

SCHEDULE 2

FORM AND CONTENT OF COMPANY ACCOUNTS

6.—(1) Part III (notes to the accounts) is amended as follows.

(2) After paragraph 35 insert –

“Reserves and dividends

35A. There must be stated –

- (a) any amount set aside or proposed to be set aside to, or withdrawn or proposed to be withdrawn from, reserves,
- (b) the aggregate amount of dividends paid in the financial year (other than those for which a liability existed at the immediately preceding balance sheet date),
- (c) the aggregate amount of dividends that the company is liable to pay at the balance sheet date, and
- (d) the aggregate amount of dividends that are proposed before the date of approval of the accounts, and not otherwise disclosed under sub-paragraph (b) or (c).”.

(3) After paragraph 45(1) insert –

“Information about fair value of assets and liabilities

45A.—(1) This paragraph applies where financial instruments have been valued in accordance with paragraph 34A or 34C.

(2) There must be stated –

- (a) where the fair value of the instruments has been determined in accordance with paragraph 34B(4), the significant assumptions underlying the valuation models and techniques used,
- (b) for each category of financial instruments, the fair value of the instruments in that category and the changes in value –
 - (i) included in the profit and loss account, or
 - (ii) credited to or (as the case may be) debited from the fair value reserve,in respect of those instruments, and
- (c) for each class of derivatives, the extent and nature of the instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows.

(3) Where any amount is transferred to or from the fair value reserve during the financial year, there must be stated in tabular form –

- (a) the amount of the reserve as at the date of the beginning of the financial year and as at the balance sheet date respectively;
- (b) the amount transferred to or from the reserve during that year; and
- (c) the source and application respectively of the amounts so transferred.

45B. Where the company has derivatives that it has not included at fair value, there must be stated for each class of such derivatives –

(1) Paragraph 45 was amended by [S.R. 1997 No. 314](#)

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- (a) the fair value of the derivatives in that class, if such a value can be determined in accordance with paragraph 34B, and
- (b) the extent and nature of the derivatives.

45C.—(1) Sub-paragraph (2) applies if –

- (a) the company has financial fixed assets that could be included at fair value by virtue of paragraph 34A,
- (b) the amount at which those assets are included under any item in the company's accounts is in excess of their fair value, and
- (c) the company has not made provision for diminution in value of those assets in accordance with paragraph 19(1).

(2) There must be stated –

- (a) the amount at which either the individual assets or appropriate groupings of those individual assets are included in the company's accounts,
- (b) the fair value of those assets or groupings, and
- (c) the reasons for not making a provision for diminution in value of those assets, including the nature of the evidence that provides the basis for the belief that the amount at which they are stated in the accounts will be recovered.

Information where investment property and living animals and plants included at fair value

45D.—(1) This paragraph applies where the amounts to be included in a company's accounts in respect of investment property or living animals and plants have been determined in accordance with paragraph 34D.

(2) The balance sheet items affected and the basis of valuation adopted in determining the amounts of the assets in question in the case of each such item must be disclosed in a note to the accounts.

(3) In the case of investment property, for each balance sheet item affected there must be shown, either separately in the balance sheet or in a note to the accounts –

- (a) the comparable amounts determined according to the historical cost accounting rules; or
- (b) the differences between those amounts and the corresponding amounts actually shown in the balance sheet in respect of that item.

(4) In sub-paragraph (3), references in relation to any item to the comparable amounts determined in accordance with that sub-paragraph are references to –

- (a) the aggregate amount which would be required to be shown in respect of that item if the amounts to be included in respect of all the assets covered by that item were determined according to the historical cost accounting rules; and
- (b) the aggregate amount of the cumulative provisions for depreciation or diminution in value which would be permitted or required in determining those amounts according to those rules.”.

(4) In paragraph 46(1) (transfers to and from reserves and provisions) –

- (a) in sub-paragraph (b), for “provisions for liabilities and charges” substitute “provisions for liabilities”;
- (b) in sub-paragraph (c), for “provision for liabilities and charges” substitute “provision for liabilities”.

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