

SCHEDULE 6

CREDIT AND FINANCIAL INSTITUTIONS 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 institution’s directors must use the same line items in preparing overseas institutions 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 institution’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 institution’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 institution’s business requires it, the 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 or loss of the institution 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 institution'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.