

## SCHEDULES

### SCHEDULE 1

Sections 9, 10, 56, 57 & 130.

#### AMENDMENTS OF SCHEDULE 8 TO THE COMPANIES ACT 1948.

##### *Amendment of preliminary Matter*

- 1 In paragraph 1, after the word " holding ", there shall be inserted the words " or subsidiary ".

##### *Amendments of Balance Sheet Provisions*

- 2 In paragraph 2(a), for the words " and the earliest date on which the company has power to redeem those shares ", there shall be substituted the words " the earliest and latest dates on which the company has power to redeem those shares, whether those shares must be redeemed in any event or are liable to be redeemed at the option of the company and whether any (and, if so, what) premium is payable on redemption ".

- 3 In paragraph 4, in sub-paragraph (1), for the words " fixed and current assets ", there shall be substituted the word " assets " , and for sub-paragraph (2) there shall be substituted the following sub-paragraph :—

“(2) Fixed assets, current assets and assets that are neither fixed nor current shall be separately identified”.

- 4 In paragraph 5(2), for head (c), there shall be substituted the following:—

“(c) to any quoted investments or to any unquoted investments of which the value as estimated by the directors is shown either as the amount of the investments or by way of note ; or”.

- 5 After paragraph 5, there shall be inserted the following paragraph :—

“5A In the case of unquoted investments consisting in equity share capital (as defined by subsection (5) of section 154 of this Act) of other bodies corporate (other than any whose values as estimated by the directors are separately shown, either individually or collectively or as to some individually and as to the rest collectively, and are so shown either as the amount thereof or by way of note), the matters referred to in the following heads shall, if not otherwise shown, be stated by way of note or in a statement or report annexed:—

- (a) the aggregate amount of the company's income for the financial year that is ascribable to the investments;
- (b) the amount of the company's share before taxation, and the amount of that share after taxation, of the net aggregate amount of the profits of the bodies in which the investments are held, being profits for the several periods to which accounts sent by them during the financial year to the company related, after deducting those bodies' losses for those periods (or vice versa);

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- (c) the amount of the company's share of the net aggregate amount of the undistributed profits accumulated by the bodies in which the investments are held since the time when the investments were acquired, after deducting the losses accumulated by them since that time (or vice versa);
  - (d) the manner in which any losses incurred by the said bodies have been dealt with in the company's accounts".
- 6 In paragraph 6, for the words " The aggregate amounts respectively of capital reserves, revenue reserves and provisions ", there shall be substituted the words " The aggregate amounts respectively of reserves and provisions " ; and in paragraph (a) of the proviso, for the words " any of the said three amounts ", there shall be substituted the words " either of the said amounts ".
- 7 (1) In paragraph 7(1), in head (a), for the words " the amount of the capital reserves, of the revenue reserves or of the provisions ", there shall be substituted the words " the amount of the reserves or of the provisions ",  
and in head (b)(i), for the words " the amount of the capital reserves or of the revenue reserves ", there shall be substituted the words " the amount of the reserves ".
- (2) In paragraph 7(2), for the words " any of the reserves or provisions aforesaid ", there shall be substituted the words " the reserves or any of the provisions aforesaid ".
- 8 After paragraph 7, there shall be inserted the following paragraph:—
- “7A If an amount is set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation, it shall be stated”.
- 9 (1) Paragraph 8 shall be amended as follows.
- (2) For head (a) of sub-paragraph (1), there shall be substituted the following:—
- “(a) the aggregate amounts respectively of the company's quoted investments and unquoted investments”.
- (3) For head (d) of sub-paragraph (1), there shall be substituted the following:—
- “(d) the aggregate amount of bank loans and overdrafts and the aggregate amount of loans made to the company which—
- (i) are repayable otherwise than by instalments and fall due for repayment after the expiration of the period of five years beginning with the day next following the expiration of the financial year; or
  - (ii) are repayable by instalments any of which fall due for payment after the expiration of that period ;
- not being, in either case, bank loans or overdrafts”
- (4) In head (e) of sub-paragraph (1), for the words " net aggregate amount (after deduction of income tax)", there shall be substituted the words " aggregate amount (before deduction of income tax) ".
- (5) In sub-paragraph (3), the words " other than trade investments " shall be omitted.
- (6) At the end of the paragraph, there shall be added the following sub-paragraph:—
- “(4) In relation to each loan falling within head (d) of sub-paragraph (1) of this paragraph (other than a bank loan or overdraft), there shall be stated by

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way of note (if not otherwise stated) the terms on which it is repayable and the rate at which interest is payable thereon:

Provided that if the number of loans is such that, in the opinion of the directors, compliance with the foregoing requirement would result in a statement of excessive length, it shall be sufficient to give a general indication of the terms on which the loans are repayable and the rates at which interest is payable thereon”.

- 10 (1) Paragraph II shall be amended as follows.
- (2) At the end of sub-paragraph (6), there shall be added the words " and, where practicable, the aggregate amount or estimated amount, if it is material, of capital expenditure authorised by the directors which has not been contracted for ".
- (3) After sub-paragraph (6) there shall be inserted the following sub-paragraphs:—
- “(6A) In the case of fixed assets under any heading whose amount is required to be arrived at in accordance with paragraph 5(1) of this Schedule (other than unquoted investments) and is so arrived at by reference to a valuation, the years (so far as they are known to the directors) in which the assets were severally valued and the several values, and, in the case of assets that have been valued during the financial year, the names of the persons who valued them or particulars of their qualifications for doing so and (whichever is stated) the bases of valuation used by them.
- (6B) If there are included amongst fixed assets under any heading (other than investments) assets that have been acquired during the financial year, the aggregate amount of the assets acquired as determined for the purpose of making up the balance sheet, and if during that year any fixed assets included under a heading in the balance sheet made up with respect to the immediately preceding financial year (other than investments) have been disposed of or destroyed, the aggregate amount thereof as determined for the purpose of making up that balance sheet.
- (6C) Of the amount of fixed assets consisting of land, how much is ascribable to land of freehold tenure and how much to land of leasehold tenure, and, of the latter, how much is ascribable to land held on long lease and how much to land held on short lease”.
- (4) In sub-paragraph (8), the words " other man trade investments " shall be omitted.
- (5) After sub-paragraph (8). there shall be inserted the following sub-paragraphs:—
- “(8A) If a sum set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation has been used during the financial year for another purpose, the amount thereof and the fact that it has been so used.
- (8B) If the amount carried forward for stock in trade or work in progress is material for the appreciation by its members of the company's state of affairs or of its profit or loss for the financial year, the manner in which that amount has been computed”.
- (6) In sub-paragraph (10), for the words " income tax ", there shall be substituted the words " corporation tax ".

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*Amendments of Profit and Loss Account Provisions*

- 11 (1) Paragraph 12 shall be amended as follows.
- (2) In sub-paragraph (1), for heads (b) and (c), there shall be substituted the following:—
- “(b) the amount of the interest on loans of the following kinds made to the company (whether on the security of debentures or not), namely, bank loans, overdrafts and loans which, not being bank loans or overdrafts.—
- (i) are repayable otherwise than by instalments and fall due for repayment before the expiration of the period of five years beginning with the day next following the expiration of the financial year ; or
- (ii) are repayable by instalments the last of which falls due for payment before the expiration of that period;
- and the amount of the interest on loans of other kinds so made (whether on the security of debentures or not);
- (c) the amount of the charge to revenue for United Kingdom corporation tax and, if that amount would have been greater but for relief from double taxation, the amount which it would have been but for such relief, the amount of the charge for United Kingdom income tax and the amount of the charge for taxation imposed outside the United Kingdom of profits, income and (so far as charged to revenue) capital gains”.
- (3) In sub-paragraph (1), for head (g), there shall be substituted the following:—
- “(g) the amounts respectively of income from quoted investments and income from unquoted investments ;
- (ga) if a substantial part of the company's revenue for the financial year consists in rents from land, the amount thereof (after deduction of ground-rents, rates and other outgoings);
- (gb) the amount, if material, charged to revenue in respect of sums payable in respect of the hire of plant and machinery”.
- (4) In sub-paragraph (1)(h), after the word " amount ", there shall be inserted the words " (before deduction of income tax) ".
- (5) At the end of the paragraph, there shall be added the following sub-paragraphs:—
- “(3) If, in the case of any assets in whose case an amount is charged to revenue by way of provision for depreciation or diminution in value, an amount is also so charged by way of provision for renewal thereof, the last-mentioned amount shall be shown separately.
- (4) If the amount charged to revenue by way of provision for depreciation or diminution in value of any fixed assets (other than investments) has been determined otherwise than by reference to the amount of those assets as determined for the purpose of making up the balance sheet, that fact shall be stated”.
- 12 After paragraph 12, there shall be inserted the following paragraph:—
- “12A The amount of any charge arising in consequence of the occurrence of an event in a preceding financial year and of any credit so arising shall,

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- if not included in a heading relating to other matters, be stated under a separate heading”.
- 13 In paragraph 13, for the words "If the remuneration of the auditors is not fixed by the company in general meeting, the amount thereof", there shall be substituted the words " The amount of the remuneration of the auditors ".
- 14 After paragraph 13, there shall be inserted the following paragraph:—
- “13A (1) The matters referred to in sub-paragraphs (2) to (4) below shall be stated by way of note, if not otherwise shown.
- (2) The turnover for the financial year, except in so far as it is attributable to the business of banking or discounting or to business of such other class as may be prescribed for the purposes of this sub-paragraph.
- (3) If some or all of the turnover is omitted by reason of its being attributable as aforesaid, the fact that it is so omitted.
- (4) The method by which turnover stated is arrived at.
- (5) A company shall not be subject to the requirements of this paragraph if it is neither a holding company nor a subsidiary of another body corporate and the turnover which, apart from this sub-paragraph, would be required to be stated does not exceed £50,000”.
- 15 (1) Paragraph 14 shall be amended as follows.
- (2) In sub-paragraph (3), after the words " charge for ", there shall be inserted the words " United Kingdom corporation tax and ".
- (3) After sub-paragraph (3), there shall be inserted the following sub-paragraph:—
- “(3A) Any special circumstances which affect liability in respect of taxation of profits, income or capital gains for the financial year or liability in respect of taxation of profits, income or capital gains for succeeding financial years”.
- (4) Sub-paragraph (4) shall be omitted.

*Amendments of Provisions as to Modifications of and Additions to Requirements as to Company's Accounts where it is a holding or subsidiary Company*

- 16 In paragraph 15(2)(a), after the word " investments ", there shall be inserted the words " (except those in paragraphs 11 (6B) and 12(4)) ".
- 17 At the end of paragraph 16(1), there shall be added the words " and the aggregate amount of assets consisting of shares in fellow subsidiaries ".
- 18 In paragraph 18, after the words " this Act " there shall be inserted the words " and the Companies Act 1967 ".
- 19 In paragraph 19, after the words " this Act " there shall be inserted the words " and sections four and six to eight of the Companies Act 1967 ".

*Amendments of exceptive Provisions*

- 20 In paragraph 23, in sub-paragraph (1), for heads (a) and (b) there shall be substituted the following:—

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- “(a) as respects its balance sheet, those of paragraphs 2 and 3, paragraph 4 (so far as it relates to assets), paragraph 8 (except sub-paragraphs (1)(d) and (4)), paragraphs 9 and 10 and paragraph 11 (except sub-paragraphs (6A), (6B), (6C), (8) and (8A)) ; and
- (b) as respects its profit and loss account, those of sub-paragraph (1)(ga) and (h) of paragraph 12, paragraphs 12a and 13 and sub-paragraphs (1) and (5) of paragraph 14”;

and for the words " capital reserves, revenue reserves " and the words " such a reserve or provision ", there shall be substituted respectively the word " reserves " and the words " a reserve or such a provision " .

- 21 (1) Paragraph 24 shall be amended as follows.
- (2) For so much of sub-paragraph (1) as precedes the proviso, there shall be substituted the following :—

“An insurance company to which the Insurance Companies Act 1958 applies shall not be subject to the following requirements of Part I of this Schedule, that is to say—

- (a) as respects its balance sheet, those of paragraphs 4 to 7 (both inclusive), sub-paragraphs (1)(a) and (3) of paragraph 8 and sub-paragraphs (4), (5) and (6A) to (8) (both inclusive) of paragraph 11 ;
- (b) as respects its profit and loss account, those of paragraph 12 (except sub-paragraph (1)(b), (c), (d) and (h)) and paragraph 14(2);

but, where in its balance sheet reserves or provisions (other than provisions for depreciation, renewals or diminution in value of assets) are not stated separately, any heading stating an amount arrived at after taking into account a reserve or such a provision shall be so framed or marked as to indicate that fact, and its profit and loss account shall indicate by appropriate words the manner in which the amount stated for the company's profit or loss has been arrived at”.

- (3) After sub-paragraph (2) there shall be inserted the following sub-paragraph:—

“(2A) The accounts of a company shall not be deemed, by reason only of the fact that they do not comply with any requirement of Part I of this Schedule from which the company is exempt by virtue of this paragraph, not to give the true and fair view required by this Act”.

- (4) In the proviso to sub-paragraph (1) and in sub-paragraphs (2) and (3), for the word " assurance " (wherever occurring) there shall be substituted the word " insurance " .

- 22 (1) Paragraph 25 shall be amended as follows.

- (2) For sub-paragraph (1) there shall be substituted the following sub-paragraph:—

“(1) A shipping company shall not be subject to the following requirements of Part I of this Schedule, that is to say—

- (a) as respects its balance sheet, those of paragraph 4 (except so far as it relates to assets), paragraphs 5, 6 and 7 and sub-paragraphs (6A) and (6B) of paragraph 11;
- (b) as respects its profit and loss account, those of sub-paragraph (1) (a), (e) and (f) and sub-paragraphs (3) and (4) of paragraph 12 and paragraph 13a”.

(3) For sub-paragraph (3) there shall be substituted the following sub-paragraph:—

“(3) In this paragraph the expression 'shipping company' means a company which, or a subsidiary of which, owns ships or includes amongst its activities the management or operation of ships, being a company which satisfies the Board of Trade that, in the national interest, it ought to be treated for the purposes of this paragraph as a shipping company”.

*Amendments of interpretative Provisions*

23 In paragraph 27(1), at the end of head (b) there shall be added the words " or any sum set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation " , and head (c) shall be omitted.

24 At the end of the Schedule, there shall be added the following paragraphs:—

“29 For the purposes aforesaid, the expression ' 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 fifty years, the expression ' short lease ' means a lease which is not a long lease and the expression ' lease ' includes an agreement for a lease.

30 For the purposes aforesaid, a loan shall be deemed to fall due for repayment, and an instalment of a loan shall be deemed to fall 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.

31 In the application 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 a reference to feu-duty and ground annual”.