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STATUTORY INSTRUMENTS

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**1997 No. 220**

**COMPANIES**

The Companies Act 1985 (Accounts of Small and Medium-sized Companies and Minor Accounting Amendments) Regulations 1997

*Made* - - - - 29th January 1997  
*Laid before Parliament* 5th February 1997  
*Coming into force* 1st March 1997

THE COMPANIES ACT 1985 (ACCOUNTS OF SMALL AND MEDIUM-SIZED COMPANIES AND MINOR ACCOUNTING AMENDMENTS) REGULATIONS 1997

1. Citation, interpretation and commencement etc.
  2. Special provisions for small companies
  3. Special provisions for medium-sized companies
  4. Cases in which special provisions do not apply
  5. Special auditors' report
  6. Group accounts prepared by small company
  7. Minor and consequential amendments
- Signature

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SCHEDULE 1 — [SCHEDULE 8 TO THE COMPANIES ACT 1985]  
PART I — GENERAL RULES AND FORMATS

Section A

*General Rules*

1. (1) Subject to the following provisions of this Schedule—
2. (1) Where in accordance with paragraph 1 a small company's...
3. (1) Any item required in accordance with paragraph 1 to...
4. (1) In respect of every item shown in a small...
5. Amounts in respect of items representing assets or income may...

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## Section B

### *The Required Formats for Accounts*

#### ***Preliminary***

6. References in this Part of this Schedule to the items...
7. A number in brackets following any item in any of...
8. In the notes following the formats— (a) the heading of...

#### Balance Sheet Formats

##### *Format 1*

- A Called up share capital not paid (1)
- B Fixed assets (I) Intangible assets (1) Goodwill (2)
- C Current assets (I) Stocks (1) Stocks (2) Payments on account...
- D Prepayments and accrued income (6)
- E Creditors: amounts falling due within one year
- F Net current assets (liabilities) (8)
- G Total assets less current liabilities
- H Creditors: amounts falling due after more than one year
- I Provisions for liabilities and charges
- J Accruals and deferred income (7)
- K Capital and reserves (I) Called up share capital (9)

#### Balance Sheet Formats

##### *Format 2*

- A ASSETS
- B Fixed assets (I) Intangible assets (1) Goodwill (2)
- C Current assets (I) Stocks (1) Stocks (2) Payments on account...
- D Prepayments and accrued income (6)
- A LIABILITIES
- B Provisions for liabilities and charges
- C Creditors (10) (1) Bank loans and overdrafts
- D Accruals and deferred income (7)

##### *Notes on the balance sheet formats*

1. Called up share capital not paid
2. Goodwill
3. Other intangible assets
4. Others: Other investments
5. Debtors
6. Prepayments and accrued income
7. Other creditors
8. Net current assets (liabilities)
9. Called up share capital
10. Creditors

## Profit and loss account formats

### *Format 1 (see note (14) below)*

1. Turnover
2. Cost of sales (11)
3. Gross profit or loss
4. Distribution costs (11)
5. Administrative expenses (11)
6. Other operating income
7. Income from shares in group undertakings
8. Income from participating interests
9. Income from other fixed asset investments (12)
10. Other interest receivable and similar income (12)
11. Amounts written off investments
12. Interest payable and similar charges (13)
13. Tax on profit or loss on ordinary activities
14. Profit or loss on ordinary activities after taxation
15. Extraordinary income
16. Extraordinary charges
17. Extraordinary profit or loss
18. Tax on extraordinary profit or loss
19. Other taxes not shown under the above items
20. Profit or loss for the financial year

## Profit and loss account formats

### *Format 2*

1. Turnover
2. Change in stocks of finished goods and in work in...
3. Own work capitalised
4. Other operating income
5. (a) Raw materials and consumables (b) Other external charges
6. Staff costs: (a) wages and salaries (b) social security costs...
7. (a) Depreciation and other amounts written off tangible and intangible...
8. Other operating charges
9. Income from shares in group undertakings
10. Income from participating interests
11. Income from other fixed asset investments (12)
12. Other interest receivable and similar income (12)
13. Amounts written off investments
14. Interest payable and similar charges (13)
15. Tax on profit or loss on ordinary activities
16. Profit or loss on ordinary activities after taxation
17. Extraordinary income
18. Extraordinary charges
19. Extraordinary profit or loss
20. Tax on extraordinary profit or loss
21. Other taxes not shown under the above items
22. Profit or loss for the financial year

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### Profit and loss account formats

#### *Format 3 (see note (14) below)*

1. A. Charges
2. Distribution costs (11)
3. Administrative expenses (11) (4) Amounts written off investments
5. Interest payable and similar charges (13)
6. Tax on profit or loss on ordinary activities
8. Extraordinary charges
9. Tax on extraordinary profit or loss
10. Other taxes not shown under the above items
11. Profit or loss for the financial year
1. B. Income
2. Other operating income
3. Income from shares in group undertakings
4. Income from participating interests
5. Income from other fixed asset investments (12)
6. Other interest receivable and similar income (12)
7. Profit or loss on ordinary activities after taxation
8. Extraordinary income
9. Profit or loss for the financial year

### Profit and loss account formats

#### *Format 4*

1. A. Charges
2. (a) Raw materials and consumables (b) Other external charges
3. Staff costs: (a) wages and salaries (b) social security costs...
4. (a) Depreciation and other amounts written off tangible and intangible...
5. Other operating charges
6. Amounts written off investments
7. Interest payable and similar charges (13)
8. Tax on profit or loss on ordinary activities
9. Profit or loss on ordinary activities after taxation
10. Extraordinary charges
11. Tax on extraordinary profit or loss
12. Other taxes not shown under the above items
13. Profit or loss for the financial year
1. B. Income
2. Increase in stocks of finished goods and in work in...
3. Own work capitalised
4. Other operating income
5. Income from shares in group undertakings
6. Income from participating interests
7. Income from other fixed asset investments (12)
8. Other interest receivable and similar income (12)
9. Profit or loss on ordinary activities after taxation
10. Extraordinary income
11. Profit or loss for the financial year

## Notes on the profit and loss account formats

11. Cost of sales: distribution costs: administrative expenses
12. Income from other fixed asset investments: other interest receivable and similar income
13. Interest payable and similar charges
14. Formats 1 and 3

### PART II — ACCOUNTING PRINCIPLES AND RULES

#### Section A

##### *Accounting Principles*

###### ***Preliminary***

9. Subject to paragraph 15 below, the amounts to be included...

###### ***Accounting principles***

10. The company shall be presumed to be carrying on business...
11. Accounting policies shall be applied consistently within the same accounts...
12. The amount of any item shall be determined on a...
13. All income and charges relating to the financial year to...
14. In determining the aggregate amount of any item the amount...

###### ***Departure from the accounting principles***

15. If it appears to the directors of a small company...

#### Section B

##### *Historical Cost Accounting Rules*

###### ***Preliminary***

16. Subject to section C of this Part of this Schedule,...

###### ***Fixed assets***

###### ***General rules***

18. In the case of any fixed asset which has a...
19. (1) Where a fixed asset investment of a description falling...
20. ***Rules for determining particular fixed asset items***
21. (1) The application of paragraphs 17 to 19 in relation...

###### ***Current assets***

22. Subject to paragraph 23, the amount to be included in...
23. (1) If the net realisable value of any current asset...

###### ***Miscellaneous and supplementary provisions***

24. ***Excess of money owed over value received as an asset item***
25. ***Assets included at a fixed amount***
26. ***Determination of purchase price or production cost***

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27. (1) Subject to the qualification mentioned below, the purchase price...  
28. ***Substitution of original stated amount where price or cost unknown***

## Section C

### *Alternative Accounting Rules*

#### ***Preliminary***

29. (1) The rules set out in section B are referred...  
30. Subject to paragraphs 32 to 34, the amounts to be...

#### ***Alternative accounting rules***

31. (1) Intangible fixed assets, other than goodwill, may be included...

#### ***Application of the depreciation rules***

32. (1) Where the value of any asset of a small...

### ***Additional information to be provided in case of departure from historical cost accounting rules***

33. (1) This paragraph applies where the amounts to be included...

#### ***Revaluation reserve***

34. (1) With respect to any determination of the value of...  
PART III — NOTES TO THE ACCOUNTS

#### ***Preliminary***

35. Any information required in the case of any small company...

#### ***Disclosure of accounting policies***

36. The accounting policies adopted by the company in determining the...

#### ***Information supplementing the balance sheet***

37. Paragraphs 38 to 47 require information which either supplements the...  
38. ***Share capital and debentures***  
39. If the company has allotted any shares during the financial...  
40. ***Fixed assets***  
41. Where any fixed assets of the company (other than listed...  
42. ***Investments***  
43. ***Reserves and provisions***  
44. ***Details of indebtedness***  
45. If any fixed cumulative dividends on the company's shares are...  
46. ***Guarantees and other financial commitments***  
47. ***Miscellaneous matters***

#### ***Information supplementing the profit and loss account***

48. Paragraphs 49 and 50 require information which either supplements the...  
49. ***Particulars of turnover***  
50. ***Miscellaneous matters***

### **General**

51. (1) Where sums originally denominated in foreign currencies have been...  
PART IV — INTERPRETATION OF SCHEDULE
52. The following paragraphs apply for the purposes of this Schedule...
53. **Historical cost accounting rules**
54. **Listed investments**
55. **Loans**
56. **Materiality**
57. **Provisions**
58. References to provisions for liabilities or charges are to any...
59. **Staff costs**

### SCHEDULE 2 — [SCHEDULE 8A TO THE COMPANIES ACT 1985]

#### PART I — BALANCE SHEET FORMATS

1. A small company may deliver to the registrar a copy...
2. The formats referred to in paragraph 1 are as follows—...

#### Balance Sheet Formats

##### *Format 1*

- A Called up share capital not paid
- B Fixed assets (I) Intangible assets (II) Tangible assets
- C Current assets (I) Stocks (II) Debtors (1)
- D Prepayments and accrued income
- E Creditors: amounts falling due within one year
- F Net current assets (liabilities)
- G Total assets less current liabilities
- H Creditors: amounts falling due after more than one year
- I Provisions for liabilities and charges
- J Accruals and deferred income
- K Capital and reserves (I) Called up share capital

#### Balance Sheet Formats

##### *Format 2*

- A ASSETS
- B Fixed assets (I) Intangible assets (II) Tangible assets
- C Current assets (I) Stocks (II) Debtors (1)
- D Prepayments and accrued income
- A LIABILITIES
- B Provisions for liabilities and charges
- C Creditors (2)
- D Accruals and deferred income

#### ***Notes on the balance sheet formats***

1. Debtors
2. Creditors

#### PART II — NOTES TO THE ACCOUNTS

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***Preliminary***

3. Any information required in the case of any small company...

***Disclosure of accounting policies***

4. The accounting policies adopted by the company in determining the...

***Information supplementing the balance sheet***

5. ***Share capital and debentures***
6. If the company has allotted any shares during the financial...
7. ***Fixed assets***
8. ***Details of indebtedness***
9. ***General***

Explanatory Note