

## Financial year

288. (1) A company's first financial year is the period beginning with the date of its incorporation and ending on a date no more than 18 months after that date.

(2) Each subsequent financial year of a company begins with the day immediately after its previous financial year end date and, subject to subsection (4), continues for—

(a) 12 months, or

(b) such other period, not being more than 7 days shorter or longer than 12 months, as the directors may determine to its next financial year end date,

and the power of the directors to make such a determination is referred to in subsection (5) as the “subsection (2)(b) power”.

(3) Except where there are substantial reasons not to do so, which reasons shall be disclosed in the notes to the statutory financial statements of the company, the directors of a holding company shall ensure the financial year end dates of each of the subsidiary undertakings included in the consolidation concerned coincide with that of the holding company.

(4) Subject to the subsequent subsections of this section, a company may, by notice in the prescribed form, given to the Registrar, alter what for the time being is its current financial year end date or its previous financial year end date.

(5) Where a notice under subsection (4) is given to the Registrar then—

(a) each subsequent financial year end date shall, subject to any exercise of the subsection (2)(b) power or (where permitted by subsection (10)) further exercise of the power under subsection (4), be the anniversary of the new financial year end date specified in that notice, and

(b) in consequence, the commencement of each of the financial years that follow the new financial year end date so specified is postponed or, as the case may be, brought forward by the appropriate period of time.

(6) For the purposes of subsection (4) a company's “previous financial year end date” means the date immediately preceding its current financial year.

(7) A notice under subsection (4) may not alter a financial year end date if the particular alteration specified in it would result in a financial year in excess of 18 months.

(8) A notice may not be given under subsection (4) in respect of a previous financial year end date if, at the date of the giving of the notice, the period for delivering to the Registrar financial statements and reports for that previous financial year has expired.

(9) Subject to subsection (10), a notice under subsection (4) purporting to alter a company's current or previous financial year end date is not valid if given less than 5 years after the day on which there has fallen the new financial year end date specified in a previous notice given under that subsection.

(10) Subsection (9) does not apply to a notice given by a company—

(a) that is a subsidiary undertaking or holding undertaking of another EEA undertaking if the new financial year end date specified coincides with that of the other EEA undertaking, or

(b) that is being wound up, or

(c) where the Director, on application to him or her by the company, directs that it shall not apply.

(11) In this section “EEA undertaking” means an undertaking established under the law of the State or the law of any other EEA state.