

Status: Point in time view as at 06/04/2005.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, Section A. (See end of Document for details)

SCHEDULES

SCHEDULE 4

FORM AND CONTENT OF COMPANY ACCOUNTS

Modifications etc. (not altering text)

- C1** Sch. 4 applied with modifications by S.I. 1985/680, regs. 4–6, **Sch.** and **Income and Corporation Taxes Act 1988** (c. 1, SIF 63:1), s. 176(9), **Sch. 8 para. 19(3)(4)(5)**
- C1** Sch. 4 applied by **Finance (No. 2) Act 1987** (c. 51, SIF 63:1), s. 7, **Sch. 1 para. 19(3)(4)(5)**

PART II

ACCOUNTING PRINCIPLES AND RULES

SECTION A

ACCOUNTING PRINCIPLES

Preliminary

- 9 Subject to paragraph 15 below, the amounts to be included in respect of all items shown in a company's accounts shall be determined in accordance with the principles set out in paragraphs 10 to 14.

Accounting principles

- 10 The company shall be presumed to be carrying on business as a going concern.
- [^{F1}11 Accounting policies shall be applied consistently within the same accounts and from one financial year to the next.]

Textual Amendments

- F1** Sch. 4 Pt. II para. 11 substituted (subject to the transitional and saving provisions in S.I. 1990/355, arts. 6–9, **Sch. 2**) by **Companies Act 1989** (c. 40, SIF 27), ss. 4(2), 213(2), **Sch. 1 para. 5**

- 12 The amount of any item shall be determined on a prudent basis, and in particular—

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- (a) only profits realised at the balance sheet date shall be included in the profit and loss account; and
- (b) all liabilities ^{F2}. . . which have arisen^{F2}. . . in respect of the financial year to which the accounts relate or a previous financial year shall be taken into account, including those which only become apparent between the balance sheet date and the date on which it is signed on behalf of the board of directors in pursuance of [^{F3}section 233] of this Act.

Textual Amendments

- F2** Words in [Sch. 4 para. 12\(b\)](#) omitted (12.11.2004 with effect as mentioned in reg. 1(2) of the amending S.I.) by virtue of [The Companies Act 1985 \(International Accounting Standards and Other Accounting Amendments\) Regulations 2004](#) (S.I. 2004/2947), reg. 14(1), [Sch. 2 para. 5](#)
- F3** Words substituted by [Companies Act 1989](#) (c. 40, SIF 27), ss. 23, 213(2), [Sch. 10 para. 20](#) (subject to the transitional and saving provisions in S.I. 1990/355, arts. 6–9, [Sch. 3](#))

Modifications etc. (not altering text)

- C1** [Sch. 4 Pt. II para. 12 \(b\)](#) applied with modifications by S.I. 1990/2570, [regs. 3\(3\), 16\(1\)](#)

- 13 All income and charges relating to the financial year to which the accounts relate shall be taken into account, without regard to the date of receipt or payment.
- 14 In determining the aggregate amount of any item the amount of each individual asset or liability that falls to be taken into account shall be determined separately.

Departure from the accounting principles

- 15 If it appears to the directors of a company that there are special reasons for departing from any of the principles stated above in preparing the company's accounts in respect of any financial year they may do so, but particulars of the departure, the reasons for it and its effect shall be given in a note to the accounts.

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