

SCHEDULES

SCHEDULE 2

[SCHEDULE 4A TO THE COMPANIES ACT 1985]

FORM AND CONTENT OF GROUP ACCOUNTS

Acquisition and merger accounting

- 13 (1) The following information with respect to acquisitions taking place in the financial year shall be given in a note to the accounts.
- (2) There shall be stated—
- (a) the name of the undertaking acquired or, where a group was acquired, the name of the parent undertaking of that group, and
 - (b) whether the acquisition has been accounted for by the acquisition or the merger method of accounting;
- and in relation to an acquisition which significantly affects the figures shown in the group accounts, the following further information shall be given.
- (3) The composition and fair value of the consideration for the acquisition given by the parent company and its subsidiary undertakings shall be stated.
- (4) The profit or loss of the undertaking or group acquired shall be stated—
- (a) for the period from the beginning of the financial year of the undertaking or, as the case may be, of the parent undertaking of the group, up to the date of the acquisition, and
 - (b) for the previous financial year of that undertaking or parent undertaking;
- and there shall also be stated the date on which the financial year referred to in paragraph (a) began.
- (5) Where the acquisition method of accounting has been adopted, the book values immediately prior to the acquisition, and the fair values at the date of acquisition, of each class of assets and liabilities of the undertaking or group acquired shall be stated in tabular form, including a statement of the amount of any goodwill or negative consolidation difference arising on the acquisition, together with an explanation of any significant adjustments made.
- (6) Where the merger method of accounting has been adopted, an explanation shall be given of any significant adjustments made in relation to the amounts of the assets and liabilities of the undertaking or group acquired, together with a statement of any resulting adjustment to the consolidated reserves (including the re-statement of opening consolidated reserves).
- (7) In ascertaining for the purposes of sub-paragraph (4), (5) or (6) the profit or loss of a group, the book values and fair values of assets and liabilities of a group or the

Status: This is the original version (as it was originally enacted).

amount of the assets and liabilities of a group, the set-offs and other adjustments required by this Schedule in the case of group accounts shall be made.