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*Status: Point in time view as at 16/11/1992. This version of this schedule contains provisions that are not valid for this point in time.*  
*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, SCHEDULE 8. (See end of Document for details)*

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## SCHEDULES

### [<sup>F1X1</sup>SCHEDULE 8

#### EXEMPTIONS FOR SMALL AND MEDIUM-SIZED COMPANIES]

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##### Editorial Information

**X1** Sch. 8: the earliest available versions of Sch. 8 and its contents are those having effect on 16.11.1992

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##### Textual Amendments

**F1** Sch. 8 substituted (subject to the transitional and saving provisions mentioned in S.I. 1990/355, arts. 6–9) by Companies Act 1989 (c. 40, SIF 27), ss. 13(2), 213(2), Sch. 6

### [<sup>F2</sup>PART I

#### EXEMPTIONS WITH RESPECT TO PREPARATION OF ANNUAL ACCOUNTS OF SMALL COMPANIES]

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##### Textual Amendments

**F2** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2. (By virtue of Sch. para. 1(1) of that amending S.I. the pre-existing Pts. I, II and III of Sch. 8 have become respectively Sections A, B and C of new Pt. III).

### <sup>F3</sup>SECTION A

#### INDIVIDUAL ACCOUNTS

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##### Textual Amendments

**F3** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

<sup>F4</sup>1 The following provisions of this Section of this Part of this Schedule apply to the individual accounts of a small company.

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##### Textual Amendments

**F4** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

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### <sup>F5</sup>BALANCE SHEET

#### Textual Amendments

**F5** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

- <sup>F62</sup> (1) In preparing its balance sheet according to the balance sheet formats set out in Section B of Part I of Schedule 4, a small company may apply all or any of the modifications permitted by paragraphs 3 and 4 below.
- (2) Where any such modifications are applied by a small company, Schedule 4 shall be read as if the balance sheet formats were the formats as modified and references to the formats and the items in them shall be construed accordingly.
- (3) Subject to paragraph 5 below, the notes on the balance sheet formats shall continue to apply to items which have been renumbered or combined into other items by the modifications under paragraphs 3 or 4 below.
- (4) For the purposes of paragraph 3(3) and (4) of Schedule 4 (power to adapt or combine items), any new item which may be included in a balance sheet by virtue of paragraphs 3 or 4 below shall be treated as one to which an Arabic number is assigned.

#### Textual Amendments

**F6** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

### <sup>F7</sup>FORMAT 1

#### Textual Amendments

**F7** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

- <sup>F83</sup> (1) Format 1 may be modified as follows.
- (2) Of the items (development costs etc.) required to be shown as sub-items of item B.I (intangible assets) there need only be shown the item “goodwill” and the other items may be combined in a new item “other intangible assets”, to be shown after “goodwill”.
- (3) Of the items (land and buildings etc.) required to be shown as sub-items of item B.II (tangible assets) there need only be shown the item “land and buildings” and the other items may be combined in a new item “plant and machinery etc.”, to be shown after “land and buildings”.
- (4) The following items (required to be shown as sub-items of item B.III (investments)) may be combined as follows—

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- (a) item B.III.1 (shares in group undertakings) may be combined with item B.III.3 (participating interests) in a new item under the heading “shares in group undertakings and participating interests”, to be shown as the first item under the heading “investments”,
  - (b) item B.III.2 (loans to group undertakings) may be combined with item B.III.4 (loans to undertakings in which the company has a participating interest) in a new item under the heading “loans to group undertakings and undertakings in which the company has a participating interest”, to be shown after the new item mentioned in paragraph (a), and
  - (c) item B.III.6 (other loans) may be combined with item B.III.7 (own shares) in a new item under the heading “others”, to be shown after item B.III.5 (other investments other than loans).
- (5) Of the items (raw materials and consumables etc.) required to be shown as sub-items of item C.I (stocks) there need only be shown the item “payments on account” and the other items may be combined in a new item “stocks”, to be shown before “payments on account”.
- (6) The following items (required to be shown as sub-items of item C.II (debtors)) may be combined as follows—
- (a) item C.II.2 (amounts owed by group undertakings) may be combined with item C.II.3 (amounts owed by undertakings in which the company has a participating interest) in a new item under the heading “amounts owed by group undertakings and undertakings in which the company has a participating interest”, to be shown after item C.II.1 (trade debtors),
  - (b) item C.II.4 (other debtors) may be combined together with item C.II.5 (called up share capital not paid) and item C.II.6 (prepayments and accrued income) in a new item under the heading “others”, to be shown after the new item mentioned in paragraph (a).
- (7) Of the items (shares in group undertakings etc.) required to be shown as sub-items of item C.III (investments) there need only be shown the item “shares in group undertakings” and the other items may be combined in a new item “other investments”, to be shown after “shares in group undertakings”.
- (8) The following items (required to be shown as sub-items of item E (creditors: amounts falling due within one year)) may be combined as follows—
- (a) item E.6 (amounts owed to group undertakings) may be combined with item E.7 (amounts owed to undertakings in which the company has a participating interest) in a new item under the heading “amounts owed to group undertakings and undertakings in which the company has a participating interest”, to be shown after item E.2 (bank loans and overdrafts) and item E.4 (trade creditors), and
  - (b) item E.1 (debenture loans), item E.3 (payments received on account), item E.5 (bills of exchange payable), item E.8 (other creditors including taxation and social security) and item E.9 (accruals and deferred income) may be combined in a new item under the heading “other creditors”, to be shown after the new item mentioned in paragraph (a).
- (9) The following items (required to be shown as sub-items of item H (creditors: amounts falling due after more than one year)) may be combined as follows—
- (a) item H.6 (amounts owed to group undertakings) may be combined with item H.7 (amounts owed to undertakings in which the company has a participating

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- interest) in a new item under the heading “amounts owed to group undertakings and undertakings in which the company has a participating interest”, to be shown after item H.2 (bank loans and overdrafts) and item H.4 (trade creditors), and
- (b) item H.1 (debenture loans), item H.3 (payments received on account), item H.5 (bills of exchange payable), item H.8 (other creditors including taxation and social security) and item H.9 (accruals and deferred income) may be combined in a new item under the heading “other creditors”, to be shown after the new item mentioned in paragraph (a).
- (10) The items (pensions and similar obligations etc.) required to be shown as sub-items of item I (provisions for liabilities and charges) and the items (capital redemption reserve etc.) required to be shown as sub-items of item K.IV (other reserves) need not be shown.

#### Textual Amendments

**F8** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

#### <sup>F9</sup>FORMAT 2

#### Textual Amendments

**F9** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

- <sup>F10</sup>4 (1) Format 2 may be modified as follows.
- (2) Of the items (development costs etc.) required to be shown as sub-items of item B.I (intangible assets) under the general heading “ASSETS” there need only be shown the item “goodwill” and the other items may be combined in a new item “other intangible assets”, to be shown after “goodwill”.
- (3) Of the items (land and buildings etc.) required to be shown as sub-items of item B.II (tangible assets) under the general heading “ASSETS” there need only be shown the item “land and buildings” and the other items may be combined in a new item “plant and machinery etc.”, to be shown after “land and buildings”.
- (4) The following items (required to be shown as sub-items of item B.III (investments) under the general heading “ASSETS”) may be combined as follows—
- (a) item B.III.1 (shares in group undertakings) may be combined with item B.III.3 (participating interests) in a new item under the heading “shares in group undertakings and participating interests”, to be shown as the first item under the heading “investments”,
- (b) item B.III.2 (loans to group undertakings) may be combined with item B.III.4 (loans to undertakings in which the company has a participating interest) in a new item under the heading “loans to group undertakings and undertakings in which the company has a participating interest”, to be shown after the new item mentioned in paragraph (a), and

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- (c) item B.III.6 (other loans) may be combined with item B.III.7 (own shares) in a new item under the heading “others”, to be shown after item B.III.5 (other investments other than loans).
- (5) Of the items (raw materials and consumables etc.) required to be shown as sub-items of item C.I (stocks) under the general heading “ASSETS” there need only be shown the item “payments on account” and the other items may be combined in a new item “stocks”, to be shown before “payments on account”.
- (6) The following items (required to be shown as sub-items of item C.II (debtors) under the general heading “ASSETS”) may be combined as follows—
- (a) item C.II.2 (amounts owed by group undertakings) may be combined with item C.II.3 (amounts owed by undertakings in which the company has a participating interest) in a new item under the heading “amounts owed by group undertakings and undertakings in which the company has a participating interest”, to be shown after item C.II.1 (trade debtors),
- (b) item C.II.4 (other debtors) may be combined together with item C.II.5 (called up share capital not paid) and item C.II.6 (prepayments and accrued income) in a new item under the heading “others”, to be shown after the new item mentioned in paragraph (a).
- (7) Of the items (shares in group undertakings etc.) required to be shown as sub-items of item C.III (investments) under the general heading “ASSETS” there need only be shown the item “shares in group undertakings” and the other items may be combined in a new item “other investments”, to be shown after “shares in group undertakings”.
- (8) The following items (required to be shown as sub-items of item C (creditors) under the general heading “LIABILITIES”) may be combined as follows—
- (a) item C.6 (amounts owed to group undertakings) may be combined with item C.7 (amounts owed to undertakings in which the company has a participating interest) in a new item under the heading “amounts owed to group undertakings and undertakings in which the company has a participating interest”, to be shown after the items for “bank loans and overdrafts” and “trade creditors”, and
- (b) item C.1 (debenture loans), item C.3 (payments received on account), item C.5 (bills of exchange payable), item C.8 (other creditors including taxation and social security) and item C.9 (accruals and deferred income) may be combined in a new item under the heading “other creditors”, to be shown after the new item mentioned in paragraph (a).
- (9) The items (pensions and similar obligations etc.) required to be shown as sub-items of item B (provisions for liabilities and charges) under the general heading “LIABILITIES” and the items (capital redemption reserve etc.) required to be shown as sub-items of item A.IV (other reserves) under the general heading “LIABILITIES” need not be shown.

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#### Textual Amendments

**F10** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

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*F11 THE NOTES ON THE BALANCE SHEET FORMATS*

**Textual Amendments**

**F11** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

- F125** With regard to the notes on the balance sheet formats set out in Section B of Part I to Schedule 4, a small company—
- (a) in the case both of Format 1 and of Format 2, need not comply with the requirements of note (5) if it discloses in the notes to its accounts the aggregate amount included under “debtors” (item C.II in Format 1 and item C.II under the general heading “ASSETS” in Format 2) falling due after more than one year, and
  - (b) in the case of Format 2, need not comply with the requirements of note (13) if it discloses in the notes to its accounts the aggregate amount included under “creditors” (item C under the general heading “LIABILITIES”) falling due within one year and the aggregate amount falling due after one year.

**Textual Amendments**

**F12** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

*F13 THE NOTES TO THE ACCOUNTS*

**Textual Amendments**

**F13** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

- F146** A small company need not set out in the notes to its accounts any information required by the following paragraphs of Schedule 4—
- 40 (contingent right to allotment of shares),
  - 41 (debentures),
  - 44 (land and buildings),
  - 47 (provision for taxation),
  - 48(2) (particulars of debts),
  - 48(4)(b) (nature of security given for debts),
  - 51(2) (loans provided by way of financial assistance for purchase of own shares),
  - 51(3) (dividend),
  - 53 (separate statement of certain items of income and expenditure),
  - 54 (particulars of tax),
  - 56 (particulars of staff).

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**Textual Amendments**

**F14** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

**F15<sup>7</sup>** Where any assets are included in the accounts of a small company at a value determined by the application of a method permitted by paragraph 27 of Schedule 4, the notes to the accounts need not disclose any information required by paragraph 27(3).

**Textual Amendments**

**F15** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

**F16<sup>8</sup>** A small company may comply with paragraph 48(1) of Schedule 4 (disclosure of debts repayable in more than 5 years) as if that paragraph stated that the information required by it was to be given in aggregate for all items shown under “creditors” in the company’s balance sheet rather than in respect of each such item.

**Textual Amendments**

**F16** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

**F17<sup>9</sup>** (1) Subject to sub-paragraph (2) below, a small company need not give the information required by paragraph 55 of Schedule 4 (particulars of turnover).

(2) If the company has supplied geographical markets outside the United Kingdom during the financial year in question, the notes to the accounts shall state the percentage of its turnover that, in the opinion of the company’s directors, is attributable to those markets.

(3) Paragraph 55(3) of Schedule 4 shall apply for the purposes of sub-paragraph (2) above.

**Textual Amendments**

**F17** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

**F18<sup>10</sup>** A small company need not comply with paragraph 59 of Schedule 4 (dealings with or interests in group undertakings).

**Textual Amendments**

**F18** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

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- <sup>F19</sup>11 A small company need not give the information required by paragraph 4 (financial years of subsidiary undertakings) or paragraph 5(2) (valuation of investment in subsidiary undertakings by equity method) of Schedule 5.

**Textual Amendments**

**F19** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

- <sup>F20</sup>12 A small company need not give the information required by paragraph 1(3) (breakdown of aggregate amount of directors' emoluments), paragraphs 2 to 5 (details of chairman's and directors' emoluments) or paragraph 7 (pensions of directors and past directors) of Schedule 6.

**Textual Amendments**

**F20** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

<sup>F21</sup>**SECTION B**

**GROUP ACCOUNTS**

**Textual Amendments**

**F21** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

- <sup>F22</sup>13 (1) Subject to sub-paragraph (2), where a small company—
- (a) has prepared individual accounts for a financial year in accordance with any exemptions set out in Section A of this Part of this Schedule, and
  - (b) is preparing group accounts in respect of the same year,
- it may prepare those group accounts in accordance with the exemptions set out in Section A of this Part of this Schedule.
- (2) In preparing the consolidated balance sheet the company—
- (a) when using either balance sheet format set out in Section B of Part I of Schedule 4, shall not combine item B.III.1 (shares in group undertakings) with item B.III.3 (participating interests), and
  - (b) when applying the exemptions set out in paragraphs 3(4)(b) and 4(4)(b) of Section A of this Part of this Schedule, shall read the reference in each paragraph to the new item mentioned in paragraph (a) as a reference to the two items which will in each case replace item B.III.3 by virtue of paragraph 21 of Schedule 4A.
- (3) Paragraph 1(1) of Schedule 4A shall have effect subject to the exemptions in question.



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**Textual Amendments**

**F22** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

**<sup>F23</sup>SECTION C**

**SUPPLEMENTARY PROVISIONS**

**Textual Amendments**

**F23** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

- <sup>F24</sup>14 (1) This paragraph applies where a small company has prepared annual accounts in accordance with any exemptions set out in this Part of this Schedule.
- (2) The annual accounts of the company shall not be deemed, by reason only of the fact that advantage has been taken of any exemptions set out in this Part of this Schedule, not to give a true and fair view as required by this Act.
- (3) Where a company is entitled to, and has taken advantage of, any exemptions set out in this Part of this Schedule, section 235(2) only requires the auditors to state whether in their opinion the annual accounts have been properly prepared in accordance with the provisions of this Act applicable to small companies.

**Textual Amendments**

**F24** Sch. 8: New Pt. I (paras. 1-14) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(3), 2

**[<sup>F25</sup>PART II**

**EXEMPTIONS WITH RESPECT TO DIRECTORS' REPORT]**

**Textual Amendments**

**F25** Sch. 8: New Pt. II (para. 15) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(4), 3. (By virtue of Sch. para. 1(1) of that amending S.I. the pre-existing Pts. I, II and III of Sch. 8 have become respectively Sections A, B and C of new Pt. III).

- <sup>F26</sup>15 The directors' report of a small company need not give any of the information required by or under the following provisions:—
- (a) section 234(1)(a) and (b) (fair review of business, amount to be paid as dividend and amount to be carried to reserves),
  - (b) paragraph 1 of Schedule 7 (asset values),
  - (c) paragraph 5A of Schedule 7 (insurance effected for officers or auditors),
  - (d) paragraph 6 of Schedule 7 (miscellaneous disclosures),

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- (e) paragraph 10 of Schedule 7 (health, safety and welfare at work of company's employees),
- (f) paragraph 11 of Schedule 7 (employee involvement).

#### Textual Amendments

**F26** Sch. 8: New Pt. II (para. 15) inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. paras. 1(4), 3

### [<sup>F27</sup>PART III

#### EXEMPTIONS WITH RESPECT TO DELIVERY OF ACCOUNTS]

#### Textual Amendments

**F27** Sch. 8: New Pt. III heading and para. 16 inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. para. 1(5). (By virtue of Sch. para. 1(1)(2) of that amending S.I. the pre-existing Pts. I, II and III (comprising paras. 1-10) of Sch. 8 have become respectively Sections A, B and C (comprising paras. 17-26) of new Pt. III below).

- <sup>F28</sup>16 In this Part of this Schedule—
- Section A relates to small companies,
  - Section B relates to medium-sized companies, and
  - Section C contains supplementary provisions.

#### Textual Amendments

**F28** Sch. 8: New Pt. III heading and para. 16 inserted (16.11.1992) by S.I. 1992/2452, reg. 4(3), Sch. para. 1(5)

### [<sup>F29</sup>SECTION A]

#### SMALL COMPANIES

#### Textual Amendments

**F29** Sch. 8: by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 1(1)(2), Pt. I of Sch. 8 (comprising paras. 1-4) has become (16.11.1992) Section A of Pt. III of Sch. 8 (comprising paras. 17-20)

#### <sup>x2</sup>Balance sheet

#### Editorial Information

**X2** Sch. 8: by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 1(1)(2), Pt. I of Sch. 8 (comprising paras. 1-4) has become (16.11.1992) Section A of Pt. III of Sch. 8 (comprising paras. 17-20).

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- [<sup>F30</sup>17](1) The company may deliver a copy of an abbreviated version of the full balance sheet, showing only those items to which a letter or Roman number is assigned in the balance sheet format adopted under Part I of Schedule 4, but in other respects corresponding to the full balance sheet.
- (2) If a copy of an abbreviated balance sheet is delivered, there shall be disclosed in it or in a note to the company's accounts delivered—
- (a) the aggregate of the amounts required by note (5) of the notes on the balance sheet formats set out in Part I of Schedule 4 to be shown separately for each item included under debtors (amounts falling due after one year), and
  - (b) the aggregate of the amounts required by note (13) of those notes to be shown separately for each item included under creditors in Format 2 (amounts falling due within one year or after more than one year).
- (3) The provisions of section 233 as to the signing of the copy of the balance sheet delivered to the registrar apply to a copy of an abbreviated balance sheet delivered in accordance with this paragraph.

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**Textual Amendments**

**F30** Sch. 8: para. 1 renumbered as para. 17 (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 1(2)

*<sup>X3</sup>Profit and loss account*

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**Editorial Information**

**X3** Sch. 8: by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 1(1)(2), Pt. I of Sch. 8 (comprising paras. 1-4) has become (16.11.1992) Section A of Pt. III of Sch. 8 (comprising paras. 17-20).

- [<sup>F31</sup>18] A copy of the company's profit and loss account need not be delivered.

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**Textual Amendments**

**F31** Sch. 8: para. 2 renumbered as para. 18 (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 1(2)

*<sup>X4</sup>Disclosure of information in notes to accounts*

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**Editorial Information**

**X4** Sch. 8: by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 1(1)(2), Pt. I of Sch. 8 (comprising paras. 1-4) has become (16.11.1992) Section A of Pt. III of Sch. 8 (comprising paras. 17-20).

- [<sup>F32</sup>19](1) Of the information required by Part III of Schedule 4 (information to be given in notes to accounts if not given in the accounts themselves) only the information required by the following provisions need be given—
- paragraph 36 (accounting policies),

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paragraph 38 (share capital),  
paragraph 39 (particulars of allotments),  
paragraph 42 (fixed assets), so far as it relates to those items to which a letter or Roman number is assigned in the balance sheet format adopted,  
[<sup>F33</sup>paragraph 48(1) and (4)(a)] (particulars of debts),  
paragraph 58(1) (basis of conversion of foreign currency amounts into sterling),  
paragraph 58(2) (corresponding amounts for previous financial year), so far as it relates to amounts stated in a note to the company's accounts by virtue of a requirement of Schedule 4 or under any other provision of this Act.

- (2) Of the information required by Schedule 5 to be given in notes to the accounts, the information required by the following provisions need not be given—  
paragraph 4 (financial years of subsidiary undertakings),  
paragraph 5 (additional information about subsidiary undertakings),  
paragraph 6 (shares and debentures of company held by subsidiary undertakings),  
paragraph 10 (arrangements attracting merger relief).

- (3) Of the information required by Schedule 6 to be given in notes to the accounts, the information required by Part I (directors' and chairman's emoluments, pensions and compensation for loss of office) need not be given.

- [<sup>F34</sup>(4) The information required by section 390A(3) (amount of auditors' remuneration) need not be given.]

#### Textual Amendments

- F32** Sch. 8: para. 3 renumbered as para. 19 (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 1(2)**  
**F33** Words in Sch. 8 para. 19(1) substituted (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 4(2)**  
**F34** Sch. 8 para. 19(4) inserted (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 4(3)**

#### <sup>X5</sup>Directors' report

#### Editorial Information

- X5** Sch. 8: by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 1(1)(2)**, Pt. I of Sch. 8 (comprising paras. 1-4) has become (16.11.1992) Section A of Pt. III of Sch. 8 (comprising paras. 17-20).

- [<sup>F35</sup>20] A copy of the directors' report need not be delivered.

#### Textual Amendments

- F35** Sch. 8: para. 4 renumbered as para. 20 (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 1(2)**

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## [<sup>F36</sup>SECTION B]

### MEDIUM-SIZED COMPANIES

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#### Textual Amendments

**F36** Sch. 8: by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 1(1)(2)**, Pt. II of Sch. 8 (comprising paras. 5 and 6) has become (16.11.1992) Section B of Pt. III of Sch. 8 (comprising paras. 21 and 22)

#### <sup>x6</sup>*Profit and loss account*

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#### Editorial Information

**X6** Sch. 8: by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 1(1)(2)**, Pt. II of Sch. 8 (comprising paras. 5 and 6) has become (16.11.1992) Section B of Pt. III of Sch. 8 (comprising paras. 21 and 22)

[<sup>F37</sup>21] The company may deliver a profit and loss account in which the following items listed in the profit and loss account formats set out in Part I of Schedule 4 are combined as one item under the heading “gross profit or loss”—

Items 1, 2, 3 and 6 in Format 1;

Items 1 to 5 in Format 2;

Items A.1, B.1 and B.2 in Format 3;

Items A.1, A.2 and B.1 to B.4 in Format 4.

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#### Textual Amendments

**F37** Sch. 8: para. 5 renumbered as para. 21 (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 1(2)**

#### <sup>x7</sup>*Disclosure of information in notes to accounts*

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#### Editorial Information

**X7** Sch. 8: by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 1(1)(2)**, Pt. II of Sch. 8 (comprising paras. 5 and 6) has become (16.11.1992) Section B of Pt. III of Sch. 8 (comprising paras. 21 and 22)

[<sup>F38</sup>22] The information required by paragraph 55 of Schedule 4 (particulars of turnover) need not be given.

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#### Textual Amendments

**F38** Sch. 8: para. 6 renumbered as para. 22 (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 1(2)**

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## [<sup>F39</sup>SECTION C]

### SUPPLEMENTARY PROVISIONS

#### Textual Amendments

**F39** Sch. 8: by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 1(1)(2), Pt. III** of Sch. 8 (comprising paras. 7-10) has become (16.11.1992) Section C of Pt. III of Sch. 8 (comprising paras. 23-26)

#### <sup>x8</sup>Statement that advantage taken of exemptions

#### Editorial Information

**X8** Sch. 8: by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 1(1)(2), Pt. III** of Sch. 8 (comprising paras. 7-10) has become (16.11.1992) Section C of Pt. III of Sch. 8 (comprising paras. 23-26)

[<sup>F40</sup>23](1) Where the directors of a company take advantage of the exemptions conferred by [<sup>F41</sup>Section A or Section B of this Part] of this Schedule, the company's balance sheet shall contain—

- (a) a statement that advantage is taken of the exemptions conferred by [<sup>F42</sup>Section A or, as the case may be, Section B of this Part] of this Schedule, and
- (b) a statement of the grounds on which, in the directors' opinion, the company is entitled to those exemptions.

(2) The statements shall appear in the balance sheet immediately above the signature required by section 233 [<sup>F43</sup>or, where section 246(1A) applies, immediately above the statements required by that section].

#### Textual Amendments

**F40** Sch. 8: para. 7 renumbered as para. 23 (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 1(2)**

**F41** Words in Sch. 8 para. 23(1) substituted (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 4(4)**

**F42** Words in Sch. 8 para. 23(1)(a) substituted (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 4(5)**

**F43** Words in Sch. 8 para. 23(2) inserted (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 4(6)**

#### <sup>x9</sup>Special auditors' report

#### Editorial Information

**X9** Sch. 8: by virtue of S.I. 1992/2452, reg. 4(3), **Sch. para. 1(1)(2), Pt. III** of Sch. 8 (comprising paras. 7-10) has become (16.11.1992) Section C of Pt. III of Sch. 8 (comprising paras. 23-26)

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- [<sup>F44</sup>24](1) If the directors of a company propose to take advantage of the exemptions conferred by [<sup>F45</sup>Section A or Section B of this Part] of this Schedule, it is the auditors' duty to provide them with a report stating whether in their opinion the company is entitled to those exemptions and whether the documents to be proposed to be delivered in accordance with this Schedule are properly prepared.
- (2) The accounts delivered shall be accompanied by a special report of the auditors stating that in their opinion—
- (a) the company is entitled to the exemptions claimed in the directors statement, and
  - (b) the accounts to be delivered are properly prepared in accordance with this Schedule.
- (3) In such a case a copy of the auditors' report under section 235 need not be delivered separately, but the full text of it shall be reproduced in the special report; and if the report under section 235 is qualified there shall be included in the special report any further material necessary to understand the qualification.
- (4) Section 236 (signature of auditors' report) applies to a special report under this paragraph as it applies to a report under section 235.

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**Textual Amendments**

- F44** Sch. 8: para. 8 renumbered as para. 24 (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 1(2)
- F45** Words in Sch. 8 para. 24(1) substituted (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 4(4)

*<sup>X10</sup>Dormant companies*

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**Editorial Information**

- X10** Sch. 8: by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 1(1)(2), Pt. III of Sch. 8 (comprising paras. 7-10) has become (16.11.1992) Section C of Pt. III of Sch. 8 (comprising paras. 23-26)

- [<sup>F46</sup>25] [<sup>F47</sup>Paragraphs 23 and 24] above do not apply where the company is exempt by virtue of section 250 (dormant companies) from the obligation to appoint auditors.

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**Textual Amendments**

- F46** Sch. 8: para. 9 renumbered as para. 25 (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 1(2)
- F47** Words in Sch. 8 para. 25 substituted (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 4(7)

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VALID FROM 11/08/1994

*[<sup>F48</sup>Other companies exempt from audit]*

**Textual Amendments**

**F48** Sch. 8 para. 25A and preceding cross-heading inserted (11.8.1994) by S.I. 1994/1935, reg. 4, Sch. 1 Pt. 1 para. 5

<sup>F49</sup>25A Paragraph 24 above does not apply where the company is exempt by virtue of section 249A (certain categories of small companies) from the obligation to appoint auditors.

**Textual Amendments**

**F49** Sch. 8 para. 25A inserted (11.8.1994) by S.I. 1994/1935, reg. 4, Sch. 1 Pt. 1 para. 5

*<sup>XII</sup>Requirements in connection with publication of accounts*

**Editorial Information**

**X11** Sch. 8: by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 1(1)(2), Pt. III of Sch. 8 (comprising paras. 7-10) has become (16.11.1992) Section C of Pt. III of Sch. 8 (comprising paras. 23-26)

[<sup>F50</sup>26](1) Where advantage is taken of the exemptions conferred by [<sup>F51</sup>Section A or Section B of this Part] of this Schedule, section 240 (requirements in connection with publication of accounts) has effect with the following adaptations.

- (2) Accounts delivered in accordance with [<sup>F52</sup>this Part of this Schedule] and accounts in the form in which they would be required to be delivered apart from [<sup>F52</sup>this Part of this Schedule] are both “statutory accounts” for the purposes of that section.
- (3) References in that section to the auditors’ report under section 235 shall be read, in relation to accounts delivered in accordance with [<sup>F52</sup>this Part of this Schedule], as references to the special report under paragraph 8 above.

**Textual Amendments**

**F50** Sch. 8: para. 10 renumbered as para. 26 (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 1(2)

**F51** Words in Sch. 8 para. 26(1) substituted (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 4(4)

**F52** Words in Sch. 8 para. 26(2)(3) substituted (16.11.1992) by virtue of S.I. 1992/2452, reg. 4(3), Sch. para. 4(8)



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VALID FROM 01/03/1997

<sup>F53</sup>**PART IV**

**INTERPRETATION OF SCHEDULE**

**Textual Amendments**

**F53** Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

52 The following paragraphs apply for the purposes of this Schedule and its interpretation.

VALID FROM 12/11/2004

*Financial instruments*

52A References to “derivatives” include commodity-based contracts that give either contracting party the right to settle in cash or in some other financial instrument, except when such contracts—

- (a) were entered into for the purpose of, and continue to meet, the company’s expected purchase, sale or usage requirements,
- (b) were designated for such purpose at their inception, and
- (c) are expected to be settled by delivery of the commodity.

VALID FROM 12/11/2004

52B (1) The expressions listed in sub-paragraph (2) have the same meaning as they have in Council Directive [78/660/EEC](#) on the annual accounts of certain types of companies, as amended. <sup>F54</sup>

(2) Those expressions are “available for sale financial asset”, “business combination”, “commodity-based contracts”, “derivative”, “equity instrument”, “exchange difference”, “fair value hedge accounting system”, “financial fixed asset”, “financial instrument”, “foreign entity”, “hedge accounting”, “hedge accounting system”, “hedged items”, “hedging instrument”, “held for trading purposes”, “held to maturity”, “monetary item”, “receivables”, “reliable market” and “trading portfolio”

**Textual Amendments**

**F54** O.J. L222 of 14.8.1978, page 11, as amended in particular by Directive 2001/65/EEC (O.J. L238 of 27.12.2001, page 28).

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### *Historical cost accounting rules*

<sup>F55</sup>53 References to the historical cost accounting rules shall be read in accordance with paragraph 29.

#### **Textual Amendments**

**F55** Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

VALID FROM 12/11/2004

#### *Investment property*

53A “Investment property” means land held to earn rent or for capital appreciation.

### *Listed investments*

<sup>F56</sup>54 “Listed investment” means an investment as respects which there has been granted a listing on a recognised investment exchange other than an overseas investment exchange within the meaning of the Financial Services Act 1986 or on any stock exchange of repute outside Great Britain.

#### **Textual Amendments**

**F56** Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

### *Loans*

<sup>F57</sup>55 A loan is treated as falling due for repayment, and an instalment of a loan is treated as falling due for payment, on the earliest date on which the lender could require repayment or (as the case may be) payment, if he exercised all options and rights available to him.

#### **Textual Amendments**

**F57** Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

### *Materiality*

<sup>F58</sup>56 Amounts which in the particular context of any provision of this Schedule are not material may be disregarded for the purposes of that provision.

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#### Textual Amendments

**F58** Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

#### *Provisions*

- F59** 57 (1) References to provisions for depreciation or diminution in value of assets are to any amount written off by way of providing for depreciation or diminution in value of assets.
- (2) Any reference in the profit and loss account formats set out in Part I of this Schedule to the depreciation of, or amounts written off, assets of any description is to any provision for depreciation or diminution in value of assets of that description.

#### Textual Amendments

**F59** Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

- F60** 58 References to provisions for liabilities or charges are to any amount retained as reasonably necessary for the purpose of providing for any liability or loss which is either likely to be incurred, or certain to be incurred but uncertain as to amount or as to the date on which it will arise.

#### Textual Amendments

**F60** Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

#### *Staff costs*

- F61** 59 (1) “Social security costs” means any contributions by the company to any state social security or pension scheme, fund or arrangement.
- (2) “Pension costs” includes any costs incurred by the company in respect of any pension scheme established for the purpose of providing pensions for persons currently or formerly employed by the company, any sums set aside for the future payment of pensions directly by the company to current or former employees and any pensions paid directly to such persons without having first been set aside.
- (3) Any amount stated in respect of the item “social security costs” or in respect of the item “wages and salaries” in the company’s profit and loss account shall be determined by reference to payments made or costs incurred in respect of all persons employed by the company during the financial year under contracts of service.

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the Companies Act 1985, SCHEDULE 8. (See end of Document for details)

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### **Textual Amendments**

**F61** Sch. 8 substituted (1.3.1997) by S.I. 1997/220, reg. 2(2), Sch. 1

**Status:**

Point in time view as at 16/11/1992. This version of this schedule contains provisions that are not valid for this point in time.

**Changes to legislation:**

There are currently no known outstanding effects for the Companies Act 1985, SCHEDULE 8.