3. EXEMPTION

The Companies (Shipping Companies Exemption) Order, 1948

1948 No. 1723

Made - - - - 22nd July, 1948

Whereas subparagraph (1) of paragraph 25 of Part III of the Eighth Schedule to the Companies Act, 1948(a), (hereinafter called " the Act ") provides that a company to which that paragraph applies shall not be subject to certain requirements of Part I of that Schedule (which contains general provisions as to balance sheet and profit and loss account), and that a company taking advantage of that paragraph shall be subject, instead of those requirements, to any prescribed conditions as respects matters to be stated in its accounts or by way of note thereto and as respects information to be furnished to the Board of Trade (hereinafter called " the Board ") or a person authorised by them to require it, and

Whereas subparagraph (3) of that paragraph provides that the paragraph applies to companies of any class prescribed for the purposes thereof, and that a class of companies may be so prescribed if it appears to the Board desirable in the national interest, and

Whereas by section 455 of the Act " prescribed " means prescribed by statutory instrument made by the Board, and

Whereas it appears to the Board desirable in the national interest that shipping companies should be enabled to take advantage of the said paragraph,

Now therefore—

1. The Board hereby prescribe shipping companies for the purposes of the said paragraph and further prescribe that any company of that class which takes advantage of that paragraph shall be subject to the following conditions:—

(1) In every balance sheet of the company there shall be included the following note:—

> " By the Companies (Shipping Companies Exemption) Order, 1948, the Company is exempt from disclosing certain information relating to reserves and provisions and changes therein and certain details of fixed assets and the depreciation thereof, and these accounts have been prepared accordingly."

(2) If, in respect of any period for which accounts of the company are made up—

(*a*) any sum is transferred to the profit and loss account from a reserve or from a provision (being an amount not required for the purpose for which the provision was set aside), or

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(a) 11 & 12 Geo. 6. c. 38.

(*b*) the amount stated for the company's profit or loss has been arrived at after setting aside an amount (if material) to reserves or provisions, other than provisions for depreciation, renewals, or diminution in value of assets, or

(*c*) the aggregate amount of dividends paid or proposed to be paid for the period exceeds the profits for that period including any amount carried forward from the profit and loss account of the preceding period but excluding any sum to which sub-paragraph (*a*) of this paragraph relates

these facts shall be clearly indicated in the accounts by way of note or otherwise, and unless the amount of the sum referred to in subparagraph (*a*) of this paragraph is disclosed in the accounts, a statement in writing showing that amount shall be sent to the Board and the Ministry of Transport for their confidential information as soon as practicable after the date of the annual general meeting at which such accounts are laid before the company and not later than the date of the annual return relating to that period.

(3) Where in any balance sheet of the company capital reserves, revenue reserves or provisions (other than provisions for depreciation, renewals or diminution in value of assets) are not stated separately, any heading under which is set out an amount arrived at after taking into account such a reserve or provision shall be so framed or marked as to indicate that fact.

(4) The profit and loss account shall indicate whether the amount stated for the company's profit or loss has been arrived at before or after providing for depreciation, renewals or diminution in value of fixed assets.

(5) The Company, if so required by notice in writing from the Board, shall furnish to the Board or to an officer appointed by the Board such information with regard to its accounts as the Board may require.

2. In this Order " shipping companies " means companies in respect of each of which the Board are satisfied that the greater part of its undertaking consists either directly or through a subsidiary of the ownership, management or operation of ships other than ships employed wholly or mainly on voyages between ports within the United Kingdom, Eire, the Channel Islands and the Isle of Man.

3. Nothing in this Order shall be taken to exempt a company from complying with the requirements of the Act relating to prospectuses, statements in lieu of prospectuses or offers of shares or debentures for sale.

4. This Order may be cited as The Companies (Shipping Companies Exemption) Order, 1948.

Dated this 22nd day of July, 1948.

E. H. Marker,
An authorised Officer of the
Board of Trade.