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## SCHEDULES.

### EIGHTH SCHEDULE

#### ACCOUNTS.

#### PART I

#### GENERAL PROVISIONS AS TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT.

##### *Balance Sheet.*

- 2 The authorised share capital, issued share capital, liabilities and assets shall be summarised, with such particulars as are necessary to disclose the general nature of the assets and liabilities, and there shall be specified—
- (a) any part of the issued capital that consists of redeemable preference shares, and the earliest date on which the company has power to redeem those shares ;
  - (b) so far as the information is not given in the profit and loss account, any share capital on which interest has been paid out of capital during the financial year, and the rate at which interest has been so paid;
  - (c) the amount of the share premium account;
  - (d) particulars of any redeemed debentures which the company has power to re-issue.
- 3 There shall be stated under separate headings, so far as they are not written off,—
- (a) the preliminary expenses;
  - (b) any expenses incurred in connection with any issue of share capital or debentures;
  - (c) any sums paid by way of commission in respect of any shares or debentures;
  - (d) any sums allowed by way of discount in respect of any debentures; and
  - (e) the amount of the discount allowed on any issue of shares at a discount.
- 4 (1) The reserves, provisions, liabilities and fixed and current assets shall be classified under headings appropriate to the company's business:
- Provided that—
- (a) where the amount of any class is not material, it may be included under the same heading as some other class ; and
  - (b) where any assets of one class are not separable from assets of another class, those assets may be included under the same heading.
- (2) Fixed assets shall also be distinguished from current assets.
- (3) The method or methods used to arrive at the amount of the fixed assets under each heading shall be stated.

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- 5 (1) The method of arriving at the amount of any fixed asset shall, subject to the next following sub-paragraph, be to take the difference between—
- (a) its cost or, if it stands in the company's books at a valuation, the amount of the valuation ; and
  - (b) the aggregate amount provided or written off since the date of acquisition or valuation, as the case may be, for depreciation or diminution in value;
- and for the purposes of this paragraph the net amount at which any assets stand in the company's books at the commencement of this Act (after deduction of the amounts previously provided or written off for depreciation or diminution in value) shall, if the figures relating to the period before the commencement of this Act cannot be obtained without unreasonable expense or delay, be treated as if it were the amount of a valuation of those assets made at the commencement of this Act and, where any of those assets are sold, the said net amount less the amount of the sales shall be treated as if it were the amount of a valuation so made of the remaining assets.
- (2) The foregoing sub-paragraph shall not apply—
- (a) to assets for which the figures relating to the period beginning with the commencement of this Act cannot be obtained without unreasonable expense or delay; or
  - (b) to assets the replacement of which is provided for wholly or partly—
    - (i) by making provision for renewals and charging the cost of replacement against the provision so made ; or
    - (ii) by charging the cost of replacement direct to revenue; or
  - (c) to any investments of which the market value (or, in the case of investments not having a market value, their value as estimated by the directors) is shown either as the amount of the investments or by way of note ; or
  - (d) to goodwill, patents or trade marks.
- (3) For the assets under each heading whose amount is arrived at in accordance with sub-paragraph (1) of this paragraph, there shall be shown
- (a) the aggregate of the amounts referred to in paragraph (a) of that sub-paragraph ; and
  - (b) the aggregate of the amounts referred to in paragraph (b) thereof.
- (4) As respects the assets under each heading whose amount is not arrived at in accordance with the said sub-paragraph (1) because their replacement is provided for as mentioned in sub-paragraph (2)(b) of this paragraph, there shall be stated—
- (a) the means by which their replacement is provided for; and
  - (b) the aggregate amount of the provision (if any) made for renewals and not used.
- 6 The aggregate amounts respectively of capital reserves, revenue reserves and provisions (other than provisions for depreciation, renewals or diminution in value of assets) shall be stated under separate headings:
- Provided that—
- (a) this paragraph shall not require a separate statement of any of the said three amounts which is not material; and
  - (b) the Board of Trade may direct that it shall not require a separate statement of the amount of provisions where they are satisfied that that is not required in the public interest and would prejudice the company, but subject to the condition that any heading stating an amount arrived at after taking into

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account a provision (other than as aforesaid) shall be so framed or marked as to indicate that fact.

- 7 (1) There shall also be shown (unless it is shown in the profit and loss account or a statement or report annexed thereto, or the amount involved is not material)—
- (a) where the amount of the capital reserves, of the revenue reserves or of the provisions (other than provisions for depreciation, renewals or diminution in value of assets) shows an increase as compared with the amount at the end of the immediately preceding financial year, the source from which the amount of the increase has been derived ; and
  - (b) where—
    - (i) the amount of the capital reserves or of the revenue reserves shows a decrease as compared with the amount at the end of the immediately preceding financial year ; or
    - (ii) the amount at the end of the immediately preceding financial year of the provisions (other than provisions for depreciation, renewals or diminution in value of assets) exceeded the aggregate of the sums since applied and amounts still retained for the purposes thereof ;the application of the amounts derived from the difference.
- (2) Where the heading showing any of the reserves or provisions aforesaid is divided into sub-headings, this paragraph shall apply to each of the separate amounts shown in the sub-headings instead of applying to the aggregate amount thereof.
- 8 (1) There shall be shown under separate headings—
- (a) the aggregate amounts respectively of the company's trade investments, quoted investments other than trade investments and unquoted investments other than trade investments ;
  - (b) if the amount of the goodwill and of any patents and trademarks or part of that amount is shown as a separate item in or is otherwise ascertainable from the books of the company, or from any contract for the sale or purchase of any property to be acquired by the company, or from any documents in the possession of the company relating to the stamp duty payable in respect of any such contract or the conveyance of any such property, the said amount so shown or ascertained so far as not written off or, as the case may be, the said amount so far as it is so shown or ascertainable and as so shown or ascertained, as the case may be ;
  - (c) the aggregate amount of any outstanding loans made under the authority of provisos (b) and (c) of subsection (1) of section fifty-four of this Act;
  - (d) the aggregate amount of bank loans and overdrafts;
  - (e) the net aggregate amount (after deduction of income tax) which is recommended for distribution by way of dividend.
- (2) Nothing in head (b) of the foregoing sub-paragraph shall be taken as requiring the amount of the goodwill, patents and trademarks to be stated otherwise than as a single item.
- (3) The heading showing the amount of the quoted investments other than trade investments shall be sub-divided, where necessary, to distinguish the investments as respects which there has, and those as respects which there has not, been granted a quotation or permission to deal on a recognised stock exchange.

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- 9       Where any liability of the company is secured otherwise than by operation of law on any assets of the company, the fact that that liability is so secured shall be stated, but it shall not be necessary to specify the assets on which the liability is secured.
- 10       Where any of the company's debentures are held by a nominee of or trustee for the company, the nominal amount of the debentures and the amount at which they are stated in the books of the company shall be stated.
- 11       (1) The matters referred to in the following sub-paragraphs shall be stated by way of note, or in a statement or report annexed, if not otherwise shown.
- (2) The number, description and amount of any shares in the company which any person has an option to subscribe for, together with the following particulars of the option, that is to say—
- (a) the period during which it is exercisable ;
- (b) the price to be paid for shares subscribed for under it.
- (3) The amount of any arrears of fixed cumulative dividends on the company's shares and the period for which the dividends or, if there is more than one class, each class of them are in arrear, the amount to be stated before deduction of income tax, except that, in the case of tax free dividends, the amount shall be shown free of tax and the fact that it is so shown shall also be stated.
- (4) Particulars of any charge on the assets of the company to secure the liabilities of any other person, including, where practicable, the amount secured.
- (5) The general nature of any other contingent liabilities not provided for and, where practicable, the aggregate amount or estimated amount of those liabilities, if it is material.
- (6) Where practicable the aggregate amount or estimated amount, if it is material, of contracts for capital expenditure, so far as not provided for.
- (7) If in the opinion of the directors any of the current assets have not a value, on realisation in the ordinary course of the company's business, at least equal to the amount at which they are stated, the fact that the directors are of that opinion.
- (8) The aggregate market value of the company's quoted investments, other than trade investments, where it differs from the amount of the investments as stated, and the stock exchange value of any investments of which the market value is shown (whether separately or not) and is taken as being higher than their stock exchange value.
- (9) The basis on which foreign currencies have been converted into sterling, where the amount of the assets or liabilities affected is material.
- (10) The basis on which the amount, if any, set aside for United Kingdom income tax is computed.
- (11) Except in the case of the first balance sheet laid before the company after the commencement of this Act, the corresponding amounts at the end of the immediately preceding financial year for all items shown in the balance sheet.