

SCHEDULE 1

Form and Content of Accounts of Insurance Companies and Groups

PART I

Individual Accounts

Chapter iii

Notes to the Accounts

Information supplementing the profit and loss account

Separate statement of certain items of income and expenditure

73.—(1) Subject to the following provisions of this paragraph, each of the amounts mentioned below shall be stated.

- (2) The amount of the interest on or any similar charges in respect of —
- (a) bank loans and overdrafts, and loans made to the company (other than bank loans and overdrafts) which —
 - (i) are repayable otherwise than by instalments and fall due for repayment before the end of the period of five years beginning with the day next following the end of the financial year; or
 - (ii) are repayable by instalments the last of which falls due for payment before the end of that period; and
 - (b) loans of any other kind made to the company.

This sub-paragraph does not apply to interest or charges on loans to the company from group undertakings, but, with that exception, it applies to interest or charges on all loans, whether made on the security of debentures or not.

- (3) The amount respectively set aside for redemption of share capital and for redemption of loans.
- (4) The amount of income from listed investments.
- (5) The amount charged to revenue in respect of sums payable in respect of the hire of plant and machinery.

Particulars of tax

74.—(1) The basis on which the charge for United Kingdom corporation tax and United Kingdom income tax is computed shall be stated.

(2) Particulars shall be given of any special circumstances which affect liability in respect of taxation of profits, income or capital gains for the financial year or liability in respect of taxation of profits, income or capital gains for succeeding financial years.

- (3) The following amounts shall be stated—
- (a) the amount of the charge for United Kingdom corporation tax;
 - (b) if that amount would have been greater but for relief from double taxation, the amount which it would have been but for such relief;
 - (c) the amount of the charge for United Kingdom income tax; and

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- (d) the amount of the charge for taxation imposed outside the United Kingdom of profits, income and (so far as charged to revenue) capital gains.

Those amounts shall be stated separately in respect of each of the amounts which is shown under the following items in the profit and loss account, that is to say item III.9 (tax on profit or loss on ordinary activities) and item III.14 (tax on extraordinary profit or loss).

Particulars of business

75.—(1) As regards general business a company shall disclose—

- (a) gross premiums written,
- (b) gross premiums earned,
- (c) gross claims incurred,
- (d) gross operating expenses, and
- (e) the reinsurance balance.

(2) The amounts required to be disclosed by sub-paragraph (1) shall be broken down between direct insurance and reinsurance acceptances, if reinsurance acceptances amount to 10 per cent. or more of gross premiums written.

(3) Subject to sub-paragraph (4) below, the amounts required to be disclosed by sub-paragraphs (1) and (2) above with respect to direct insurance shall be further broken down into the following groups of classes —

- (a) accident and health,
- (b) motor (third party liability),
- (c) motor (other classes),
- (d) marine, aviation and transport,
- (e) fire and other damage to property,
- (f) third-party liability,
- (g) credit and suretyship,
- (h) legal expenses,
 - (i) assistance, and
- (j) miscellaneous, where the amount of the gross premiums written in direct insurance for each such group exceeds 10 million ECUs.

(4) The company shall in any event disclose the amounts relating to the three largest groups of classes in its business.

76.—(1) As regards long term business, the company shall disclose—

- (a) gross premiums written, and
- (b) the reinsurance balance.

(2) Subject to sub-paragraph (3) below—

- (a) gross premiums written shall be broken down between those written by way of direct insurance and those written by way of reinsurance; and
- (b) gross premiums written by way of direct insurance shall be broken down —
 - (i) between individual premiums and premiums under group contracts;
 - (ii) between periodic premiums and single premiums; and

(iii) between premiums from non-participating contracts, premiums from participating contracts and premiums from contracts where the investment risk is borne by policy holders.

(3) Disclosure of any amount referred to in sub-paragraph (2)(a) or (2)(b)

(i) ,

(ii) or

(iii) above shall not be required if it does not exceed 10 per cent. of the gross premiums written or (as the case may be) of the gross premiums written by way of direct insurance.

77.—(1) Subject to sub-paragraph (2) below, there shall be disclosed as regards both general and long term business the total gross direct insurance premiums resulting from contracts concluded by the company —

(a) in the member State of its head office,

(b) in the other member States, and

(c) in other countries.

(2) Disclosure of any amount referred to in sub-paragraph (1) above shall not be required if it does not exceed 5 per cent. of total gross premiums. Commissions 78. There shall be disclosed the total amount of commissions for direct insurance business accounted for in the financial year, including acquisition, renewal, collection and portfolio management commissions.

Particulars of staff

79.—(1) The following information shall be given with respect to the employees of the company—

(a) the average number of persons employed by the company in the financial year; and

(b) the average number of persons so employed within each category of persons employed by the company.

(2) The average number required by sub-paragraph (1)(a) or (b) shall be determined by dividing the relevant annual number by the number of weeks in the financial year.

(3) The relevant annual number shall be determined by ascertaining for each week in the financial year —

(a) for the purposes of sub-paragraph (1)(a), the number of persons employed under contracts of service by the company in that week (whether throughout the week or not); and

(b) for the purposes of sub-paragraph (1)(b), the number of persons in the category in question of persons so employed;

and, in either case, adding together all the weekly numbers.

(4) In respect of all persons employed by the company during the financial year who are taken into account in determining the relevant annual number for the purposes of sub-paragraph (1)(a) there shall also be stated the aggregate amounts respectively of —

(a) wages and salaries paid or payable in respect of that year to those persons;

(b) social security costs incurred by the company on their behalf; and

(c) other pension costs so incurred,

save in so far as those amounts or any of them are stated in the profit and loss account.

(5) The categories of person employed by the company by reference to which the number required to be disclosed by sub-paragraph (1)(b) is to be determined shall be such as the directors may select, having regard to the manner in which the company's activities are organised.

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Miscellaneous matters

80.—(1) Where any amount relating to any preceding financial year is included in any item in the profit and loss account, the effect shall be stated.

(2) Particulars shall be given of any extraordinary income or charges arising in the financial year.

(3) The effect shall be stated of any transactions that are exceptional by virtue of size or incidence though they fall within the ordinary activities of the company.