

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—
- (a) every balance sheet of a company must show the items listed in either of the balance sheet formats in Section B of this Part, and
 - (b) every profit and loss account must show the items listed in any one of the profit and loss account formats in Section B.
- (2) References in this Schedule to the items listed in any of the formats in Section B are to those items read together with any of the notes following the formats which apply to those items.
- (3) The items must be shown in the order and under the headings and sub-headings given in the particular format used, but—
- (a) the notes to the formats may permit alternative positions for any particular items, and
 - (b) the heading or sub-heading for any item does not have to be distinguished by any letter or number assigned to that item in the format used.
- 2.—(1) Where in accordance with paragraph 1 a company's balance sheet or profit and loss account for any financial year has been prepared by reference to one of the formats in Section B, the company's directors must use the same format in preparing Companies Act individual accounts for subsequent financial years, unless in their opinion there are special reasons for a change.
- (2) Particulars of any such change must be given in a note to the accounts in which the new format is first used, and the reasons for the change must be explained.
- 3.—(1) Any item required to be shown in a company's balance sheet or profit and loss account may be shown in greater detail than required by the particular format used.
- (2) The balance sheet or profit and loss account may include an item representing or covering the amount of any asset or liability, income or expenditure not otherwise covered by any of the items listed in the format used, save that none of the following may be treated as assets in any balance sheet—
- (a) preliminary expenses,
 - (b) expenses of, and commission on, any issue of shares or debentures, and
 - (c) costs of research.
- 4.—(1) Where the special nature of the company's business requires it, the company's directors must adapt the arrangement, headings and sub-headings otherwise required in respect of items given an Arabic number in the balance sheet or profit and loss account format used.
- (2) The directors may combine items to which Arabic numbers are given in any of the formats in Section B if—

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- (a) their individual amounts are not material to assessing the state of affairs or profit or loss of the company for the financial year in question, or
 - (b) the combination facilitates that assessment.
- (3) Where sub-paragraph (2)(b) applies, the individual amounts of any items which have been combined must be disclosed in a note to the accounts.

5.—(1) Subject to sub-paragraph (2), the directors must not include a heading or sub-heading corresponding to an item in the balance sheet or profit and loss account format used if there is no amount to be shown for that item for the financial year to which the balance sheet or profit and loss account relates.

(2) Where an amount can be shown for the item in question for the immediately preceding financial year that amount must be shown under the heading or sub-heading required by the format for that item.

6. Every profit and loss account must show the amount of a company's profit or loss on ordinary activities before taxation.

7.—(1) For every item shown in the balance sheet or profit and loss account the corresponding amount for the immediately preceding financial year must also be shown.

(2) Where that corresponding amount is not comparable with the amount to be shown for the item in question in respect of the financial year to which the balance sheet or profit and loss account relates, the former amount may be adjusted, and particulars of the non-comparability and of any adjustment must be disclosed in a note to the accounts.

8. Amounts in respect of items representing assets or income may not be set off against amounts in respect of items representing liabilities or expenditure (as the case may be), or vice versa.

9. The company's directors must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.