SCHEDULE 4 Regulation 38

OVERSEAS COMPANIES INDIVIDUAL ACCOUNTS

PART 1

GENERAL RULES

1. Subject to the following provisions of this Schedule—

(a) every balance sheet must show each of the line items required to be included in a balance sheet in accordance with international accounting standards;

(b) every profit and loss account must show each of the line items required to be included in a profit and loss account in accordance with international accounting standards;

(c) every balance sheet and profit and loss account must clearly indicate in what currency it is prepared.

2.—(1) The company's directors must use the same line items in preparing overseas companies individual accounts for each financial year, 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 line item is first used, and the reasons for the change must be explained.

3. Where the company's directors consider it appropriate, the balance sheet or the profit and loss account may show a combination of line items where they are of a similar nature.

4.—(1) Items that are not of a similar nature or function shall be presented separately unless they are not material.

(2) For the purpose of this paragraph an item is "material" if it either supplements the information given with respect to any particular item shown in the balance sheet and profit and loss account or is otherwise relevant to assessing the company's state of affairs.

(3) Amounts which in the particular context of any provision of this Schedule are not material may be disregarded for the purposes of that provision.

5.—(1) Where the nature of the company's business requires it, the company's directors must adapt the line items in the balance sheet or profit and loss account.

(2) The directors may combine items if—

(a) their individual amounts are not material to assessing the state of affairs or profit and 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.

6.—(1) Subject to sub-paragraph (2), the directors may exclude an item in the balance sheet or profit and loss account if there is no amount to be shown for that item for the financial year to which the balance sheet or the 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 line item for that item.

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.

PART 2

ACCOUNTING PRINCIPLES AND RULES

Preliminary

10.—(1) The amounts to be included in respect of all items shown in a company's accounts must be determined in accordance with the principles set out in this Part.

(2) But if it appears to the company's directors that there are special reasons for departing from any of those principles in preparing the company's accounts in respect of any financial year they may do so, in which case particulars of the departure, the reasons for it and its effect must be given in a note to the accounts.

Accounting principles

11.—(1) The company is presumed to be carrying on business as a going concern.

(2) If the accounts are not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the accounts are prepared and the reason why the company is not a going concern.

12. Accounting policies must be applied consistently within the same accounts and from one financial year to the next.

13. All income and charges relating to the financial year to which the accounts relate must be taken into account, without regard to the date of receipt or payment.

14. In determining the aggregate amount of any item, the amount of each individual asset or liability that falls to be taken into account must be determined separately.

PART 3

NOTES TO THE ACCOUNTS

15. Any information required in the case of any company by the following provisions of this Part of this Schedule must (if not given in the company's accounts) be given by way of a note to the accounts.

16. The accounting policies adopted by the company in determining the amounts to be included in respect of items shown in the balance sheet and in determining the profit or loss of the company must be stated (including such policies with respect to the depreciation and diminution in value of assets).

17. It must be stated whether the accounts have been prepared in accordance with the applied accounting standards and particulars of any material departure from those standards and the reasons for it must be given.

18. The company must include in the statement of accounting policies—

(a) the measurement basis (or bases) used in preparing the accounts; and

(b) any other accounting policies used that are relevant to an understanding of the accounts.

19.—(1) The company must provide information which is relevant to assessing the company's state of affairs.

(2) As a minimum that information must relate, where applicable, to—

(a) property, plant and equipment;

(b) investment property;

(c) intangible assets;

(d) financial assets;

(e) biological assets;

(f) inventories;

(g) trade and other receivables (and the amount falling due after more than one year must be shown separately for each item included under receivables);

(h) trade and other payables (and the amount falling due after more than one year must be shown separately for each item included under payables);

(i) provisions;

(j) financial liabilities;

(k) issued capital and reserves;

(l) finance costs;

(m) finance income;

(n) expenses and interest paid to group undertakings (this must be shown separately from expenses and interest paid to other entities);

(o) income and interest derived from group undertakings (this must be shown separately from income and interest derived from other sources);

(p) transactions with related parties;

(q) dividends;

(r) items described as other, sundry, miscellaneous or equivalent;

(s) guarantees;

(t) contingent liabilities;

(u) commitments;

(v) other off-balance sheet arrangements;

(w) financial instruments.

20. In this Schedule the expression "line item" has the same meaning as in international accounting standard 1 on the presentation of financial statements(**1**) and includes "items", "layout items" and other equivalent terms.

(**1**) OJ L320, 29.11.2008, p.1.