

SCHEDULE 1

COMPANIES ACT INDIVIDUAL ACCOUNTS: COMPANIES WHICH ARE NOT BANKING OR INSURANCE COMPANIES

PART 3

NOTES TO THE ACCOUNTS

Information supplementing the profit and loss account

65. Paragraphs 66 to 69 require information which either supplements the information given with respect to any particular items shown in the profit and loss account or otherwise provides particulars of income or expenditure of the company or of circumstances affecting the items shown in the profit and loss account (see regulation 3(2) for exemption for companies falling within section 408 of the 2006 Act (individual profit and loss account where group accounts prepared)).

Separate statement of certain items of income and expenditure

66.—(1) Subject to sub-paragraph (2), there must be stated the amount of the interest on or any similar charges in respect of bank loans and overdrafts, and loans of any other kind made to the company.

(2) Sub-paragraph (1) does not apply to interest or charges on loans to the company from group undertakings, but, with that exception, it applies to interest or charges on all loans, whether made on the security of debentures or not.

Particulars of tax

67.—(1) Particulars must be given of any special circumstances which affect liability in respect of taxation of profits, income or capital gains for the financial year or liability in respect of taxation of profits, income or capital gains for succeeding financial years.

(2) The following amounts must be stated—

- (a) the amount of the charge for United Kingdom corporation tax,
- (b) if that amount would have been greater but for relief from double taxation, the amount which it would have been but for such relief,
- (c) the amount of the charge for United Kingdom income tax, and
- (d) the amount of the charge for taxation imposed outside the United Kingdom of profits, income and (so far as charged to revenue) capital gains.

These amounts must be stated separately in respect of each of the amounts which is or would but for paragraph 4(2)(b) be shown under the items “tax on profit or loss on ordinary activities” and “tax on extraordinary profit or loss” in the profit and loss account.

Particulars of turnover

68.—(1) If in the course of the financial year the company has carried on business of two or more classes that, in the opinion of the directors, differ substantially from each other, the amount of the turnover attributable to each class must be stated and the class described (see regulation 4(3)(b) for exemption for medium-sized companies in accounts delivered to registrar).

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(2) If in the course of the financial year the company has supplied markets that, in the opinion of the directors, differ substantially from each other, the amount of the turnover attributable to each such market must also be stated.

In this paragraph “market” means a market delimited by geographical bounds.

(3) In analysing for the purposes of this paragraph the source (in terms of business or in terms of market) of turnover, the directors of the company must have regard to the manner in which the company’s activities are organised.

(4) For the purposes of this paragraph—

- (a) classes of business which, in the opinion of the directors, do not differ substantially from each other must be treated as one class, and
- (b) markets which, in the opinion of the directors, do not differ substantially from each other must be treated as one market,

and any amounts properly attributable to one class of business or (as the case may be) to one market which are not material may be included in the amount stated in respect of another.

(5) Where in the opinion of the directors the disclosure of any information required by this paragraph would be seriously prejudicial to the interests of the company, that information need not be disclosed, but the fact that any such information has not been disclosed must be stated.

Miscellaneous matters

69.—(1) Where any amount relating to any preceding financial year is included in any item in the profit and loss account, the effect must be stated.

(2) Particulars must be given of any extraordinary income or charges arising in the financial year.

(3) The effect must be stated of any transactions that are exceptional by virtue of size or incidence though they fall within the ordinary activities of the company.

Sums denominated in foreign currencies

70. Where any sums originally denominated in foreign currencies have been brought into account under any items shown in the balance sheet format or profit and loss account formats, the basis on which those sums have been translated into sterling (or the currency in which the accounts are drawn up) must be stated.

Dormant companies acting as agents

71. Where the directors of a company take advantage of the exemption conferred by section 480 of the 2006 Act (dormant companies: exemption from audit), and the company has during the financial year in question acted as an agent for any person, the fact that it has so acted must be stated.

Related party transactions

72.—(1) Particulars may be given of transactions which the company has entered into with related parties, and must be given if such transactions are material and have not been concluded under normal market conditions (see regulation 4(2) for exemption for medium-sized companies).

(2) The particulars of transactions required to be disclosed by sub-paragraph (1) must include—

- (a) the amount of such transactions,
- (b) the nature of the related party relationship, and
- (c) other information about the transactions necessary for an understanding of the financial position of the company.

(3) Information about individual transactions may be aggregated according to their nature, except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the company.

(4) Particulars need not be given of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly-owned by such a member.

(5) In this paragraph, “related party” has the same meaning as in international accounting standards.