so by reason of the company being a banking company, have prepared accounts for the financial year in question in accordance with the special provisions of Part VII of the 1985 Act relating to banking companies shall be in the form, and contain the information, required by Schedule 2 to these Regulations, so far as applicable to such a company.

(2) The summary financial statement of a listed public company the directors of which are required to prepare group accounts under Part VII of the 1985 Act and who, being entitled to do so by reason of the company being the parent company of a banking group, have prepared accounts for the financial year in question in accordance with the special provisions of Part VII of the 1985 Act relating to banking groups shall be in the form, and contain the information, required by Schedule 2 to these Regulations, so far as applicable to such a company.

Form and content of summary financial statements: Insurance companies and groups

9.—(1) The summary financial statement of a listed public company the directors of which are not required to prepare group accounts under Part VII of the 1985 Act and who, being entitled to do so by reason of the company being an insurance company, have prepared accounts for the financial year in question in accordance with the special provisions of Part VII of the 1985 Act relating to insurance companies shall be in the form, and contain the information, required by Schedule 3 to these Regulations, so far as applicable to such a company.

(2) The summary financial statement of a listed public company the directors of which are required to prepare group accounts under Part VII of the 1985 Act and who, being entitled to do so by reason of the company being the parent company of an insurance group, have prepared accounts for the financial year in question in accordance with the special provisions of Part VII of the 1985 Act relating to insurance groups shall be in the form, and contain the information, required by Schedule 3 to these Regulations, so far as applicable to such a company.

Requirements relating to financial years commencing prior to 23rd December 1989

10.—(1) In this regulation:

“the unamended 1985 Act” means the provisions of the Companies Act 1985 prior to any repeal, re-enactment or amendment of those provisions by the 1989 Act; and
“relevant financial year” means a financial year of a company commencing prior to 23rd December 1989;

and other expressions shall, unless the contrary appears, bear the meaning they have in Part VII of the unamended 1985 Act.

(2) Regulations 4 to 9 above shall apply as if:

(a) references to “full accounts and reports” were to a company’s accounts for a financial year within the meaning of section 239 of the unamended 1985 Act, and “full” in relation to any balance sheet, profit and loss account, group accounts or directors’ report meant any such document comprised in the company’s accounts for a financial year;

(b) references to:

- (i) Part VII of the 1985 Act were read as references to Part VII of the unamended 1985 Act;
- (ii) section 238(1) were read as references to section 240(1) of the unamended 1985 Act;
- (iii) section 239 were read as references to section 246 of the unamended 1985 Act;
- (iv) section 244 were read as references to section 242 of the unamended 1985 Act.

(3) The summary financial statement of a listed public company for a financial year commencing prior to 23rd December 1989 shall be in the form, and contain the information, required by Schedule 4 to these Regulations so far as applicable to such a company.

John Redwood
Parliamentary Under-Secretary of State
for Corporate Affairs,
Department of Trade and Industry

7th March 1990

SCHEDULE 1

Regulation 7

FORM AND CONTENT OF SUMMARY FINANCIAL STATEMENT OF A LISTED PUBLIC COMPANY OTHER THAN A COMPANY PREPARING ACCOUNTS UNDER THE SPECIAL PROVISIONS OF PART VII RELATING TO BANKING AND INSURANCE COMPANIES

Form of summary financial statement

1.—(1) The summary financial statement shall contain the information prescribed by the following paragraphs of this Schedule in the order, and under the headings, of those paragraphs together with any other information necessary to ensure that the summary financial statement is consistent with the full accounts and reports for the financial year in question.

(2) Nothing in this Schedule shall be construed as prohibiting the inclusion in the summary financial statement of any additional information derived from the company's annual accounts and the directors' report.

Directors' report

2. The summary financial statement shall contain the whole of, or a summary of, that portion of the directors' report for the year in question which sets out the following matters:

- (a) the matters required by section 234(1)(a) of the 1985 Act (a) (Business review);
- (b) the matters required by paragraph 6(a) of Schedule 7 to the 1985 Act (b) (Important post-balance sheet events);
- (c) the matters required by paragraph 6(b) of that Schedule (c) (Likely future developments in the business);

and shall also contain the whole of:

- (d) the list of names of directors required by section 234(2) of the 1985 Act.

Summary profit and loss account

3.—(1) The summary financial statement shall contain, in the case of a company the directors of which are not required to prepare group accounts under Part VII of the 1985 Act for the financial year, a summary profit and loss account for the company showing, in so far as they may be derived

(a) Section 234 is inserted into the 1985 Act in place of the existing section of that number by sections 1 and 8 of the 1989 Act.

(b) Paragraph 6(a) of Schedule 7 to the 1985 Act is amended by paragraph 2(2) of Schedule 5 to the 1989 Act.

(c) Paragraph 6(b) of Schedule 7 to the 1985 Act is amended by paragraph 2(2) of Schedule 5 to the 1989 Act.

from the full profit and loss account, the following items, or combination of items, from the profit and loss account formats set out in Part I of Schedule 4 to the 1985 Act and the following requirements of paragraph 3(6) and (7) of that Schedule, in the following order:

- (a) format 1, item 1; format 2, item 1; format 3, B1; format 4, item B1 (turnover);
 - (b) the combination of the following two items: format 1, items 7 and 8; format 2, items 9 and 10; format 3, items B3 and B4; format 4, items B5 and B6 (income from shares in group undertakings and participating interests);
 - (c) the net figure resulting from the combination of the following two items: format 1, items 10 and 12; format 2, items 12 and 14; format 3, items B6 and A5; format 4, items B8 and A7 (other interest receivable and similar income and interest payable and similar charges);
 - (d) the profit or loss on ordinary activities before taxation;
 - (e) format 1, item 13; format 2, item 15; format 3, item A6; format 4, item A8 (tax on profit or loss on ordinary activities);
 - (f) format 1, item 14; format 2, item 16; format 3, item A7 or B7; format 4, item A9 or B9 (profit or loss on ordinary activities after tax);
 - (g) the net figure resulting from the combination of the following items: format 1, items 17 and 18; format 2, items 19 and 20; format 3, items A8, A9 and B8; format 4, items A10, A11 and B10 (extraordinary income and charges after tax);
 - (h) format 1, item 20; format 2, item 22; format 3, item A11 or B9; format 4, item A13 or B11 (profit or loss for the financial year); and
 - (i) the aggregate amount of dividends paid and proposed
- in each case under an appropriate heading.

(2) In the case of a company the directors of which are required to prepare group accounts under Part VII of the 1985 Act for the financial year, the summary financial statement shall contain a summary consolidated profit and loss account showing the items required by sub-paragraph (1) above, in the order required by that sub-paragraph and under appropriate headings, but with the following modifications:

- (a) in place of the information required by sub-paragraph (1)(b), there shall be shown under an appropriate heading the item "Income from interests in associated undertakings" required to be shown in the Schedule 4 formats by paragraph 21(3) of Schedule 4A to the 1985 Act (a);
- (b) between the information required by sub-paragraph (1)(f) and that required by sub-paragraph (1)(g) there shall in addition be shown under an appropriate heading the item "Minority interests" required to be shown in the Schedule 4 formats by paragraph 17(3) of that Schedule ; and
- (c) the figure required by sub-paragraph (1)(g) shall be shown after the deduction or the addition (as the case may be) of the item "Minority interests" required to be shown in the Schedule 4 formats by paragraph 17(4) of that Schedule.

(3) The summary profit and loss account shall also show, at the end thereof and under an appropriate heading, the figure required by paragraph 1(1) of Part I of Schedule 6 to the 1985 Act (b) (Directors' emoluments).

(4) In respect of every item shown in the summary profit and loss account the corresponding amount shall be shown for the immediately preceding financial year; for this purpose "the corresponding amount" is the amount shown in the summary financial statement for that year or which would have been so shown had such a statement been prepared for that year, after any adjustments necessary to ensure that that amount is comparable with the item for the financial year in question.

Summary balance sheet

4.—(1) The summary financial statement shall contain, in the case of a company the directors of which are not required to prepare group accounts under Part VII of the 1985 Act for the financial year, a summary balance sheet for the company which, under an appropriate heading, shall show, in so far as it can be derived from the full balance sheet, a single amount for each of the headings to which letters are assigned in that balance sheet format set out in Part I of Schedule 4 to the 1985 Act which has been used for the full balance sheet (where necessary by the combination of the items to which Roman and Arabic numbers are assigned under those headings) in the order therein set out but:

- (a) where an alternative position is permitted for any item in either format, the summary balance sheet shall use that position used by the full balance sheet; and

(a) Schedule 4A was inserted into the 1985 Act by section 5(2) of, and Schedule 2 to, the 1989 Act.

(b) Part I of Schedule 6 to the 1985 Act was originally Part V of Schedule 5 to the 1985 Act. A new Schedule 5 was substituted by sections 1 and 6(2) of and Schedule 3 to the 1989 Act. However, Part V of the original Schedule 5 was reproduced, with amendments, as Part I of Schedule 6 by sections 1 and 6(4) of and Schedule 4 to the 1989 Act.

- (b) in the case of format 2, heading C under "Liabilities", two figures must be shown, one figure for amounts falling due within one year and one for amounts falling due after one year.

(2) The summary financial statement shall contain, in the case of a company the directors of which are required to prepare group accounts under Part VII of the 1985 Act for the financial year, a summary consolidated balance sheet which shall show the items required by sub-paragraph (1) with the addition of the item "Minority interests" required by paragraph 17(2) of Schedule 4A to the 1985 Act, to be inserted as required by that paragraph.

(3) In respect of every item shown in the summary balance sheet the corresponding amount shall be shown for the immediately preceding financial year; for this purpose "the corresponding amount" is the amount shown in the summary financial statement for that year or which would have been so shown had such a statement been prepared for that year, after any adjustments necessary to ensure that that amount is comparable with the item for the financial year in question.

SCHEDULE 2

Regulation 8

FORM AND CONTENT OF SUMMARY FINANCIAL STATEMENT OF A LISTED PUBLIC COMPANY THAT HAS PREPARED ACCOUNTS UNDER THE SPECIAL PROVISIONS OF PART VII RELATING TO BANKING COMPANIES OR GROUPS

Form of summary financial statement

1.—(1) The summary financial statement shall contain the information prescribed by the following paragraphs of this Schedule in the order, and under the headings, of those paragraphs together with any other information necessary to ensure that the summary financial statement is consistent with the full accounts and reports for the financial year in question.

(2) Where the company is entitled to the exemptions conferred by paragraph 27 of Schedule 9 to the 1985 Act^(a) and has relied upon them with respect to the full accounts from which the summary financial statement is to be drawn, the summary financial statement shall state that fact.

(3) Nothing in this Schedule shall be construed as prohibiting the inclusion in the summary financial statement of any additional information derived from the company's annual accounts and the directors' report.

Directors' report

2. The summary financial statement shall contain either the whole of, or a summary of, that portion of the directors' report for the year in question which sets out the following matters:

- (a) the matters required by section 234(1)(a) of the 1985 Act (Business review);
- (b) the matters required by paragraph 6(a) of Schedule 7 to the 1985 Act (Important post-balance sheet events);
- (c) the matters required by paragraph 6(b) of that Schedule (Likely future developments in the business);

and shall contain the whole of:

- (d) the list of names of directors required by section 234(2) of the 1985 Act.

Summary profit and loss account

3.—(1) The summary financial statement shall contain, in the case of a company the directors of which are not required to prepare group accounts under Part VII of the 1985 Act for the financial year, a summary profit and loss account for the company, or, in the case of a company the directors of which are so required, a summary consolidated profit and loss account, showing, in so far as they may be derived from the full profit and loss account, amounts for the following items, under appropriate headings:

- (a) the profit or loss for the financial year before taxation;
- (b) taxation, that is the combined amount of the charge to revenue for United Kingdom taxation required to be shown by paragraph 14(1)(c) of Schedule 9 to the 1985 Act and the charge for taxation imposed out of the United Kingdom on profits, income and (so far as charged to revenue) capital gains to be shown by that paragraph;
- (c) the profit or loss for the financial year after taxation;

(a) Paragraph 27 of Schedule 9 is amended by paragraph 8 of Schedule 7 to the 1989 Act.

- (d) extraordinary and exceptional items, that is the amounts required by paragraph 18(6)(a) of that Schedule; and
- (e) dividends paid and proposed, that is the aggregate amount of dividends paid and proposed required by paragraph 14(1)(k) of that Schedule.

(2) The summary profit and loss account shall also show, at the end thereof and under an appropriate heading the figure required by paragraph 1(1) of Part I of Schedule 6 to the 1985 Act (Directors' emoluments).

(3) In respect of every item shown in the summary profit and loss account the corresponding amount shall be shown for the immediately preceding financial year; for this purpose "the corresponding amount" is the amount shown in the summary financial statement for that year or which would have been so shown had such a statement been prepared for that year, after any adjustments necessary to ensure that that amount is comparable with the item for the financial year in question.

Summary balance sheet

4.—(1) The summary financial statement shall contain, in the case of a company the directors of which are not required to prepare group accounts under Part VII of the 1985 Act for the financial year, a summary balance sheet for the company or, in the case of a company the directors of which are so required, a summary consolidated balance sheet, which shall show, in so far as they may be derived from the full balance sheet, the following items:

- (a) the amount of issued share capital required to be disclosed under paragraph 2 of Schedule 9 to the 1985 Act (Issued share capital);
- (b) the combined figure for the reserves required to be shown under paragraphs 4(1) and 7 of that Schedule (Reserves);
- (c) the combined figure for the provisions required to be shown under paragraphs 4(1) and 7 of that Schedule (Provisions);
- (d) the combined figure for liabilities required to be shown in the balance sheet under Part I of that Schedule (Liabilities);
- (e) the combined figure for fixed assets required to be shown in the balance sheet under Part I of that Schedule (Fixed assets); and
- (f) a combined figure for any other assets required to be disclosed in the full balance sheet under the provisions of Part I of that Schedule (Other assets),

in each case under an appropriate heading.

(2) There shall also be stated, under an appropriate heading, the information required by paragraph 13(7) of Schedule 9 to the 1985 Act (contingent liabilities not otherwise provided for).

(3) In respect of every item shown in the summary balance sheet the corresponding amount shall be shown for the immediately preceding financial year; for this purpose "the corresponding amount" is the amount shown in the summary financial statement for that year or which would have been so shown had such a statement been prepared for that year, after any adjustments necessary to ensure that that amount is comparable with the item for the financial year in question.

SCHEDULE 3

Regulation 9

FORM AND CONTENT OF SUMMARY FINANCIAL STATEMENT OF A LISTED PUBLIC COMPANY THAT PREPARES ACCOUNTS UNDER THE SPECIAL PROVISIONS OF PART VII RELATING TO INSURANCE COMPANIES OR GROUPS

Form of summary financial statement

1.—(1) The summary financial statement shall contain the information prescribed by the following paragraphs of this Schedule in the order, and under the headings, of those paragraphs together with any other information necessary to ensure that the summary financial statement is consistent with the full accounts and reports for the financial year in question.

(2) Where the company is entitled to the exemptions conferred by paragraph 28 of Schedule 9 to the 1985 Act(a) and has relied upon them with respect to the full accounts from which the summary financial statement is to be drawn, the summary financial statement shall state that fact.

(a) Paragraph 28 of Schedule 9 to the 1985 Act has been amended by paragraph 9 of Schedule 7 to the 1989 Act.

(3) Nothing in this Schedule shall be construed as prohibiting the inclusion in the summary financial statement of any additional information derived from the company's annual accounts and the directors' report.

Directors' report

2. The summary financial statement shall contain either the whole of or a summary of that portion of the directors' report for the year in question which sets out the following matters:

- (a) the matters required by section 234(1)(a) of the 1985 Act (Business review);
- (b) the matters required by paragraph 6(a) of Schedule 7 to the 1985 Act (Important post-balance sheet events);
- (c) the matters required by paragraph 6(b) of that Schedule (Likely future developments in the business);

and shall contain the whole of:

- (d) the list of names of directors required by section 234(2) of the 1985 Act.

Summary profit and loss account

3.—(1) The summary financial statement shall contain, in the case of a company the directors of which are not required to prepare group accounts under Part VII of the 1985 Act for the financial year, a summary profit and loss account for the company, or, in the case of a company the directors of which are so required, a summary consolidated profit and loss account, showing, in so far as they may be derived from the full profit and loss account, amounts for the following items:

- (a) the profit or loss for the financial year before taxation;
- (b) taxation, that is the combined amount of the charge to revenue for United Kingdom taxation required to be shown by paragraph 14(1)(c) of Schedule 9 to the 1985 Act and the charge for taxation imposed out of the United Kingdom on profits, income and (so far as charged to revenue) capital gains required to be shown by that paragraph;
- (c) the profit or loss for the financial year after taxation;
- (d) extraordinary and exceptional items, that is the amounts required by paragraph 18(6)(a) of that Schedule; and
- (e) dividends paid and proposed, that is the aggregate amount of dividends paid and proposed required by paragraph 14(1)(k) of that Schedule

in each case under appropriate headings.

(2) The summary profit and loss account shall also show, at the end thereof and under an appropriate heading, the figure required by paragraph 1(1) of Part I of Schedule 6 to the 1985 Act (directors' emoluments).

(3) In respect of every item shown in the summary profit and loss account the corresponding amount shall be shown for the immediately preceding financial year; for this purpose "the corresponding amount" is the amount shown in the summary financial statement for that year or which would have been so shown had such a statement been prepared for that year, after any adjustments necessary to ensure that that amount is comparable with the item for the financial year in question.

Summary balance sheet

4.—(1) The summary financial statement shall contain, in the case of a company the directors of which are not required to prepare group accounts under Part VII of the 1985 Act for the financial year, a summary balance sheet for the company or, in the case of a company the directors of which are so required, a summary consolidated balance sheet, which shall show, in so far as they may be derived from the full balance sheet, the following items:

- (a) the amount of issued share capital required to be disclosed under paragraph 2 of Schedule 9 to the 1985 Act (Issued share capital);
- (b) the combined figure for the reserves required to be shown under paragraphs 4(1) and 7 of that Schedule (Reserves);
- (c) the combined figure for the provisions required to be shown under paragraphs 4(1) and 7 of that Schedule (Provisions);
- (d) the combined figure for liabilities required to be shown in the balance sheet under Part I of that Schedule (Liabilities); and
- (e) a combined figure for any assets required to be disclosed in the full balance sheet under the provisions of Part I of that Schedule (Assets),

in each case under an appropriate heading.

(2) In respect of every item shown in the summary balance sheet the corresponding amount shall be shown for the immediately preceding financial year; for this purpose "the corresponding

amount" is the amount shown in the summary financial statement for that year or which would have been so shown had such a statement been prepared for that year, after any adjustments necessary to ensure that that amount is comparable with the item for the financial year in question.

Companies preparing alternative form group accounts

5. Where the directors of a parent company of an insurance group, being entitled to do so, prepare group accounts in an alternative form as permitted by paragraph 3 of Part I of Schedule 2 to the Companies Act (Commencement No. 4 and Transitional and Saving Provisions) Order 1990:

- (a) the summary financial statement for that company shall contain a summary profit and loss account for the group showing the information required by paragraph 3(1) and (2) of this Schedule with such modifications as are required to summarise appropriately the profit or loss of the group; paragraph 3(3) shall apply; and
- (b) the summary financial statement for that company shall contain a summary balance sheet for the group showing the information required by paragraph 4(1) of this Schedule with such modifications as are required to summarise appropriately the state of affairs of the group; paragraph 4(2) shall apply.

SCHEDULE 4

Regulation 10

FORM AND CONTENT OF SUMMARY FINANCIAL STATEMENT FOR A FINANCIAL YEAR COMMENCING PRIOR TO 23RD DECEMBER 1989

1. The summary financial statement of a listed public company, other than:

- (a) a banking or insurance company the directors of which are not required to prepare group accounts under Part VII of the unamended 1985 Act and, being entitled to do so, have prepared special category individual accounts thereunder for the financial year in question; and
- (b) a company the directors of which are required to prepare group accounts under Part VII of the unamended 1985 Act and, being entitled to do so, have prepared special category group accounts thereunder for the financial year in question,

shall be in the form, and contain the information, required by Schedule 1 to these Regulations, so far as applicable to such a company, with the following modifications:

- (i) paragraph 2(a) shall apply as if the reference therein to section 234(1)(a) of the 1985 Act was a reference to section 235(1)(a) or (in so far as it requires a directors' report to deal with the company's state of affairs) to section 261(2), as may be appropriate, of the unamended 1985 Act;
- (ii) paragraph 2(b) and (c) shall not apply where the company's individual accounts are special category;
- (iii) paragraph 2(d) shall apply as if the reference therein to section 234(2) of the 1985 Act was a reference to section 235(2) of the unamended 1985 Act;
- (iv) paragraph 3(1) shall apply as if the words in round brackets in paragraph 3(1)(b) read as follows: "income from shares in group and related companies";
- (v) paragraph 3(2) shall not apply, but the summary financial statement of a company which is required to prepare group accounts under Part VII of the unamended 1985 Act shall contain a summary consolidated profit and loss account for the group showing the matters required by paragraph 3(1), in the order and under the headings required by that paragraph, save that in place of the information required by paragraph 3(1)(b) there shall be shown, under an appropriate heading, format 1, item 8; format 2, item 10; format 3, item B4; format 4, item B6 (Income from shares in related companies);
- (vi) paragraph 3(3) shall apply as if the reference therein to paragraph 1(1) of Part I of Schedule 6 to the 1985 Act was a reference to paragraph 22(1) of Schedule 5 to the unamended 1985 Act;
- (vii) paragraph 4(2) shall not apply, but the summary financial statement of a company which is required to prepare group accounts under Part VII of the unamended 1985 Act shall contain a summary consolidated balance sheet for the group showing the matters required by paragraph 4(1), in the order and under the headings required by that paragraph;
- (viii) where, in the case of a company the directors of which are required to prepare group accounts under Part VII of the unamended 1985 Act, the full group accounts

of the company are prepared in an alternative form permitted by section 229(6) of the unamended 1985 Act, paragraphs 3(2) and 4(2) shall not apply, but the summary financial statement for that company shall contain:

- a summary profit and loss account for the group showing the information required by paragraph 3(1) with such modifications as are required to summarise appropriately the profit or loss of the group;
- a summary balance sheet for the group showing the information required by paragraph 4(1) with such modifications as are required to summarise appropriately the state of affairs of the group;

and as if the other references in that Schedule to provisions in Part VII of the 1985 Act were references to those provisions in the unamended 1985 Act.

2. The summary financial statement of a listed public company being:

- (a) a banking company the directors of which are not required to prepare group accounts under Part VII of the unamended 1985 Act and, being entitled to do so, have prepared special category individual accounts thereunder for the financial year in question; or
- (b) a company the directors of which are required to prepare group accounts under Part VII of the unamended 1985 Act and, being entitled to do so by reason of the company being a banking company or the holding company of a banking company, have prepared special category group accounts thereunder for the financial year in question,

shall be in the form, and contain the information, required by Schedule 2 to these Regulations, so far as applicable to such a company, with the following modifications:

- (i) paragraph 2(a) shall apply as if the reference therein to section 234(1)(a) of the 1985 Act was a reference to section 235(1)(a) or (insofar as it requires a directors' report to deal with the company's state of affairs) to section 261(2), as may be appropriate, of the unamended 1985 Act;
- (ii) paragraph 2(b) and (c) shall not apply where the company's individual accounts are special category;
- (iii) paragraph 2(d) shall apply as if the reference therein to section 234(2) of the 1985 Act was a reference to section 235(2) of the unamended 1985 Act;
- (iv) paragraph 3(2) shall apply as if the reference therein to paragraph 1(1) of Part I of Schedule 6 to the 1985 Act was a reference to paragraph 22(1) of Schedule 5 to the unamended 1985 Act;
- (v) where, in the case of a company the directors of which are required to prepare group accounts under Part VII of the unamended 1985 Act, the full group accounts of the company are prepared in an alternative form permitted by section 229(6) of the unamended 1985 Act, the summary financial statement for that company shall contain, in place of the summary consolidated profit and loss account and balance sheet required by paragraphs 3(1) and 4(1):
 - a summary profit and loss account for the group showing the information required by paragraph 3(1) with such modifications as are required to summarise appropriately the profit or loss of the group;
 - a summary balance sheet for the group showing the information required by paragraph 4(1) and (2) with such modifications as are required to summarise appropriately the state of affairs of the group,

and as if the other references in that Schedule to provisions in Part VII of the 1985 Act were references to those provisions in the unamended 1985 Act.

3. The summary financial statement of a listed public company being:

- (a) an insurance company the directors of which are not required to prepare group accounts under Part VII of the unamended 1985 Act and, being entitled to do so, have prepared special category individual accounts thereunder for the financial year in question; or
- (b) a company the directors of which are required to prepare group accounts under Part VII of the unamended 1985 Act and, being entitled to do so by reason of the company being an insurance company or the holding company of an insurance company, have prepared special category group accounts thereunder for the financial year in question,

shall be in the form, and contain the information, required by Schedule 3 to these Regulations, so far as applicable to such a company, with the following modifications:

- (i) paragraph 2(a) shall apply as if the reference therein to section 234(1)(a) of the 1985 Act was a reference to section 235(1)(a) or (insofar as it requires a directors' report to deal with the company's state of affairs) to section 261(2), as may be appropriate, of the unamended 1985 Act;
- (ii) paragraph 2(b) and (c) shall not apply where the company's individual accounts are special category;

- (iii) paragraph 2(d) shall apply as if the reference therein to section 234(2) of the 1985 Act was a reference to section 235(2) of the unamended 1985 Act;
 - (iv) paragraph 3(2) shall apply as if the reference therein to paragraph 1(1) of Part I of Schedule 6 to the 1985 Act was a reference to paragraph 22(1) of Schedule 5 to the unamended 1985 Act;
 - (v) where, in the case of a company the directors of which are required to prepare group accounts under Part VII of the unamended 1985 Act, the full group accounts of the company are prepared in an alternative form permitted by section 229(6) of the unamended 1985 Act, the summary financial statement for that company shall contain, in place of the summary consolidated profit and loss account and balance sheet required by paragraphs 3(1) and 4(1):
 - a summary profit and loss account for the group showing the information required by paragraph 3(1) with such modifications as are required to summarise appropriately the profit or loss of the group; and
 - a summary balance sheet for the group showing the information required by paragraph 4(1) with such modifications as are required to summarise appropriately the state of affairs of the group,
- and as if the other references in that Schedule to provisions in Part VII of the 1985 Act were references to those provisions in the unamended 1985 Act.
-

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, made under section 251 of the Companies Act 1985 as inserted by section 15 of the Companies Act 1989, permit a public company whose shares, or any class of whose shares, are listed on The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited to send out a summary financial statement to a member instead of the full accounts and reports of the company, where the requirements of these Regulations are satisfied.

Regulation 4 allows a listed public company to send out a summary financial statement to a member provided it is not prohibited from doing so by any provision in its memorandum or articles of association. Provision is made for companies incorporated prior to 1st July 1985 which adopted the form of articles of association then stipulated by the Companies Act 1948.

Regulation 5 sets out certain conditions that must be complied with before a summary financial statement may be sent out to a member in place of full accounts and reports. Most importantly, the company must first ascertain, in accordance with the provisions of regulation 6, that the member wishes to receive a summary financial statement. In addition, inter alia, warnings about the limited nature of the summary financial statement must be included in the statement and a post paid printed card or form must be provided enabling copies of the full accounts and reports for the year in question or for future financial years to be obtained from the company.

Regulation 6 provides for the manner in which the wishes of members, as to whether they wish to receive full accounts and reports or a summary financial statement, are to be ascertained. Two methods are provided for. Firstly a member's wishes are to be ascertained from any express notification in writing he has given to the company, provided that it is received by the company in good time. Secondly a company may conduct a consultation exercise of its members, under which if a member does not respond to the company, he will be taken as having expressed a wish to receive a summary financial statement.

Regulations 7 to 9 of and Schedules 1 to 3 to the Regulations set out the required form and content of summary financial statements. The form and content required differs according to whether the company prepares accounts in accordance with Schedule 4 to the Companies Act 1985, or whether it prepares accounts in accordance with the special provisions of the 1985 Act relating to banking or insurance companies and groups.

Regulation 10 of and Schedule 4 to the Regulations adapt the requirements of the Regulations for financial years commencing prior to 23rd December 1989, for which transitional provisions have been made by article 7 of, and Part II of Schedule 2 to, the Companies Act 1989 (Commencement No. 4 and Transitional and Saving Provisions) Order 1990.

