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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations, which are made under section 1043 of the Companies Act 2006 (c.46) (“the Act”), amend the Unregistered Companies Regulations 2009 (S.I. 2009/2436) which applied to unregistered companies specified provisions of that Act.

Regulation 2 amends Schedule 1 to those Regulations in consequence of amendments to the Act made by the Companies Act 2006 (Strategic Report and Directors’ Report) Regulations 2013 (S.I. 2013/xxx) (“the 2013 Regulations”) and by the Enterprise and Regulatory Reform Act 2013 (c.24).

Regulation 2(2)(a) disapplies sections 414A to 414D of the Act for unregistered companies. The 2013 Regulations amended the Act to repeal section 417 (the business review) and to insert new sections 414A to 414D requiring companies to prepare a strategic report the contents of which are in similar terms to repealed section 417. As section 417 was not applied to unregistered companies by S.I. 2009/2436 these new sections are also disapplied.

Regulation 2(2)(a) disapplies sections 426 to 429 for unregistered companies. The 2013 Regulations made changes to sections 426 to 429 (summary financial statements) to provide for an option for companies to provide a copy of the strategic report and supplementary material to members who elect not to receive the full accounts and report, rather than a summary financial statement. As unregistered companies will not be required to prepare a strategic report these sections are disapplied.

Regulation 2(2)(a) amends S.I. 2009/2436 to disapply the provisions of sections 420 to 422A and 439 to 440 of the Act in respect of unregistered companies. Sections 421 and 439 were amended by section 79 of the Enterprise and Regulatory Reform Act 2013 (c.24) and new sections 422A and 439A were inserted in the Act in order to provide for a binding shareholder vote on a quoted company’s directors remuneration policy. Section 80 of that Act inserted a new Chapter 4A into Part 10 of the Act to provide for restrictions resulting from the binding vote on payments by the company to directors of remuneration or loss of office.

Regulation 2(2)(b) removes modifications to the Act consequential upon the above amendments.

An impact assessment has not been prepared for these Regulations as no impact on the cost of business, charities or voluntary bodies is foreseen. Further information is available from the Business Environment Directorate, Department for Business, Innovation and Skills, 1 Victoria Street, London SW1H 0ET or from [www.gov.uk/bis](http://www.gov.uk/bis).