

SCHEDULE 1

Form and Content of Accounts of Banking Companies and Groups

Part I

Individual Accounts

CHAPTER I

GENERAL RULES AND FORMATS

SECTION A

GENERAL RULES

1.—(1) Subject to the following provisions of this Part:

- (a) every balance sheet of a company shall show the items listed in the balance sheet format set out in section B of this Chapter; and
- (b) every profit and loss account of a company shall show the items listed in either of the profit and loss account formats so set out;

in either case in the order and under the headings and sub-headings given in the format adopted.

(2) Sub-paragraph (1) is not to be read as requiring the heading or sub-heading for any item to be distinguished by any number or letter assigned to that item in the format adopted.

(3) Where the heading of an item in the format adopted contains any wording in square brackets, that wording may be omitted if not applicable to the company.

2.—(1) Where in accordance with paragraph 1 a company's profit and loss account for any financial year has been prepared by reference to one of the formats set out in section B, the directors of the company shall adopt the same format in preparing the profit and loss account for subsequent financial years of the company unless in their opinion there are special reasons for a change.

(2) Particulars of any change in the format adopted in preparing a company's profit and loss account in accordance with paragraph 1 shall be disclosed, and the reasons for the change shall be explained, in a note to the accounts in which the new format is first adopted.

3.—(1) Any item required in accordance with paragraph 1 to be shown in a company's balance sheet or profit and loss account may be shown in greater detail than so required.

(2) A company's balance sheet or profit and loss account may include an item representing or covering the amount of any asset or liability, income or expenditure not specifically covered by any of the items listed in the balance sheet format provided or the profit and loss account format adopted, but the following shall not be treated as assets in any company's balance sheet:

- (i) preliminary expenses;
- (ii) expenses of and commission on any issue of shares or debentures; and
- (iii) costs of research.

(3) Items to which lower case letters are assigned in any of the formats set out in section B maybe combined in a company's accounts for any financial year if either:

- (a) their individual amounts are not material for the purpose of giving a true and fair view; or

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- (b) the combination facilitates the assessment of the state of affairs or profit or loss of the company for that year;

but in a case within head (b) the individual amounts of any items so combined shall be disclosed in a note to the accounts and any notes required by this Schedule to the items so combined shall, notwithstanding the combination, be given.

(4) Subject to paragraph 4(3), a heading or sub-heading corresponding to an item listed in the balance sheet format or the profit and loss account format adopted in preparing a company's balance sheet or profit and loss account shall not be included if there is no amount to be shown for that item in respect of the financial year to which the balance sheet or profit and loss account relates.

4.—(1) In respect of every item shown in the balance sheet or profit and loss account, there shall be shown or stated the corresponding amount for the financial year immediately preceding that to which the accounts relate.

(2) Where the corresponding amount is not comparable with the amount to be shown for the item in question in respect of the financial year to which the balance sheet or profit and loss account relates, the former amount shall be adjusted and particulars of the adjustment and the reasons for it shall be given in a note to the accounts.

(3) Paragraph 3(4) does not apply in any case where an amount can be shown for the item in question in respect of the financial year immediately preceding that to which the balance sheet or profit and loss account relates, and that amount shall be shown under the heading or sub-heading required by paragraph 1 for that item.

5.—(1) Subject to the following provisions of this paragraph and without prejudice to note (6) to the balance sheet format, amounts in respect of items representing assets or income may not be set off against amounts in respect of items representing liabilities or expenditure (as the case may be), or vice versa.

(2) Charges required to be included in profit and loss account format 1, items 11(a) and 11(b) or format 2, items A7(a) and A7(b) may however be set off against income required to be included in format 1, items 12(a) and 12(b) or format 2, items B5(a) and B5(b) and the resulting figure shown as a single item (in format 2 at position A7 if negative and at position B5 if positive).

(3) Charges required to be included in profit and loss account format 1, item 13 or format 2, item A8 may also set off against income required to be included in format 1, item 14 or format 2, item B6 and the resulting figure shown as a single item (in format 2 at position A8 if negative and at position B6 if positive).

6.—(1) Assets shall be shown under the relevant balance sheet headings even where the company has pledged them as security for its own liabilities or for those of third parties or has otherwise assigned them as security to third parties.

(2) A company shall not include in its balance sheet assets pledged or otherwise assigned to it as security unless such assets are in the form of cash in the hands of the company.

7. Assets acquired in the name of and on behalf of third parties shall not be shown in the balance sheet.

- 8. Every profit and loss account of a company shall show separately as additional items:
 - (a) any amount set aside or proposed to be set aside to, or withdrawn or proposed to be withdrawn from, reserves; and
 - (b) the aggregate amount of any dividends paid and proposed.