



Companies Act 1985

1985 CHAPTER 6

PART VII

ACCOUNTS AND AUDIT

CHAPTER II

EXEMPTIONS, EXCEPTIONS AND SPECIAL PROVISIONS

Banking and insurance companies and groups

^{F1}255 Special provisions for banking and insurance companies.

- (1) A banking company shall prepare its individual accounts in accordance with Part I of Schedule 9 rather than Schedule 4.
- (2) An insurance company [^{F2}shall] prepare its individual accounts in accordance with Part I of Schedule 9A rather than Schedule 4.
- (3) 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 to insurance companies, as the case may be.
- (4) In relation to the preparation of individual accounts in accordance with the special provisions of this Part, the references to 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, in the case of the accounts of banking companies, or to the provisions of Part I of Schedule 9A, in the case of the accounts of insurance companies.

^{F3}(5)

Status: Point in time view as at 01/12/2001.

Changes to legislation: Companies Act 1985, Cross Heading: Banking and insurance companies and groups is up to date with all changes known to be in force on or before 22 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

- F1** Ss. 255-255B substituted (2.12.1991) by S.I. 1991/2705, **regs. 3, 9**.
F2 Word in s. 255(2) substituted (19.12.1993) by S.I. 1993/3246, **regs. 2(1), 6, 7**.
F3 S. 255(5) omitted (19.12.1993) by S.I. 1993/3246, **regs. 2(2), 6, 7**.

Modifications etc. (not altering text)

- C1** S. 255 modified (*temp.*) (in force in accordance with s. 3 of the amending Act) by 1999 c. iv, ss. 3, 7(6)
C2 S. 255 extended (with modifications) (19.12.1993) by S.I. 1993/3245, **reg.3**

^{F4}255A Special provisions for banking and insurance groups.

- (1) The parent company of a banking group shall prepare group accounts in accordance with the provisions of this Part as modified by Part II of Schedule 9.
- (2) The parent company of an insurance group [^{F5}shall] prepare group accounts in accordance with the provisions of this Part as modified by Part II of Schedule 9A.
- (3) 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 to insurance groups, as the case may be.
- [^{F6}(4) References in this Part to a banking group are to a group where the parent company is a banking company or where—
 - (a) the parent company's principal subsidiary undertakings are wholly or mainly credit institutions, and
 - (b) the parent company does not itself carry on any material business apart from the acquisition, management and disposal of interests in subsidiary undertakings.
- (5) References in this Part to an insurance group are to a group where the parent company is an insurance company or where —
 - (a) the parent company's principal subsidiary undertakings are wholly or mainly insurance companies, and
 - (b) the parent company does not itself carry on any material business apart from the acquisition, management and disposal of interests in subsidiary undertakings.
- (5A) For the purposes of subsections (4) and (5) above—
 - (a) a parent company's principal subsidiary undertakings are the subsidiary undertakings of the company whose results or financial position would principally affect the figures shown in the group accounts, and
 - (b) the management of interests in subsidiary undertakings includes the provision of services to such undertakings.]
 - (6) In relation to the preparation of group accounts in accordance with the special provisions of this Part:
 - (a) 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, in the case of the group accounts of a banking group, or Part II of Schedule 9A, in the case of the group accounts of an insurance group; and

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- (b) the reference to paragraphs 52 to 57 of Schedule 4 in section 230(2) (relief from obligation to comply with those paragraphs where group accounts prepared) shall be read as a reference to paragraphs [F7 75 to 77], 80 and 81 of Part I of Schedule 9, in the case of the group accounts of a banking group [F8, and as a reference to paragraphs 73, 74, 79 and 80 of Part I of Schedule 9A, in the case of the group accounts of an insurance group]..

F9(7)

Textual Amendments

- F4 Ss. 255-255B substituted (2.12.1991) by S.I. 1991/2705, **regs. 3, 9**.
F5 Word in s. 255A substituted (19.12.1993) by S.I. 1993/3246, **regs. 3(1), 6, 7**
F6 S. 255A(4)-(5A) substituted (19.12.1993) for s. 255A(4)(5) by S.I. 1993/3246, **regs. 3(2), 6, 7**
F7 Words in s. 255A(6)(b) substituted (2.2.1996) by S.I. 1996/189, **reg. 15(2)**
F8 Words in s. 255A(6) inserted (19.12.1993) by S.I. 1993/3246, **regs. 3(3), 6, 7**
F9 S. 255A(7) omitted (19.12.1993) by S.I. 1993/3246, **regs. 3(4), 6, 7**

Modifications etc. (not altering text)

- C3 S. 255A extended (with modifications) (19.12.1993) by S.I. 1993/3245, **reg. 3**

F10 255B Modification of disclosure requirements in relation to banking company or group.

- (1) In relation to a banking company, or the [F11 parent company of a banking group], the provisions of Schedule 5 (Disclosure of information: related undertakings) have effect subject to Part III of Schedule 9.
- (2) In relation to a banking company, or the [F12 holding company of a credit institution], the provisions of Schedule 6 (Disclosure of information: emoluments and other benefits of directors and others) have effect subject to Part IV of Schedule 9.

Textual Amendments

- F10 Ss. 255-255B substituted (2.12.1991) by S.I. 1991/2705, **regs. 3, 9**.
F11 Words in s. 255B(1) substituted (1.1.1993) by S.I. 1992/3178, **reg. 6**.
F12 Words in s. 255B(2) substituted (28.2.1994) by S.I. 1994/233, **reg. 3**

F13 255C.....

Textual Amendments

- F13 S. 255C omitted (19.12.1993) by S.I. 1993/3246, **regs. 5(1), 6, 7, Sch. 2 para.3**

[F14 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.

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[A “banking partnership” means a partnership which has permission under Part 4 of ^{F15}(2) the Financial Services and Markets Act 2000.

(2A) But a partnership is not a banking partnership if it has permission to accept deposits only for the purpose of carrying on another regulated activity in accordance with that permission.]

(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.

[Subsections (2) and (2A) must be read with—

- ^{F16}(5) (a) section 22 of the Financial Services and Markets Act 2000;
(b) any relevant order under that section; and
(c) Schedule 2 to that Act.]]

Textual Amendments

F14 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)

F15 **S. 255D(2)(2A)** substituted (1.12.2001) for s. 255D(2) by **S.I. 2001/3649, arts. 1, 16(1)**

F16 **S. 255D(5)** inserted (1.12.2001) for s. 255D(5) by **S.I. 2001/3649, arts. 1, 16(2)**

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