

SCHEDULE 6

COMPANIES ACT GROUP ACCOUNTS

PART 1

GENERAL RULES

9.—(1) The acquisition method of accounting is as follows.

(2) The identifiable assets and liabilities of the undertaking acquired must be included in the consolidated balance sheet at their fair values as at the date of acquisition.

(3) The income and expenditure of the undertaking acquired must be brought into the group accounts only as from the date of the acquisition.

(4) There must be set off against the acquisition cost of the interest in the shares of the undertaking held by the parent company and its subsidiary undertakings the interest of the parent company and its subsidiary undertakings in the adjusted capital and reserves of the undertaking acquired.

(5) The resulting amount if positive must be treated as goodwill, and if negative as a negative consolidation difference.

[^{F1}(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.]

Textual Amendments

- F1** Sch. 6 para. 9(6) 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), **39(3)** (with reg. 3)

Changes to legislation:

There are currently no known outstanding effects for the The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Paragraph 9.