

## Consistency of financial statements

296. (1) Subject to the provisions of this section, the directors of a holding company shall ensure that the entity financial statements of—

- (a) the holding company, and
- (b) each of the subsidiary undertakings of the holding company,

are prepared using the same financial reporting framework, except to the extent that, in their opinion, there are good reasons for not doing so, and those reasons are disclosed in the entity financial statements of the holding company.

(2) As respects financial statements of subsidiary undertakings, subsection (1) only applies to entity financial statements of subsidiary undertakings that are required to be prepared under this Act.

(3) Subsection (1) does not apply—

- (a) where the directors do not prepare group financial statements for the holding company, or
- (b) to the financial statements of undertakings which do not trade for the acquisition of gain by the members.

(4) Where the directors of the holding company prepare IFRS group financial statements and IFRS entity financial statements for the holding company, subsection (1) shall have effect as if paragraph (a) of it were omitted.