

SCHEDULE 6

COMPANIES ACT GROUP ACCOUNTS

PART 2

MODIFICATIONS FOR BANKING GROUPS

General application of provisions applicable to individual accounts

23. In its application to banking groups, Part 1 of this Schedule has effect with the following modifications.

24. In paragraph 1 of this Schedule—

- (a) the reference in sub-paragraph (1) to the provisions of Schedule 1 to these Regulations is to be construed as a reference to the provisions of Schedule 2 to these Regulations, and
- (b) sub-paragraph (2) is to be omitted.

Minority interests and associated undertakings

25.—(1) This paragraph adapts paragraphs 17 and 20 (which require items in respect of “Minority 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, and
- (b) paragraph 17(4) is not to apply, but for the purposes of paragraph 5(1) of Part I 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.

26. In paragraph 21(1) of this Schedule, for the references to paragraphs 17 to 20 and 22 of Schedule 1 to these Regulations substitute references to paragraphs 23 to 26 and 28 of Schedule 2 to these Regulations.

Related party transactions

27. In paragraph 22 of this Schedule, for the reference to paragraph 72 of Schedule 1 to these Regulations substitute a reference to paragraph 92 of Schedule 2 to these Regulations.

Foreign currency translation

28. Any difference between—

- (a) the amount included in the consolidated accounts for the previous financial year with respect to any undertaking included in the consolidation or the group's interest in any associated undertaking, together with the amount of any transactions undertaken to cover any such interest, and
- (b) the opening amount for the financial year in respect of those undertakings and in respect of any such transactions,

arising as a result of the application of paragraph 50 of Schedule 2 to these Regulations may be credited to (where (a) is less than (b)), or deducted from (where (a) is greater than (b)), (as the case may be) consolidated reserves.

29. Any income and expenditure of undertakings included in the consolidation and associated undertakings in a foreign currency may be translated for the purposes of the consolidated accounts at the average rates of exchange prevailing during the financial year.

Information as to undertaking in which shares held as a result of financial assistance operation

30.—(1) The following provisions apply where the parent company of a banking group has a subsidiary undertaking which—

- (a) is a credit institution of which shares are held as a result of a financial assistance operation with a view to its reorganisation or rescue, and
- (b) is excluded from consolidation under section 405(3)(c) of the 2006 Act (interest held with a view to resale).

(2) Information as to the nature and terms of the operations must be given in a note to the group accounts, and there must be appended to the copy of the group accounts delivered to the registrar in accordance with section 441 of the 2006 Act a copy of the undertaking's latest individual accounts and, if it is a parent undertaking, its latest group accounts.

If the accounts appended are required by law to be audited, a copy of the auditor's report must also be appended.

(3) Any requirement of Part 35 of the 2006 Act as to the delivery to the registrar of a certified translation into English must be met in relation to any document required to be appended by subparagraph (2).

(4) The above requirements are subject to the following qualifications—

- (a) an undertaking is not required to prepare for the purposes of this paragraph accounts which would not otherwise be prepared, and if no accounts satisfying the above requirements are prepared none need be appended;
- (b) the accounts of an undertaking need not be appended if they would not otherwise be required to be published, or made available for public inspection, anywhere in the world, but in that case the reason for not appending the accounts must be stated in a note to the consolidated accounts.

(5) Where a copy of an undertaking's accounts is required to be appended to the copy of the group accounts delivered to the registrar, that fact must be stated in a note to the group accounts.