

SCHEDULE 8

Regulation 13

GENERAL INTERPRETATION

Modifications etc. (not altering text)

- C1** Sch. 8 applied (with modifications) (E.W.S.) (with application in accordance with reg. 2(2) of the amending S.I.) by [The Small Limited Liability Partnerships \(Accounts\) Regulations 2008 \(S.I. 2008/1912\)](#), regs. 2(1), 8(2), [Sch. 5](#) (with reg. 2(3)) 9as amended (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), [45](#))

Financial instruments

1. References to “derivatives” include commodity-based contracts that give either contracting party the right to settle in cash or in some other financial instrument, except where such contracts—
- were entered into for the purpose of, and continue to meet, the company's expected purchase, sale or usage requirements,
 - were designated for such purpose at their inception, and
 - are expected to be settled by delivery of the commodity.

Modifications etc. (not altering text)

- C2** Sch. 8 amendment to earlier affecting provision S.I. 2008/1912, Sch. 5 (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), [45](#))

2.—^{F1}(1) The expressions listed in sub-paragraph (2) have the same meaning as they have in Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements etc of certain types of undertakings.]

(2) Those expressions are “available for sale financial asset”, “business combination”, “commodity-based contracts”, “derivative”, “equity instrument”, “exchange difference”, “fair value hedge accounting system”, “financial fixed asset”, “financial instrument”, “foreign entity”, “hedge accounting”, “hedge accounting system”, “hedged items”, “hedging instrument”, “held for trading purposes”, “held to maturity”, “monetary item”, “receivables”, “reliable market” and “trading portfolio”.

Textual Amendments

- F1** [Sch. 8 para. 2\(1\)](#) substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Companies, Partnerships and Groups \(Accounts and Reports\) Regulations 2015 \(S.I. 2015/980\)](#), regs. 2(1), [25\(2\)](#) (with reg. 3)

Fixed and current assets

3. “Fixed assets” means assets of a company which are intended for use on a continuing basis in the company's activities, and “current assets” means assets not intended for such use.

Changes to legislation: There are currently no known outstanding effects for the The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008, SCHEDULE 8. (See end of Document for details)

Modifications etc. (not altering text)

- C2** Sch. 8 amendment to earlier affecting provision S.I. 2008/1912, Sch. 5 (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **45**

Historical cost accounting rules

4. References to the historical cost accounting rules are to be read in accordance with paragraph 30 of Schedule 1 to these Regulations.

Modifications etc. (not altering text)

- C2** Sch. 8 amendment to earlier affecting provision S.I. 2008/1912, Sch. 5 (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **45**

Listed investments

5.—(1) “Listed investment” means an investment as respects which there has been granted a listing on—

- (a) a recognised investment exchange other than an overseas investment exchange, or
- (b) a stock exchange of repute outside the United Kingdom.

(2) “Recognised investment exchange” and “overseas investment exchange” have the meaning given in Part 18 of the Financial Services and Markets Act 2000^{M1}.

Modifications etc. (not altering text)

- C2** Sch. 8 amendment to earlier affecting provision S.I. 2008/1912, Sch. 5 (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **45**

Marginal Citations

- M1** 2000 c.8.

Loans

6. A loan is treated as falling due for repayment, and an instalment of a loan is treated as falling due for payment, on the earliest date on which the lender could require repayment or (as the case may be) payment, if he exercised all options and rights available to him.

Modifications etc. (not altering text)

- C2** Sch. 8 amendment to earlier affecting provision S.I. 2008/1912, Sch. 5 (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **45**

Materiality

7. Amounts which in the particular context of any provision of Schedule 1 to these Regulations are not material may be disregarded for the purposes of that provision.

Modifications etc. (not altering text)

- C2** Sch. 8 amendment to earlier affecting provision S.I. 2008/1912, Sch. 5 (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **45**

Participating interests

8.—(1) A “participating interest” means an interest held by an undertaking in the shares of another undertaking which it holds on a long-term basis for the purpose of securing a contribution to its activities by the exercise of control or influence arising from or related to that interest.

(2) A holding of 20% or more of the shares of the undertaking is to be presumed to be a participating interest unless the contrary is shown.

(3) The reference in sub-paragraph (1) to an interest in shares includes—

- (a) an interest which is convertible into an interest in shares, and
- (b) an option to acquire shares or any such interest,

and an interest or option falls within paragraph (a) or (b) notwithstanding that the shares to which it relates are, until the conversion or the exercise of the option, unissued.

(4) For the purposes of this paragraph an interest held on behalf of an undertaking is to be treated as held by it.

(5) In the balance sheet and profit and loss formats set out in [F²Section B of] Part 1 of Schedule 1 F³... to these Regulations, “participating interest” does not include an interest in a group undertaking.

(6) For the purpose of this paragraph as it applies in relation to the expression “participating interest”—

- (a) in those formats as they apply in relation to group accounts, and
- (b) in paragraph 19 of Schedule 6 (group accounts: undertakings to be accounted for as associated undertakings),

the references in sub-paragraphs (1) to (4) to the interest held by, and the purposes and activities of, the undertaking concerned are to be construed as references to the interest held by, and the purposes and activities of, the group (within the meaning of paragraph 1 of that Schedule).

Textual Amendments

- F2** Words in Sch. 8 para. 8(5) inserted (with effect in accordance with reg. 2(2) of the amending S.I.) by [The Small Companies \(Micro-Entities Accounts\) Regulations 2013 \(S.I. 2013/3008\)](#), regs. 2(1), **13(2)** (with reg. 3)
- F3** Words in Sch. 8 para. 8(5) omitted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by virtue of [The Companies, Partnerships and Groups \(Accounts and Reports\) Regulations 2015 \(S.I. 2015/980\)](#), regs. 2(1), **25(3)** (with reg. 3)

Changes to legislation: There are currently no known outstanding effects for the The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008, SCHEDULE 8. (See end of Document for details)

Purchase price

9. “Purchase price”, in relation to an asset of a company or any raw materials or consumables used in the production of such an asset, includes any consideration (whether in cash or otherwise) given by the company in respect of that asset or those materials or consumables, as the case may be.

Modifications etc. (not altering text)

- C2** Sch. 8 amendment to earlier affecting provision S.I. 2008/1912, Sch. 5 (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **45**

Realised profits and losses

10. “Realised profits” and “realised losses” have the same meaning as in section 853(4) and (5) of the 2006 Act.

Modifications etc. (not altering text)

- C2** Sch. 8 amendment to earlier affecting provision S.I. 2008/1912, Sch. 5 (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **45**

Staff costs

11.—(1) “Social security costs” means any contributions by the company to any state social security or pension scheme, fund or arrangement.

(2) “Pension costs” includes—

- (a) any costs incurred by the company in respect of any pension scheme established for the purpose of providing pensions for persons currently or formerly employed by the company,
- (b) any sums set aside for the future payment of pensions directly by the company to current or former employees, and
- (c) any pensions paid directly to such persons without having first been set aside.

(3) Any amount stated in respect of the item “social security costs” or in respect of the item “wages and salaries” in [^{F4}the profit and loss account [^{F5}Format 2] in Section B of Part 1 of Schedule 1] must be determined by reference to payments made or costs incurred in respect of all persons employed by the company during the financial year under contracts of service.

Textual Amendments

- F4** Words in Sch. 8 para. 11(3) substituted (with effect in accordance with reg. 2(2) of the amending S.I.) by [The Small Companies \(Micro-Entities Accounts\) Regulations 2013 \(S.I. 2013/3008\)](#), regs. 2(1), **13(3)** (with reg. 3)
- F5** Words in Sch. 8 para. 11(3) substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Companies, Partnerships and Groups \(Accounts and Reports\) Regulations 2015 \(S.I. 2015/980\)](#), regs. 2(1), **25(4)** (with reg. 3)

Changes to legislation: There are currently no known outstanding effects for the *The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008, SCHEDULE 8*. (See end of Document for details)

Modifications etc. (not altering text)

- C2** Sch. 8 amendment to earlier affecting provision S.I. 2008/1912, Sch. 5 (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **45**

Changes to legislation:

There are currently no known outstanding effects for the The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008, SCHEDULE 8.