

*Status: Point in time view as at 08/11/2006.*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, Part II. (See end of Document for details)*

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 5

#### DISCLOSURE OF INFORMATION: RELATED UNDERTAKINGS]

##### Textual Amendments

- F1** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, **Sch. 2**) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), **Sch. 3**

##### Modifications etc. (not altering text)

- C1** Sch. 5 applied with modifications by S.I. 1985/680, regs. 4–6, **Sch.**  
Sch. 5 extended (with modifications) (E.W.S.) (19.12.1993) by S.I. 1993/3245, reg. 3(3)(e) (as amended (1.10.2005) by The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) (Amendment) Regulations 2005 (S.I. 2005/1985), **reg. 2(2)(b)**)

### [<sup>F1</sup>PART II

#### COMPANIES REQUIRED TO PREPARE GROUP ACCOUNTS]

##### Textual Amendments

- F1** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, **Sch. 2**) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), **Sch. 3**

#### *Introductory*

- 14 In this Part of this Schedule “the group” means the group consisting of the parent company and its subsidiary undertakings.

#### *[<sup>F2</sup> Subsidiary undertakings]*

##### Textual Amendments

- F2** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, **Sch. 2**) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), **Sch. 3**

- 15 (1) The following information shall be given with respect to the undertakings which are subsidiary undertakings of the parent company at the end of the financial year.

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- (2) The name of each undertaking shall be stated.
- (3) There shall be stated—
- (a) if the undertaking is incorporated outside Great Britain, the country in which it is incorporated;
  - <sup>F3</sup>(b) .....
  - (c) if it is unincorporated, the address of its principal place of business.
- (4) It shall also be stated whether the subsidiary undertaking is included in the consolidation and, if it is not, the reasons for excluding it from consolidation shall be given.
- (5) It shall be stated with respect to each subsidiary undertaking by virtue of which of the conditions specified in section 258(2) or (4) it is a subsidiary undertaking of its immediate parent undertaking.

That information need not be given if the relevant condition is that specified in subsection (2)(a) of that section (holding of a majority of the voting rights) and the immediate parent undertaking holds the same proportion of the shares in the undertaking as it holds voting rights.

**Textual Amendments**

**F3** Sch. 5 para. 15(3)(b) repealed (2.2.1996) by S.I. 1996/189, reg. 14(3), Sch. 3 para. 14 (with reg. 16)

*[<sup>F4</sup> Holdings in subsidiary undertakings]*

**Textual Amendments**

**F4** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, Sch. 2) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), Sch. 3

- 16 (1) The following information shall be given with respect to the shares of a subsidiary undertaking held—
- (a) by the parent company, and
  - (b) by the group;
- and the information under paragraphs (a) and (b) shall (if different) be shown separately.
- (2) There shall be stated—
- (a) the identity of each class of shares held, and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.

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*[<sup>F5</sup> Financial information about subsidiary undertakings not included in the consolidation]*

**Textual Amendments**

**F5** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, Sch. 2) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), Sch. 3

- 17 (1) There shall be shown with respect to each subsidiary undertaking not included in the consolidation—
- (a) the aggregate amount of its capital and reserves as at the end of its relevant financial year, and
  - (b) its profit or loss for that year.
- (2) That information need not be given if the group’s investment in the undertaking is included in the accounts by way of the equity method of valuation or if—
- (a) the undertaking is not required by any provision of this Act to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in Great Britain or elsewhere, and
  - (b) the holding of the group is less than 50 per cent. of the nominal value of the shares in the undertaking.
- (3) Information otherwise required by this paragraph need not be given if it is not material.
- (4) For the purposes of this paragraph the “relevant financial year” of a subsidiary undertaking is—
- (a) if its financial year ends with that of the company, that year, and
  - (b) if not, its financial year ending last before the end of the company’s financial year.

*[<sup>F6</sup> Further information about subsidiary undertakings excluded from consolidation]*

**Textual Amendments**

**F6** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, Sch. 2) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), Sch. 3

.....  
<sup>F7</sup>18

**Textual Amendments**

**F7** Sch. 5 para. 18 repealed (2.2.1996) by S.I. 1996/189, reg. 14(3), Sch. 3 para. 15 (with reg. 16)

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*[<sup>F8</sup> Financial years of subsidiary undertakings]*

**Textual Amendments**

- F8** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, **Sch. 2**) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), **Sch. 3**

.....  
<sup>F9</sup>19

**Textual Amendments**

- F9** Sch. 5 para. 19 repealed (2.2.1996) by S.I. 1996/189, reg. 14(3), **Sch. 3 para. 16** (with reg. 16)

*[<sup>F10</sup> Shares and debentures of company held by subsidiary undertakings]*

**Textual Amendments**

- F10** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, **Sch. 2**) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), **Sch. 3**

- 20 (1) The number, description and amount of the shares in <sup>F11</sup>. . . the company held by or on behalf of its subsidiary undertakings shall be disclosed.
- (2) Sub-paragraph (1) does not apply in relation to shares <sup>F12</sup>. . . in the case of which the subsidiary undertaking is concerned as personal representative or, subject as follows, as trustee.
- (3) The exception for shares. . . in relation to which the subsidiary undertaking is concerned as trustee does not apply if the company or any of its subsidiary undertakings is beneficially interested under the trust, otherwise than by way of security only for the purposes of a transaction entered into by it in the ordinary course of a business which includes the lending of money.
- (4) Schedule 2 to this Act has effect for the interpretation of the reference in sub-paragraph (3) to a beneficial interest under a trust.

**Textual Amendments**

- F11** Words in Sch. 5 para. 20(1) omitted (2.2.1996) by virtue of S.I. 1996/189, reg. 14(3), **Sch. 3 para. 17(2)** (with reg. 16)
- F12** Words in Sch. 5 para. 20(2)(3) omitted (2.2.1996) by virtue of S.I. 1996/189, reg. 14(3), **Sch. 3 para. 17(3)** (with reg. 16)

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*[<sup>F13</sup> Joint ventures]*

**Textual Amendments**

**F13** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, Sch. 2) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), Sch. 3

- 21 (1) The following information shall be given where an undertaking is dealt with in the consolidated accounts by the method of proportional consolidation in accordance with paragraph 19 of Schedule 4A (joint ventures)—
- (a) the name of the undertaking;
  - (b) the address of the principal place of business of the undertaking;
  - (c) the factors on which joint management of the undertaking is based; and
  - (d) the proportion of the capital of the undertaking held by undertakings included in the consolidation.
- (2) Where the financial year of the undertaking did not end with that of the company, there shall be stated the date on which a financial year of the undertaking last ended before that date.

*[<sup>F14</sup> Associated undertakings]*

**Textual Amendments**

**F14** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, Sch. 2) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), Sch. 3

- 22 (1) The following information shall be given where an undertaking included in the consolidation has an interest in an associated undertaking.
- (2) The name of the associated undertaking shall be stated.
- (3) There shall be stated—
- (a) if the undertaking is incorporated outside Great Britain, the country in which it is incorporated;
  - <sup>F15</sup>(b) .....
  - (c) if it is unincorporated, the address of its principal place of business.
- (4) The following information shall be given with respect to the shares of the undertaking held—
- (a) by the parent company, and
  - (b) by the group;
- and the information under paragraphs (a) and (b) shall be shown separately.
- (5) There shall be stated—
- (a) the identity of each class of shares held, and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.

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- (6) In this paragraph “associated undertaking” has the meaning given by paragraph 20 of Schedule 4A; and the information required by this paragraph shall be given notwithstanding that paragraph 22(3) of that Schedule (materiality) applies in relation to the accounts themselves.

#### Textual Amendments

**F15** Sch. 5 para. 22(3)(b) repealed (2.2.1996) by S.I. 1996/189, reg. 14(3), Sch. 3, para. 18 (with reg. 16)

*[<sup>F16</sup> Other significant holdings of parent company or group]*

#### Textual Amendments

**F16** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, Sch. 2) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), Sch. 3

- 23 (1) The information required by paragraphs 24 and 25 shall be given where at the end of the financial year the parent company has a significant holding in an undertaking which is not one of its subsidiary undertakings and does not fall within paragraph 21 (joint ventures) or paragraph 22 (associated undertakings).
- (2) A holding is significant for this purpose if—
- it amounts to [<sup>F17</sup>20 per cent.]or more of the nominal value of any class of shares in the undertaking, or
  - the amount of the holding (as stated or included in the company’s individual accounts) exceeds [<sup>F17</sup>one-fifth] of the amount of its assets (as so stated).

#### Textual Amendments

**F17** Words in Sch. 5 para. 23(2) substituted (2.2.1996) by S.I. 1996/189, reg. 14(3), Sch. 3 para. 19 (with reg. 16)

- 24 (1) The name of the undertaking shall be stated.
- (2) There shall be stated—
- if the undertaking is incorporated outside Great Britain, the country in which it is incorporated;
  - <sup>F18</sup>(b) .....
  - if it is incorporated, the address of its principal place of business.
- (3) The following information shall be given with respect to the shares of the undertaking held by the parent company.
- (4) There shall be stated—
- the identity of each class of shares held, and
  - the proportion of the nominal value of the shares of that class represented by those shares.

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#### Textual Amendments

**F18** Sch. 5 para. 24(2)(b) repealed (2.2.1996) by S.I. 1996/189, reg. 14(3), Sch. 3 para. 20 (with reg. 16)

- 25 (1) <sup>F19</sup> . . . there shall also be stated—
- (a) the aggregate amount of the capital and reserves of the undertaking as at the end of its relevant financial year, and
  - (b) its profit or loss for that year.
- (2) That information need not be given in respect of an undertaking if—
- (a) the undertaking is not required by any provision of this Act to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in Great Britain or elsewhere, and
  - (b) the company's holding is less than 50 per cent. of the nominal value of the shares in the undertaking.
- (3) Information otherwise required by this paragraph need not be given if it is not material.
- (4) For the purposes of this paragraph the “relevant financial year” of an undertaking is—
- (a) if its financial year ends with that of the company, that year, and
  - (b) if not, its financial year ending last before the end of the company's financial year.

#### Textual Amendments

**F19** Words in Sch. 5 para. 25(1) omitted (2.2.1996) by virtue of S.I. 1996/189, reg. 14(3), Sch. 3 para. 21 (with reg. 16)

- 26 (1) The information required by paragraphs 27 and 28 shall be given where at the end of the financial year the group has a significant holding in an undertaking which is not a subsidiary undertaking of the parent company and does not fall within paragraph 21 (joint ventures) or paragraph 22 (associated undertakings).
- (2) A holding is significant for this purpose if—
- (a) it amounts to [<sup>F20</sup>20 per cent.] or more of the nominal value of any class of shares in the undertaking, or
  - (b) the amount of the holding (as stated or included in the group accounts) exceeds [<sup>F20</sup>one-fifth] of the amount of the group's assets (as so stated).

#### Textual Amendments

**F20** Words in Sch. 5 para. 26(2) substituted (2.2.1996) by S.I. 1996/189, reg. 14(3), Sch. 3 para. 19 (with reg. 16)

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- 27 (1) The name of the undertaking shall be stated.
- (2) There shall be stated—
- (a) if the undertaking is incorporated outside Great Britain, the country in which it is incorporated;
  - <sup>F21</sup>(b) .....
  - (c) if it is unincorporated, the address of its principal place of business.
- (3) The following information shall be given with respect to the shares of the undertaking held by the group.
- (4) There shall be stated—
- (a) the identity of each class of shares held, and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.

#### Textual Amendments

**F21** Sch. 5 para. 27(2)(b) repealed (2.2.1996) by S.I. 1996/189, reg. 14(3), Sch. 3 para. 22 (with reg. 16)

- 28 (1) <sup>F22</sup>...there shall also be stated—
- (a) the aggregate amount of the capital and reserves of the undertaking as at the end of its relevant financial year, and
  - (b) its profit or loss for that year.
- (2) That information need not be given if—
- (a) the undertaking is not required by any provision of this Act to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in Great Britain or elsewhere, and
  - (b) the holding of the group is less than 50 per cent. of the nominal value of the shares in the undertaking.
- (3) Information otherwise required by this paragraph need not be given if it is not material.
- (4) For the purposes of this paragraph the “relevant financial year” of an outside undertaking is—
- (a) if its financial year ends with that of the parent company, that year, and
  - (b) if not, its financial year ending last before the end of the parent company’s financial year.

#### Textual Amendments

**F22** Words in Sch. 5 para. 28(1) omitted (2.2.1996) by virtue of S.I. 1996/189, reg. 14(3), Sch. 3 para. 21 (with reg. 16)



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*Parent company's or group's membership of certain undertakings*

[<sup>F23</sup>28A(1) The information required by this paragraph shall be given where at the end of the financial year the parent company or group is a member of a qualifying undertaking.

(2) There shall be stated—

- (a) the name and legal form of the undertaking, and
- (b) the address of the undertaking's registered office (whether in or outside Great Britain) or, if it does not have such an office, its head office (whether in or outside Great Britain).

(3) Where the undertaking is a qualifying partnership there shall also be stated either—

- (a) that a copy of the latest accounts of the undertaking has been or is to be appended to the copy of the company's accounts sent to the registrar under section 242 of this Act, or
- (b) the name of at least one body corporate (which may be the company) in whose group accounts the undertaking has been or is to be dealt with on a consolidated basis.

(4) Information otherwise required by sub-paragraph (2) above need not be given if it is not material.

(5) Information otherwise required by sub-paragraph (3)(b) above need not be given if the notes to the company's accounts disclose that advantage has been taken of the exemption conferred by regulation 7 of the Partnerships and Unlimited Companies (Accounts) Regulations 1993.

(6) In this paragraph—

“dealt with on a consolidated basis”, “member”, “qualifying company” and “qualifying partnership” have the same meanings as in the Partnerships and Unlimited Companies (Accounts) Regulations 1993;

“qualifying undertaking” means a qualifying partnership or a qualifying company.]

**Textual Amendments**

**F23** Sch. 5 para. 28A inserted (21.7.1993) by S.I. 1993/1820, reg. 11(3)

[<sup>F24</sup> Arrangements attracting merger relief]

**Textual Amendments**

**F24** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, Sch. 2) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), Sch. 3

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#### Textual Amendments

**F25** Sch. 5 para. 29 repealed (2.2.1996) by S.I. 1996/189, reg. 14(3), Sch. 3 para. 23 (with reg. 16)

*[<sup>F26</sup> Parent undertaking drawing up accounts for larger group]*

#### Textual Amendments

**F26** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, Sch. 2) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), Sch. 3

- 30 (1) Where the parent company is itself a subsidiary undertaking, the following information shall be given with respect to that parent undertaking of the company which heads—
- (a) the largest group of undertakings for which group accounts are drawn up and of which that company is a member, and
  - (b) the smallest such group of undertakings.
- (2) The name of the parent undertaking shall be stated.
- (3) There shall be stated—
- (a) if the undertaking is incorporated outside Great Britain, the country in which it is incorporated;
  - <sup>F27</sup>(b) .....
  - (c) if it is unincorporated, the address of its principal place of business.
- (4) If copies of the group accounts referred to in sub-paragraph (1) are available to the public, there shall also be stated the addresses from which copies of the accounts can be obtained.

#### Textual Amendments

**F27** Sch. 5 para. 30(3)(b) repealed (2.2.1996) by S.I. 1996/189, reg. 14(3), Sch. 3 para. 24 (with reg. 16)

*[<sup>F28</sup> Identification of ultimate parent company]*

#### Textual Amendments

**F28** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, Sch. 2) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), Sch. 3

- 31 (1) Where the parent company is itself a subsidiary undertaking, the following information shall be given with respect to the company (if any) regarded by the directors as being that company's ultimate parent company.
- (2) The name of that company shall be stated.

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- (3) If known to the directors, there shall be stated—
- (a) if that company is incorporated outside Great Britain, the country in which it is incorporated;
  - <sup>F29</sup>(b) .....
- (4) In this paragraph “company” includes any body corporate.

**Textual Amendments**

**F29** Sch. 5 para. 31(3)(b) repealed (2.2.1996) by S.I. 1996/189, reg. 14(3), Sch. 3 para. 25 (with reg. 16)

*[<sup>F30</sup> Construction of references to shares held by parent company or group]*

**Textual Amendments**

**F30** Sch. 5 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts 6–9, Sch. 2) by Companies Act 1989 (c. 40, SIF 27), ss. 6(2), 213(2), Sch. 3

- 32 (1) References in this Part of this Schedule to shares held by the parent company or the group shall be construed as follows.
- (2) For the purposes of paragraphs 16, 22(4) and (5) and 23 to 25 (information about holdings in subsidiary and other undertakings)—
- (a) there shall be attributed to the parent company shares held on its behalf by any person; but
  - (b) there shall be treated as not held by the parent company shares held on behalf of a person other than the company.
- (3) References to shares held by the group are to any shares held by or on behalf of the parent company or any of its subsidiary undertakings; but there shall be treated as not held by the group any shares held on behalf of a person other than the parent company or any of its subsidiary undertakings.
- (4) Shares held by way of security shall 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 his 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 his interests.

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