

---

STATUTORY INSTRUMENTS

---

**2015 No. 1672**

**COMPANIES**

**The Companies, Partnerships and Groups  
(Accounts and Reports) (No. 2) Regulations 2015**

<i>Made</i>	- - - -	<i>9th September 2015</i>
<i>Laid before Parliament</i>		<i>10th September 2015</i>
<i>Coming into force</i>	- -	<i>1st October 2015</i>

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 396(3), 473(2) and 1292(1) of the Companies Act 2006<sup>(1)</sup>.

**Citation and interpretation**

1.—(1) These Regulations may be cited as the Companies, Partnerships and Groups (Accounts and Reports) (No. 2) Regulations 2015.

(2) In these Regulations—

“the Small Companies Accounts Regulations” means the Small Companies and Groups (Accounts and Directors’ Report) Regulations 2008<sup>(2)</sup>; and

“the Large and Medium-sized Companies Accounts Regulations” means the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008<sup>(3)</sup>.

**Commencement and application**

2.—(1) These Regulations come into force on 1st October 2015.

(2) The amendments made by regulations 3 and 4 have effect in relation to—

(a) financial years beginning on or after 1st January 2016, and

(b) a financial year of a company beginning on or after 1st January 2015 but before 1st January 2016, if the directors of the company have decided, pursuant to regulation 2(2)(b) of the Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015<sup>(4)</sup>, that the amendments made by those Regulations have effect in relation to that financial year.

---

(1) 2006 c. 46.

(2) S.I. 2008/409, amended by S.I. 2015/980; there are other amending instruments but none is relevant.

(3) S.I. 2008/410, amended by S.I. 2015/980; there are other amending instruments but none is relevant.

(4) S.I. 2015/980.

(3) But the amendments made by regulations 3 and 4 do not have effect in relation to the application to limited liability partnerships of any provision of the Small Companies Accounts Regulations or the Large and Medium-sized Companies Accounts Regulations by—

- (a) the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008(5),
- (b) the Small Limited Liability Partnerships (Accounts) Regulations 2008(6), or
- (c) the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008(7).

#### **Amendment to Schedule 1 to the Small Companies Accounts Regulations**

3.—(1) Schedule 1 (Companies Act individual accounts) to the Small Companies Accounts Regulations is amended as follows.

(2) In Section B of Part 2 (accounting principles and rules: historical cost accounting rules), in paragraph 20(8) (fixed assets: rules for depreciation and diminution in value), after sub-paragraph (1) insert—

“(1A) But provision made in accordance with paragraph 19(2) in respect of goodwill must not be written back to any extent.”.

#### **Amendments to Schedules 1, 2 and 3 to the Large and Medium-sized Companies Accounts Regulations**

4.—(1) Schedule 1 (Companies Act individual accounts: companies which are not banking or insurance companies) to the Large and Medium-sized Companies Accounts Regulations is amended in accordance with paragraph (2).

(2) In Section B of Part 2 (accounting principles and rules: historical cost accounting rules), in paragraph 20(9) (fixed assets: rules for depreciation and diminution in value), after sub-paragraph (1) insert—

“(1A) But provision made in accordance with paragraph 19(2) in respect of goodwill must not be written back to any extent.”.

(3) Schedule 2 (banking companies: Companies Act individual accounts) to those Regulations is amended in accordance with paragraph (4).

(4) In Section B of Part 2 (accounting principles and rules: historical cost accounting rules), in paragraph 26(10) (fixed assets: rules for depreciation and diminution in value), after sub-paragraph (1) insert—

“(1A) But provision made in accordance with paragraph 25(3) in respect of goodwill must not be written back to any extent.”.

(5) Schedule 3 (insurance companies: Companies Act individual accounts) to those Regulations is amended in accordance with paragraph (6).

(6) In Section D of Part 2 (accounting principles and rules: historical cost accounting rules), in paragraph 39 (valuation of assets: general rules), after sub-paragraph (1) insert—

“(1A) But provision made in accordance with paragraph 38(2) or (3) in respect of goodwill must not be written back to any extent.”.

---

(5) [S.I. 2008/1911](#), to which there are amendments not relevant to these Regulations.

(6) [S.I. 2008/1912](#).

(7) [S.I. 2008/1913](#).

(8) Paragraph 20 was amended by regulation 17 of [S.I. 2015/980](#).

(9) Paragraph 20 was amended by regulation 28 of [S.I. 2015/980](#).

(10) Paragraph 26 was amended by regulation 32 of [S.I. 2015/980](#).

## **Amendments to the Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015**

5.—(1) The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 are amended as follows.

- (2) In regulation 2 (commencement and application)—
  - (a) in paragraph (3)(a), for “by virtue of paragraph (2)(b) the amendments made by these Regulations” substitute “by virtue of paragraph (2)(b) above and regulation 2(2)(b) of the Companies, Partnerships and Groups (Accounts and Reports) (No. 2) Regulations 2015<sup>(11)</sup> (“the No. 2 Regulations”); the amendments made by these Regulations and by regulations 3 and 4 of the No. 2 Regulations”; and
  - (b) in paragraph (4), after “the amendments made by these Regulations” (in both places where those words appear) insert “and by regulations 3 and 4 of the No. 2 Regulations”.
- (3) In regulation 3 (disapplication of the Regulations to limited liability partnerships)—
  - (a) omit the “or” preceding paragraph (b); and
  - (b) after paragraph (b) insert—
    - “, or
    - (c) to limited liability partnerships by the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008”.

9th September 2015

*Baroness Neville-Rolfe*  
Parliamentary Under-Secretary of State and  
Minister for Intellectual Property  
Department for Business, Innovation and Skills

---

## EXPLANATORY NOTE

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

These Regulations amend the law relating to the preparation of the annual accounts of companies. They extend to the whole of the United Kingdom.

Regulations 3 and 4 implement the final words of Article 12(6)(d) of Directive 2013/34/EU of the European Parliament and of the Council of 26th 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](#) (OJ No L 182, 29.6.13, p.19). The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 ([S.I. 2015/980](#)) (“the 2015 Regulations”) implemented obligations in Chapters 1 to 9 of that Directive. The 2015 Regulations changed UK law to the extent that amendments were required by those Chapters, with the exception of the amendments required by the final words of Article 12(6)(d) of the Directive.

Regulation 3 amends Schedule 1 to the Small Companies and Groups (Accounts and Directors’ Report) Regulations 2008 ([S.I. 2008/409](#)), and regulation 4 amends Schedules 1, 2 and 3 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ([S.I. 2008/410](#)). The effect of these amendments is that, where provision for diminution in value has been made in respect of goodwill and the reasons for which that provision was made have ceased to apply to any extent, the provision must not be written back to any extent.

The amendments made by regulations 3 and 4 apply in respect of financial years beginning on or after 1st January 2016, but a company which has chosen to apply the amendments made by the 2015 Regulations to its financial year beginning on or after 1st January 2015 (but before 1st January 2016) must also apply the amendments made by regulations 3 or 4 (as the case may be) to that financial year (regulation 2(2)). The amendments made by regulations 3 and 4 do not apply in relation to limited liability partnerships (regulation 2(3)).

Regulation 5 makes consequential and minor amendments to regulations 2 and 3 of the 2015 Regulations.

A transposition note for Chapters 1 to 9 of Directive 2013/34/EU is annexed to the Explanatory Memorandum which is available alongside this instrument on [www.legislation.gov.uk](http://www.legislation.gov.uk). A full regulatory impact assessment of the effect that the 2015 Regulations and this instrument will have on the costs of business and the voluntary sector is available from the Business Environment Directorate, Department for Business, Innovation and Skills, 1 Victoria Street, London SW1H 0ET or at [www.gov.uk/bis](http://www.gov.uk/bis) and is annexed to the Explanatory Memorandum which is available alongside this instrument on [www.legislation.gov.uk](http://www.legislation.gov.uk).