

SCHEDULE 1

Regulation 4

CONSEQUENTIAL AMENDMENTS OF ENACTMENTS

PART I

AMENDMENTS OF COMPANIES ACT 1985

1.—(1) Section 240 of the 1985 Act⁽¹⁾(requirements in connection with publication of accounts) shall be amended as follows.

(2) At the end of subsection (1) there shall be added the words “or, as the case may be, the relevant report made for the purposes of section 249A(2)”.

(3) In subsection (3)—

(a) in paragraph (c), after the word “year” there shall be inserted the words “and, if no such report has been made, whether the companys reporting accountant has made a report for the purposes of section 249A(2) on the statutory accounts for any such financial year”,

(b) in paragraph (d), before the word “report” there shall be inserted the word “auditors” and at the end of that paragraph there shall be added the words “or whether any report made for the purposes of section 249A(2) was qualified”, and

(c) at the end of the subsection there shall be added the words “or any report made for the purposes of section 249A(2)”.

2. In section 245 of the 1985 Act⁽²⁾ (voluntary revision of annual accounts or directors' report), in subsection (4)(b), after the words “the companys auditors” there shall be inserted the words “or reporting accountant”.

3. In section 262A of the 1985 Act⁽³⁾ (index of defined expressions), the following entry shall be inserted at the appropriate place—

“reporting accountant	section 249C(1)”
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4. In section 384(1) of the 1985 Act (duty to appoint auditors) for the words “dormant company” there shall be substituted the words “certain companies”.

5. In Schedule 8 to the 1985 Act⁽⁴⁾, after paragraph 25 there shall be inserted the following paragraph—

“Other companies exempt from audit

25A. Paragraph 24 above does not apply where the company is exempt by virtue of section 249A (certain categories of small companies) from the obligation to appoint auditors.”

(1) Section 240 was substituted by section 10 of the Companies Act 1989.

(2) Section 245 was substituted by section 12 of the Companies Act 1989.

(3) Section 262A was inserted into the 1985 Act by section 22 of the Companies Act 1989, and was amended by paragraph 3 of Schedule 2 to S.I.1991/2705, and by paragraph 5 of Schedule 2 to S.I. 1993/3246.

(4) Schedule 8 was substituted by section 13(2) of the Companies Act 1989 and amended by S.I. 1992/2452.

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PART II

AMENDMENTS OF CHARITIES ACT 1993

6. In section 45 of the Charities Act 1993⁽⁵⁾(annual reports), in subsection (5), for the words “the auditors report” there shall be substituted the words “any auditors report or report made for the purposes of section 249A(2) of that Act”.

7. In section 47 of that Act (public inspection of annual reports etc.), in subsection (3) for paragraph (c) there shall be substituted the following paragraph—

“(c) in the case of a charity which is a company, a reference to the most recent annual accounts of the company prepared under Part VII of the Companies Act 1985 in relation to which any of the following conditions is satisfied—

- (i) they have been audited
- (ii) a report required for the purposes of section 249A(2) of that Act has been made in respect of them; or
- (iii) they relate to a year in respect of which the company is exempt from audit by virtue of section 249A(1) of that Act; and”.

SCHEDULE 2

Regulation 5

CONSEQUENTIAL AMENDMENTS OF THE COMPANIES (REVISION OF DEFECTIVE ACCOUNTS AND REPORT) REGULATIONS 1990

1. The Companies (Revision of Defective Accounts and Report) Regulations 1990 shall be amended as follows

2. The following regulations shall be inserted after regulation 6—

“6A.—(1) Subject to the next paragraph, where a companys reporting accountant has, prior to the preparation of the revised accounts, made a report for the purposes of section 249A(2) of the Act on the original annual accounts, he shall make a further report to the companys members under this Regulation on any revised accounts prepared under section 245 of the Act and section 249C of the Act shall apply mutatis mutandis.

(2) The directors of the company may resolve that the further report is to be made by a person who was not the original reporting accountant, but is qualified to act as the reporting accountant of the company.

(3) Subsections (2)

to (4) of section 236 of the Act shall apply to a report under this Regulation as they apply, by virtue of section 249E(2)(a) of the Act, to a report made for the purposes of section 249A(2) of the Act.

(4) A report under this Regulation shall, upon being signed by the reporting accountant, be, as from the date of the signature, the report on the annual accounts of the company for the purposes of section 249A(2) of the Act in place of the report on the original annual accounts.

6B.—(1) Where as a result of the revisions to the accounts a company which, in respect of the original accounts, was exempt from audit by virtue of subsection (1) of section 249A of the Act, becomes a company which is eligible for exemption from audit only by virtue

(5) 1993 c. 10.

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of subsection (2) of that section, it shall cause a report to be prepared in accordance with section 249C of the Act in respect of the revised accounts.

(2) Where as a result of the revisions to the accounts, the company is no longer entitled to exemption from audit under section 249A(1) or (2) of the Act, the company shall cause an auditors' report on the revised accounts to be prepared.

(3) The report made in accordance with section 249C of the Act or auditors report shall be delivered to the registrar within 28 days after the date of revision of the revised accounts

(4) Subsections (2)

to (5) of section 242 of the Act shall apply with respect to a failure to comply with the requirements of this Regulation as they apply with respect to a failure to comply with the requirements of subsection (1) of that section but as if—

- (a) the references in subsections (2) and (4) of that section to “the period allowed for laying and delivering accounts and reports” were references to the period of 28 days referred to in paragraph (3); and
- (b) the references in subsection (5) to “the documents in question” and “this Part” were, respectively, a reference to the documents referred to in paragraph (3) and to the provisions of Part VII of the Act as applied by these Regulations.”

3. The following regulation shall be inserted after Regulation 14—

“Companies exempt from audit by virtue of section 249A of Companies Act 1985

14A.—(1) Where a company is exempt by virtue of section 249A(1)

of the Act from the provisions of Part VII of the Act relating to the audit of accounts, these Regulations shall have effect as if any reference to an auditors report, or to the making of such a report, were omitted.

(2) Where a company is exempt by virtue of section 249A(2)

of the Act from the provisions of Part VII of the Act relating to the audit of accounts, regulations 10 to 13 shall have effect as if—

- (a) references to the auditors report on any accounts were references to the report made for the purposes of section 249A(2) in respect of those accounts, and
- (b) references to the auditors report on a revised directors report were omitted.”