

Status: Point in time view as at 08/11/2006.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, Cross Heading: General rules. (See end of Document for details)

SCHEDULES

[^{F1}SCHEDULE 4A

FORM AND CONTENT OF GROUP ACCOUNTS]

Textual Amendments

- F1** Sch. 4A inserted (subject to the transitional and saving provisions in S.I. 1990/355, arts. 6–9) by Companies Act 1989 (c. 40, SIF 27), ss. 5(2), 213(2), **Sch. 2**

Modifications etc. (not altering text)

- C1** Sch. 4A extended (with modifications) (E.W.S.) (19.12.1993) by S.I. 1993/3245, reg. 3(3)(d) (as amended (1.10.2005) by The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) (Amendment) Regulations 2005 (S.I. 2005/1985), **reg. 2(2)(a)**)

General rules

- 1 (1) Group accounts shall comply so far as practicable with the [^{F1}provisions of ^{F2}. . . Schedule 4 (form and content of company accounts)] as if the undertakings included in the consolidation (“the group”) were a single company.

^{F3}(2)

- (3) Where the parent company is treated as an investment company for the purposes of Part V of that Schedule (special provisions for investment companies) the group shall be similarly treated.

Textual Amendments

- F1** Words in Sch. 4A para. 1(1) substituted (2.2.1996) by S.I. 1996/189, reg. 14(2), **Sch. 2 para. 2** (with reg. 16)
- F2** Words in Sch. 4A para. 1(1) repealed (1.10.2005) by Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27), ss. 7, 64, 65, **Sch. 8**; S.I. 2004/3322, **art. 2(4)**, Sch. 4 (subject to arts. 3-13)
- F3** Sch. 4A para. 1(2) repealed (1.3.1997) by S.I. 1997/220, **reg. 7(10)(a)**

- 2 (1) The consolidated balance sheet and profit and loss account shall incorporate in full the information contained in the individual accounts of the undertakings included in the consolidation, subject to the adjustments authorised or required by the following provisions of this Schedule and to such other adjustments (if any) as may be appropriate in accordance with generally accepted accounting principles or practice.

- (2) If the financial year of a subsidiary undertaking included in the consolidation [^{F4}does not end with that of the parent company], the group accounts shall be made up—

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- (a) from the accounts of the subsidiary undertaking for its financial year last ending before the end of the parent company's financial year, provided that year ended no more than three months before that of the parent company, or
- (b) from interim accounts prepared by the subsidiary undertaking as at the end of the parent company's financial year.

Textual Amendments

F4 Words in [Sch. 4A para. 2\(2\)](#) substituted (2.2.1996) by [S.I. 1996/189, reg. 14\(2\)](#), [Sch. 2 para. 3](#) (with [reg. 16](#))

- 3 (1) Where assets and liabilities to be included in the group accounts have been valued or otherwise determined by undertakings according to accounting rules differing from those used for the group accounts, the values or amounts shall be adjusted so as to accord with the rules used for the group accounts.
 - (2) If it appears to the directors of the parent company that there are special reasons for departing from sub-paragraph (1) they may do so, but particulars of any such departure, the reasons for it and its effect shall be given in a note to the accounts.
 - (3) The adjustments referred to in this paragraph need not be made if they are not material for the purpose of giving a true and fair view.
- 4 Any differences of accounting rules as between a parent company's individual accounts for a financial year and its group accounts shall be disclosed in a note to the latter accounts and the reasons for the difference given.
- 5 Amounts which in the particular context of any provision of this Schedule are not material may be disregarded for the purposes of that provision.

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