

SCHEDULE 3

INSURANCE COMPANIES: COMPANIES ACT INDIVIDUAL ACCOUNTS

PART 3

NOTES TO THE ACCOUNTS

^{M1}Information supplementing the profit and loss account

Marginal Citations

M1 See regulation 6(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

83.—(1) Subject to sub-paragraph (2), there must be stated the amount of the interest on or any similar charges in respect of—

- (a) bank loans and overdrafts, and
- (b) 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

84.—(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.

Those amounts must be stated separately in respect of each of the amounts which is shown under the following items in the profit and loss account, that is to say item III.9 (tax on profit or loss on ordinary activities) and item III.14 (tax on extraordinary profit or loss).

Particulars of business

85.—(1) As regards general business a company must disclose—

- (a) gross premiums written,
- (b) gross premiums earned,
- (c) gross claims incurred,

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- (d) gross operating expenses, and
- (e) the reinsurance balance.

(2) The amounts required to be disclosed by sub-paragraph (1) must be broken down between direct insurance and reinsurance acceptances, if reinsurance acceptances amount to 10 per cent or more of gross premiums written.

(3) Subject to sub-paragraph (4), the amounts required to be disclosed by sub-paragraphs (1) and (2) with respect to direct insurance must be further broken down into the following groups of classes—

- (a) accident and health,
- (b) motor (third party liability),
- (c) motor (other classes),
- (d) marine, aviation and transport,
- (e) fire and other damage to property,
- (f) third-party liability,
- (g) credit and suretyship,
- (h) legal expenses,
- (i) assistance, and
- (j) miscellaneous,

where the amount of the gross premiums written in direct insurance for each such group exceeds 10 million Euros.

(4) The company must in any event disclose the amounts relating to the three largest groups of classes in its business.

86.—(1) As regards long-term business, the company must disclose—

- (a) gross premiums written, and
- (b) the reinsurance balance.

(2) Subject to sub-paragraph (3)—

- (a) gross premiums written must be broken down between those written by way of direct insurance and those written by way of reinsurance, and
- (b) gross premiums written by way of direct insurance must be broken down—
 - (i) between individual premiums and premiums under group contracts,
 - (ii) between periodic premiums and single premiums, and
 - (iii) between premiums from non-participating contracts, premiums from participating contracts and premiums from contracts where the investment risk is borne by policyholders.

(3) Disclosure of any amount referred to in sub-paragraph (2)(a) or (2)(b)(i), (ii) or (iii) is not required if it does not exceed 10 per cent of the gross premiums written or (as the case may be) of the gross premiums written by way of direct insurance.

87.—(1) Subject to sub-paragraph (2), there must be disclosed as regards both general and long-term business the total gross direct insurance premiums resulting from contracts concluded by the company—

- [^{F1}(a) in the country in which its head office is located, and]
- ^{F2}(b)

(c) in other countries.

(2) Disclosure of any amount referred to in sub-paragraph (1) is not required if it does not exceed 5 per cent of total gross premiums.

- F1** Sch. 3 para. 87(1)(a) substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 4(b)(i)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F2** Sch. 3 para. 87(1)(b) omitted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by virtue of The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 4(b)(ii)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)

Commissions

88. There must be disclosed the total amount of commissions for direct insurance business accounted for in the financial year, including acquisition, renewal, collection and portfolio management commissions.

Miscellaneous matters

89.—(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.

[^{F3}(2) The amount, nature and effect of any individual items of income or expenditure which are of exceptional size or incidence must be stated.]

- F3** Sch. 3 para. 89(2) substituted for Sch. 3 para. 89(2)(3) (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), **36(5)** (with reg. 3)

Related party transactions

90.—(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.

(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 [^{F4}UK-adopted international accounting standards].

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F4 Words in Sch. 3 para. 90(5) substituted (31.12.2020) by [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/685), reg. 1(2), **Sch. 1 para. 57(4)(b)** (with reg. 1(3)(4)) (as amended by S.I. 2020/523, regs. 1(2), 22); 2020 c. 1, Sch. 5 para. 1(1)

[^{F5} **Post balance sheet events**

90A. The nature and financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account of balance sheet must be stated.]

F5 Sch. 3 paras. 90A, 90B inserted (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), **36(6)** (with reg. 3)

[^{F5} **Appropriations**

90B. Particulars must be given of the proposed appropriation of profit or treatment of loss or, where applicable, particulars of the actual appropriation of the profits or treatment of the losses.]

F5 Sch. 3 paras. 90A, 90B inserted (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), **36(6)** (with reg. 3)

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