



Companies Act 1985

1985 CHAPTER 6

PART VII

ACCOUNTS AND AUDIT

CHAPTER I

PROVISIONS APPLYING TO COMPANIES GENERALLY

Form and content of company individual and group accounts

228 Form and content of individual accounts

- (1) A company's accounts prepared under section 227 shall comply with the requirements of Schedule 4 (so far as applicable) with respect to the form and content of the balance sheet and profit and loss account and any additional information to be provided by way of notes to the accounts.
- (2) The balance sheet shall give a true and fair view of the state of affairs of the company as at the end of the financial year; and the profit and loss account shall give a true and fair view of the profit or loss of the company for the financial year.
- (3) Subsection (2) overrides—
 - (a) the requirements of Schedule 4, and
 - (b) all other requirements of this Act as to the matters to be included in a company's accounts or in notes to those accounts;and accordingly the following two subsections have effect.
- (4) If the balance sheet or profit and loss account drawn up in accordance with those requirements would not provide sufficient information to comply with subsection (2), any necessary additional information must be provided in that balance sheet or profit and loss account, or in a note to the accounts.

Status: This is the original version (as it was originally enacted).

- (5) If, owing to special circumstances in the case of any company, compliance with any such requirement in relation to the balance sheet or profit and loss account would prevent compliance with subsection (2) (even if additional information were provided in accordance with subsection (4)), the directors shall depart from that requirement in preparing the balance sheet or profit and loss account (so far as necessary in order to comply with subsection (2)).
- (6) If the directors depart from any such requirement, particulars of the departure, the reasons for it and its effect shall be given in a note to the accounts.
- (7) Subsections (1) to (6) do not apply to group accounts prepared under the next section ; and subsections (1) and (2) do not apply to a company's profit and loss account (or require the notes otherwise required in relation to that account) if—
- (a) the company has subsidiaries, and
 - (b) the profit and loss account is framed as a consolidated account dealing with all or any of the company's subsidiaries as well as the company, and—
 - (i) complies with the requirements of this Act relating to consolidated profit and loss accounts, and
 - (ii) shows how much of the consolidated profit or loss for the financial year is dealt with in the company's individual accounts.

If group accounts are prepared, and advantage is taken of this subsection, that fact shall be disclosed in a note to the group accounts.