

SCHEDULE 3

INSURANCE COMPANIES: COMPANIES ACT INDIVIDUAL ACCOUNTS

PART 3

NOTES TO THE ACCOUNTS

Information supplementing the balance sheet

Share capital and debentures

65.—(1) Where shares of more than one class have been allotted, the number and aggregate nominal value of shares of each class allotted must be given.

(2) In the case of any part of the allotted share capital that consists of redeemable shares, the following information must be given—

- (a) the earliest and latest dates on which the company has power to redeem those shares,
- (b) whether those shares must be redeemed in any event or are liable to be redeemed at the option of the company or of the shareholder, and
- (c) whether any (and, if so, what) premium is payable on redemption.

66. If the company has allotted any shares during the financial year, the following information must be given—

- (a) the classes of shares allotted, and
- (b) as respects each class of shares, the number allotted, their aggregate nominal value and the consideration received by the company for the allotment.

67.—(1) With respect to any contingent right to the allotment of shares in the company the following particulars must be given—

- (a) the number, description and amount of the shares in relation to which the right is exercisable,
- (b) the period during which it is exercisable, and
- (c) the price to be paid for the shares allotted.

(2) In sub-paragraph (1) “contingent right to the allotment of shares” means any option to subscribe for shares and any other right to require the allotment of shares to any person whether arising on the conversion into shares of securities of any other description or otherwise.

68.—(1) If the company has issued any debentures during the financial year to which the accounts relate, the following information must be given—

- (a) the classes of debentures issued, and
- (b) as respects each class of debentures, the amount issued and the consideration received by the company for the issue.

(2) 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 accounting records kept by the company in accordance with section 386 of the 2006 Act (duty to keep accounting records) must be stated.

Assets

69.—(1) In respect of any assets of the company included in assets items B (intangible assets), C.I (land and buildings) and C.II (investments in group undertakings and participating interests) in the company's balance sheet the following information must be given by reference to each such item—

- (a) the appropriate amounts in respect of those assets included in the item as at the date of the beginning of the financial year and as at the balance sheet date respectively,
- (b) the effect on any amount included in assets item B in respect of those assets of—
 - (i) any determination during that year of the value to be ascribed to any of those assets in accordance with paragraph 23,
 - (ii) acquisitions during that year of any assets,
 - (iii) disposals during that year of any assets, and
 - (iv) any transfers of assets of the company to and from the item during that year.

(2) The reference in sub-paragraph (1)(a) to the appropriate amounts in respect of any assets (included in an assets item) as at any date there mentioned is a reference to amounts representing the aggregate amounts determined, as at that date, in respect of assets falling to be included under the item on either of the following bases—

- (a) on the basis of cost (determined in accordance with paragraphs 45 and 46), or
- (b) on any basis permitted by paragraph 22 or 23 ,

(leaving out of account in either case any provisions for depreciation or diminution in value).

(3) In addition, in respect of any assets of the company included in any assets item in the company's balance sheet, there must be stated (by reference to each such item)—

- (a) the cumulative amount of provisions for depreciation or diminution in value of those assets included under the item as at each date mentioned in sub-paragraph (1)(a),
- (b) the amount of any such provisions made in respect of the financial year,
- (c) the amount of any adjustments made in respect of any such provisions during that year in consequence of the disposal of any of those assets, and
- (d) the amount of any other adjustments made in respect of any such provisions during that year.

70. Where any assets of the company (other than listed investments) are included under any item shown in the company's balance sheet at an amount determined on any basis mentioned in paragraph 22 or 23, the following information must be given—

- (a) the years (so far as they are known to the directors) in which the assets were severally valued and the several values, and
- (b) in the case of assets that have been valued during the financial year, the names of the persons who valued them or particulars of their qualifications for doing so and (whichever is stated) the bases of valuation used by them.

71. In relation to any amount which is included under assets item C.I (land and buildings) there must be stated—

- (a) how much of that amount is ascribable to land of freehold tenure and how much to land of leasehold tenure, and
- (b) how much of the amount ascribable to land of leasehold tenure is ascribable to land held on long lease and how much to land held on short lease.

Investments

72. In respect of the amount of each item which is shown in the company's balance sheet under assets item C (investments) there must be stated how much of that amount is ascribable to listed investments.

Information about fair value of assets and liabilities

73.—(1) This paragraph applies where financial instruments have been valued in accordance with paragraph 30 or 32.

(2) The items affected and the basis of valuation adopted in determining the amounts of the financial instruments must be disclosed.

(3) The purchase price of the financial instruments must be disclosed.

(4) There must be stated—

(a) the significant assumptions underlying the valuation models and techniques used, where the fair value of the instruments has been determined in accordance with paragraph 31(4),

(b) for each category of financial instrument, the fair value of the instruments in that category and the changes in value—

(i) included in the profit and loss account, or

(ii) credited to or (as the case may be) debited from the fair value reserve, in respect of those instruments, and

(c) for each class of derivatives, the extent and nature of the instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows.

(5) Where any amount is transferred to or from the fair value reserve during the financial year, there must be stated in tabular form—

(a) the amount of the reserve as at the date of the beginning of the financial year and as at the balance sheet date respectively,

(b) the amount transferred to or from the reserve during that year, and

(c) the source and application respectively of the amounts so transferred.

74. Where the company has derivatives that it has not included at fair value, there must be stated for each class of such derivatives—

(a) the fair value of the derivatives in that class, if such a value can be determined in accordance with paragraph 31, and

(b) the extent and nature of the derivatives.

75.—(1) This paragraph applies if—

(a) the company has financial fixed assets that could be included at fair value by virtue of paragraph 30,

(b) the amount at which those assets are included under any item in the company's accounts is in excess of their fair value, and

(c) the company has not made provision for diminution in value of those assets in accordance with paragraph 38(2) of this Schedule.

(2) There must be stated—

(a) the amount at which either the individual assets or appropriate groupings of those individual assets are included in the company's accounts,

(b) the fair value of those assets or groupings, and

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- (c) the reasons for not making a provision for diminution in value of those assets, including the nature of the evidence that provides the basis for the belief that the amount at which they are stated in the accounts will be recovered.

Information where investment property and living animals and plants included at fair value

76.—(1) This paragraph applies where the amounts to be included in a company's accounts in respect of investment property or living animals and plants have been determined in accordance with paragraph 33.

(2) The balance sheet items affected and the basis of valuation adopted in determining the amounts of the assets in question in the case of each such item must be disclosed in a note to the accounts.

(3) In the case of investment property, for each balance sheet item affected there must be shown, either separately in the balance sheet or in a note to the accounts—

- (a) the comparable amounts determined according to the historical cost accounting rules, or
- (b) the differences between those amounts and the corresponding amounts actually shown in the balance sheet in respect of that item.

(4) In sub-paragraph (3), references in relation to any item to the comparable amounts determined in accordance with that sub-paragraph are to—

- (a) the aggregate amount which would be required to be shown in respect of that item if the amounts to be included in respect of all the assets covered by that item were determined according to the historical cost accounting rules, and
- (b) the aggregate amount of the cumulative provisions for depreciation or diminution in value which would be permitted or required in determining those amounts according to those rules.

Reserves and provisions

77.—(1) This paragraph applies where any amount is transferred—

- (a) to or from any reserves,
- (b) to any provisions for other risks, or
- (c) from any provisions for other risks otherwise than for the purpose for which the provision was established,

and the reserves or provisions are or would but for paragraph 3(1) be shown as separate items in the company's balance sheet.

(2) The following information must be given in respect of the aggregate of reserves or provisions included in the same item—

- (a) the amount of the reserves or provisions as at the date of the beginning of the financial year and as at the balance sheet date respectively,
- (b) any amounts transferred to or from the reserves or provisions during that year, and
- (c) the source and application respectively of any amounts so transferred.

(3) Particulars must be given of each provision included in liabilities item E.3 (other provisions) in the company's balance sheet in any case where the amount of that provision is material.

Provision for taxation

78. The amount of any provision for deferred taxation must be stated separately from the amount of any provision for other taxation.

Details of indebtedness

79.—(1) In respect of each item shown under “creditors” in the company’s balance sheet there must be stated the aggregate of the following amounts—

- (a) the amount of any debts included under that item which are payable or repayable otherwise than by instalments and fall due for payment or repayment after the end of the period of five years beginning with the day next following the end of the financial year, and
- (b) in the case of any debts so included which are payable or repayable by instalments, the amount of any instalments which fall due for payment after the end of that period.

(2) Subject to sub-paragraph (3), in relation to each debt falling to be taken into account under sub-paragraph (1), the terms of payment or repayment and the rate of any interest payable on the debt must be stated.

(3) If the number of debts is such that, in the opinion of the directors, compliance with sub-paragraph (2) would result in a statement of excessive length, it is sufficient to give a general indication of the terms of payment or repayment and the rates of any interest payable on the debts.

(4) In respect of each item shown under “creditors” in the company’s balance sheet there must be stated—

- (a) the aggregate amount of any debts included under that item in respect of which any security has been given by the company, and
- (b) an indication of the nature of the securities so given.

(5) References above in this paragraph to an item shown under “creditors” in the company’s balance sheet include references, where amounts falling due to creditors within one year and after more than one year are distinguished in the balance sheet—

- (a) in a case within sub-paragraph (1), to an item shown under the latter of those categories, and
- (b) in a case within sub-paragraph (4), to an item shown under either of those categories.

References to items shown under “creditors” include references to items which would but for paragraph 3(1)(b) be shown under that heading.

80. If any fixed cumulative dividends on the company’s shares are in arrear, there must be stated—

- (a) the amount of the arrears, and
- (b) the period for which the dividends or, if there is more than one class, each class of them are in arrear.

Guarantees and other financial commitments

81.—(1) Particulars must be given of any charge on the assets of the company to secure the liabilities of any other person, including, where practicable, the amount secured.

(2) The following information must be given with respect to any other contingent liability not provided for (other than a contingent liability arising out of an insurance contract)—

- (a) the amount or estimated amount of that liability,
- (b) its legal nature, and
- (c) whether any valuable security has been provided by the company in connection with that liability and if so, what.

(3) There must be stated, where practicable, the aggregate amount or estimated amount of contracts for capital expenditure, so far as not provided for.

(4) Particulars must be given of—

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- (a) any pension commitments included under any provision shown in the company's balance sheet, and
- (b) any such commitments for which no provision has been made,

and where any such commitment relates wholly or partly to pensions payable to past directors of the company separate particulars must be given of that commitment so far as it relates to such pensions.

(5) Particulars must also be given of any other financial commitments, other than commitments arising out of insurance contracts, that—

- (a) have not been provided for, and
- (b) are relevant to assessing the company's state of affairs.

(6) Commitments within any of the preceding sub-paragraphs undertaken on behalf of or for the benefit of—

- (a) any parent undertaking or fellow subsidiary undertaking, or
- (b) any subsidiary undertaking of the company,

must be stated separately from the other commitments within that sub-paragraph, and commitments within paragraph (a) must also be stated separately from those within paragraph (b).

Miscellaneous matters

82.—(1) Particulars must be given of any case where the cost of any asset is for the first time determined under paragraph 47.

(2) Where any outstanding loans made under the authority of section 682(2)(b), (c) or (d) of the 2006 Act (various cases of financial assistance by a company for purchase of its own shares) are included under any item shown in the company's balance sheet, the aggregate amount of those loans must be disclosed for each item in question.