

SCHEDULES

SCHEDULE 8

Sections 247, 249, 250, 251, 254.

MODIFIED ACCOUNTS OF COMPANIES QUALIFYING AS SMALL OR MEDIUM SIZED

PART I

MODIFIED INDIVIDUAL ACCOUNTS

Introductory

- 1 In this Part of this Schedule—
- (a) paragraphs 2 to 6 relate to a company's individual accounts modified as for a small company.
 - (b) paragraphs 7 and 8 relate to a company's individual accounts modified as for a medium-sized company, and
 - (c) paragraphs 9 to 11 relate to both cases.

Accounts modified as for a small company

- 2 (1) In respect of the relevant financial year, there may be delivered a copy of a modified balance sheet, instead of the full balance sheet.
- (2) The modified balance sheet shall be an abbreviated version of the full balance sheet, showing only those items to which a letter or Roman number is assigned in the balance sheet format adopted under Schedule 4, Part I, but in other respects corresponding to the full balance sheet.
- (3) The copy of the modified balance sheet shall be signed as required by section 238.
- 3 A copy of the company's profit and loss account need not be delivered, nor a copy of the directors' report otherwise required by section 241.
- 4 The information required by Parts V and VI of Schedule 5 need not be given.
- 5 The information required by Schedule 4 to be given in notes to the accounts need not be given, with the exception of any information required by the following provisions of that Schedule—
- paragraph 36 (accounting policies),
 - paragraph 38 (share capital). paragraph 39 (particulars of allotments),
 - paragraph 48(1) and (4) (particulars of debts),
 - paragraph 58(1) (basis of translation of foreign currency amounts into sterling),
 - and
 - paragraph 58(2) (corresponding amounts for preceding financial year);

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and the reference here to paragraph 58(2) includes that sub-paragraph as applied to any item stated in a note to the company's accounts, whether by virtue of a requirement of Schedule 4 or under any other provision of this Act

- 6 If a modified balance sheet is delivered, there shall be disclosed in it (or in a note to the company's accounts delivered)—
- (a) the aggregate of the amounts required by note (5) of the notes on the balance sheet formats set out in Schedule 4 Part I to be shown separately for each item included under debtors (amounts falling due after one year), and
 - (b) the aggregate of the amounts required by note (13) of those notes to be shown separately for each item included under creditors in Format 2 (amounts falling due within one year or after more than one year).

Accounts modified as for a medium-sized company

- 7 (1) There may be delivered a copy of a modified profit and loss account, instead of the company's full profit and loss account (that is, the profit and loss account prepared as under section 227).
- (2) The modified profit and loss account shall, save for one exception, correspond to the full profit and loss account; and that exception is the combination as one item, under the heading "gross profit or loss ", of the following items listed in the profit and loss account formats set out in Schedule 4 Part I—
- Items 1, 2, 3 and 6 in Format 1 ;
 - Items 1 to 5 in Format 2 ;
 - Items A.1, B.1 and B.2 in Format 3 ; and
 - Items A.1, A.2 and B.1 to B.4 in Format 4.
- 8 The information required by paragraph 55 of Schedule 4 (particulars of turnover) need not be given.

Both cases

- 9 The company's balance sheet shall contain a statement by the directors that—
- (a) they rely on sections 247 to 249 of this Act as entitling them to deliver modified accounts, and
 - (b) they do so on the ground that the company is entitled to the benefit of those sections as a small or (as the case may be) a medium-sized company;
- and the statement shall appear in the balance sheet immediately above the signatures of the directors.
- 10 (1) The accounts delivered shall be accompanied by a special report of the auditors stating that in their opinion—
- (a) the directors are entitled to deliver modified accounts in respect of the financial year, as claimed in the directors' statement, and
 - (b) any accounts comprised in the documents delivered as modified accounts are properly prepared as such in accordance with this Schedule.
- (2) A copy of the auditors' report under section 236 need not be delivered : but the full text of it shall be reproduced in the special report under this paragraph.
- (3) If the directors propose to rely on sections 247 to 249 as entitling them to deliver modified accounts, it is the auditors' duty to provide them with a report stating

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whether in their opinion the directors are so entitled, and whether the documents to be delivered as modified accounts are properly prepared in accordance with this Act

11 Subject as above, where the directors rely on sections 247 to 249 in delivering any documents, and—

- (a) the company is entitled to the benefit of those sections on the ground claimed by the directors in their statement under paragraph 9, and
- (b) the accounts comprised in the documents delivered as modified accounts are properly prepared in accordance with this Schedule,

then section 241(3) has effect as if any document which by virtue of this Part of this Schedule is included in or omitted from the documents delivered as modified accounts were (or, as the case may be, were not) required by this Act to be comprised in the company's accounts in respect of the financial year.

PART II

MODIFIED GROUP ACCOUNTS (IN CONSOLIDATED FORM)

Introductory

12 In this Part of this Schedule—

- (a) paragraphs 13 to 17 relate to modified accounts for a small group, and
- (b) paragraphs 18 and 19 relate to modified accounts for a medium-sized group.

Small groups

13 (1) In respect of the relevant financial year, there may be delivered a copy of a modified balance sheet, instead of the full consolidated balance sheet

(2) The modified balance sheet shall be an abbreviated version of the full consolidated balance sheet, showing only those items to which a letter or Roman numeral is assigned in the balance sheet format adopted under Schedule 4 Part I, but in other respects corresponding to the full consolidated balance sheet.

14 A copy of the profit and loss account need not be delivered, nor a copy of the directors' report otherwise required by section 241.

15 The information required by Schedule 4 to be given in notes to group accounts need not be given, with the exception of any information required by provisions of that Schedule listed in paragraph 5 above.

16 There shall be disclosed in the modified balance sheet, or in a note to the group accounts delivered, aggregate amounts corresponding to those specified in paragraph 6 above.

17 The information required by Parts V and VI of Schedule 5 need not be given.

Medium-sized groups

18 (1) There may be delivered a copy of a modified profit and loss account, instead of a full consolidated profit and loss account prepared as under section 229.

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- (2) The modified profit and loss account shall, save for one exception, correspond to the full consolidated profit and loss account; and that exception is the combination as one item, under the heading " gross profit or loss", of the items listed in the profit and loss account formats set out in Schedule 4 Part I which are specified in paragraph 7(2) above.
- 19 The information required by paragraph 55 of Schedule 4 (particulars of turnover) need not be given.

PART III

MODIFIED GROUP ACCOUNTS (CONSOLIDATED OR OTHER)

- 20 If modified group accounts are delivered, the following paragraphs apply.
- 21 The directors' statement required by paragraph 9 to be contained in the balance sheet shall include a statement that the documents delivered include modified group accounts, in reliance on section 250.
- 22 (1) The auditors' special report under paragraph 10 shall include a statement that in their opinion—
- (a) the directors are entitled to deliver modified group accounts, as claimed in their statement in the balance sheet, and
 - (b) any accounts comprised in the documents delivered as modified group accounts are properly prepared as such in accordance with this Schedule.
- (2) A copy of the auditors' report under section 236 need not be delivered ; but the full text of it shall be reproduced in the special report under paragraph 10.
- (3) If the directors propose to rely on section 250 as entitling them to deliver modified group accounts, it is the auditors' duty to provide them with a report stating whether in their opinion the directors are so entitled, and whether the documents to be delivered as modified group accounts are properly prepared in accordance with this Schedule.
- 23 Subject as above, where the directors rely on section 250 in delivering any documents, and
- (a) the company is entitled to the benefit of that section on the ground claimed by the directors in their statement in the balance sheet, and
 - (b) the accounts comprised in the documents delivered as modified accounts are properly prepared in accordance with this Schedule,
- then section 241(3) has effect as if any document which by virtue of this Schedule is included in or omitted from the documents delivered as modified group accounts were (or, as the case may be, were not) required by this Act to be comprised in the company's accounts in respect of the financial year.