

Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (Text with EEA relevance)

## CHAPTER 6

### CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS

#### *Article 28*

##### **The notes to the consolidated financial statements**

1 The notes to the consolidated financial statements shall set out the information required by Articles 16, 17 and 18, in addition to any other information required under other provisions of this Directive, in a way which facilitates the assessment of the financial position of the undertakings included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements, including the following:

- a in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included;
- b in disclosing the average number of employees employed during the financial year, there shall be separate disclosure of the average number of employees employed by undertakings that are proportionately consolidated; and
- c in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent undertaking and its subsidiary undertakings to members of the administrative, managerial and supervisory bodies of the parent undertaking shall be disclosed.

2 The notes to the consolidated financial statements shall, in addition to the information required under paragraph 1, set out the following information:

- a in relation to undertakings included in the consolidation:
  - (i) the names and registered offices of those undertakings,
  - (ii) the proportion of the capital held in those undertakings, other than the parent undertaking, by the undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings, and
  - (iii) information as to which of the conditions referred to in Article 22(1), (2) and (7) following the application of Article 22(3), (4) and (5) has formed the basis on which the consolidation has been carried out. That disclosure may, however, be omitted where consolidation has been carried out on the basis of point (a) of Article 22(1) and where the proportion of the capital and the proportion of the voting rights held are the same.

The same information shall be given in respect of undertakings excluded from a consolidation on the grounds of immateriality pursuant to point (j) of Article 6(1) and

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- Article 23(10), and an explanation shall be given for the exclusion of the undertakings referred to in Article 23(9);
- b the names and registered offices of associated undertakings included in the consolidation as described in Article 27(1) and the proportion of their capital held by undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings;
  - c the names and registered offices of undertakings proportionally consolidated under Article 26, the factors on which joint management of those undertakings is based, and the proportion of their capital held by the undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings; and
  - d in relation to each of the undertakings, other than those referred to in points (a), (b) and (c), in which undertakings included in the consolidation, either themselves or through persons acting in their own names but on behalf of those undertakings, hold a participating interest:
    - (i) the name and registered office of those undertakings,
    - (ii) the proportion of the capital held,
    - (iii) the amount of the capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted.

The information concerning capital and reserves and the profit or loss may also be omitted where the undertaking concerned does not publish its balance sheet.

3 Member States may allow the information required by points (a) to (d) of paragraph 2 to take the form of a statement filed in accordance with Article 3(3) of Directive 2009/101/EC. The filing of such a statement shall be disclosed in the notes to the consolidated financial statements. Member States may also allow that information to be omitted when its nature is such that its disclosure would be seriously prejudicial to any of the undertakings to which it relates. Member States may make such omissions subject to prior administrative or judicial authorisation. Any such omission shall be disclosed in the notes to the consolidated financial statements.