

## SCHEDULE 1

### Form and Content of Accounts of Insurance Companies and Groups

## PART I

### Individual Accounts

#### Chapter II

#### Accounting Principles and Rules

##### *Section A*

##### *Accounting Principles*

#### **Preliminary**

**13.** Subject to paragraph 19 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 14 to 18 below.

#### **Accounting principles**

**14.** The company shall be presumed to be carrying on business as a going concern.

**15.** Accounting policies shall be applied consistently within the same accounts and from one financial year to the next.

**16.** The amount of any item shall be determined on a prudent basis, and in particular —

- (a) subject to note (9) on the profit and loss account format, only profits realised at the balance sheet date shall be included in the profit and loss account; and
- (b) all liabilities and losses which have arisen or are likely to arise 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 section 233 of this Act.

**17.** 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.

**18.** 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 accounting principles**

**19.** 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.