

SCHEDULE 2

BANKING COMPANIES: COMPANIES ACT INDIVIDUAL ACCOUNTS

PART 3

NOTES TO THE ACCOUNTS

Information supplementing the profit and loss account

85. Paragraphs 86 to 91 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 5(2) for exemption for companies falling within section 408 of the 2006 Act (individual profit and loss account where group accounts prepared)).

Particulars of tax

86.—(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 shown under the following items in the profit and loss account, that is to say format 1 item 16, format 2 item A10 (tax on [profit][loss] on ordinary activities) and format 1 item 21, format 2 item A13 (tax on extraordinary [profit][loss]).

Particulars of income

87.—(1) A company must disclose, with respect to income included in the following items in the profit and loss account formats, the amount of that income attributable to each of the geographical markets in which the company has operated during the financial year—

- (a) format 1 item 1, format 2 item B1 (interest receivable),
- (b) format 1 item 3, format 2 item B2 (dividend income),
- (c) format 1 item 4, format 2 item B3 (fees and commissions receivable),
- (d) format 1 item 6, format 2 item B4 (dealing profits), and
- (e) format 1 item 7, format 2 item B7 (other operating income).

(2) In analysing for the purposes of this paragraph the source of any income, the directors must have regard to the manner in which the company's activities are organised.

(3) For the purposes of this paragraph, markets which do not differ substantially from each other shall be treated as one market.

Status: This is the original version (as it was originally made).

(4) 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.

Management and agency services

88. A company providing any management and agency services to customers must disclose that fact, if the scale of such services provided is material in the context of its business as a whole.

Subordinated liabilities

89. Any amounts charged to the profit and loss account representing charges incurred during the year with respect to subordinated liabilities must be disclosed.

Sundry income and charges

90. Where any amount to be included in any of the following items is material, particulars must be given of each individual component of the figure, including an explanation of their nature and amount—

- (a) in format 1—
 - (i) items 7 and 10 (other operating income and charges),
 - (ii) items 18 and 19 (extraordinary income and charges);
- (b) in format 2—
 - (i) items A6 and B7 (other operating charges and income),
 - (ii) items A12 and B10 (extraordinary charges and income).

Miscellaneous matters

91.—(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) 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.

Related party transactions

92.—(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 international accounting standards.