

*These notes refer to the Capital Allowances Act 2001
(c.2) which received Royal Assent on 22nd March 2001*

CAPITAL ALLOWANCES ACT 2001

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Glossary

Part 2: Plant and machinery allowances

Chapter 5: Allowances and charges

Section 54: The different kinds of pools

273. This section sets out explicitly the different types of pool. In CAA 1990 the class pools and single asset pools are notional trades. The main pool is the default for the actual trade – or the activity treated as a trade.
274. *Subsection (2)* provides that a single asset pool cannot contain expenditure in respect of more than one asset. CAA 1990 achieves this by creating a notional trade for expenditure on the provision of an asset separate from any other trade carried on.
275. *Subsection (3)* points to provisions which determine if qualifying expenditure has to be allocated to a single asset pool (if it is allocated to a pool).
276. *Subsection (4)* and *(5)* provide similarly for class pools.
277. *Subsection (6)* provides what is the default rule in CAA 1990. This is that expenditure can only be allocated to the main pool if it does not have to be allocated to a class or single asset pool.

Figure 2: example of requirement that expenditure relating to the different activities must not be allocated to the same pool.

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