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## SCHEDULES

### <sup>F1</sup>SCHEDULE 9

#### [<sup>F1</sup>SPECIAL PROVISIONS FOR BANKING COMPANIES AND GROUPS]

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##### Textual Amendments

- F1** Sch. 9 Pts. I-V (paras. 2-36) renumbered as Part I by Companies Act 1989 (c. 40, SIF 27), ss. 18(3)(4), 213(2), **Sch. 7** (subject to the transitional and saving provisions mentioned in S.I. 1990/355, **arts. 6-9**)
- F1** Sch. 9: heading substituted (2.12.1991) by virtue of S.I. 1991/2705, **regs. 5(3), 9**

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##### Modifications etc. (not altering text)

- C1** Sch. 9 (except para. 2(a)-(d), para. 3(c)-(e) and para. 10(1)(c)) applied with modifications by S.I. 1985/680, **regs. 4-6, Sch.**

### [<sup>F1</sup>PART I

#### INDIVIDUAL ACCOUNTS]

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##### Textual Amendments

- F1** Sch. 9 Pt. I paras. 1-87 inserted (2.12.1991) by S.I. 1991/2705, **regs. 5(4), 9, Sch. 1**

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##### Modifications etc. (not altering text)

- C1** Sch. 9 Pt. I modified (coming into force in accordance with s. 3 of the amending Act) by 1999 c. iv, **ss. 3, 7(6)**
- C1** Sch. 9 Pt. 1 extended (24.6.2003) by The Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003 (S.I. 2003/1633), **reg. 15, Sch. 2 para. 2(e)**

## CHAPTER 1

### GENERAL RULES AND FORMATS

#### SECTION A

#### GENERAL RULES

- 1 (1) Subject to the following provisions of this Part of this Schedule:
- (a) every balance sheet of a company shall show the items listed in the balance sheet format set out below in section B of this Chapter of this Schedule; and

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- (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) above 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 below, 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 below may be 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
  - (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 paragraph (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) below, 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.

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- 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 be 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; <sup>F1</sup> . . .
- (b) the aggregate amount of any dividends paid and proposed.
- [<sup>F2</sup>(c) if it is not shown in the notes to the accounts, the aggregate amount of any dividends proposed.]

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#### Textual Amendments

- F1** Word in Sch. 9 Pt. I para. 8(a) omitted (2.2.1996) by virtue of S.I. 1996/189, reg. 14(6), Sch. 4 paras. 1, 2(a) (with reg. 16)
- F2** Sch. 9 Pt. I para. 8(c) inserted (2.2.1996) by S.I. 1996/189, reg. 14(6), Sch. 4 paras. 1, 2(b) (with reg. 16)

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- 8A 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.

### SECTION B

#### THE REQUIRED FORMATS FOR ACCOUNTS

##### Preliminary

- 9 (1) References in this Part of this Schedule to the balance sheet format or to profit and loss account formats are to the balance sheet format or profit and loss account formats set out below and references to the items listed in any of the formats are to those items read together with any of the notes following the formats which apply to any of those items.
- (2) The requirement imposed by paragraph 1 of this Part of this Schedule to show the items listed in any such format in the order adopted in the format is subject to any provision in the notes following the formats for alternative positions for any particular items.
- 10 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

##### Balance Sheet Format

###### ASSETS

1. Cash and balances at central [or post office] banks(1)
2. Treasury bills and other eligible bills(2)
  - (a) Treasury bills and similar securities(2)
  - (b) Other eligible bills(3)
3. Loans and advances to banks(4),(20)
  - (a) Repayable on demand
  - (b) Other loans and advances
4. Loans and advances to customers(5),(20)
5. Debt securities [and other fixed income securities](6),(20)
  - (a) Issued by public bodies
  - (b) Issued by other issuers

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7. Participation interests.
8. Shares in group undertakings.
9. Intangible fixed assets(7)
10. Tangible fixed assets(8)
11. Called up capital not paid(9)
12. Own shares(10)
13. Other assets.
14. Called up capital not paid(9)
15. Prepayments and accrued income

Total assets

#### LIABILITIES

1. Deposits by banks(11),(20)
  - (a) Repayable on demand
  - (b) With agreed maturity dates or periods of notice
2. Customer accounts (12) (20)
  - (a) Repayable on demand
  - (b) With agreed maturity dates or periods of notice
3. Debt securities in issue(13),(20)
  - (a) Bonds and medium term notes
  - (b) Others
4. Other liabilities
5. Accruals and deferred income
6. Provisions for liabilities and charges
  - (a) Provisions for pensions and similar obligations
  - (b) Provisions for tax
  - (c) Other provisions
7. Subordinated(14),(20)
8. Called up sharer capital(15)
9. Share premium account
10. Reserves
  - (a) Capital redemption reserve
  - (b) Reserve for own shares
  - (c) Reserves provided for by the articles of association
  - (d) Other reserves
11. Revaluation reserve
12. Profit and loss account

Total liabilities

#### MEMORANDUM ITEMS

1. Contingent liabilities(16)
  - (1) Acceptances and endorsements
  - (2) Guarantees and assets pledged as collateral security (17)
  - (3) Other contingent liabilities

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## 2. Commitments(18)

(1) Commitments arising out of sale and option to resell transactions (19)

(2) Other commitments

*Notes on the balance sheet format and memorandum items*

(1) *Cash and balances at central [or post office] banks*

(Assets item 1)

Cash shall comprise all currency including foreign notes and coins.

Only those balances which may be withdrawn without notice and which are deposited with central or post office banks of the country or countries in which the company is established shall be included in this item. All other claims on central or post office banks must be shown under Assets items 3 or 4.

(2) *Treasury bills and other eligible bills: Treasury bills and similar securities*

(Assets item 2(a))

Treasury bills and similar securities shall comprise treasury bills and similar debt instruments issued by public bodies which are eligible for refinancing with central banks of the country or countries in which the company is established. Any treasury bills or similar debt instruments not so eligible shall be included under Assets item 5, sub-item (a).

(3) *Treasury bills and other eligible bills: Other eligible bills*

(Assets item 2(b))

Other eligible bills shall comprise all bills purchased to the extent that they are eligible, under national law, for refinancing with the central banks of the country or countries in which the company is established.

(4) *Loans and advances to banks*

(Assets item 3)

Loans and advances to banks shall comprise all loans and advances to domestic or foreign credit institutions made by the company arising out of banking transactions. However loans and advances to credit institutions represented by debt securities or other fixed income securities shall be included under Assets item 5 and not this item.

(5) *Loans and advances to customers*

(Assets item 4)

Loans and advances to customers shall comprise all types of assets in the form of claims on domestic and foreign customers other than credit institutions. However loans and advances represented by debt securities or other fixed income securities shall be included under Assets item 5 and not this item.

(6) *Debt securities [and other fixed income securities]*

(Assets item 5)

This item shall comprise transferable debt securities and any other transferable fixed income securities issued by credit institutions, other undertakings or public

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bodies. Debt securities and other fixed income securities issued by public bodies shall however only be included in this item if they may not be shown under Assets item 2.

Where a company holds its own debt securities these shall not be included under this item but shall be deducted from Liabilities item 3(a) or (b), as appropriate.

Securities bearing interest rates that vary in accordance with specific factors, for example the interest rate on the inter-bank market or on the Euromarket, shall also be regarded as fixed income securities to be included under this item.

(7) *Intangible fixed assets*

(Assets item 9)

This item shall comprise:

- (a) development costs;
- (b) concessions, patents, licences, trade marks and similar rights and assets;
- (c) goodwill; and
- (d) payments on account.

Amounts shall, however, be included in respect of (b) only if the assets were acquired for valuable consideration or the assets in question were created by the company itself.

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

There shall be disclosed, in a note to the accounts, the amount of any goodwill included in this item.

(8) *Tangible fixed assets*

(Assets item 10)

This item shall comprise:

- land and buildings;
- plant and machinery;
- fixtures and fittings, tools and equipment; and
- payments on account and assets in the course of construction.

There shall be disclosed in a note to the accounts the amount included in this item with respect to land and buildings occupied by the company for its own activities.

(9) *Called up capital not paid*

(Assets items 11 and 14)

The two positions shown for this item are alternatives.

(10) *Own shares*

(Assets item 12)

The nominal value of the shares held shall be shown separately under this item.

(11) *Deposits by banks*

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(Liabilities item 1)

Deposits by banks shall comprise all amounts arising out of banking transactions owed to other domestic or foreign credit institutions by the company. However liabilities in the form of debt securities and any liabilities for which transferable certificates have been issued shall be included under Liabilities item 3 and not this item.

(12) *Customer accounts*

(Liabilities item 2)

This item shall comprise all amounts owed to creditors that are not credit institutions. However liabilities in the form of debt securities and any liabilities for which transferable certificates have been issued shall be shown under Liabilities item 3 and not this item.

(13) *Debt securities in issue*

(Liabilities item 3)

This item shall include both debt securities and debts for which transferable certificates have been issued, including liabilities arising out of own acceptances and promissory notes. (Only acceptances which a company has issued for its own refinancing and in respect of which it is the first party liable shall be treated as own acceptances.)

(14) *Subordinated liabilities*

(Liabilities item 7)

This item shall comprise all liabilities in respect of which there is a contractual obligation that, in the event of winding up or bankruptcy, they are to be repaid only after the claims of other creditors have been met.

This item shall include all subordinated liabilities, whether or not a ranking has been agreed between the subordinated creditors concerned.

(15) *Called up share capital*

(Liabilities item 8)

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

(16) *Contingent liabilities*

(Memorandum item 1)

This item shall include all transactions whereby the company has underwritten the obligations of a third party.

Liabilities arising out of the endorsement of rediscounted bills shall be included in this item. Acceptances other than own acceptances shall also be included.

(17) *Contingent liabilities: Guarantees and assets pledged as collateral security*

(Memorandum item 1(2))



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This item shall include all guarantee obligations incurred and assets pledged as collateral security on behalf of third parties, particularly in respect of sureties and irrevocable letters of credit.

(18) *Commitments*

(Memorandum item 2)

This item shall include every irrevocable commitment which could give rise to a credit risk.

(19) *Commitments: Commitments arising out of sale and option to resell transactions*

(Memorandum item 2(1))

This sub-item shall comprise commitments entered into by the company in the context of sale and option to resell transactions.

(20) *Claims on, and liabilities to, undertakings in which a participating interest is held or group undertakings*

(Assets items 2 to 5, Liabilities items 1 to 3 and 7)

The following information must be given either by way of subdivision of the relevant items or by way of notes to the accounts.

The amount of the following must be shown for each of Assets items 2 to 5:

- (a) claims on group undertakings included therein; and
- (b) claims on undertakings in which the company has a participating interest included therein.

The amount of the following must be shown for each of Liabilities items 1, 2, 3 and 7:

- (i) liabilities to group undertakings included therein; and
- (ii) liabilities to undertakings in which the company has a participating interest included therein.

## **Special rules**

### *Subordinated assets*

- 11
- (1) The amount of any assets that are subordinated must be shown either as a subdivision of any relevant asset item or in the notes to the accounts; in the latter case disclosure shall be by reference to the relevant asset item or items in which the assets are included.
  - (2) In the case of Assets items 2 to 5 in the balance sheet format, the amounts required to be shown by note (20) to the format as sub-items of those items shall be further subdivided so as to show the amount of any claims included therein that are subordinated.
  - (3) For this purpose, assets are subordinated if there is a contractual obligation to the effect that, in the event of winding up or bankruptcy, they are to be repaid only after the claims of other creditors have been met, whether or not a ranking has been agreed between the subordinated creditors concerned.

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### *Syndicated loans*

- 12 (1) Where a company is a party to a syndicated loan transaction the company shall include only that part of the total loan which it itself has funded.
- (2) Where a company is a party to a syndicated loan transaction and has agreed to reimburse (in whole or in part) any other party to the syndicate any funds advanced by that party or any interest thereon upon the occurrence of any event, including the default of the borrower, any additional liability by reason of such a guarantee shall be included as a contingent liability in Memorandum item 1, sub-item (2).

### *Sale and repurchase transactions*

- 13 (1) The following rules apply where a company is a party to a sale and repurchase transaction.
- (2) Where the company is the transferor of the assets under the transaction:
- (a) the assets transferred shall, notwithstanding the transfer, be included in its balance sheet;
  - (b) the purchase price received by it shall be included in its balance sheet as an amount owed to the transferee; and
  - (c) the value of the assets transferred shall be disclosed in a note to its accounts.
- (3) Where the company is the transferee of the assets under the transaction it shall not include the assets transferred in its balance sheet but the purchase price paid by it to the transferor shall be so included as an amount owed by the transferor.

### *Sale and option to resell transactions*

- 14 (1) The following rules apply where a company is a party to a sale and option to resell transaction.
- (2) Where the company is the transferor of the assets under the transaction it shall not include in its balance sheet the assets transferred but it shall enter under Memorandum item 2 an amount equal to the price agreed in the event of repurchase.
- (3) Where the company is the transferee of the assets under the transaction it shall include those assets in its balance sheet.

### *Managed funds*

- 15 (1) For the purposes of this paragraph “managed funds” are funds which the company administers in its own name but on behalf of others and to which it has legal title.
- (2) The company shall, in any case where claims and obligations arising in respect of managed funds fall to be treated as claims and obligations of the company, adopt the following accounting treatment: claims and obligations representing managed funds are to be included in the company’s balance sheet, with the notes to the accounts disclosing the total amount included with respect to such assets and liabilities in the balance sheet and showing the amount included under each relevant balance sheet item in respect of such assets or (as the case may be) liabilities.

### **Profit and Loss Account Formats**

#### FORMAT 1

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*Vertical layout*

1. Interest receivable(1)

(1) Interest receivable and similar income arising from debt securities [and other fixed income securities]

(2) Other interest receivable and similar income

2. Interest payable(2)

3. Dividend income

(a) Income from equity shares [and other variable-yield securities]

(b) Income from participating interests

(c) Income from shares in group undertakings

4. Fees and commissions receivable(3)

5. Fees and commissions payable(4)

6. Dealing [profits][losses](5)

7. Other operating income

8. Administrative expenses

(a) Staff costs

(i) Wages and salaries

(ii) Social security costs

(iii) Other pension costs

(b) Other administrative expenses

9. Depreciation and amortisation(6)

10. Other operating charges

11. Provisions

(a) Provisions for bad and doubtful debts(7)

(b) Provisions for contingent liabilities and commitments(8)

12. Adjustments to provisions

(a) Adjustments to provisions for bad and doubtful debts(9)

(b) Adjustments to provisions for contingent liabilities and commitments(10)

13. Amounts written off fixed asset investments(11)

14. Adjustments to amounts written off fixed asset investments(12)

15. [Profit] [loss] on ordinary activities before tax

16. Tax on [profit] [loss] on ordinary activities

17 [Profit] [loss] on ordinary activities after tax

18 Extraordinary income

19. Extraordinary charges

20. Extraordinary [profit] [loss]

21. Tax on extraordinary [profit] [loss]

22. Extraordinary [profit] [loss] after tax

23 Other taxes not shown under the preceding items

24. [Profit] [loss] for the financial yearSchedule 1Part I

FORMAT 2

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*Horizontal layout*

1. Interest payable(2 )
  - 2.. Fees and commissions payable(4)
  3. Dealing losses(5)
  4. Administrative expenses
    - (a) Staff costs
      - (i) Wages and salaries
      - (ii) Social security costs
      - (iii) Other pension costs
    - (b) Other administrative expenses
  5. Depreciation and amortisation(6)
  6. Other ooperating charges
  7. Provisions
    - (a) Provisions for bad and doubtful debts(7)
    - (b) Provisions for contingent liabilities and commitments(8)
  8. Amounts written off fixed asset investments(11)
  9. Profit on ordinary activities before tax
  10. Tax on [profit] [loss] on ordinary activities
  - 11.Profit on ordinary activities after tax
  12. Extraordinary charges
  13. Tax on extraordinary [profit] [loss]
  14. xtraordinary loss after tax
  15. Other taxes not shown under the preceding items
  16. Profit for the financial year
- A. Charges
1. Interest payable(2 )
  - 2.. Fees and commissions payable(4)
  3. Dealing losses(5)
  4. Administrative expenses
    - (a) Staff costs
      - (i) Wages and salaries
      - (ii) Social security costs
      - (iii) Other pension costs
    - (b) Other administrative expenses
  5. Depreciation and amortisation(6)
  6. Other ooperating charges
  7. Provisions
    - (a) Provisions for bad and doubtful debts(7)
    - (b) Provisions for contingent liabilities and commitments(8)
  8. Amounts written off fixed asset investments(11)
  9. Profit on ordinary activities before tax
  10. Tax on [profit] [loss] on ordinary activities
  - 11.Profit on ordinary activities after tax

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- 12. Extraordinary charges
  - 13. Tax on extraordinary [profit] [loss]
  - 14. xtraordinary loss after tax
  - 15. Other taxes not shown under the preceding items
  - 16. Profit for the financial year
- B. Income

- 1 Interest receivable(1)
  - (1) Interest receivable and similar income arising from debt securities [and other fixed income securities]
  - (2) Other interest receivable and similar income
    - 2 . Divident income
      - (a) Income from equity shares [and other variable-yield securities]
      - (b) Income from participating interests
      - (c) Income from shares in group undertakings
    - 3. Fees and commissions receivable(3)
    - 4. Dealing profits(5)
    - 5. Adjustments to provisions
      - (a) Adjustments to provisions for bad and doubtful debts(9)
      - (b) Adjustments to provisions for contingent liabilities and commitments(10)
    - 6. Adjustments to amounts written off fixed asset investments(12)
    - 7. Other operating income
    - 8. Loss on ordinary activities before tax
    - 9. Loss on ordinary activities after tax
    - 10. Extraordinary income
    - 11. Extraordinary profit after tax
    - 12. Loss for the financial year

**Notes on the profit and loss account formats**

(1) *Interest receivable*

(Format 1, item 1; Format 2, item B1)

This item shall include all income arising out of banking activities, including:

- (a) income from assets included in Assets items 1 to 5 in the balance sheet format, however calculated;
- (b) income resulting from covered forward contracts spread over the actual duration of the contract and similar in nature to interest; and
- (c) fees and commissions receivable similar in nature to interest and calculated on a time basis or by reference to the amount of the claim (but not other fees and commissions receivable).

(2) *Interest payable*

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(Format 1, item 2; Format 2, item A1)

This item shall include all expenditure arising out of banking activities, including:

- (a) charges arising out of liabilities included in Liabilities items 1, 2, 3 and 7 in the balance sheet format, however calculated;
- (b) charges resulting from covered forward contracts, spread over the actual duration of the contract and similar in nature to interest; and
- (c) fees and commissions payable similar in nature to interest and calculated on a time basis or by reference to the amount of the liability (but not other fees and commissions payable).

(3) *Fees and commissions receivable*

(Format 1, item 4; Format 2, item B3)

Fees and commissions receivable shall comprise income in respect of all services supplied by the company to third parties, but not fees or commissions required to be included under interest receivable (Format 1, item 1; Format 2, item B1).

In particular the following fees and commissions receivable must be included (unless required to be included under interest receivable):

- fees and commissions for guarantees, loan administration on behalf of other lenders and securities transactions;
- fees, commissions and other income in respect of payment transactions, account administration charges and commissions for the safe custody and administration of securities;
- fees and commissions for foreign currency transactions and for the sale and purchase of coin and precious metals; and
- fees and commissions charged for brokerage services in connection with savings and insurance contracts and loans.

(4) *Fees and commissions payable*

(Format 1, item 5; Format 2, item A2)

Fees and commissions payable shall comprise charges for all services rendered to the company by third parties but not fees or commissions required to be included under interest payable (Format 1, item 2; Format 2, item A1).

In particular the following fees and commissions payable must be included (unless required to be included under interest payable):

- fees and commissions for guarantees, loan administration and securities transactions;
- fees, commissions and other charges in respect of payment transactions, account administration charges and commissions for the safe custody and administration of securities;
- fees and commissions for foreign currency transactions and for the sale and purchase of coin and precious metals; and
- fees and commissions for brokerage services in connection with savings and insurance contracts and loans.

(5) *Dealing [profits] [losses]*

(Format 1, item 6; Format 2, items B4 and A3)

This item shall comprise:

- (a) the net profit or net loss on transactions in securities which are not held as financial fixed assets together with amounts written off or written back with respect to

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*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, CHAPTER 1. (See end of Document for details)*

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such securities, including amounts written off or written back as a result of the application of paragraph 34(1) below;

- (b) the net profit or loss on exchange activities, save in so far as the profit or loss is included in interest receivable or interest payable (Format 1, items 1 or 2; Format 2, items B1 or A1); and
- (c) the net profits and losses on other dealing operations involving financial instruments, including precious metals.

(6) *Depreciation and amortisation*

(Format 1, item 9; Format 2, item A5)

This item shall comprise depreciation and other amounts written off in respect of balance sheet Assets items 9 and 10.

(7) *Provisions: Provisions for bad and doubtful debts*

(Format 1, item 11(a); Format 2, item A7(a))

Provisions for bad and doubtful debts shall comprise charges for amounts written off and for provisions made in respect of loans and advances shown under balance sheet Assets items 3 and 4.

(8) *Provisions: Provisions for contingent liabilities and commitments*

(Format 1, item 11(b); Format 2, item A7(b))

This item shall comprise charges for provisions for contingent liabilities and commitments of a type which would, if not provided for, be shown under Memorandum items 1 and 2.

(9) *Adjustments to provisions: Adjustments to provisions for bad and doubtful debts*

(Format 1, item 12(a); Format 2, item B5(a))

This item shall include credits from the recovery of loans that have been written off, from other advances written back following earlier write offs and from the reduction of provisions previously made with respect to loans and advances.

(10) *Adjustments to provisions: Adjustments to provisions for contingent liabilities and commitments*

(Format 1, item 12(b); Format 2, item B5(b))

This item comprises credits from the reduction of provisions previously made with respect to contingent liabilities and commitments.

(11) *Amounts written off fixed asset investments*

(Format 1, item 13; Format 2, item A8)

Amounts written off fixed asset investments shall comprise amounts written off in respect of assets which are transferable securities held as financial fixed assets, participating interests and shares in group undertakings and which are included in Assets items 5 to 8 in the balance sheet format.

(12) *Adjustments to amounts written off fixed asset investments*

(Format 1, item 14; Format 2, item B6)

Adjustments to amounts written off fixed asset investments shall include amounts written back following earlier write offs and provisions in respect of assets which are transferable securities held as financial fixed assets, participating interests and group undertakings and which are included in Assets items 5 to 8 in the balance sheet format.

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**Changes to legislation:**

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