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SCHEDULES

SCHEDULE 9

FORM AND CONTENT OF SPECIAL CATEGORY ACCOUNTS

PART V

INTERPRETATION OF SCHEDULE

- 32 (1) For the purposes of this Schedule, unless the context otherwise requires,—
- (a) the expression " provision " shall, subject to sub-paragraph (2) of this paragraph, mean any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability of which the amount cannot be determined with substantial accuracy ;
 - (b) the expression " reserve" shall not, subject as aforesaid, include any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability or any sum set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation ';
- and in this paragraph the expression "liability" shall include all liabilities in respect of expenditure contracted for and all disputed or contingent liabilities.
- (2) Where—
- (a) any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets; or
 - (b) any amount retained by way of providing for any known liability;
- is in excess of that which in the opinion of the directors is reasonably necessary for the purpose, the excess shall be treated for the purposes of this Schedule as a reserve and not as a provision.
- 33 For the purposes aforesaid, the expression " listed investment" means an investment as respects which there has been granted a listing on a recognised stock exchange, or on any stock exchange of repute outside Great Britain and the expression " unlisted investment " shall be construed accordingly.
- 34 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.
- 35 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.

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- 36 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.