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## SCHEDULES

### SCHEDULE 9A

#### FORM AND CONTENT OF ACCOUNTS OF INSURANCE COMPANIES AND GROUPS

##### **Modifications etc. (not altering text)**

- C1** Sch. 9A applied in part (with modifications) (31.12.2004) by [The Insurance Accounts Directive \(Lloyd's Syndicate and Aggregate Accounts\) Regulations 2004 \(S.I. 2004/3219\)](#), **reg. 3(4)(d)**, Sch. 9A applied in part (31.12.2004) by [The Insurance Accounts Directive \(Lloyd's Syndicate and Aggregate Accounts\) Regulations 2004 \(S.I. 2004/3219\)](#), **reg. 8(4)(5)**

### PART I

#### INDIVIDUAL ACCOUNTS

#### CHAPTER IV

##### INTERPRETATION OF PART I

##### *General*

- 81 (1) The following definitions apply for the purposes of this Part of this Schedule and its interpretation—

<sup>F1</sup> .....

“fungible assets” means assets of any description which are substantially indistinguishable one from another;

[<sup>F2</sup>“general business” means business which consists of effecting or carrying out contracts of general insurance;]

[<sup>F3</sup>“investment property” means land held to earn rent or for capital appreciation.]

“lease” includes an agreement for a lease;

“listed investment” means an investment listed on a recognised stock exchange, or on any stock exchange of repute outside Great Britain and the expression “unlisted investment” shall be construed accordingly;

“long lease” means a lease in the case of which the portion of the term for which it was granted remaining unexpired at the end of the financial year is not less than 50 years;

[<sup>F4</sup>“long term business” means business which consists of effecting or carrying out contracts of long term insurance;]

“long term fund” means the fund or funds maintained by a company in respect of its long term business [<sup>F5</sup>in accordance with rules made by the Financial

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Services Authority under Part X of the Financial Services and Markets Act 2000];

[<sup>F6</sup>“policy holder” has the meaning given in any relevant order under section 424(2) of the Financial Services and Markets Act 2000;]

“provision for unexpired risks” means the amount set aside in addition to unearned premiums in respect of risks to be borne by the company after the end of the financial year, in order to provide for all claims and expenses in connection with insurance contracts in force in excess of the related unearned premiums and any premiums receivable on those contracts;

“short lease” means a lease which is not a long lease.

- (2) In this Part of this Schedule the “ECU” means the unit of account of that name defined in Council Regulation (EEC) No.3180/78 as amended.

The exchange rates as between the ECU and the currencies of the member States to be applied for each financial year shall be the rates applicable on the last day of the preceding October for which rates for the currencies of all the member States were published in the Official Journal of the Communities.

#### Textual Amendments

- F1** Definition of "the 1982 Act" in Sch. 9A Pt. I para. 81(1) omitted (1.12.2001) by virtue of [S.I. 2001/3649, art. 36\(1\)\(7\)\(a\)](#)
- F2** Definition of "general business" in Sch. 9A Pt. I para. 81(1) substituted (1.12.2001) by [S.I. 2001/3649, art. 36\(1\)\(7\)\(b\)](#)
- F3** [Sch. 9A Pt. 1 para. 81](#): definition of "investment property" inserted (12.11.2004 with effect as mentioned in reg. 1(2) of the amending S.I.) by [The Companies Act 1985 \(International Accounting Standards and Other Accounting Amendments\) Regulations 2004 \(S.I. 2004/2947\)](#), reg. 14(5), [Sch. 6 para. 11](#)
- F4** Definition of "long term business" in Sch. 9A Pt. I para. 81(1) substituted (1.12.2001) by [S.I. 2001/3649, art. 36\(1\)\(7\)\(c\)](#)
- F5** Words in the definition of "long term fund" in Sch. 9A Pt. I para. 81(1) substituted (1.12.2001) by [S.I. 2001/3649, art. 36\(1\)\(7\)\(d\)](#)
- F6** Definition of "policy holder" in Sch. 9A Pt. I para. 81(1) substituted (1.12.2001) by [S.I. 2001/3649, art. 36\(1\)\(7\)\(e\)](#)

#### Financial instruments

- 81A For the purposes of this Part of this Schedule, references to “derivatives” include commodity-based contracts that give either contracting party the right to settle in cash or 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.
- 81B (1) The expressions listed in sub-paragraph (2) have the same meaning in Section BA of Chapter 2 and paragraphs 65A to 65C and 81A of this Part of this Schedule as they have in Council Directives [78/660/EEC](#) on the annual accounts of certain types of companies and [91/674/EEC](#) on the annual accounts and consolidated accounts of insurance undertakings, as amended. <sup>F7</sup>

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- (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

- F7** O.J. L222 of 14.8.1978, page 11, and O.J. L374 of 31.12.1991, page 7, as amended in particular by article 4 of Directive 2003/51/EEC of the European Parliament and of the Council (O.J. L178 of 17.7.2003, page 16).

#### Loans

- 82 For the purposes of this Part of this Schedule a loan or advance (including a liability comprising a loan or advance) is treated as falling due for repayment, and an instalment of a loan or advance 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.

#### Materiality

- 83 For the purposes of this Part of this Schedule amounts which in the particular context of any provision of this Part are not material may be disregarded for the purposes of that provision.

#### Provisions

- 84 For the purposes of this Part of this Schedule and its interpretation —
- (a) references in this Part 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;
  - (b) any reference in the profit and loss account format or the notes thereto set out in Section B of this Part 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; and
  - (c) references in this Part to [<sup>F8</sup>provisions for other risks]<sup>F9</sup>. . . are to any amount retained as reasonably necessary for the purpose of providing for any liability [<sup>F10</sup>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.

#### Textual Amendments

- F8** Words in [Sch. 9A Pt. 1 para. 84\(c\)](#) substituted (12.11.2004 with effect as mentioned in reg. 1(2) of the amending S.I.) by [The Companies Act 1985 \(International Accounting Standards and Other Accounting Amendments\) Regulations 2004 \(S.I. 2004/2947\)](#), reg. 14(5), [Sch. 6 para. 13\(a\)](#)

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- F9** Words in Sch. 9A Pt. I para. 84(c) omitted (2.2.1996) by virtue of S.I. 1996/189, reg. 14(7), Sch. 5 paras. 1, 18 (with reg. 16)
- F10** Words in Sch. 9A Pt. 1 para. 84(c) substituted (12.11.2004 with effect as mentioned in reg. 1(2) of the amending S.I.) by The Companies Act 1985 (International Accounting Standards and Other Accounting Amendments) Regulations 2004 (S.I. 2004/2947), reg. 14(5), Sch. 6 para. 13(b)

### Scots land tenure

- 85 In the application of this Part of this Schedule to Scotland—
- “land of freehold tenure” means land in respect of which the company is the proprietor of the dominium utile or, in the case of land not held on feudal tenure, is the owner;
- “land of leasehold tenure” means land of which the company is the tenant under a lease;
- and the reference to ground-rents, rates and other outgoings includes feu-duty and ground annual.

### Staff costs

- 86 For the purposes of this Part of this Schedule and its interpretation —
- (a) “Social security costs” means any contributions by the company to any state social security or pension scheme, fund or arrangement;
- [<sup>F11</sup>(b) “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; and]
- (c) any amount stated in respect of [<sup>F12</sup>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 who are taken into account in determining the relevant annual number for the purposes of [<sup>F13</sup>section 231A(1)(a)]

#### Textual Amendments

- F11** Sch. 9A Pt. I para. 86(b) substituted (2.2.1996) by S.I. 1996/189, reg. 14(7), Sch. 5 paras. 1, 19(1)(2) (with reg. 16)
- F12** Words in Sch. 9A Pt. I para. 86(c) substituted (2.2.1996) by S.I. 1996/189, reg. 14(7), Sch. 5 paras. 1, 19(1)(3) (with reg. 16)
- F13** Words in Sch. 9A Pt. 1 para. 86(c) substituted (12.11.2004 with effect as mentioned in reg. 1(2) of the amending S.I.) by The Companies Act 1985 (International Accounting Standards and Other Accounting Amendments) Regulations 2004 (S.I. 2004/2947), reg. 3, Sch. 1 para. 35(b)

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