

## SCHEDULES

### SCHEDULE 5

Section 231.

#### MISCELLANEOUS MATTERS TO BE DISCLOSED IN NOTES TO COMPANY ACCOUNTS

##### PART I

###### PARTICULARS OF SUBSIDIARIES

- 1 If at the end of the financial year the company has subsidiaries, there shall in the case of each subsidiary be stated—
  - (a) the name of the subsidiary and—
    - (i) if it is incorporated in Great Britain and if it is registered in England and Wales and the company is registered in Scotland (or vice versa), the part of Great Britain in which it is registered, and
    - (ii) if it is incorporated outside Great Britain, the country in which it is incorporated ; and
  - (b) in relation to shares of each class of the subsidiary held by the company, the identity of the class and the proportion of the nominal value of the allotted shares of that class represented by the shares held.
- 2 The particulars required by paragraph 1 include, with reference to the proportion of the nominal value of the allotted shares of a class represented by shares held by the company, a statement of the extent (if any) to which it consists in shares held by, or by a nominee for, a subsidiary of the company and the extent (if any) to which it consists in shares held by, or by a nominee for, the company itself.
- 3 Paragraph 1 does not require the disclosure of information with respect to a body corporate which is the subsidiary of another and is incorporated outside the United Kingdom or, being incorporated in the United Kingdom, carries on business outside it if the disclosure would, in the opinion of the directors of that other, be harmful to the business of that other or of any of its subsidiaries and the Secretary of State agrees that the information need not be disclosed
- 4 If at the end of its financial year the company has subsidiaries and the directors are of the opinion that the number of them is such that compliance with paragraph 1 would result in particulars of excessive length being given, compliance with that paragraph is required only in the case of the subsidiaries carrying on the businesses the results of the carrying on of which (in the opinion of the directors) principally affected the amount of the profit or loss of the company and its subsidiaries or the amount of the assets of the company and its subsidiaries.
- 5 If advantage is taken of paragraph 4, there must be included in the statement required by this Part the information that it deals only with the subsidiaries carrying on such businesses as are referred to in that paragraph ; and in that case section 231(3) (subsequent disclosure with annual return) applies to the particulars given in compliance with paragraph 1, together with those which (but for the fact that advantage is so taken) would have to be so given.

- 6 For purposes of this Part, shares of a body corporate are treated as held, or not held, by another such body if they would, by virtue of section 736(4) of this Act, be treated as being held or (as the case may be) not held by that other body for the purpose of determining whether the first-mentioned body is its subsidiary.

## PART II

### SHAREHOLDINGS IN COMPANIES ETC. OTHER THAN SUBSIDIARIES

- 7 If at the end of its financial year the company holds shares of any class comprised in the equity share capital of another body corporate (not being its subsidiary) exceeding in nominal value one-tenth of the nominal value of the allotted shares of that class, there shall be stated—
- (a) the name of that other body corporate and—
    - (i) if it is incorporated in Great Britain and if it is registered in England and Wales and the company is registered in Scotland (or vice versa), the part of Great Britain in which it is registered, and
    - (ii) if it is incorporated outside Great Britain, the country in which it is incorporated ;
  - (b) the identity of the class and the proportion of the nominal value of the allotted shares of that class represented by the shares held ; and
  - (c) if the company also holds shares in that other body corporate of another class (whether or not comprised in its equity share capital), or of other classes (whether or not so comprised), the like particulars as respects that other class or (as the case may be) those other classes.
- 8 If at the end of its financial year the company holds shares comprised in the share capital of another body corporate (not being its subsidiary) exceeding in nominal value one-tenth of the allotted share capital of that other body, there shall be stated—
- (a) with respect to that other body corporate, the same information as is required by paragraph 7(a), and
  - (b) the identity of each class of such shares held and the proportion of the nominal value of the allotted shares of that class represented by the shares of that class held by the company.
- 9 If at the end of its financial year the company holds shares in another body corporate (not being its subsidiary) and the amount of all shares in it which the company holds (as stated or included in the company's accounts) exceeds one-tenth of the amount of the company's assets (as so stated), there shall be stated—
- (a) with respect to the other body corporate, the same information as is required by paragraph 7(a), and
  - (b) in relation to shares in that other body corporate of each class held, the identity of the class and the proportion of the nominal value of the allotted shares of that class represented by the shares held.
- 10 None of the foregoing provisions of this Part requires the disclosure by a company of information with respect to another body corporate if that other is incorporated outside the United Kingdom or, being incorporated in the United Kingdom, carries on business outside it if the disclosure would, in the opinion of the company's directors, be harmful to the business of the company or of that other body and the Secretary of State agrees that the information need not be disclosed.

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- 11 If at the end of its financial year the company falls within paragraph 7 or 8 in relation to more bodies corporate than one, and the number of them is such that, in the directors' opinion, compliance with either or both of those paragraphs would result in particulars of excessive length being given, compliance with paragraph 7 or (as the case may be) paragraph 8 is not required except in the case of the bodies carrying on the businesses the results of the carrying on of which (in the directors' opinion) principally affected the amount of the profit or loss of the company or the amount of its assets.
- 12 If advantage is taken of paragraph 11, there must be included in the statement dealing with the bodies last mentioned in that paragraph the information that it deals only with them ; and section 231(3) of this Act (subsequent disclosure in annual return) applies to the particulars given in compliance with paragraph 7 or 8 (as the case may be), together with those which, but for the fact that advantage is so taken, would have to be so given.
- 13 For purposes of this Part, shares of a body corporate are treated as held, or not held, by another such body if they would, by virtue of section 736(4) of this Act (but on the assumption that paragraph (b)(ii) were omitted from that subsection) be treated as being held or (as the case may be), not held by that other body for the purpose of determining whether the first-mentioned body is its subsidiary.

### PART III

#### FINANCIAL INFORMATION ABOUT SUBSIDIARIES

- 14 If—
- (a) at the end of its financial year the company has subsidiaries, and
  - (b) it is required by paragraph 1 in Part I above to disclose particulars with respect to any of those subsidiaries,
- the additional information specified below shall be given with respect to each subsidiary to which the requirement under paragraph 1 applies.
- 15 If—
- (a) at the end of the financial year the company holds shares in another body corporate, and
  - (b) it is required by paragraph 8 in Part II above to disclose particulars with respect to that body corporate, and
  - (c) the shares held by the company in that body corporate exceed in nominal value one-fifth of the allotted share capital of that body,
- the additional information specified below shall be given with respect to that body corporate.
- 16 The information required by paragraphs 14 and 15 is, in relation to any body corporate (whether a subsidiary of the company or not) the aggregate amount of the capital and reserves of that body corporate as at the end of its relevant financial year, and its profit or loss for that year ; and for this purpose the relevant financial year is—
- (a) if the financial year of the body corporate ends with that of the company giving the information in a note to its accounts, that financial year, and
  - (b) If not, the body corporate's financial year ending last before the end of the financial year of the company giving that information.

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This is subject to the exceptions and other provisions in the next paragraph.

- 17 (1) The information otherwise required by paragraph 16 need not be given in respect of a subsidiary of a company if either—
- (a) the company is exempt under this Act from the requirement to prepare group accounts, as being at the end of its financial year the wholly-owned subsidiary of another body corporate incorporated in Great Britain, or
  - (b) the company prepares group accounts and—
    - (i) the accounts of the subsidiary are included in the group accounts, or
    - (ii) the investment of the company in the shares of the subsidiary is included in, or in a note to, the company's accounts by way of the equity method of valuation.
- (2) That information need not be given in respect of another body corporate in which the company holds shares if the company's investment in those shares is included in, or in a note to, the accounts by way of the equity method of valuation.
- (3) That information need not be given in respect of any body corporate if—
- (a) that body is not required by any provision of this Act to deliver a copy of its balance sheet for its relevant financial year mentioned in paragraph 16, and does not otherwise publish that balance sheet in Great Britain or elsewhere, and
  - (b) the shares held by the company in that body do not amount to at least one half in nominal value of the body's allotted share capital.
- (4) Information otherwise required by paragraph 16 need not be given if it is not material.
- 18 Where, with respect to any subsidiary of the company or any other body corporate, particulars which would otherwise be required by paragraph 1 in Part I or paragraph 8 in Part II of this Schedule to be stated in a note to the company's accounts are omitted by virtue of paragraph 4 or (as the case may be) paragraph 11, section 231(3) of this Act (subsequent disclosure in next annual return) applies—
- (a) to any information with respect to any other subsidiary or body corporate which is given in or in a note to the company's accounts in accordance with this Part, and
  - (b) to any information which would have been required by this Part to be given in relation to a subsidiary or other body corporate but for the exemption under paragraph 4 or 11.
- 19 For purposes of this Part, shares of a body corporate are treated as held, or not held, by the company if they would, by virtue of section 736(4) of this Act (but on the assumption that paragraph (b)(ii) were omitted from that subsection), be treated as being held or (as the case may be) not held by the company for the purpose of determining whether that body corporate is the company's subsidiary.

## PART IV

### IDENTIFICATION OF ULTIMATE HOLDING COMPANY

- 20 If at the end of its financial year the company is the subsidiary of another body corporate, there shall be stated the name of the body corporate regarded by the directors as being the company's ultimate holding company and, if known to them, the country in which it is incorporated.

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- 21 Paragraph 20 does not require the disclosure by a company which carries on business outside the United Kingdom of information with respect to the body corporate regarded by the directors as being its ultimate holding company if the disclosure would, in their opinion, be harmful to the business of that holding company or of the first-mentioned company, or any other of that holding company's subsidiaries, and the Secretary of State agrees that the information need not be disclosed.

## PART V

### CHAIRMAN'S AND DIRECTORS' EMOLUMENTS, PENSIONS AND COMPENSATION FOR LOSS OF OFFICE

#### *Emoluments*

- 22 (1) There shall be shown the aggregate amount of the directors' emoluments.
- (2) This amount—
- (a) includes any emoluments paid to or receivable by a person in respect of his services as director of the company or in respect of his services, while director of the company, as director of any subsidiary of it or otherwise in connection with the management of the affairs of the company or any subsidiary of it; and
  - (b) shall distinguish between emoluments in respect of services as director, whether of the company or its subsidiary, and other emoluments.
- (3) For purposes of this paragraph " emoluments", in relation to a director, includes fees and percentages, any sums paid by way of expenses allowance (insofar as those sums are charged to United Kingdom income tax), any contributions paid in respect of him under any pension scheme and the estimated money value of any other benefits received by him otherwise than in cash.
- 23 A company which is neither a holding company nor a subsidiary of another body corporate need not comply with paragraphs 24 to 27 below as respects a financial year in the case of which the amount shown in compliance with paragraph 22 above does not exceed £60.000.
- 24 (1) The following applies as respects the emoluments of the company's chairman; and for this purpose " chairman " means the person elected by the directors to be chairman of their meetings and includes a person who, though not so elected, holds any office (however designated) which in accordance with the company's constitution carries with it functions substantially similar to those discharged by a person so elected.
- (2) If one person has been chairman throughout the financial year, there shall be shown his emoluments, unless his duties as chairman were wholly or mainly discharged outside the United Kingdom.
- (3) Otherwise, there shall be shown with respect to each person who has been chairman during the year his emoluments so far as attributable to the period during which he was chairman, unless his duties as chairman were wholly or mainly discharged outside the United Kingdom.
- 25 (1) The following applies as respects the emoluments of directors.

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- (2) With respect to all the directors (other than any who discharged their duties as such wholly or mainly outside the United Kingdom), there shall be shown—
- (a) the number (if any) who had no emoluments or whose several emoluments amounted to not more than £5,000; and
  - (b) by reference to each pair of adjacent points on a scale whereon the lowest point is £5,000 and the succeeding ones are successive integral multiples of £5,000, the number (if any) whose several emoluments exceeded the lower point but did not exceed the higher.
- (3) If, of the directors (other than any who discharged their duties as such wholly or mainly outside the United Kingdom), the emoluments of one only exceed the relevant amount, his emoluments (so far as so ascertainable) shall also be shown.
- (4) If, of the directors (other than any who discharged their duties as such wholly or mainly outside the United Kingdom), the emoluments of each of two or more exceed the relevant amount, the emoluments of him (or them, in the case of equality) who had the greater or, as the case may be, the greatest shall also be shown.
- (5) " The relevant amount "—
- (a) if one person has been chairman throughout the year, means the amount of his emoluments ; and
  - (b) otherwise, means an amount equal to the aggregate of the emoluments, so far as attributable to the period during which he was chairman, of each person who has been chairman during the year.
- 26 There shall under paragraphs 24 and 25 be brought into account as emoluments of a person all such amounts (other than contributions paid in respect of him under a pension scheme) as in his case are to be included in the amount shown under paragraph 22.

*Emoluments waived*

- 27 (1) There shall be shown—
- (a) the number of directors who have waived rights to receive emoluments which, but for the waiver, would have fallen to be included in the amount shown under paragraph 22, and
  - (b) the aggregate amount of those emoluments.
- (2) For these purposes—
- (a) it is assumed that a sum not receivable in respect of a period would have been paid at the time at which it was due to be paid,
  - (b) a sum not so receivable that was payable only on demand, being a sum the right to receive which has been waived, is deemed to have been due to be paid at the time of the waiver.

*Pensions of directors and past directors*

- 28 (1) There shall be shown the aggregate amount of directors' or past directors' pensions.
- (2) This amount does not include any pension paid or receivable under a pension scheme if the scheme is such that the contributions under it are substantially adequate for the maintenance of the scheme ; but, subject to this, it includes any pension paid or receivable in respect of any such services of a director or past director as are

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mentioned in paragraph 22(2), whether to or by him or, on his nomination or by virtue of dependence on or other connection with him, to or by any other person.

- (3) The amount shown shall distinguish between pensions in respect of services as director, whether of the company or its subsidiary, and other pensions.

*Compensation to directors for loss of office*

- 29 (1) There shall be shown the aggregate amount of any compensation to directors or past directors in respect of loss of office.
- (2) This amount—
- (a) includes any sums paid to or receivable by a director or past director by way of compensation for the loss of office as director of the company or for the loss, while director of the company or on or in connection with his ceasing to be a director of it, of any other office in connection with the management of the company's affairs or of any office as director or otherwise in connection with the management of the affairs of any subsidiary of the company; and
  - (b) shall distinguish between compensation in respect of the office of director, whether of the company or its subsidiary, and compensation in respect of other offices.
- (3) References to compensation for loss of office include sums paid as consideration for or in connection with a person's retirement from office.

*Supplementary*

- 30 (1) The following applies with respect to the amounts to be shown under paragraphs 22, 28 and 29.
- (2) The amount in each case includes all relevant sums paid by or receivable from—
- (a) the company; and
  - (b) the company's subsidiaries ; and
  - (c) any other person,
- except sums to be accounted for to the company or any of its subsidiaries or, by virtue of sections 314 and 315 of this Act (duty of directors to make disclosure on company takeover; consequence of non-compliance), to past or present members of the company or any of its subsidiaries or any class of those members.
- (3) The amount to be shown under paragraph 29 shall distinguish between the sums respectively paid by or receivable from the company, the company's subsidiaries and persons other than the company and its subsidiaries.
- 31 (1) The amounts to be shown for any financial year under paragraphs 22, 28 and 29 are the sums receivable in respect of that year (whenever paid) or, in the case of sums not receivable in respect of a period, the sums paid during that year.
- (2) But where—
- (a) any sums are not shown in a note to the accounts for the relevant financial year on the ground that the person receiving them is liable to account for them as mentioned in paragraph 30(2), but the liability is thereafter wholly or partly released or is not enforced within a period of 2 years; or
  - (b) any sums paid by way of expenses allowance are charged to United Kingdom income tax after the end of the relevant financial year,

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those sums shall, to the extent to which the liability is released or not enforced or they are charged as mentioned above (as the case may be), be shown in a note to the first accounts in which it is practicable to show them and shall be distinguished from the amounts to be shown apart from this provision.

- 32 Where it is necessary to do so for the purpose of making any distinction required by the preceding paragraphs in an amount to be shown in compliance with this Part, the directors may apportion any payments between the matters in respect of which these have been paid or are receivable in such manner as they think appropriate.

#### *Interpretation*

- 33 (1) The following applies for the interpretation of paragraphs 22 to 32.
- (2) A reference to the company's subsidiary—
- (a) in relation to a person who is or was, while a director of the company, a director also, by virtue of the company's nomination (direct or indirect) of any other body corporate, includes (subject to the following sub-paragraph) that body corporate, whether or not it is or was in fact the company's subsidiary, and
  - (b) for purposes of paragraphs 22 to 28 (including any provision of this Part referring to paragraph 22) is to a subsidiary at the time the services were rendered, and for purposes of paragraph 29 to a subsidiary immediately before the loss of office as director.
- (3) The following definitions apply—
- (a) "pension" includes any superannuation allowance, superannuation gratuity or similar payment,
  - (b) "pension scheme" means a scheme for the provision of pensions in respect of services as director or otherwise which is maintained in whole or in part by means of contributions, and
  - (c) "contribution", in relation to a pension scheme, means any payment (including an insurance premium) paid for the purposes of the scheme by or in respect of persons rendering services in respect of which pensions will or may become payable under the scheme, except that it does not include any payment in respect of two or more persons if the amount paid in respect of each of them is not ascertainable.

#### *Supplementary*

- 34 This Part of this Schedule requires information to be given only so far as it is contained in the company's books and papers or the company has the right to obtain it from the persons concerned.

### **PART VI**

#### PARTICULARS RELATING TO NUMBER OF EMPLOYEES REMUNERATED AT HIGHER RATES

- 35 (1) There shall be shown by reference to each pair of adjacent points on a scale whereon the lowest point is £30,000 and the succeeding ones are successive integral multiples of £5,000 beginning with that in the case of which the multiplier is 7, the number (if



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any) of persons in the company's employment whose several emoluments exceeded the lower point but did not exceed the higher.

- (2) The persons whose emoluments are to be taken into account for this purpose do not include—
- (a) directors of the company ; or
  - (b) persons (other than directors of the company) who—
    - (i) if employed by the company throughout the financial year, worked wholly or mainly during that year outside the United Kingdom, or
    - (ii) if employed by the company for part only of that year, worked wholly or mainly during that part outside the United Kingdom.
- 36 (1) For these purposes, a person's emoluments include any paid to or receivable by him from the company, the company's subsidiaries and any other person in respect of his services as a person in the employment of the company or a subsidiary of it or as a director of a subsidiary of the company (except sums to be accounted for to the company or any of its subsidiaries).
- (2) " Emoluments" here includes fees and percentages, any sums paid by way of expenses allowance in so far as those sums are charged to United Kingdom income tax, and the estimated money value of any other benefits received by a person otherwise than in cash.
- (3) The amounts to be brought into account for the purpose of complying with paragraph 35 are the sums receivable in respect of the financial year (whenever paid) or, in the case of sums not receivable in respect of a period, the sums paid during that year.
- (4) But where—
- (a) any sums are not brought into account for the financial year on the ground that the person receiving them is liable to account for them as mentioned in sub-paragraph (1), but the liability is wholly or partly released or is not enforced within a period of 2 years ; or
  - (b) any sums paid to a person by way of expenses allowance are charged to United Kingdom income tax after the end of the financial year,
- those sums shall, to the extent to which the liability is released or not enforced or they are charged as above mentioned (as the case may be), be brought into account for the purpose of complying with paragraph 35 on the first occasion on which it is practicable to do so.
- 37 References in paragraph 36 to a company's subsidiary—
- (a) in relation to a person who is or was, while employed by the company a director, by virtue of the company's nomination (direct or indirect), of any other body corporate, include that body corporate (but subject to the following sub-paragraph), whether or not it is or was in fact the company's subsidiary ; and
  - (b) are to be taken as referring to a subsidiary at the time the services were rendered.