

Compliance with approved accounting standards

244. (1) The approved accounting standards shall apply to the financial statements of a company or the consolidated financial statements of a holding company if, at the time when the financial statements or consolidated financial statements are made out, the approved accounting standards—

- (a) apply in relation to the financial year of the company or the holding company to which the financial statements or consolidated financial statements relate; and
- (b) are relevant to those financial statements or consolidated financial statements.

(2) Without prejudice to the generality of the provisions of this Subdivision, the directors of a company shall ensure that the financial statements of the company and, if the company is a holding company for which consolidated financial statements are required, the consolidated financial statements of the company are made out in accordance with the applicable approved accounting standards and shall—

- (a) in the case of a public company, be circulated to its members and laid before the company at its annual general meeting; or
- (b) in the case of a private company, be circulated to its members or laid before the company at a meeting of members.

(3) Notwithstanding subsection (2), the directors of a company or holding company shall not be required to ensure that the financial statements or consolidated financial statements, as the case may be, are prepared in accordance with the approved accounting standards if the directors are of the opinion that preparing the financial statements or consolidated financial statements in accordance with the approved accounting standard would not give a true and fair view—

- (a) of the matters required under section 249 to be dealt with in the financial statements or consolidated financial statements; or

- (b) of the results of the business and the state of affairs of the company and, if applicable, of all the companies the affairs of which are dealt with in the consolidated financial statements.

(4) If the financial statements of a company or consolidated financial statements of a holding company are not prepared in accordance with a particular approved accounting standard under subsection (3), the directors of the company shall—

- (a) disclose by way of a note on the financial statements the reason for not making out the financial statements or consolidated financial statements in accordance with the approved accounting standards; and
- (b) give particulars in the note of the quantified financial effect on the financial statements or consolidated financial statements if the relevant approved accounting standards was complied with.

(5) Notwithstanding anything in this Act, if financial statements are required to be prepared for or lodged with the authorities referred to in section 26D of the Financial Reporting Act 1997, those financial statements shall be prepared in accordance with the approved accounting standards subject to any specifications, guidelines or regulations as may be issued by the authorities.

(6) The information in the accounts or consolidated accounts of persons reporting to the authorities as referred to in section 26D of the Financial Reporting Act 1997 shall be deemed to have complied with the requirements of this Division if the financial statements are made out in accordance with that law.

(7) If a conflict or inconsistency arises between the provisions of an applicable approved accounting standard and this Act in their respective applications to the financial statements of a company or consolidated financial statements of a holding company, the provisions of the applicable approved accounting standard shall prevail.