



Companies Act 1985

1985 CHAPTER 6

PART VII

ACCOUNTS AND AUDIT

[^{F1}CHAPTER II

EXEMPTIONS, EXCEPTIONS AND SPECIAL PROVISIONS]

[^{F1} Banking and insurance companies and groups]

Textual Amendments

- F1** New ss. 255–255C inserted (subject to the saving and transitional provisions in [S.I. 1990/355, arts. 6–9, Sch. 2](#)) by [Companies Act 1989 \(c. 40, SIF 27\), ss. 1, 18\(1\)](#) as part of the text inserted in place of ss. 221–262 (as mentioned in s. 1(a) of the 1989 Act)

255 Special provisions for banking and insurance companies.

- (1) A banking or insurance company may prepare its individual accounts in accordance with Part I of Schedule 9 rather than Schedule 4.
- (2) Accounts so prepared shall contain a statement that they are prepared in accordance with the special provisions of this Part relating to banking companies or insurance companies, as the case may be.
- (3) In relation to the preparation of individual accounts in accordance with the special provisions of this Part relating to banking or insurance companies, the references to the provisions of Schedule 4 in section 226(4) and (5) (relationship between specific requirements and duty to give true and fair view) shall be read as references to the provisions of Part I of Schedule 9.

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Cross Heading: Banking and insurance companies and groups. (See end of Document for details)*

- (4) The Secretary of State may, on the application or with the consent of the directors of a company which prepares individual accounts in accordance with the special provisions of this Part relating to banking or insurance companies, modify in relation to the company any of the requirements of this Part for the purpose of adapting them to the circumstances of the company.

This does not affect the duty to give a true and fair view.

[^{F2}255A Special provisions for banking and insurance groups.

- (1) The parent company of a banking or insurance group may prepare group accounts in accordance with the provisions of this Part as modified by Part II of Schedule 9.
- (2) Accounts so prepared shall contain a statement that they are prepared in accordance with the special provisions of this Part relating to banking groups or insurance groups, as the case may be.
- (3) References in this Part to a banking group are to a group where—
- (a) the parent company is a banking company, or
 - (b) at least one of the undertakings in the group is an authorised institution under the Banking Act 1987 and the predominant activities of the group are such as to make it inappropriate to prepare group accounts in accordance with the formats in Part I to Schedule 4.
- (4) References in this Part to an insurance group are to a group where—
- (a) the parent company is an insurance company, or
 - (b) the predominant activity of the group is insurance business and activities which are a direct extension of or ancillary to insurance business.
- (5) In relation to the preparation of group accounts in accordance with the special provisions of this Part relating to banking or insurance groups, the references to the provisions of Schedule 4A in section 227(5) and (6) (relationship between specific requirements and duty to give true and fair view) shall be read as references to those provisions as modified by Part II of Schedule 9.
- (6) The Secretary of State may, on the application or with the consent of the directors of a company which prepares group accounts in accordance with the special provisions of this Part relating to banking or insurance groups, modify in relation to the company any of the requirements of this Part for the purpose of adapting them to the circumstances of the company.]

Textual Amendments

- F2** New ss. 255–255C inserted (subject to the saving and transitional provisions in [S.I. 1990/355, arts. 6–9, Sch. 2](#)) by [Companies Act 1989 \(c. 40, SIF 27\)](#), [ss. 1, 18\(1\)](#) as part of the text inserted in place of ss. 221–262 (as mentioned in s. 1(a) of the 1989 Act)

[^{F3}255B Modification of disclosure requirements in relation to banking company or group.

- (1) In relation to a company which prepares accounts in accordance with the special provisions of this Part relating to banking companies or groups, the provisions of

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Schedule 5 (additional disclosure: related undertakings) have effect subject to Part III of Schedule 9.

- (2) In relation to a banking company, or the parent company of a banking company, the provisions of Schedule 6 (disclosure: emoluments and other benefits of directors and others) have effect subject to Part IV of Schedule 9.]

Textual Amendments

- F3** New ss. 255–255C inserted (subject to the saving and transitional provisions in [S.I. 1990/355, arts. 6–9, Sch. 2](#)) by [Companies Act 1989 \(c. 40, SIF 27\)](#), [ss. 1, 18\(1\)](#) as part of the text inserted in place of ss. 221–262 (as mentioned in s. 1(a) of the 1989 Act)

[^{F4}255C Directors’ report where accounts prepared in accordance with special provisions.

- (1) The following provisions apply in relation to the directors’ report of a company for a financial year in respect of which it prepares accounts in accordance with the special provisions of this Part relating to banking or insurance companies or groups.
- (2) The information required to be given by paragraph 6, 8 or 13 of Part I of Schedule 9 (which is allowed to be given in a statement or report annexed to the accounts), may be given in the directors’ report instead.

Information so given shall be treated for the purposes of audit as forming part of the accounts.

- (3) The reference in section 234(1)(b) to the amount proposed to be carried to reserves shall be construed as a reference to the amount proposed to be carried to reserves within the meaning of Part I of Schedule 9.
- (4) If the company takes advantage, in relation to its individual or group accounts, of the exemptions conferred by paragraph 27 or 28 of Part I of Schedule 9, paragraph 1 of Schedule 7 (disclosure of asset values) does not apply.
- (5) The directors’ report shall, in addition to complying with Schedule 7, also comply with Schedule 10 (which specified additional matters to be disclosed).]

Textual Amendments

- F4** New ss. 255–255C inserted (subject to the saving and transitional provisions in [S.I. 1990/355, arts. 6–9, Sch. 2](#)) by [Companies Act 1989 \(c. 40, SIF 27\)](#), [ss. 1, 18\(1\)](#) as part of the text inserted in place of ss. 221–262 (as mentioned in s. 1(a) of the 1989 Act)

[^{F5}255D Power to apply provisions to banking partnerships.

- (1) The Secretary of State may by regulations apply to banking partnerships, subject to such exceptions, adaptations and modifications as he considers appropriate, the provisions of this Part applying to banking companies.
- (2) A “banking partnership” means a partnership which is an authorised institution under the Banking Act 1987.

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- (3) Regulations under this section shall be made by statutory instrument.
- (4) No regulations under this section shall be made unless a draft of the instrument containing the regulations has been laid before Parliament and approved by a resolution of each House.]

Textual Amendments

- F5** New s. 255D inserted (subject to the saving and transitional provisions in S.I. 1990/355, arts. 6–9, **Sch. 2**) by **Companies Act 1989 (c. 40, SIF 27)**, **ss. 1, 18(2), 213(2)** as part of the text inserted in place of ss. 221–262 (as mentioned in s. 1(a) of the 1989 Act)

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