



# Companies Act 2006

## 2006 CHAPTER 46

### PART 15

#### ACCOUNTS AND REPORTS

### CHAPTER 4

#### ANNUAL ACCOUNTS

#### *<sup>F1</sup>Group accounts ...*

#### **400 Exemption for company included in [<sup>F1</sup>UK] group accounts of larger group**

- (1) A company is exempt from the requirement to prepare group accounts if it is itself a subsidiary undertaking and its immediate parent undertaking is established under the law of [<sup>F2</sup>any part of the United Kingdom], in the following cases—
- (a) where the company is a wholly-owned subsidiary of that parent undertaking;
  - [<sup>F3</sup>(b) where that parent undertaking holds 90% or more of the allotted shares in the company and the remaining shareholders have approved the exemption;
  - (c) where that parent undertaking holds more than 50% (but less than 90%) of the allotted shares in the company and notice requesting the preparation of group accounts has not been served on the company by the shareholders holding in aggregate at least 5% of the allotted shares in the company.

Such notice must be served at least six months before the end of the financial year to which it relates.]

- (2) Exemption is conditional upon compliance with all of the following conditions—
- (a) the company must be included in consolidated accounts for a larger group drawn up to the same date, or to an earlier date in the same financial year, by a parent undertaking established under the law of [<sup>F4</sup>any part of the United Kingdom];

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- (b) those accounts must be drawn up and audited, and that parent undertaking's annual report must be drawn up <sup>F5</sup>...—
    - [<sup>F6</sup>(i) if the undertaking is a company, in accordance with the requirements of this Part of this Act, or, if the undertaking is not a company, the legal requirements which apply to the drawing up of consolidated accounts for that undertaking, or]
    - (ii) in accordance with [<sup>F7</sup>UK-adopted international accounting standards];
  - (c) the company must disclose in [<sup>F8</sup>the notes to] its individual accounts that it is exempt from the obligation to prepare and deliver group accounts;
  - (d) the company must state in its individual accounts the name of the parent undertaking that draws up the group accounts referred to above and—
    - [<sup>F9</sup>(i) the address of the undertaking's registered office<sup>F10</sup>..., or]
    - (ii) if it is unincorporated, the address of its principal place of business;
  - (e) the company must deliver to the registrar, within the period for filing its accounts and reports for the financial year in question, copies of—
    - (i) those group accounts, and
    - (ii) the parent undertaking's annual report,
 together with the auditor's report on them;
  - (f) any requirement of Part 35 of this Act as to the delivery to the registrar of a certified translation into English must be met in relation to any document comprised in the accounts and reports delivered in accordance with paragraph (e).
- (3) For the purposes of subsection (1)(b) [<sup>F11</sup>and (c)] shares held by a wholly-owned subsidiary of the parent undertaking, or held on behalf of the parent undertaking or a wholly-owned subsidiary, shall be attributed to the parent undertaking.
- (4) The exemption does not apply to a company [<sup>F12</sup>which is a traded company.]
- (5) Shares held by directors of a company for the purpose of complying with any share qualification requirement shall be disregarded in determining for the purposes of this section whether the company is a wholly-owned subsidiary.

<sup>F13</sup>(6) .....

#### Textual Amendments

- F1** Word in s. 400 heading substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 2 para. 9(a)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F2** Words in s. 400(1) substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 2 para. 9(b)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F3** S. 400(1)(b)(c) substituted for s. 400(1)(b) (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Companies, Partnerships and Groups \(Accounts and Reports\) Regulations 2015 \(S.I. 2015/980\)](#), regs. 2(1), **5(7)(a)** (with reg. 3)
- F4** Words in s. 400(2)(a) substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I.](#)

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- 2019/145), regs. 1(2)(b), 2, **Sch. 2 para. 9(c)(i)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F5** Words in s. 400(2)(b) omitted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by virtue of *The Accounts and Reports (Amendment) (EU Exit) Regulations 2019* (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 2 para. 9(c)(ii)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F6** S. 400(2)(b)(i) substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by *The Accounts and Reports (Amendment) (EU Exit) Regulations 2019* (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 2 para. 9(c)(iii)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F7** Words in s. 400(2)(b)(ii) substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by *The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019* (S.I. 2019/685), reg. 1(2)(3), **Sch. 1 para. 8** (with reg. 1(4)-(8), Sch. 1 para. 64) (as amended by S.I. 2020/335, regs. 1, 3, 4 and S.I. 2020/523, regs. 1(2), 22, 25(b)); 2020 c. 1, Sch. 5 para. 1(1)
- F8** Words in s. 400(2)(c) inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by *The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015* (S.I. 2015/980), regs. 2(1), **5(7)(b)(ii)** (with reg. 3)
- F9** S. 400(2)(d)(i) substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by *The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015* (S.I. 2015/980), regs. 2(1), **5(7)(b)(iii)** (with reg. 3)
- F10** Words in s. 400(2)(d)(i) omitted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by virtue of *The Accounts and Reports (Amendment) (EU Exit) Regulations 2019* (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 2 para. 9(c)(iv)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F11** Words in s. 400(3) inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by *The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015* (S.I. 2015/980), regs. 2(1), **5(7)(c)** (with reg. 3)
- F12** Words in s. 400(4) substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by *The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015* (S.I. 2015/980), regs. 2(1), **5(7)(d)** (with reg. 3)
- F13** S. 400(6) omitted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by virtue of *The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015* (S.I. 2015/980), regs. 2(1), **5(7)(e)** (with reg. 3)

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

- C1** Pts. 1-39 modified (31.12.2020) by Regulation (EC) No. 2157/2001, Art. AAA1(3) (as inserted by *The European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2018* (S.I. 2018/1298), regs. 1, **97** (with regs. 140-145) (as amended by S.I. 2020/523, regs. 1(2), 5(a)-(f)); 2020 c. 1, Sch. 5 para. 1(1))
- C2** Ss. 380-414 applied (with modifications) (1.10.2009) by S.I. 2009/2436, regs. 3-5, **Sch 1 para. 10** (with reg. 7, Sch. 2) (and the said Sch. 1 para. 10 is amended (with application in accordance with reg. 1(3) of the amending S.I.) by *The Unregistered Companies (Amendment) Regulations 2013* (S.I. 2013/1972), regs. 1(2), **2(2)(a)**)
- C3** Ss. 398-408 applied (with modifications) (1.10.2008) by *The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008* (S.I. 2008/1911), **reg. 10** (as amended (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by *The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016* (S.I. 2016/575), regs. 2(1), **9**); (with effect in accordance with reg. 2(5)(b) of the amending S.I.) by *The Statutory Auditors Regulations 2017* (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 3** (with reg. 2(6)(7)); (31.12.2020) by *The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019* (S.I. 2019/685), reg. 1(2), Sch. 1 para. 58(4) (with reg. 1(3)-(8), **Sch. 1 para. 65**) (as amended by S.I. 2020/335, regs. 1, 3, 4 and S.I. 2020/523, regs.

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1(2), 22, 25(c)); 2020 c. 1, **Sch. 5 para. 1(1)**; and (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 3 para. 16** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, **Sch. 5 para. 1(1)**)

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