

COMPANIES ACT

(CHAPTER 50, SECTION 203A (9))

COMPANIES (SUMMARY FINANCIAL STATEMENT) REGULATIONS

[4th August 1995]

Citation.

1. These Regulations may be cited as the Companies (Summary Financial Statement) Regulations.

Definitions.

2. In these Regulations, unless the context otherwise requires —

"entitled persons", in relation to a company, means such persons as are or would, apart from section 203A of the Act, be entitled to be sent copies of those documents relating to the company which are referred to in section 203 (1) of the Act;

"full accounts and reports" means a company's annual accounts, the directors' report and the auditors' report on those accounts required to be circulated to entitled persons under section 203 (1) of the Act and "full", in relation to any balance-sheet, profit and loss account, group accounts or directors' report, means any such document comprised in the full accounts and reports;

"future financial years" means the financial years following the financial year in respect of which a summary financial statement has been sent out in accordance with section 203A of the Act and these Regulations.

Conditions that must be complied with for sending of summary financial statements.

3. —(1) A listed public company may not send out under section 203A of the Act a summary financial statement to an entitled person, in place of copies of its full accounts and reports, unless the following conditions have been complied with:

(a) the company must have ascertained, in accordance with regulation 4, that the entitled person does not wish to continue to receive copies of those documents;

(b) the summary financial statement must have been approved by the board of directors and the original statement signed on behalf of the board by a director of the company;

(c) the summary financial statement must state the name of the person who signed it on behalf of the board of directors;

(d) the summary financial statement must include the following statement in a prominent position:

“This summary financial statement does not contain sufficient information to allow for a full understanding of the results and state of affairs of the company or of the group. For further information, the full annual accounts, the auditors’ report on those accounts and the directors’ report should be consulted.”;

(e) the summary financial statement must contain a conspicuous statement that an entitled person has the right to demand free of charge a copy of the full accounts and reports by notifying the company and state the date by which he must so notify the company, which date shall be not later than 7 days before the first date on which copies of the full accounts and reports with respect to that financial year are sent out to entitled persons; and

(f) the company shall, with respect to every financial year following the financial year with respect to which the entitled person was consulted as to his wishes in accordance with regulation 4 (3), give to the entitled person the opportunity to notify the company of a change in his wishes by sending to the entitled person a summary financial statement or full accounts and reports, as the case may be, accompanied by a printed card or form in respect of which any postage necessary for its return to the company has been, or will be, paid by the company and which is so worded as to enable the entitled person, by marking a box and returning the card or form, to notify the company of any of the following matters:

(i) that he wishes to receive the full accounts and reports for the current financial year as well as for future financial years;

(ii) that he wishes to receive the summary financial statements for future financial years; or

(iii) that he does not wish to receive the summary financial statements or the full accounts and reports for future financial years, and shall inform the entitled person that his failure to respond will be taken to indicate that there has been no change in his wishes.

(2) An entitled person who notifies the company under paragraph (1) (f) (ii) or (iii) shall not be precluded from requesting for the full accounts and reports of the company or the summary financial statements, as the case may be, in any future year.

Manner in which wishes of entitled persons are to be ascertained.

4. —(1) For the purposes of section 203A (4) of the Act, whether or not an entitled person wishes to receive copies of the full accounts and reports for a financial year as well as for future financial years is to be ascertained —

(a) from any relevant notification he has given to the company as to whether he wishes to

receive copies of the full accounts and reports or as to whether he wishes, instead of copies of those documents, to receive the summary financial statements under section 203A (1) of the Act;

(b) from any notification he has given to the company with respect to future financial years as to whether he wishes to receive copies of the full accounts and reports for those future financial years; or

(c) failing any such express notification, from any failure to respond to an opportunity given to the entitled person to elect to receive copies of the full accounts and reports as part of a relevant consultation of his wishes by the company.

(2) For the purposes of paragraph (1) (a), a notification is a relevant notification with respect to a financial year if it relates to that year and if it is received by the company not later than 7 days before the first date on which copies of the full accounts and reports are sent out to entitled persons in compliance with section 203 (1) of the Act with respect to that financial year.

(3) For the purposes of paragraph (1), a relevant consultation of the wishes of an entitled person is a notice given to the entitled person which —

(a) states that for that financial year and all future financial years, so long as he is an entitled person, he will be sent a summary financial statement instead of the full accounts and reports of the company, unless he notifies the company that he wishes to continue to receive those documents;

(b) contains a statement in a prominent position that a failure to respond to the notice has important consequences, and that by failing to respond he would be taken to have indicated that he does not wish to receive copies of the full accounts and reports of the company for that financial year and for all future financial years;

(c) accompanies a copy of a summary financial statement, prepared in accordance with section 203A of the Act and these Regulations, with respect to the financial year covered by those full accounts and reports and which is identified in the notice as an example of the document which the entitled person will receive for the future, so long as he is an entitled person, unless he notifies the company to the contrary; and

(d) is accompanied by a printed card or form in respect of which any postage necessary for its return to the company has been, or will be, paid by the company and which is so worded as to enable an entitled person, by marking a box and returning the card or form, to notify the company of any of the following matters:

(i) that he wishes to receive the full accounts and reports for the financial year covered by the summary financial statement as well as for future financial years; or

(ii) that he does not wish to receive the summary financial statements or the full accounts and reports for future financial years.

Conditions that must be complied with for dispensation of sending of summary financial statements.

5. —(1) In relation to regulations 3 (1) (f) (iii) and 4 (3) (d) (ii), a listed public company may not dispense with the sending of a summary financial statement to an entitled person unless the following conditions have been complied with:

(a) the company must have sent a notice under regulation 4 (3) to the entitled person which was accompanied by a printed card or form in respect of which any postage necessary for its return to the company had been paid by the company and which was worded so as to enable the entitled person, by marking a box and returning the card or form, to notify the company that he does not wish to receive the summary financial statements for future financial years in accordance with regulation 4 (3) (d) (ii); and

(b) the entitled person must have notified the company in writing that he does not wish to receive the summary financial statements for future financial years.

(2) The receipt by the company of a notification given by an entitled person that he does not wish to receive the summary financial statements for future financial years shall be deemed to be conclusive evidence of a request in writing by the entitled person for the purposes of paragraph (1) (b) and shall remain effective until expressly revoked by him, in writing or otherwise.

(3) The company shall, with respect to all future financial years, continue to give an entitled person who has notified it that he does not wish to receive the summary financial statements for future financial years, the opportunity to elect to receive free of charge the summary financial statements or copies of the full accounts and reports with respect to those future financial years.

Form and content of summary financial statement.

6. The summary financial statement shall be in the form and contain the documents and information required by the First Schedule.

Additional information.

7. The company shall attach to the summary financial statement the documents and information required by the Second Schedule.

FIRST SCHEDULE

Regulation 6

FORM AND CONTENT OF SUMMARY FINANCIAL STATEMENT

A. Profit and loss account and, in the case of a company the directors of which are required to prepare consolidated accounts under the Act for the financial year, consolidated profit and loss account — as audited and to be laid before the company at annual general meeting.

1. Turnover.
2. Operating profit.
3. Profit before tax and extraordinary items.
4. Tax.
5. Profit after tax but before extraordinary items.
6. Extraordinary items.
7. Profit after tax and extraordinary items.
8. Minority interest.
9. Profit attributable to shareholders.
10. Dividend.
11. Earnings per share and dividend per share.

B. Balance-sheet and, in the case of a company the directors of which are required to prepare consolidated accounts under the Act for the financial year, consolidated balance-sheet — as audited and to be laid before the company at annual general meeting.

1. Fixed assets.
2. Current assets.
3. Current liabilities.
4. Net current assets (liabilities).
5. Non-current liabilities.
6. Minority interest.
7. Capital and reserves.

C. Directors' report.

- 1.The names of the directors of the company at the date of the report.
 - 2.Principal activities.
 - 3.Arrangements to enable directors to acquire shares and debentures in the company and its principal subsidiaries.
 - 4.Directors' interest in shares and debentures in the company.
 - 5.Directors' emoluments and contractual benefits.
 - 6.Share options (in the shares of the company and its principal subsidiaries).
 - 7.Names of members of the Audit Committee.
 - 8.A statement of whether any event, item, transaction arose during or after the financial year which would affect the results of the operations, render any item misleading, or affect the ability of the company or group in meeting its obligations.
- D.** Copy of the auditors' report on the full accounts and reports.

SECOND SCHEDULE

Regulation 7

ADDITIONAL INFORMATION

A. Chairman's statement.

1.Material changes in the following:

- (a) group structure;
- (b) accounting policies;
- (c) asset values;
- (d) financial position (such as new share issues and capital reduction); and
- (e) operating environment that affects business prospects.

2.Material acquisitions and disposals.

3.Business review and future developments.

B. Statistics on shareholders.

C. Other information.

A summary of the significant related party dealings as currently disclosed in the notes to the accounts.