

---

DRAFT STATUTORY INSTRUMENTS

---

**2014 No.**

**The Reports on Payments to Governments Regulations 2014**

**PART 2**

**CONSOLIDATED REPORT ON PAYMENTS TO GOVERNMENTS**

**Exemption from duty to prepare a consolidated report**

**10.**—(1) The obligation to draw up the consolidated report under regulation 8 does not apply to directors of—

- (a) a parent undertaking of a small group, except where any affiliated undertaking is a public interest entity;
- (b) a parent undertaking of a medium-sized group, except where any affiliated undertaking is a public interest entity;
- (c) a parent undertaking which is also a subsidiary undertaking, if its own parent undertaking is governed by the law of a member State other than the United Kingdom.

(2) A group is a “small group” if it consists of parent and subsidiary undertakings to be included in a consolidated report and which, on a consolidated basis, meets at least two of the three following criteria on the balance sheet date of the parent undertaking—

- (a) its balance sheet total does not exceed £5.1 million net (or £6.1 million gross);
- (b) its net turnover does not exceed £10.2 million net (or £12.2 million gross);
- (c) its average number of employees during the financial year to which the balance sheet date relates does not exceed 50.

(3) A group is a “medium-sized group” if it is not a small group and consists of parent and subsidiary undertakings to be included in a consolidated report and which, on a consolidated basis, meets at least two of the three following criteria on the balance sheet date of the parent undertaking—

- (a) its balance sheet total does not exceed £18 million net (or £21.6 million gross);
- (b) its net turnover does not exceed £36 million net (or £43.2 million gross);
- (c) its average number of employees during the financial year to which the balance sheet date relates does not exceed 250.

(4) In relation to the aggregate figures for turnover and balance sheet total—

“net” means after any set-offs and other adjustments made to eliminate group transactions—

- (a) in the case of Companies Act accounts, in accordance with regulations under section 404 of the Act,
- (b) in the case of IAS accounts, in accordance with international accounting standards;

“gross” means without those set-offs and other adjustments.

(5) A company may satisfy the criteria contained in paragraph (2) or (3) using either the net or the gross figure.