
DRAFT STATUTORY INSTRUMENTS

2008 No.

COMPANIES

The Large and Medium-sized Companies and
Groups (Accounts and Reports) Regulations 2008

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Coming into force *6th April 2008*

THE LARGE AND MEDIUM-SIZED COMPANIES AND
GROUPS (ACCOUNTS AND REPORTS) REGULATIONS 2008

PART 1

1. Citation and interpretation
2. Commencement and application

PART 2

3. Companies Act individual accounts (companies other than banking and insurance companies)
4. Medium-sized companies: exemptions for Companies Act individual accounts
5. Companies Act individual accounts: banking companies
6. Companies Act individual accounts: insurance companies
7. Information about related undertakings (Companies Act or IAS individual or group accounts)
8. Information about directors' benefits: remuneration (Companies Act or IAS individual or group accounts: quoted and unquoted companies)
9. Companies Act group accounts

PART 3

10. Directors' report

PART 4

11. Directors' remuneration report (quoted companies)

PART 5

12. Definition of “provisions”
13. General interpretation
Signature

SCHEDULE 1 — COMPANIES ACT INDIVIDUAL ACCOUNTS: COMPANIES WHICH ARE NOT BANKING OR INSURANCE COMPANIES PART 1 — GENERAL RULES AND FORMATS

SECTION A

GENERAL RULES

1. (1) Subject to the following provisions of this Schedule—
2. (1) Where in accordance with paragraph 1 a company’s balance...
3. (1) Any item required to be shown in a company’s...
4. (1) Where the special nature of the company’s business requires...
5. (1) Subject to sub-paragraph (2), the directors must not include...
6. Every profit and loss account must show the amount of...
7. (1) For every item shown in the balance sheet or...
8. Amounts in respect of items representing assets or income may...
9. The company’s directors must, in determining how amounts are presented...

SECTION B

THE REQUIRED FORMATS FOR ACCOUNTS

PART 2 — ACCOUNTING PRINCIPLES AND RULES

SECTION A

ACCOUNTING PRINCIPLES

10. Preliminary
11. Accounting principles
12. Accounting policies must be applied consistently within the same accounts...
13. The amount of any item must be determined on a...
14. All income and charges relating to the financial year to...
15. In determining the aggregate amount of any item, the amount...

SECTION B

HISTORICAL COST ACCOUNTING RULES

16. Preliminary

Fixed assets

17. General rules

18. Rules for depreciation and diminution in value
19. (1) Where a fixed asset investment falling to be included...
20. (1) Where the reasons for which any provision was made...
21. Development costs
22. Goodwill
23. Current assets
24. (1) If the net realisable value of any current asset...

Miscellaneous and supplementary provisions

25. Excess of money owed over value received as an asset item
26. Assets included at a fixed amount
27. Determination of purchase price or production cost
28. (1) The purchase price or production cost of—
29. Substitution of original stated amount where price or cost unknown

SECTION C

ALTERNATIVE ACCOUNTING RULES

30. Preliminary
31. Subject to paragraphs 33 to 35, the amounts to be...
32. Alternative accounting rules
33. Application of the depreciation rules
34. Additional information to be provided in case of departure from historical cost accounting rules
35. Revaluation reserve

SECTION D

FAIR VALUE ACCOUNTING

36. Inclusion of financial instruments at fair value
37. Determination of fair value
38. Hedged items
39. Other assets that may be included at fair value
40. Accounting for changes in value
41. The fair value reserve

PART 3 — NOTES TO THE ACCOUNTS

42. Preliminary

General

43. Reserves and dividends
44. Disclosure of accounting policies
45. It must be stated whether the accounts have been prepared...

Information supplementing the balance sheet

46. Paragraphs 47 to 64 require information which either supplements the...
47. Share capital and debentures
48. If the company has allotted any shares during the financial...
49. (1) With respect to any contingent right to the allotment...
50. (1) If the company has issued any debentures during the...

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51. Fixed assets
52. Where any fixed assets of the company (other than listed...
53. In relation to any amount which is or would but...
54. Investments
55. Information about fair value of assets and liabilities
56. Where the company has derivatives that it has not included...
57. (1) This paragraph applies if— (a) the company has financial...
58. Information where investment property and living animals and plants included at fair value
59. Reserves and provisions
60. Provision for taxation
61. Details of indebtedness
62. If any fixed cumulative dividends on the company's shares are...
63. Guarantees and other financial commitments
64. Miscellaneous matters

Information supplementing the profit and loss account

65. Paragraphs 66 to 69 require information which either supplements the...
66. Separate statement of certain items of income and expenditure
67. Particulars of tax
68. Particulars of turnover
69. Miscellaneous matters
70. Sums denominated in foreign currencies
71. Dormant companies acting as agents
72. Related party transactions
PART 4 — SPECIAL PROVISION WHERE COMPANY IS A PARENT COMPANY OR SUBSIDIARY UNDERTAKING
73. Company's own accounts: guarantees and other financial commitments in favour of group undertakings
PART 5 — SPECIAL PROVISIONS WHERE THE COMPANY IS AN INVESTMENT COMPANY
74. (1) Paragraph 35 does not apply to the amount of...
75. (1) Any distribution made by an investment company which reduces...

SCHEDULE 2 — BANKING COMPANIES: COMPANIES ACT INDIVIDUAL ACCOUNTS

PART 1 — GENERAL RULES AND FORMATS

SECTION A

GENERAL RULES

1. Subject to the following provisions of this Part of this...
2. (1) References in this Part of this Schedule to the...
3. (1) Where in accordance with paragraph 1 a company's profit...
4. (1) Any item required to be shown in a company's...
5. (1) Items to which lower case letters are assigned in...
6. (1) Subject to sub-paragraph (2), the directors must not include...
7. (1) For every item shown in the balance sheet or...
8. (1) Subject to the following provisions of this paragraph and...
9. (1) Assets must be shown under the relevant balance sheet...
10. The company's directors must, in determining how amounts are presented...

SECTION B

THE REQUIRED FORMATS

Special rules

11. Subordinated assets
12. Syndicated loans
13. Sale and repurchase transactions
14. Sale and option to resell transactions
15. Managed funds

PART 2 — ACCOUNTING PRINCIPLES AND RULES

SECTION A

ACCOUNTING PRINCIPLES

16. Preliminary
17. Accounting principles
18. Accounting policies must be applied consistently within the same accounts...
19. The amount of any item must be determined on a...
20. All income and charges relating to the financial year to...
21. In determining the aggregate amount of any item, the amount...

SECTION B

HISTORICAL COST ACCOUNTING RULES

22. Preliminary

Fixed assets

23. General rules
24. Rules for depreciation and diminution in value
25. (1) Where a fixed asset investment to which sub-paragraph (2)...
26. (1) Where the reasons for which any provision was made...
27. Development costs
28. Goodwill
29. Treatment of fixed assets
30. Financial fixed assets
31. Current assets
32. (1) If the net realisable value of any asset referred...
33. (1) Subject to paragraph 32, the amount to be included...

Miscellaneous and supplementary provisions

34. Excess of money owed over value received as an asset item
35. Determination of cost
36. (1) The cost of any assets which are fungible assets...
37. Substitution of original stated amount where price or cost unknown

SECTION C

ALTERNATIVE ACCOUNTING RULES

38. Preliminary
39. Subject to paragraphs 41 to 43, the amounts to be...
40. Alternative accounting rules
41. Application of the depreciation rules
42. Additional information to be provided in case of departure from historical cost accounting rules
43. Revaluation reserve

SECTION D

FAIR VALUE ACCOUNTING

44. Inclusion of financial instruments at fair value
45. Determination of fair value
46. Hedged items
47. Other assets that may be included at fair value
48. Accounting for changes in value
49. The fair value reserve
50. Assets and liabilities denominated in foreign currencies
51. (1) Subject to sub-paragraph (2), any difference between the amount...

PART 3 — NOTES TO THE ACCOUNTS

52. Preliminary

General

53. Disclosure of accounting policies
54. It must be stated whether the accounts have been prepared...
55. Sums denominated in foreign currencies
56. Reserves and dividends

Information supplementing the balance sheet

57. Paragraphs 58 to 84 require information which either supplements the...
58. Share capital and debentures
59. If the company has allotted any shares during the financial...
60. (1) With respect to any contingent right to the allotment...
61. (1) If the company has issued any debentures during the...
62. Fixed assets
63. Where any fixed assets of the company (other than listed...
64. In relation to any amount which is included under assets...
65. There must be disclosed separately the amount of—
66. Information about fair value of assets and liabilities
67. Where the company has derivatives that it has not included...
68. (1) This paragraph applies if— (a) the company has financial...
69. Information where investment property and living animals and plants included at fair value
70. Reserves and provisions
71. Provision for taxation
72. Maturity analysis
73. Debt and other fixed-income securities

74. Subordinated liabilities
75. Fixed cumulative dividends
76. Details of assets charged
77. Guarantees and other financial commitments
78. Memorandum items: Group undertakings
79. Transferable securities
80. Leasing transactions
81. Assets and liabilities denominated in a currency other than sterling (or the currency in which the accounts are drawn up)
82. Sundry assets and liabilities
83. Unmatured forward transactions
84. Miscellaneous matters

Information supplementing the profit and loss account

85. Paragraphs 86 to 91 require information which either supplements the...
 86. Particulars of tax
 87. Particulars of income
 88. Management and agency services
 89. Subordinated liabilities
 90. Sundry income and charges
 91. Miscellaneous matters
 92. Related party transactions
- PART 4 — INTERPRETATION OF THIS SCHEDULE
93. Definitions for this Schedule
 94. Financial fixed assets
 95. Financial instruments
 96. (1) The expressions listed in sub-paragraph (2) have the same...
 97. Repayable on demand
 98. Sale and repurchase transaction
 99. Sale and option to resell transaction

SCHEDULE 3 — INSURANCE COMPANIES: COMPANIES ACT INDIVIDUAL
ACCOUNTS

PART 1 — GENERAL RULES AND FORMATS

SECTION A

GENERAL RULES

1. (1) Subject to the following provisions of this Schedule—
2. (1) Any item required to be shown in a company's...
3. (1) The directors may combine items to which Arabic numbers...
4. (1) Subject to sub-paragraph (2), the directors must not include...
5. (1) For every item shown in the balance sheet or...
6. Subject to the provisions of this Schedule, amounts in respect...
7. (1) The provisions of this Schedule which relate to long-term...
8. The company's directors must, in determining how amounts are presented...

SECTION B

THE REQUIRED FORMATS

9. (1) Where in respect of any item to which an...
 10. (1) In the profit and loss account format set out...
 11. Additional items
 12. Managed funds
 13. Deferred acquisition costs
- PART 2 — ACCOUNTING PRINCIPLES AND RULES

SECTION A

ACCOUNTING PRINCIPLES

14. Preliminary
15. But if it appears to the company's directors that there...
16. Accounting principles
17. Accounting policies must be applied consistently within the same accounts...
18. The amount of any item must be determined on a...
19. All income and charges relating to the financial year to...
20. In determining the aggregate amount of any item, the amount...
21. Valuation

SECTION B

CURRENT VALUE ACCOUNTING RULES

22. Valuation of assets: general
23. (1) Intangible assets other than goodwill may be shown at...
24. Alternative valuation of fixed-income securities
25. Meaning of "current value"
26. (1) In the case of land and buildings, current value...
27. Application of the depreciation rules
28. Additional information to be provided
29. Revaluation reserve

SECTION C

VALUATION AT FAIR VALUE

30. Inclusion of financial instruments at fair value
31. Determination of fair value
32. Hedged items
33. Other assets that may be included at fair value
34. Accounting for changes in value
35. The fair value reserve

SECTION D

HISTORICAL COST ACCOUNTING RULES

Valuation of assets

36. General rules
37. In the case of any asset included under assets item...
38. (1) This paragraph applies to any asset included under assets...
39. (1) Where the reasons for which any provision was made...
40. (1) This paragraph applies to assets included under assets items...
41. Development costs
42. Goodwill

Miscellaneous and supplementary provisions

43. Excess of money owed over value received as an asset item
44. Assets included at a fixed amount
45. Determination of cost
46. (1) The cost of any assets which are fungible assets...
47. Substitution of original amount where price or cost unknown

SECTION E

RULES FOR DETERMINING PROVISIONS

48. Preliminary
49. Technical provisions
50. Provision for unearned premiums
51. Provision for unexpired risks
52. Long-term business provision

Provisions for claims outstanding

53. General business
54. (1) Explicit discounting or deductions to take account of investment...
55. Long-term business
56. Equalisation reserves
57. Accounting on a non-annual basis
58. (1) The excess of the premiums written over the claims...
59. (1) The figures shown in the technical account or in...

PART 3 — NOTES TO THE ACCOUNTS

60. Preliminary

General

61. Disclosure of accounting policies
62. It must be stated whether the accounts have been prepared...
63. Sums denominated in foreign currencies
64. Reserves and dividends

Information supplementing the balance sheet

65. Share capital and debentures
66. If the company has allotted any shares during the financial...
67. (1) With respect to any contingent right to the allotment...
68. (1) If the company has issued any debentures during the...
69. Assets
70. Where any assets of the company (other than listed investments)...

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71. In relation to any amount which is included under assets...
72. Investments
73. Information about fair value of assets and liabilities
74. Where the company has derivatives that it has not included...
75. (1) This paragraph applies if— (a) the company has financial...
76. Information where investment property and living animals and plants included at fair value
77. Reserves and provisions
78. Provision for taxation
79. Details of indebtedness
80. If any fixed cumulative dividends on the company's shares are...
81. Guarantees and other financial commitments
82. Miscellaneous matters

Information supplementing the profit and loss account

83. Separate statement of certain items of income and expenditure
84. Particulars of tax
85. Particulars of business
86. (1) As regards long-term business, the company must disclose—
87. (1) Subject to sub-paragraph (2), there must be disclosed as...
88. Commissions
89. Miscellaneous matters
90. Related party transactions

PART 4 — INTERPRETATION OF THIS SCHEDULE

91. Definitions for this Schedule

SCHEDULE 4 — INFORMATION ON RELATED UNDERTAKINGS REQUIRED
WHETHER PREPARING COMPANIES ACT OR IAS
ACCOUNTS

PART 1 — PROVISIONS APPLYING TO ALL COMPANIES

1. Subsidiary undertakings
2. Financial information about subsidiary undertakings
3. Shares and debentures of company held by subsidiary undertakings
4. Significant holdings in undertakings other than subsidiary undertakings
5. (1) The name of the undertaking must be stated.
6. (1) Subject to paragraph 14, there must also be stated—...
7. Membership of certain undertakings
8. Parent undertaking drawing up accounts for larger group
9. Identification of ultimate parent company

PART 2 — COMPANIES NOT REQUIRED TO PREPARE GROUP
ACCOUNTS

10. Reason for not preparing group accounts
11. Holdings in subsidiary undertakings
12. Financial years of subsidiary undertakings
13. Exemption from giving information about significant holdings in non-subsubsidiary undertakings
14. Construction of references to shares held by company

PART 3 — COMPANIES REQUIRED TO PREPARE GROUP ACCOUNTS

15. Introductory
16. Subsidiary undertakings
17. Holdings in subsidiary undertakings
18. Joint ventures

19. Associated undertakings
 20. Requirement to give information about other significant holdings of parent company or group
 21. Group's membership of certain undertakings
 22. Construction of references to shares held by parent company or group
- PART 4 — ADDITIONAL DISCLOSURES FOR BANKING COMPANIES AND GROUPS
23. (1) This paragraph applies where accounts are prepared in accordance...
PART 5 — INTERPRETATION OF REFERENCES TO "BENEFICIAL INTEREST"
 24. Residual interests under pension and employees' share schemes
 25. Employer's charges and other rights of recovery
 26. Trustee's right to expenses, remuneration, indemnity etc.
 27. Supplementary

SCHEDULE 5 — INFORMATION ABOUT BENEFITS OF DIRECTORS
PART 1 — PROVISIONS APPLYING TO QUOTED AND UNQUOTED COMPANIES

1. Total amount of directors' remuneration etc.
- PART 2 — PROVISIONS APPLYING ONLY TO UNQUOTED COMPANIES
2. Details of highest paid director's emoluments etc.
 3. Excess retirement benefits of directors and past directors
 4. Compensation to directors for loss of office
 5. Sums paid to third parties in respect of directors' services
- PART 3 — SUPPLEMENTARY PROVISIONS
6. General nature of obligations
 7. Provisions as to amounts to be shown
 8. Exclusion of sums liable to be accounted for to company etc.
 9. Meaning of "remuneration"
 10. Meaning of "highest paid director"
 11. Meaning of "long term incentive scheme"
 12. Meaning of "shares" and "share option" and related expressions
 13. Meaning of "pension scheme" and related expressions
 14. References to subsidiary undertakings
 15. Other minor definitions

SCHEDULE 6 — COMPANIES ACT GROUP ACCOUNTS
PART 1 — GENERAL RULES

1. General rules
2. (1) The consolidated balance sheet and profit and loss account...
3. (1) Where assets and liabilities to be included in the...
4. Any differences of accounting rules as between a parent company's...
5. Amounts that in the particular context of any provision of...
6. Elimination of group transactions
7. Acquisition and merger accounting
8. An acquisition must be accounted for by the acquisition method...
9. (1) The acquisition method of accounting is as follows.
10. (1) The conditions for accounting for an acquisition as a...
11. (1) The merger method of accounting is as follows.
12. (1) Where a group is acquired, paragraphs 9 to 11...
13. (1) The following information with respect to acquisitions taking place...
14. (1) There must also be stated in a note to...
15. Where during the financial year there has been a disposal...

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16. The information required by paragraph 13, 14 or 15 need...
17. Minority interests
18. Joint ventures
19. Associated undertakings
20. (1) The formats set out in Schedule 1 to these...
21. (1) The interest of an undertaking in an associated undertaking,...
22. Related party transactions
 - PART 2 — MODIFICATIONS FOR BANKING GROUPS
23. General application of provisions applicable to individual accounts
24. In paragraph 1 of this Schedule— (a) the reference in...
25. Minority interests and associated undertakings
26. In paragraph 21(1) of this Schedule, for the references to...
27. Related party transactions
28. Foreign currency translation
29. Any income and expenditure of undertakings included in the consolidation...
30. Information as to undertaking in which shares held as a result of financial assistance operation
 - PART 3 — MODIFICATIONS FOR INSURANCE GROUPS
31. General application of provisions applicable to individual accounts
32. In paragraph 1 of this Schedule— (a) the reference in...
33. Financial years of subsidiary undertakings
34. Assets and liabilities to be included in group accounts
35. Elimination of group transactions
36. Minority interests
37. Associated undertakings
38. In paragraph 21(1) of this Schedule, for the references to...
39. Related party transactions
40. Modifications of Schedule 3 to these Regulations for purposes of paragraph 31

SCHEDULE 7 — MATTERS TO BE DEALT WITH IN DIRECTORS' REPORT

PART 1 — MATTERS OF A GENERAL NATURE

1. Introduction
2. Asset values
3. Political donations and expenditure
4. (1) If the company (not being the wholly-owned subsidiary of...
5. Charitable donations
6. Financial instruments
7. Miscellaneous
 - PART 2 — DISCLOSURE REQUIRED BY COMPANY ACQUIRING ITS OWN SHARES ETC.
8. This Part of this Schedule applies where shares in a...
9. The directors' report for a financial year must state—
 - PART 3 — DISCLOSURE CONCERNING EMPLOYMENT ETC. OF DISABLED PERSONS
10. (1) This Part of this Schedule applies to the directors'...
 - PART 4 — EMPLOYEE INVOLVEMENT
11. (1) This Part of this Schedule applies to the directors'...
 - PART 5 — POLICY AND PRACTICE ON PAYMENT OF CREDITORS
12. (1) This Part of this Schedule applies to the directors'...
 - PART 6 — DISCLOSURE REQUIRED BY CERTAIN PUBLICLY-TRADED COMPANIES

13. (1) This Part of this Schedule applies to the directors’...
14. The directors’ report must also contain any necessary explanatory material...

SCHEDULE 8 — QUOTED COMPANIES: DIRECTORS’ REMUNERATION REPORT

PART 1 — INTRODUCTORY

1. (1) In the directors’ remuneration report for a financial year...

PART 2 — INFORMATION NOT SUBJECT TO AUDIT

2. Consideration by the directors of matters relating to directors’ remuneration
3. Statement of company’s policy on directors’ remuneration
4. Statement of consideration of conditions elsewhere in company and group
5. Performance graph
6. Service contracts

PART 3 — INFORMATION SUBJECT TO AUDIT

7. Amount of each director’s emoluments and compensation in the relevant financial year
 8. Share options
 9. The information required by sub-paragraph (1) of paragraph 8 in...
 10. (1) If, in the opinion of the directors of the...
 11. Long term incentive schemes
 12. (1) The information required by sub-paragraph (1) of paragraph 11...
 13. Pensions
 14. Excess retirement benefits of directors and past directors
 15. Compensation for past directors
 16. Sums paid to third parties in respect of a director’s services
- ##### PART 4 — INTERPRETATION AND SUPPLEMENTARY
17. (1) In this Schedule— “amount”, in relation to a gain...
 18. (1) For the purposes of this Schedule emoluments paid or...
 19. (1) The following applies with respect to the amounts to...
 20. (1) The amounts to be shown for any financial year...
 21. Where it is necessary to do so for the purpose...
 22. The Schedule requires information to be given only so far...

SCHEDULE 9 — INTERPRETATION OF TERM “PROVISIONS”

PART 1 — MEANING FOR PURPOSES OF THESE REGULATIONS

1. Definition of “Provisions”
2. References in these Regulations to provisions for liabilities or, in...

PART 2 — MEANING FOR PURPOSES OF PARTS 18 AND 23 OF THE 2006 ACT

3. Financial assistance for purchase of own shares
4. Redemption or purchase by private company out of capital
5. Net asset restriction on public companies distributions
6. Distributions by investment companies
7. Justification of distribution by references to accounts

SCHEDULE 10 — GENERAL INTERPRETATION

1. Capitalisation
2. Financial instruments
3. (1) Save in Schedule 2 to these Regulations, the expressions...
4. Fixed and current assets
5. Fungible assets
6. Historical cost accounting rules

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7. Leases
8. Listed investments
9. Loans
10. Materiality
11. Participating interests
12. Purchase price
13. Realised profits and realised losses
14. Staff costs
15. Scots land tenure

Explanatory Note