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Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, PART I. (See end of Document for details)

SCHEDULES

[^{F1X1} SCHEDULE 8

FORM AND CONTENT OF ACCOUNTS PREPARED BY SMALL COMPANIES]

Editorial Information

X1 Sch. 8: the earliest available versions of Sch. 8 and its contents are those having effect on 16.11.1992

Textual Amendments

F1 Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

[^{F1} PART I

GENERAL RULES AND FORMATS]

Textual Amendments

F1 Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

SECTION A

GENERAL RULES

- ^{F2}₁ (1) Subject to the following provisions of this Schedule—
- (a) every balance sheet of a small company shall show the items listed in either of the balance sheet formats set out below in section B of this Part; and
 - (b) every profit and loss account of a small company shall show the items listed in any one 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) above is not to be read as requiring the heading or sub-heading for any item to be distinguished by any letter or number assigned to that item in the format adopted.

Textual Amendments

F2 Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

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- ^{F32} (1) Where in accordance with paragraph 1 a small company's balance sheet or profit and loss account for any financial year has been prepared by reference to one of the formats set out in section B below, the directors of the company shall adopt the same format in preparing the accounts 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 small company's balance sheet or 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.

Textual Amendments

F3 Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

- ^{F43} (1) Any item required in accordance with paragraph 1 to be shown in a small company's balance sheet or profit and loss account may be shown in greater detail than required by the format adopted.
- (2) A small 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 otherwise covered by any of the items listed in the format adopted, but the following shall not be treated as assets in any small company's balance sheet—
- (a) preliminary expenses;
 - (b) expenses of and commission on any issue of shares or debentures; and
 - (c) costs of research.
- (3) In preparing a small company's balance sheet or profit and loss account the directors of the company shall adapt the arrangement and headings and sub-headings otherwise required by paragraph 1 in respect of items to which an Arabic number is assigned in the format adopted, in any case where the special nature of the company's business requires such adaptation.
- (4) Items to which Arabic numbers are assigned in any of the formats set out in section B below may be combined in a small company's accounts for any financial year if either—
- (a) their individual amounts are not material to assessing the state of affairs or profit or loss of the company for that year; or
 - (b) the combination facilitates that assessment;
- but in a case within paragraph (b) the individual amounts of any items so combined shall be disclosed in a note to the accounts.
- (5) Subject to paragraph 4(3) below, a heading or sub-heading corresponding to an item listed in the format adopted in preparing a small 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.
- (6) Every profit and loss account of a small company shall show the amount of the company's profit or loss on ordinary activities before taxation.

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- (7) Every profit and loss account of a small 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;
 - (b) the aggregate amount of any dividends paid and proposed.

Textual Amendments

F4 Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

- ^{F54} (1) In respect of every item shown in a small company's balance sheet or profit and loss account the corresponding amount for the financial year immediately preceding that to which the balance sheet or profit and loss account relates shall also be shown.
- (2) Where that 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 disclosed in a note to the accounts.
- (3) Paragraph 3(5) 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.

Textual Amendments

F5 Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

- ^{F65} 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.

Textual Amendments

F6 Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

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- 5A The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

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SECTION B

THE REQUIRED FORMATS FOR ACCOUNTS

Preliminary

- ^{F76} References in this Part of this Schedule to the items listed in any of the formats set out below are to those items read together with any of the notes following the formats which apply to any of those items, and the requirement imposed by paragraph 1 to show the items listed in any such format in the order adopted in the format is subject to any provision in those notes for alternative positions for any particular items.

Textual Amendments

F7 Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

- ^{F87} A number in brackets following any item in any of the formats set out below is a reference to the note of that number in the notes following the formats.

Textual Amendments

F8 Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

- ^{F98} In the notes following the formats—
- (a) the heading of each note gives the required heading or sub-heading for the item to which it applies and a reference to any letters and numbers assigned to that item in the formats set out below (taking a reference in the case of Format 2 of the balance sheet formats to the item listed under “Assets” or under “Liabilities” as the case may require); and
 - (b) references to a numbered format are to the balance sheet format or (as the case may require) to the profit and loss account format of that number set out below.

Textual Amendments

F9 Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

Balance Sheet Formats

Format 1

- A Called up share capital not paid(1)

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- B Fixed assets
 - (I) Intangible assets
 - (1) Goodwill(2)
 - (2) Other intangible assets(3)
 - (II) Tangible assets
 - (1) Land and buildings
 - (2) Plant and machinery etc.
 - (III) Investments
 - (1) Shares in group undertakings and participating interests
 - (2) Loans to group undertakings and undertakings in which the company has a participating interest
 - (3) Other investments other than loans
 - (4) Other investments(4)

- C Current assets
 - (I) Stocks
 - (1) Stocks
 - (2) Payments on account
 - (II) Debtors(5)
 - (1) Trade debtors
 - (2) Amounts owed by group undertakings and undertakings in which the company has a participating interest
 - (3) Other debtors
 - (III) Investments
 - (1) Shares in group undertakings
 - (2) Other investments
 - (IV) Cash at bank and in hand

- D Prepayments and accrued income(6)

- E Creditors: amounts falling due within one year
 - (1) Bank loans and overdrafts
 - (2) Trade creditors
 - (3) Amounts owed to group undertakings and undertakings in which the company has a participating interest
 - (4) Other creditors(7)

- F Net current assets (liabilities)(8)

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- G Total assets less current liabilities

- H Creditors: amounts falling due after more than one year
 - (1) Bank loans and overdrafts
 - (2) Trade creditors
 - (3) Amounts owed to group undertakings and undertakings in which the company has a participating interest
 - (4) Other creditors(7)

- I Provisions for liabilities and charges

- J Accruals and deferred income(7)

- K Capital and reserves
 - (I) Called up share capital(9)
 - (II) Share premium account
 - (III) Revaluation reserve
 - (IV) Other reserves
 - (V) Profit and loss account

Balance Sheet Formats

Format 2

ASSETS

- A Called up share capital not paid(1)

- B Fixed assets
 - (I) Intangible assets
 - (1) Goodwill(2)
 - (2) Other intangible assets(3)
 - (II) Tangible assets
 - (1) Land and buildings
 - (2) Plant and machinery etc.
 - (III) Investments
 - (1) Shares in group undertakings and participating interests
 - (2) Loans to group undertakings and undertakings in which the company has a participating interest
 - (3) Other investments other than loans

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(4) Other investments(4)

C Current assets

(I) Stocks

- (1) Stocks
- (2) Payments on account

(II) Debtors(5)

- (1) Trade debtors
- (2) Amounts owed by group undertakings and undertakings in which the company has a participating interest
- (3) Other debtors

(III) Investments

- (1) Shares in group undertakings
- (2) Other investments

(IV) Cash at bank and in hand

D Prepayments and accrued income(6)

LIABILITIES

A Capital and reserves

- (I) Called up share capital(9)
- (II) Share premium account
- (III) Revaluation reserve
- (IV) Other reserves
- (V) Profit and loss account

B Provisions for liabilities and charges

C Creditors(10)

- (1) Bank loans and overdrafts
- (2) Trade creditors
- (3) Amounts owed to group undertakings and undertakings in which the company has a participating interest
- (4) Other creditors(7)

D Accruals and deferred income(7)

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Notes on the balance sheet formats

(1) Called up share capital not paid

(Formats 1 and 2, items A and C.II.3.)

This item may either be shown at item A or included under item C.II.3 in Format 1 or 2.

(2) Goodwill

(Formats 1 and 2, item B.I.1.)

Amounts representing goodwill shall only be included to the extent that the goodwill was acquired for valuable consideration.

(3) Other intangible assets

(Formats 1 and 2, item B.I.2.)

Amounts in respect of concessions, patents, licences, trade marks and similar rights and assets shall only be included in a company's balance sheet under this item if either—

- (a) the assets were acquired for valuable consideration and are not required to be shown under goodwill; or
- (b) the assets in question were created by the company itself.

(4) Others: Other investments

(Formats 1 and 2, items B.III.4 and C.III.2.)

Where amounts in respect of own shares held are included under either of these items, the nominal value of such shares shall be shown separately.

(5) Debtors

(Formats 1 and 2, items C.II.1 to 3.)

The amount falling due after more than one year shall be shown separately for each item included under debtors unless the aggregate amount of debtors falling due after more than one year is disclosed in the notes to the accounts.

(6) Prepayments and accrued income

(Formats 1 and 2, item D.)

This item may alternatively be included under item C.II.3 in Format 1 or 2.

(7) Other creditors

(Format 1, items E.4, H.4 and J and Format 2, items C.4 and D.)

There shall be shown separately—

- (a) the amount of any convertible loans, and
- (b) the amount for creditors in respect of taxation and social security.

Payments received on account of orders shall be included in so far as they are not shown as deductions from stocks.

In Format 1, accruals and deferred income may be shown under item J or included under item E.4 or H.4, or both (as the case may require). In Format 2, accruals and deferred income may be shown under item D or within item C.4 under Liabilities.

(8) Net current assets (liabilities)

(Format 1, item F.)

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In determining the amount to be shown under this item any prepayments and accrued income shall be taken into account wherever shown.

(9) Called up share capital

(Format 1, item K.I and Format 2, item A.I.)

The amount of allotted share capital and the amount of called up share capital which has been paid up shall be shown separately.

(10) Creditors

(Format 2, items C.1 to 4.)

Amounts falling due within one year and after one year shall be shown separately for each of these items and for the aggregate of all of these items unless the aggregate amount of creditors falling due within one year and the aggregate amount of creditors falling due after more than one year is disclosed in the notes to the accounts.

Profit and loss account formats

Format 1

(see note (14) below)

1. Turnover
2. Cost of sales(11)
3. Gross profit or loss
4. Distribution costs(11)
5. Administrative expenses(11)
6. Other operating income
7. Income from shares in group undertakings
8. Income from participating interests
9. Income from other fixed asset investments(12)
10. Other interest receivable and similar income(12)
11. Amounts written off investments
12. Interest payable and similar charges(13)
13. Tax on profit or loss on ordinary activities
14. Profit or loss on ordinary activities after taxation
15. Extraordinary income
16. Extraordinary charges
17. Extraordinary profit or loss
18. Tax on extraordinary profit or loss
19. Other taxes not shown under the above items
20. Profit or loss for the financial year

Profit and loss account formats

Format 2

1. Turnover
2. Change in stocks of finished goods and in work in progress

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3. Own work capitalised
4. Other operating income
5.
 - (a) Raw materials and consumables
 - (b) Other external charges
6. Staff costs:
 - (a) wages and salaries
 - (b) social security costs
 - (c) other pension costs
7.
 - (a) Depreciation and other amounts written off tangible and intangible fixed assets
 - (b) Exceptional amounts written off current assets
8. Other operating charges
9. Income from shares in group undertakings
10. Income from participating interests
11. Income from other fixed asset investments(12)
12. Other interest receivable and similar income(12)
13. Amounts written off investments
14. Interest payable and similar charges(13)
15. Tax on profit or loss on ordinary activities
16. Profit or loss on ordinary activities after taxation
17. Extraordinary income
18. Extraordinary charges
19. Extraordinary profit or loss
20. Tax on extraordinary profit or loss
21. Other taxes not shown under the above items
22. Profit or loss for the financial year

Profit and loss account formats

Format 3

(see note (14) below)

A. Charges

1. Cost of sales(11)
2. Distribution costs(11)
3. Administrative expenses(11)
4. Amounts written off investments
5. Interest payable and similar charges(13)
6. Tax on profit or loss on ordinary activities
7. Profit or loss on ordinary activities after taxation
8. Extraordinary charges
9. Tax on extraordinary profit or loss
10. Other taxes not shown under the above items

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11. Profit or loss for the financial year

B. Income

1. Turnover
2. Other operating income
3. Income from shares in group undertakings
4. Income from participating interests
5. Income from other fixed asset investments(12)
6. Other interest receivable and similar income(12)
7. Profit or loss on ordinary activities after taxation
8. Extraordinary income
9. Profit or loss for the financial year

Profit and loss account formats

Format 4

A. Charges

1. Reduction in stocks of finished goods and in work in progress
2.
 - (a) Raw materials and consumables
 - (b) Other external charges
3. Staff costs:
 - (a) wages and salaries
 - (b) social security costs
 - (c) other pension costs
4.
 - (a) Depreciation and other amounts written off tangible and intangible fixed assets
 - (b) Exceptional amounts written off current assets
5. Other operating charges
6. Amounts written off investments
7. Interest payable and similar charges(13)
8. Tax on profit or loss on ordinary activities
9. Profit or loss on ordinary activities after taxation
10. Extraordinary charges
11. Tax on extraordinary profit or loss
12. Other taxes not shown under the above items
13. Profit or loss for the financial year

B. Income

1. Turnover
2. Increase in stocks of finished goods and in work in progress
3. Own work capitalised
4. Other operating income
5. Income from shares in group undertakings
6. Income from participating interests

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7. Income from other fixed asset investments(12)
8. Other interest receivable and similar income(12)
9. Profit or loss on ordinary activities after taxation
10. Extraordinary income
11. Profit or loss for the financial year

Notes on the profit and loss account formats

(11)Cost of sales: distribution costs: administrative expenses

(Format 1, items 2, 4 and 5 and Format 3, items A.1, 2 and 3.)

These items shall be stated after taking into account any necessary provisions for depreciation or diminution in value of assets.

(12)Income from other fixed asset investments: other interest receivable and similar income

(Format 1, items 9 and 10: Format 2, items 11 and 12: Format 3, items B.5 and 6: Format 4, items B.7 and 8.)

Income and interest derived from group undertakings shall be shown separately from income and interest derived from other sources.

(13)Interest payable and similar charges

(Format 1, item 12: Format 2, item 14: Format 3, item A.5: Format 4, item A.7.)

The amount payable to group undertakings shall be shown separately.

(14)Formats 1 and 3

The amount of any provisions for depreciation and diminution in value of tangible and intangible fixed assets falling to be shown under items 7(a) and A.4(a) respectively in Formats 2 and 4 shall be disclosed in a note to the accounts in any case where the profit and loss account is prepared by reference to Format 1 or Format 3.

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