

## SCHEDULE 3

### INSURANCE COMPANIES: COMPANIES ACT INDIVIDUAL ACCOUNTS

#### PART 3

#### NOTES TO THE ACCOUNTS

##### *Information supplementing the profit and loss account(1)*

##### **Separate statement of certain items of income and expenditure**

**83.**—(1) Subject to sub-paragraph (2), there must be stated the amount of the interest on or any similar charges in respect of—

- (a) bank loans and overdrafts, and
- (b) loans of any other kind made to the company.

(2) Sub-paragraph (1) 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.

##### **Particulars of tax**

**84.**—(1) Particulars must 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.

(2) The following amounts must 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
- (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 must 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**

**85.**—(1) As regards general business a company must disclose—

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

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(1) See regulation 6(2) for exemption for companies falling within section 408 of the 2006 Act (individual profit and loss account where group accounts prepared).

(2) The amounts required to be disclosed by sub-paragraph (1) must 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), the amounts required to be disclosed by sub-paragraphs (1) and (2) with respect to direct insurance must 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 Euros.

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

**86.**—(1) As regards long-term business, the company must disclose—

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

(2) Subject to sub-paragraph (3)—

- (a) gross premiums written must 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 must 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 policyholders.

(3) Disclosure of any amount referred to in sub-paragraph (2)(a) or (2)(b)(i), (ii) or (iii) is not 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.

**87.**—(1) Subject to sub-paragraph (2), there must 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) is not required if it does not exceed 5 per cent of total gross premiums.

### **Commissions**

**88.** There must 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.

### **Miscellaneous matters**

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

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

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

### **Related party transactions**

**90.**—(1) Particulars may be given of transactions which the company has entered into with related parties, and must be given if such transactions are material and have not been concluded under normal market conditions.

(2) The particulars of transactions required to be disclosed by sub-paragraph (1) must include—

- (a) the amount of such transactions,
- (b) the nature of the related party relationship, and
- (c) other information about the transactions necessary for an understanding of the financial position of the company.

(3) Information about individual transactions may be aggregated according to their nature, except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the company.

(4) Particulars need not be given of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly-owned by such a member.

(5) In this paragraph, “related party” has the same meaning as in international accounting standards.