

## SCHEDULE 1

### COMPANIES ACT INDIVIDUAL ACCOUNTS: COMPANIES WHICH ARE NOT BANKING OR INSURANCE COMPANIES

## PART 2

### ACCOUNTING PRINCIPLES AND RULES

#### SECTION A

#### ACCOUNTING PRINCIPLES

##### **Preliminary**

**10.**—(1) The amounts to be included in respect of all items shown in a company's accounts must be determined in accordance with the principles set out in this Section.

(2) But if it appears to the company's directors that there are special reasons for departing from any of those principles in preparing the company's accounts in respect of any financial year they may do so, in which case particulars of the departure, the reasons for it and its effect must be given in a note to the accounts.

##### **Accounting principles**

**11.** The company is presumed to be carrying on business as a going concern.

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

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

- (a) only profits realised at the balance sheet date are to be included in the profit and loss account, and
- (b) all liabilities which have arisen in respect of the financial year to which the accounts relate or a previous financial year must 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 accordance with section 414 of the 2006 Act (approval and signing of accounts).

**14.** All income and charges relating to the financial year to which the accounts relate must be taken into account, without regard to the date of receipt or payment.

**15.** In determining the aggregate amount of any item, the amount of each individual asset or liability that falls to be taken into account must be determined separately.