

## SCHEDULE 4

### INFORMATION ON RELATED UNDERTAKINGS REQUIRED WHETHER PREPARING COMPANIES ACT OR IAS ACCOUNTS

#### PART 3

#### COMPANIES REQUIRED TO PREPARE GROUP ACCOUNTS

##### **Construction of references to shares held by parent company or group**

**22.**—(1) References in Parts 1 and 3 of this Schedule to shares held by that parent company or group are to be construed as follows.

(2) For the purposes of paragraphs 4 to 6, 17, 19(4) and (5) and 12 (information about holdings in subsidiary and other undertakings)—

- (a) there must be attributed to the parent company shares held on its behalf by any person; but
- (b) there must be treated as not held by the parent company shares held on behalf of a person other than the company.

(3) References to shares held by the group are to any shares held by or on behalf of the parent company or any of its subsidiary undertakings; but any shares held on behalf of a person other than the parent company or any of its subsidiary undertakings are not to be treated as held by the group.

(4) Shares held by way of security must be treated as held by the person providing the security—

- (a) where apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in accordance with his instructions, and
- (b) where the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in his interests.