

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Part II. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 10

#### AMENDMENTS CONSEQUENTIAL ON PART I

#### PART II

#### AMENDMENTS OF OTHER ENACTMENTS

##### *Betting, Gaming and Lotteries Act 1963 (c.2)*

- 25 In Schedule 2 to the Betting, Gaming and Lotteries Act 1963 (registered pool promoters), in paragraph 24(2) (duties with respect to delivery of accounts and audit) for the words from “and the following provisions” to “their report)” substitute “and sections 235(2) and 237(1) and (3) of the Companies Act 1985 (matters to be stated in auditors’ report and responsibility of auditors in preparing their report)”.

##### *Harbours Act 1964 (c.40)*

- 26 (1) Section 42 of the Harbours Act 1964 (accounts and reports of statutory harbour undertakers) is amended as follows.
- (2) For subsection (2) substitute—
- “(2) Where a statutory harbour undertaker is a parent undertaking with subsidiary undertakings which carry on harbour activities or any associated activities, then, it shall be the duty of the company also to prepare group accounts relating to the harbour activities and associated activities carried on by it and its subsidiary undertakings.”
- (3) In subsection (6) (application of provisions of the <sup>M1</sup>Companies Act 1985)—
- (a) in paragraph (a) for “company accounts” substitute “individual company accounts”;
- (b) in paragraph (c) omit the words “required to be attached to a company’s balance sheet”.
- (4) In subsection (9), for the definition of “holding company” and “subsidiary” substitute—
- ““parent undertaking” and “subsidiary undertaking” have the same meaning as in Part VII of the Companies Act 1985;”.

#### Marginal Citations

M1 1985 c. 6.

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*Coal Industry Act 1971 (c.16)*

- 27 (1) Section 8 of the Coal Industry Act 1971 (further provisions as to accounts of British Coal Corporation) is amended as follows.
- (2) In subsections (1) and (2) for “subsidiaries” (three times) substitute “subsidiary undertakings”.
- (3) After subsection (2) insert—
- “(3) In this section “subsidiary undertaking” has the same meaning as in Part VII of the Companies Act 1985.”.

*Aircraft and Shipbuilding Industries Act 1977 (c.3)*

- 28 (1) Section 17 of the Aircraft and Shipbuilding Industries Act 1977 (British Shipbuilders: accounts and audit) is amended as follows.
- (2) In subsection (1)(c) (duty to prepare consolidated accounts) for “subsidiaries” substitute “subsidiary undertakings”.
- (3) In subsection (9) (copies of accounts to be sent to the Secretary of State) for “subsidiaries” substitute “subsidiary undertakings” and for “subsidiary” substitute “subsidiary undertaking”.
- (4) After subsection (9) add—
- “(10) In this section “subsidiary undertaking” has the same meaning as in Part VII of the Companies Act 1985.”.

*Crown Agents Act 1979 (c.43)*

- 29 In section 22 of the Crown Agents Act 1979 (accounts and audit), in subsection (2) (duty to prepare consolidated accounts) for “subsidiaries” (three times) substitute “subsidiary undertakings”, and at the end of that subsection add—
- “In this subsection “subsidiary undertaking” has the same meaning as in Part VII of the Companies Act 1985.”.

*British Telecommunications Act 1981 (c.38)*

- 30 In section 75 of the British Telecommunications Act 1981 (accounts of the Post Office), in subsection (1)(c)(i) for “subsidiaries” substitute “subsidiary undertakings within the meaning of Part VII of the Companies Act 1985”.

*Transport Act 1981 (c.56)*

- 31 In section 11(4) of the Transport Act 1981, for “section 235” substitute “section 234”.

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*Iron and Steel Act 1982 (c.25)*

- 32 In section 24(5) of the Iron and Steel Act 1982 (meaning of “directors’ report”) for the words from “which, under section 235” to the end substitute “ which is required to be prepared under section 234 of the Companies Act 1985 ”.

*Oil and Pipelines Act 1985 (c.62)*

- 33 In Schedule 3 to the Oil and Pipelines Act 1985 (Oil and Pipelines Agency: financial and other provisions), in paragraph 9(2) (duty to prepare consolidated accounts) for “subsidiaries” (three times) substitute “ subsidiary undertakings ”, and at the end of that sub-paragraph add—

“In this sub-paragraph “subsidiary undertaking” has the same meaning as in Part VII of the Companies Act 1985.”.

*Patents, Designs and Marks Act 1986 (c.39)*

- 34 In Schedule 2 to the Patents, Designs and Marks Act 1986 (service marks), in paragraph 1(2) (provisions in which reference to trade mark includes service mark) for sub-paragraph (ii) substitute—

“(ii) Part I of Schedule 4 and paragraphs 5(2)(d) and 10(1)(b) and (2) of Schedule 9 (form of company balance sheets); and”.

*Company Directors Disqualification Act 1986 (c.46)*

- 35 (1) The Company Directors Disqualification Act 1986 is amended as follows.
- (2) In section 3(3)(b) (default orders)—
- (a) in sub-paragraph (i) for “section 244” substitute “ section 242(4) ”, and
- (b) after that sub-paragraph insert—
- “(ia) section 245B of that Act (order requiring preparation of revised accounts),”.
- (3) In Schedule 1, for paragraph 5 substitute—
- “5 The extent of the director’s responsibility for any failure by the directors of the company to comply with—
- (a) section 226 or 227 of the Companies Act (duty to prepare annual accounts), or
- (b) section 233 of that Act (approval and signature of accounts).”.

*Financial Services Act 1986 (c.60)*

- 36 (1) The Financial Services Act 1986 is amended as follows.
- (2) In section 117(4) and (5), for “section 227” substitute “section 226”.
- (3) In Schedule 1, for paragraph 30 substitute—

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- “30 (1) For the purposes of this Schedule a group shall be treated as including any body corporate in which a member of the group holds a qualifying capital interest.
- (2) A qualifying capital interest means an interest in relevant shares of the body corporate which the member holds on a long-term basis for the purpose of securing a contribution to its own activities by the exercise of control or influence arising from that interest.
- (3) Relevant shares means shares comprised in the equity share capital of the body corporate of a class carrying rights to vote in all circumstances at general meetings of the body.
- (4) A holding of 20 per cent. or more of the nominal value of the relevant shares of a body corporate shall be presumed to be a qualifying capital interest unless the contrary is shown.
- (5) In this paragraph “equity share capital” has the same meaning as in the Companies Act 1985 and the Companies (Northern Ireland) Order 1986.”.

*Banking Act 1987 (c.22)*

- 37 (1) The Banking Act 1987 is amended as follows.
- (2) In section 46(2) (duties of auditor of authorised institution), in paragraph (c) for “section 236” substitute “section 235(2)” and for “section 237” substitute “section 235(3) or section 237”; and in section 46(4) (adaptation of references for Northern Ireland) for “236 and 237” substitute “235(2) and 235(3) and 237”.
- (3) After section 105 insert—

**“105A Meaning of “related company”.**

- (1) In this Act a “related company”, in relation to an institution or the holding company of an institution, means a body corporate (other than a subsidiary) in which the institution or holding company holds a qualifying capital interest.
- (2) A qualifying capital interest means an interest in relevant shares of the body corporate which the institution or holding company holds on a long-term basis for the purpose of securing a contribution to its own activities by the exercise of control or influence arising from that interest.
- (3) Relevant shares means shares comprised in the equity share capital of the body corporate of a class carrying rights to vote in all circumstances at general meetings of the body.
- (4) A holding of 20 per cent. or more of the nominal value of the relevant shares of a body corporate shall be presumed to be a qualifying capital interest unless the contrary is shown.

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(5) In this paragraph “equity share capital” has the same meaning as in the Companies Act 1985 and the Companies (Northern Ireland) Order 1986.”.

(4) In section 106(1) (interpretation), for the definition of “related company” substitute—

““related company” has the meaning given by section 105A above;”.

*Income and Corporation Taxes Act 1988 (c.1)*

- 38 (1) The Income and Corporation Taxes Act 1988 is amended as follows.
- (2) In section 180 (annual return of registered profit-related pay scheme), in subsection (3) for “section 242(3)” substitute “section 244(3)”.
- (3) In section 565(6) (conditions for exemption from provisions relating to sub-contractors in construction industry: compliance with requirements of <sup>M2</sup>Companies Act 1985), in paragraph (a) for “section 227 and 241” substitute “sections 226, 241 and 242”.

**Marginal Citations**

**M2** 1985 c. 6.

*Dartford–Thurrock Crossing Act 1988 (c.20)*

39 In section 33 of the Dartford–Thurrock Crossing Act 1988 (duty to lay before Parliament copies of accounts of persons appointed to levy tolls), for subsection (2) substitute—

“(2) In relation to a company “accounts” in subsection (1) means the company’s annual accounts for a financial year, together with the relevant directors’ report and the auditors’ report on those accounts.

Expressions used in this subsection have the same meaning as in Part VII of the Companies Act 1985.”.

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