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STATUTORY INSTRUMENTS

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**2015 No. 980**

**The Companies, Partnerships and Groups  
(Accounts and Reports) Regulations 2015**

**PART 4**

**Amendment of the Large and Medium-sized Companies Accounts Regulations**

**Amendment of Schedule 6 (Companies Act group accounts) to the Large and Medium-sized Companies Accounts Regulations**

**39.**—(1) Schedule 6 to the Large and Medium-sized Companies Accounts Regulations is amended as follows.

(2) After paragraph 2(1) insert—

“(1A) Group accounts must be drawn up as at the same date as the accounts of the parent company.”

(3) After paragraph 9(5) insert—

“(6) Negative goodwill may be transferred to the consolidated profit and loss account where such a treatment is in accordance with the principles and rules of Part 2 of Schedule 1 to these Regulations.”

(4) For paragraph 10, substitute—

“**10.** The conditions for accounting for an acquisition as a merger are—

- (a) that the undertaking whose shares are acquired is ultimately controlled by the same party both before and after the acquisition,
- (b) that the control referred to in paragraph (a) is not transitory, and
- (c) that adoption of the merger method accords with generally accepted accounting principles or practice.”

(5) After paragraph 16, insert—

“**16A.** Where an acquisition has taken place in the financial year and the merger method of accounting has been adopted, the notes to the accounts must also disclose—

- (a) the address of the registered office of the undertaking acquired (whether in or outside the United Kingdom),
- (b) the name of the party referred to in paragraph 10(a),
- (c) the address of the registered office of that party (whether in or outside the United Kingdom), and
- (d) the information referred to in paragraph 11(6).”

(6) For paragraph 17, substitute—

**“Non-controlling interests**

17.—(1) The formats set out in Schedule 1 to these Regulations have effect in relation to group accounts with the following additions.

(2) In the balance sheet formats there must be shown, as a separate item and under the heading “non-controlling interests”, the amount of capital and reserves attributable to shares in subsidiary undertakings included in the consolidation held by or on behalf of persons other than the parent company and its subsidiary undertakings.

(3) In the profit and loss account formats there must be shown, as a separate item and under the heading “non-controlling interests”, the amount of any profit or loss attributable to shares in subsidiary undertakings included in the consolidation held by or on behalf of persons other than the parent company and its subsidiary undertakings.

(4) For the purposes of paragraph 4(1) and (2) of Schedule 1 (power to adapt or combine items)—

- (a) the additional item required by sub-paragraph (2) above is treated as one to which a letter is assigned, and
- (b) the additional item required by sub-paragraph (3) above is treated as one to which an Arabic number is assigned.”

(7) In paragraph 18(2), insert the words “and sections 402 and 405 of the 2006 Act” after the words “consolidated accounts”.

(8) After paragraph 18(2), insert—

“(3) In addition to the disclosure of the average number of employees employed during the financial year (see section 411(7) of the 2006 Act), there must be a separate disclosure in the notes to the accounts of the average number of employees employed by undertakings that are proportionately consolidated.”.

(9) In paragraph 20(3)—

- (a) at the end of sub-paragraph (a), insert the word “and”, and
- (b) omit sub-paragraphs (c) and (d).

(10) After paragraph 22, insert—

**“Total amount of directors’ remuneration etc**

22A. Paragraph 1 of Schedule 5 to these Regulations applies to group accounts with the modification that only the amounts and values referred to in that paragraph received or receivable by the directors of the parent company from the parent company and any of its subsidiary undertakings must be disclosed in the notes to the accounts.

**Deferred tax balances**

22B. Deferred tax balances must be recognised on consolidation where it is probable that a charge to tax will arise within the foreseeable future for one of the undertakings included in the consolidation.”

(11) After paragraph 24, insert—

“24A. In paragraph 9 of this Schedule, the reference in sub-paragraph (6) to Schedule 1 is to these Regulations is to be construed as a reference to Schedule 2.”.

(12) For paragraph 25, substitute—

**“Non-controlling interests and associated undertakings**

**25.**—(1) This paragraph adapts paragraphs 17 and 20 (which require items in respect of “non-controlling interests” and associated undertakings to be added to the formats set out in Schedule 1 to these Regulations) to the formats prescribed by Schedule 2 to these Regulations.

(2) In paragraph 17—

- (a) in sub-paragraph (1), for the reference to Schedule 1 to these Regulations, substitute a reference to Schedule 2,
- (b) sub-paragraph (3) is to apply as if the reference to “a separate item” were a reference to “separate items” and the reference to “the amount of any profit or loss” were a reference to the following—
  - (i) the amount of any profit or loss on ordinary activities, and
  - (ii) the amount of any profit or loss on extraordinary activities, and
- (c) sub-paragraph (4) is not to apply, but for the purposes of paragraph 5(1) of Part 1 of Schedule 2 to these Regulations (power to combine items) the additional items required by the foregoing provisions of this paragraph are to be treated as items to which a letter is assigned.

(3) Paragraph 20(2) is to apply with respect to a balance sheet prepared under Schedule 2 to these Regulations as if it required assets item 7 (participating interests) in the balance sheet format to be replaced by the two replacement items referred to in that paragraph.

(4) Paragraph 20(3) is not to apply, but the following items in the profit and loss account formats—

- (a) format 1 item 3(b) (income from participating interests),
- (b) format 2 item B2(b) (income from participating interests),

are replaced by the following—

- (i) “Income from participating interests other than associated undertakings”, to be shown at position 3(b) in format 1 and position B2(b) in format 2, and
- (ii) “Income from associated undertakings”, to be shown at an appropriate position.”.

(13) After paragraph 35, insert—

**“35A.** In paragraph 9 of this Schedule, the reference in sub-paragraph (6) to Schedule 1 to these Regulations is to be construed as a reference to Schedule 3 to these Regulations.”.

(14) For paragraph 36, substitute—

**“Non-controlling interests**

**36.** In paragraph 17—

- (a) in sub-paragraph (1), for the reference to Schedule 1 to these Regulations, substitute a reference to Schedule 3,
- (b) sub-paragraph (3) is to apply as if the reference to “a separate item” were a reference to “separate items” and as if the reference to “the amount of any profit or loss” were a reference to the following—
  - (i) the amount of any profit or loss on ordinary activities, and
  - (ii) the amount of any profit or loss on extraordinary activities, and
- (c) for sub-paragraph (4), substitute—

“(4) Paragraph 3(1) of Schedule 3 to these Regulations (power to combine items) does not apply in relation to the additional items required by the above provisions of this paragraph.””