

Abridged financial statements for a medium company

354. (1) For the purposes of section 352 the abridged financial statements of a company that qualifies as a medium company shall be the same as the statutory financial statements of the company prepared under section 290 except that the profit and loss account and notes may be abridged in the manner set out in this section.

(2) Where the statutory financial statements of the company are IFRS financial statements an abridged income statement which combines as one item under the heading “gross profit or loss” the company's revenue and certain expenses for the period may be extracted from the income statement prepared in accordance with international financial reporting standards.

(3) For the purposes of subsection (2), the following provisions apply as regards the combination of expenses as one item with the revenue of the company:

(a) where the expenses are classified by function, only those expenses classified as “cost of sales” may be so combined, and

(b) where the expenses are classified by nature, only changes in finished goods and work-in-progress and raw materials and consumables used may be so combined.

(4) For the purposes of subsection (2), the notes to the statutory financial statements may be abridged such that items that are combined on the face of the income statement are not separately identified in the notes.

(5) Where the statutory financial statements of the company are Companies Act financial statements an abridged profit and loss account which combines as one item under the heading “gross profit or loss” the company's turnover and certain expenses for the period may be extracted from the profit and loss account prepared in accordance with section 291.

(6) For the purpose of subsection (5), the turnover and expenses that may be combined as one item are—

(a) items 1, 2, 3 and 6 in Format 1 of the profit and loss account formats set out in Schedule 3,

(b) items 1 to 5 in Format 2 of those profit and loss account formats,

(c) items A.1, B.1 and B.2 in Format 3 of those profit and loss account formats,

(d) items A.1, A.2 and B.1 to B.4 in Format 4 of those profit and loss account formats.

(7) For the purpose of subsection (5), the notes to the statutory financial statements may be abridged such that items that are combined on the face of the income statement are not separately identified in the notes and in particular the information required by paragraph 65 of Schedule 3 need not be given.

(8) Section 274 (4) (references to profit and loss account to include certain notes) does not apply to this section.