

SCHEDULE 2

BANKING COMPANIES: COMPANIES ACT INDIVIDUAL ACCOUNTS

PART 1

GENERAL RULES AND FORMATS

SECTION B

THE REQUIRED FORMATS(1)

Special rules

Managed funds

15.—(1) For the purposes of this paragraph, “managed funds” are funds which the company administers in its own name but on behalf of others and to which it has legal title.

(2) The company must, in any case where claims and obligations arising in respect of managed funds fall to be treated as claims and obligations of the company, adopt the following accounting treatment.

(3) Claims and obligations representing managed funds are to be included in the company’s balance sheet, with the notes to the accounts disclosing the total amount included with respect to such assets and liabilities in the balance sheet and showing the amount included under each relevant balance sheet item in respect of such assets or (as the case may be) liabilities.

Profit and loss account formats

Format 1

Vertical layout

1. Interest receivable (1)
 - (1) Interest receivable and similar income arising from debt securities [and other fixed-income securities]
 - (2) Other interest receivable and similar income
2. Interest payable (2)
3. Dividend income
 - (a) Income from equity shares [and other variable-yield securities]
 - (b) Income from participating interests

(1) A number in brackets following any item is a reference to the note of that number in the notes following the formats.

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- (c) Income from shares in group undertakings

- 4. Fees and commissions receivable (3)

- 5. Fees and commissions payable (4)

- 6. Dealing [profits] [losses] (5)

- 7. Other operating income

- 8. Administrative expenses
 - (a) Staff costs
 - (i) Wages and salaries
 - (ii) Social security costs
 - (iii) Other pension costs
 - (b) Other administrative expenses

- 9. Depreciation and amortisation (6)

- 10. Other operating charges

- 11. Provisions
 - (a) Provisions for bad and doubtful debts (7)
 - (b) Provisions for contingent liabilities and commitments (8)

- 12. Adjustments to provisions
 - (a) Adjustments to provisions for bad and doubtful debts (9)
 - (b) Adjustments to provisions for contingent liabilities and commitments (10)

- 13. Amounts written off fixed asset investments (11)

- 14. Adjustments to amounts written off fixed asset investments (12)

- 15. [Profit] [loss] on ordinary activities before tax

16. Tax on [profit] [loss] on ordinary activities
 17. [Profit] [loss] on ordinary activities after tax
 18. Extraordinary income
 19. Extraordinary charges
 20. Extraordinary [profit] [loss]
 21. Tax on extraordinary [profit] [loss]
 22. Extraordinary [profit] [loss] after tax
 23. Other taxes not shown under the preceding items
 24. [Profit] [loss] for the financial year
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Profit and loss account formats

Format 2

Horizontal layout

A. Charges

1. Interest payable (2)
2. Fees and commissions payable (4)
3. Dealing losses (5)
4. Administrative expenses
 - (a) Staff costs
 - (i) Wages and salaries
 - (ii) Social security costs

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- (iii) Other pension costs
 - (b) Other administrative expenses
- 5. Depreciation and amortisation (6)
- 6. Other operating charges
- 7. Provisions
 - (a) Provisions for bad and doubtful debts (7)
 - (b) Provisions for contingent liabilities and commitments (8)
- 8. Amounts written off fixed asset investments (11)
- 9. Profit on ordinary activities before tax
- 10. Tax on [profit] [loss] on ordinary activities
- 11. Profit on ordinary activities after tax
- 12. Extraordinary charges
- 13. Tax on extraordinary [profit] [loss]
- 14. Extraordinary loss after tax
- 15. Other taxes not shown under the preceding items
- 16. Profit for the financial year

B. Income

- 1. Interest receivable (1)
 - (1) Interest receivable and similar income arising from debt securities [and other fixed-income securities]
 - (2) Other interest receivable and similar income

2. Dividend income
 - (a) Income from equity shares [and other variable-yield securities]
 - (b) Income from participating interests
 - (c) Income from shares in group undertakings
3. Fees and commissions receivable (3)
4. Dealing profits (5)
5. Adjustments to provisions
 - (a) Adjustments to provisions for bad and doubtful debts (9)
 - (b) Adjustments to provisions for contingent liabilities and commitments (10)
6. Adjustments to amounts written off fixed asset investments (12)
7. Other operating income
8. Loss on ordinary activities before tax
9. Loss on ordinary activities after tax
10. Extraordinary income
11. Extraordinary profit after tax
12. Loss for the financial year

Notes on the profit and loss account formats

(1) Interest receivable

(Format 1, item 1; format 2, item B1.)

This item is to include all income arising out of banking activities, including—

- (a) income from assets included in assets items 1 to 5 in the balance sheet format, however calculated,

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- (b) income resulting from covered forward contracts spread over the actual duration of the contract and similar in nature to interest, and
- (c) fees and commissions receivable similar in nature to interest and calculated on a time basis or by reference to the amount of the claim (but not other fees and commissions receivable).

(2) *Interest payable*

(Format 1, item 2; format 2, item A1.)

This item is to include all expenditure arising out of banking activities, including—

- (a) charges arising out of liabilities included in liabilities items 1, 2, 3 and 7 in the balance sheet format, however calculated,
- (b) charges resulting from covered forward contracts, spread over the actual duration of the contract and similar in nature to interest, and
- (c) fees and commissions payable similar in nature to interest and calculated on a time basis or by reference to the amount of the liability (but not other fees and commissions payable).

(3) *Fees and commissions receivable*

(Format 1, item 4; format 2, item B3.)

Fees and commissions receivable are to comprise income in respect of all services supplied by the company to third parties, but not fees or commissions required to be included under interest receivable (format 1, item 1; format 2, item B1).

In particular the following fees and commissions receivable must be included (unless required to be included under interest receivable)—

- (a) fees and commissions for guarantees, loan administration on behalf of other lenders and securities transactions,
- (b) fees, commissions and other income in respect of payment transactions, account administration charges and commissions for the safe custody and administration of securities,
- (c) fees and commissions for foreign currency transactions and for the sale and purchase of coin and precious metals, and
- (d) fees and commissions charged for brokerage services in connection with savings and insurance contracts and loans.

(4) *Fees and commissions payable*

(Format 1, item 5; format 2, item A2.)

Fees and commissions payable are to comprise charges for all services rendered to the company by third parties but not fees or commissions required to be included under interest payable (format 1, item 2; format 2, item A1).

In particular the following fees and commissions payable must be included (unless required to be included under interest payable)—

- (a) fees and commissions for guarantees, loan administration and securities transactions;
- (b) fees, commissions and other charges in respect of payment transactions, account administration charges and commissions for the safe custody and administration of securities;

- (c) fees and commissions for foreign currency transactions and for the sale and purchase of coin and precious metals; and
- (d) fees and commissions for brokerage services in connection with savings and insurance contracts and loans.

(5) *Dealing [profits] [losses]*

(Format 1, item 6; format 2, items B4 and A3.)

This item is to comprise—

- (a) the net profit or net loss on transactions in securities which are not held as financial fixed assets together with amounts written off or written back with respect to such securities, including amounts written off or written back as a result of the application of paragraph 33(1),
- (b) the net profit or loss on exchange activities, save in so far as the profit or loss is included in interest receivable or interest payable (format 1, items 1 or 2; format 2, items B1 or A1), and
- (c) the net profits and losses on other dealing operations involving financial instruments, including precious metals.

(6) *Depreciation and amortisation*

(Format 1, item 9; format 2, item A5.)

This item is to comprise depreciation and other amounts written off in respect of balance sheet assets items 9 and 10.

(7) *Provisions: Provisions for bad and doubtful debts*

(Format 1, item 11(a); format 2, item A7(a).)

Provisions for bad and doubtful debts are to comprise charges for amounts written off and for provisions made in respect of loans and advances shown under balance sheet assets items 3 and 4.

(8) *Provisions: Provisions for contingent liabilities and commitments*

(Format 1, item 11(b); format 2, item A7(b).)

This item is to comprise charges for provisions for contingent liabilities and commitments of a type which would, if not provided for, be shown under Memorandum items 1 and 2.

(9) *Adjustments to provisions: Adjustments to provisions for bad and doubtful debts*

(Format 1, item 12(a); format 2, item B5(a).)

This item is to include credits from the recovery of loans that have been written off, from other advances written back following earlier write offs and from the reduction of provisions previously made with respect to loans and advances.

(10) *Adjustments to provisions: Adjustments to provisions for contingent liabilities and commitments*

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(Format 1, item 12(b); format 2, item B5(b).)

This item comprises credits from the reduction of provisions previously made with respect to contingent liabilities and commitments.

(11) Amounts written off fixed asset investments

(Format 1, item 13; format 2, item A8.)

Amounts written off fixed asset investments are to comprise amounts written off in respect of assets which are transferable securities held as financial fixed assets, participating interests and shares in group undertakings and which are included in assets items 5 to 8 in the balance sheet format.

(12) Adjustments to amounts written off fixed asset investments

(Format 1, item 14; format 2, item B6.)

Adjustments to amounts written off fixed asset investments are to include amounts written back following earlier write offs and provisions in respect of assets which are transferable securities held as financial fixed assets, participating interests and group undertakings and which are included in assets items 5 to 8 in the balance sheet format.