

SCHEDULE 4

INFORMATION ON RELATED UNDERTAKINGS REQUIRED WHETHER PREPARING COMPANIES ACT OR IAS ACCOUNTS

PART 2

COMPANIES NOT REQUIRED TO PREPARE GROUP ACCOUNTS

Reason for not preparing group accounts

10.—(1) The reason why the company is not required to prepare group accounts must be stated.

(2) If the reason is that all the subsidiary undertakings of the company fall within the exclusions provided for in section 405 of the 2006 Act (Companies Act group accounts: subsidiary undertakings included in the consolidation), it must be stated with respect to each subsidiary undertaking which of those exclusions applies.

Holdings in subsidiary undertakings

11.—(1) There must be stated in relation to shares of each class held by the company in a subsidiary undertaking—

- (a) the identity of the class, and
- (b) the proportion of the nominal value of the shares of that class represented by those shares.

(2) The shares held by or on behalf of the company itself must be distinguished from those attributed to the company which are held by or on behalf of a subsidiary undertaking.

Financial years of subsidiary undertakings

12. Where—

- (a) disclosure is made under paragraph 2(1) with respect to a subsidiary undertaking, and
- (b) that undertaking's financial year does not end with that of the company,

there must be stated in relation to that undertaking the date on which its last financial year ended (last before the end of the company's financial year).

Exemption from giving information about significant holdings in non-subsidiary undertakings

13.—(1) The information otherwise required by paragraph 6 (significant holdings in undertakings other than subsidiary undertaking) need not be given if—

- (a) the company is exempt by virtue of section 400 or 401 of the 2006 Act from the requirement to prepare group accounts (parent company included in accounts of larger group), and
- (b) the investment of the company in all undertakings in which it has such a holding as is mentioned in sub-paragraph (1) is shown, in aggregate, in the notes to the accounts by way of the equity method of valuation.

Construction of references to shares held by company

14.—(1) References in Parts 1 and 2 of this Schedule to shares held by a company are to be construed as follows.

(2) For the purposes of paragraphs 2, 11 and 12 (information about subsidiary undertakings)—

- (a) there must be attributed to the company any shares held by a subsidiary undertaking, or by a person acting on behalf of the company or a subsidiary undertaking; but
- (b) there must be treated as not held by the company any shares held on behalf of a person other than the company or a subsidiary undertaking.

(3) For the purposes of paragraphs 4 to 6 (information about undertakings other than subsidiary undertakings)—

- (a) there must be attributed to the company shares held on its behalf by any person; but
- (b) there must be treated as not held by a company shares held on behalf of a person other than the company.

(4) For the purposes of any of those provisions, shares held by way of security must be treated as held by the person providing the security—

- (a) where apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in accordance with that person's instructions, and
- (b) where the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in that person's interests.