

SCHEDULE 9

Regulation 12

INTERPRETATION OF TERM “PROVISIONS”

PART 1

MEANING FOR PURPOSES OF THESE REGULATIONS

Definition of “Provisions”

1.—(1) In these Regulations, 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 or the notes to them set out in Schedule 1, 2 or 3 to these Regulations 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.

2. References in these Regulations to provisions for liabilities or, in the case of insurance companies, to provisions for other risks are to any amount retained as reasonably necessary for the purpose of providing for any liability the nature of which is clearly defined and 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.

PART 2

MEANING FOR PURPOSES OF PARTS 18 AND 23 OF THE 2006 ACT

Financial assistance for purchase of own shares

3. The specified provisions for the purposes of section 677(3)(a) of the 2006 Act (Companies Act accounts: relevant provisions for purposes of financial assistance) are provisions within paragraph 2 of this Schedule.

Redemption or purchase by private company out of capital

4. The specified provisions for the purposes of section 712(2)(b)(i) of the 2006 Act (Companies Act accounts: relevant provisions to determine available profits for redemption or purchase out of capital) are provisions of any of the kinds mentioned in paragraphs 1 and 2 of this Schedule.

Net asset restriction on public companies distributions

5. The specified provisions for the purposes of section 831(3)(a) of the 2006 Act (Companies Act accounts: net asset restriction on public company distributions) are—

- (a) provisions within paragraph 2 of this Schedule, and
- (b) in the case of an insurance company, any amount included under liabilities items Ba (fund for future appropriations), C (technical provisions) and D (technical provisions for linked liabilities) in a balance sheet drawn up in accordance with Schedule 3 to these Regulations.

Draft Legislation: This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument:
The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 No. 410

Distributions by investment companies

6. The specified provisions for the purposes of section 832(4)(a) of the 2006 Act (Companies Act accounts: investment companies distributions) are provisions within paragraph 2 of this Schedule.

Justification of distribution by references to accounts

7. The specified provisions for the purposes of section 836(1)(b)(i) of the 2006 Act (Companies Act accounts: relevant provisions for distribution purposes)—

- (a) are provisions of any of the kinds mentioned in paragraphs 1 and 2 of this Schedule, and
- (b) in the case of an insurance company, any amount included under liabilities items Ba (fund for future appropriations), C (technical provisions) and D (technical provisions for linked liabilities) in a balance sheet drawn up in accordance with Schedule 3 to these Regulations.