

Obligation to prepare entity financial statements under relevant financial reporting framework

290. (1) The directors of a company shall prepare entity financial statements for the company in respect of each financial year of it.

(2) The entity financial statements prepared under this section shall be the statutory financial statements of a company that does not prepare group financial statements under section 293.

(3) Subject to subsections (5) to (8) and section 296, a company's entity financial statements shall be prepared either (as the company elects) in accordance with—

(a) section 291, or

(b) international financial reporting standards and section 292.

(4) Entity financial statements prepared in accordance with—

(a) section 291 shall be known, and are in this Act referred to, as “Companies Act entity financial statements” — and this also applies in any ensuing case where preparation of such statements in accordance with that section is obligatory, or

(b) international financial reporting standards and section 292 shall be known, and are in this Act referred to, as “IFRS entity financial statements” — and this also applies in any ensuing case where preparation of such statements in accordance with those standards and that section is obligatory.

(5) In respect of a company not trading for the acquisition of gain by its members, entity financial statements shall be prepared in accordance with section 291.

(6) After the first financial year in which the directors of a company prepare IFRS entity financial statements (in this section referred to as the “first IFRS year”), all subsequent entity financial statements of the company shall be prepared in accordance with international financial reporting standards and section 292 unless there is a relevant change of circumstances as referred to in subsection (7).

(7) There is a relevant change of circumstances where at any time during or after the first IFRS year—

(a) the company becomes a subsidiary undertaking of another undertaking that does not prepare IFRS financial statements,

(b) the company, having re-registered as a private company limited by shares, ceases to be a company with securities admitted to trading on a regulated market in an EEA state, or

(c) a holding undertaking of the company ceases to be an undertaking with securities admitted to trading on a regulated market in an EEA state.

(8) Where, following a relevant change of circumstances, Companies Act entity financial statements are prepared in relation to a company, the directors of the company may subsequently prepare IFRS entity financial statements for the company and subsections (6) and (7) shall apply as if the financial year for which such IFRS entity financial statements are subsequently prepared was the first IFRS year.