

*Status: Point in time view as at 01/12/2001.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, SCHEDULE 1. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 1

Section 4(2).

#### FORM AND CONTENT OF COMPANY ACCOUNTS

- 1 Schedule 4 to the <sup>M1</sup>Companies Act 1985 (form and content of company accounts) is amended as follows.

#### Marginal Citations

**M1** 1985 c. 6.

#### *Group undertakings*

- 2 (1) For “group companies”, wherever occurring, substitute “ group undertakings ”.
- (2) That expression occurs—
- (a) in Balance Sheet Format 1, in Items B.III.1 and 2, C.II.2, C.III.1, E.6 and H.6;
  - (b) in Balance Sheet Format 2—
    - (i) under the heading “ASSETS”, in Items B.III.1 and 2, C.II.2 and C.III.1;
    - (ii) under the heading “LIABILITIES”, in Item C.6;
  - (c) in the Profit and Loss Accounts Formats—
    - (i) in Format 1, Item 7;
    - (ii) in Format 2, Item 9;
    - (iii) in Format 3, Item B.3;
    - (iv) in Format 4, Item B.5;
  - (d) in Notes (15) and (16) to the profit and loss account formats; and
  - (e) in the second sentence of paragraph 53(2) (exclusion from requirement to state separately certain loans).

#### *Participating interests*

- 3 (1) For “shares in related companies”, wherever occurring, substitute “ participating interests ”.
- (2) That expression occurs—
- (a) in Balance Sheet Format 1, Item B.III.3;
  - (b) in Balance Sheet Format 2, under the heading “ASSETS”, in Item B.III.3;

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- (c) in the Profit and Loss Accounts Formats—
- (i) in Format 1, Item 8;
  - (ii) in Format 2, Item 10;
  - (iii) in Format 3, Item B.4;
  - (iv) in Format 4, Item B.6.
- 4 (1) For “related companies”, wherever occurring in any other context, substitute “undertakings in which the company has a participating interest”.
- (2) Those contexts are—
- (a) in Balance Sheet Format 1, in Items B.III.4, C.II.3, E.7 and H.7;
  - (b) in Balance Sheet Format 2—
    - (i) under the heading “ASSETS”, in Items B.III.4 and C.II.3;
    - (ii) under the heading “LIABILITIES”, in Item C.7.

*Consistency of accounting policies*

- 5 For paragraph 11 (consistency of accounting policy from one year to the next) substitute—
- “11 Accounting policies shall be applied consistently within the same accounts and from one financial year to the next.”.

*Revaluation reserve*

- 6 In paragraph 34 (revaluation reserve), for sub-paragraph (3) (circumstances in which reduction of reserve required or permitted) substitute—
- “(3) An amount may be transferred from the revaluation reserve—
- (a) to the profit and loss account, if the amount was previously charged to that account or represents realised profit, or
  - (b) on capitalisation;
- and the revaluation reserve shall be reduced to the extent that the amounts transferred to it are no longer necessary for the purposes of the valuation method used.
- (3A) In sub-paragraph (3)(b) “capitalisation”, in relation to an amount standing to the credit of the revaluation reserve, means applying it in wholly or partly paying up unissued shares in the company to be allotted to members of the company as fully or partly paid shares.
- (3B) The revaluation reserve shall not be reduced except as mentioned in this paragraph.”.

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*Compliance with accounting standards*

7 After paragraph 36 (disclosure of accounting policies) insert—

“36A It shall be stated whether the accounts have been prepared in accordance with applicable accounting standards and particulars of any material departure from those standards and the reasons for it shall be given.”.

*Provision for taxation*

8 For paragraph 47 (provision for taxation) substitute—

“47 The amount of any provision for deferred taxation shall be stated separately from the amount of any provision for other taxation.”.

*Loans in connection with assistance for purchase of company's own shares*

9 In paragraph 51(2) (disclosure of outstanding loans in connection with certain cases of financial assistance for purchase of company's own shares), after “153(4)(b)” insert “, (bb)”.

*Obligation to show corresponding amounts for previous financial year*

10 In paragraph 58(3) (exceptions from obligation to show corresponding amount for previous financial year), for paragraphs (a) to (c) substitute—

- “(a) paragraph 13 of Schedule 4A (details of accounting treatment of acquisitions),
- (b) paragraphs 2, 8(3), 16, 21(1)(d), 22(4) and (5), 24(3) and (4) and 27(3) and (4) of Schedule 5 (shareholdings in other undertakings),
- (c) Parts II and III of Schedule 6 (loans and other dealings in favour of directors and others), and
- (d) paragraphs 42 and 46 above (fixed assets and reserves and provisions).”.

*Special provisions where company is parent company or subsidiary undertaking*

11 (1) For the heading to Part IV (special provisions where the company is a holding or subsidiary company) substitute—

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## “PART IV

### SPECIAL PROVISIONS WHERE COMPANY IS A PARENT COMPANY OR SUBSIDIARY UNDERTAKING”.

(2) In that Part for paragraph 59 substitute—

#### **Dealings with or interests in group undertakings**

“59 Where a company is a parent company or a subsidiary undertaking and any item required by Part I of this Schedule to be shown in the company’s balance sheet in relation to group undertakings includes—

- (a) amounts attributable to dealings with or interests in any parent undertaking or fellow subsidiary undertaking, or
- (b) amounts attributable to dealings with or interests in any subsidiary undertaking of the company,

the aggregate amounts within paragraphs (a) and (b) respectively shall be shown as separate items, either by way of subdivision of the relevant item in the balance sheet or in a note to the company’s accounts.”.

(3) After that paragraph insert—

#### **Guarantees and other financial commitments in favour of group undertakings**

“59A Commitments within any of sub-paragraphs (1) to (5) of paragraph 50 (guarantees and other financial commitments) which are undertaken on behalf of or for the benefit of—

- (a) any parent undertaking or fellow subsidiary undertaking, or
- (b) any subsidiary undertaking of the company,

shall be stated separately from the other commitments within that sub-paragraph, and commitments within paragraph (a) shall also be stated separately from those within paragraph (b).”.

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