

SCHEDULE 1

NON-IAS INDIVIDUAL ACCOUNTS

PART 2

ACCOUNTING PRINCIPLES AND RULES

Miscellaneous and supplementary provisions

Excess of money owed over value received as an asset item

25.—(1) Where the amount repayable on any debt owed by an LLP is greater than the value of the consideration received in the transaction giving rise to the debt, the amount of the difference may be treated as an asset.

(2) Where any such amount is so treated—

- (a) it must be written off by reasonable amounts each year and must be completely written off before repayment of the debt, and
- (b) if the current amount is not shown as a separate item in the LLP's balance sheet, it must be disclosed in a note to the accounts.

Assets included at a fixed amount

26.—(1) Subject to sub-paragraph (2), assets which fall to be included—

- (a) amongst the fixed assets of an LLP under the item “tangible assets”, or
- (b) amongst the current assets of an LLP under the item “raw materials and consumables”,

may be included at a fixed quantity and value.

(2) Sub-paragraph (1) applies to assets of a kind which are constantly being replaced where—

- (a) their overall value is not material to assessing the LLP's state of affairs, and
- (b) their quantity, value and composition are not subject to material variation.

Determination of purchase price or production cost

27.—(1) The purchase price of an asset is to be determined by adding to the actual price paid any expenses incidental to its acquisition.

(2) The production cost of an asset is to be determined by adding to the purchase price of the raw materials and consumables used the amount of the costs incurred by the LLP which are directly attributable to the production of that asset.

(3) In addition, there may be included in the production cost of an asset—

- (a) a reasonable proportion of the costs incurred by the LLP which are only indirectly attributable to the production of that asset, but only to the extent that they relate to the period of production, and
- (b) interest on capital borrowed to finance the production of that asset, to the extent that it accrues in respect of the period of production,

provided, however, in a case within paragraph (b), that the inclusion of the interest in determining the cost of that asset and the amount of the interest so included is disclosed in a note to the accounts.

(4) In the case of current assets distribution costs may not be included in production costs.

Status: This is the original version (as it was originally made).

28.—(1) The purchase price or production cost of—

- (a) any assets which fall to be included under any item shown in an LLP’s balance sheet under the general item “stocks”, and
- (b) any assets which are fungible assets (including investments),

may be determined by the application of any of the methods mentioned in sub-paragraph (2) in relation to any such assets of the same class, provided that the method chosen is one which appears to the members to be appropriate in the circumstances of the LLP.

(2) Those methods are—

- (a) the method known as “first in, first out” (FIFO),
- (b) the method known as “last in, first out” (LIFO),
- (c) a weighted average price, and
- (d) any other method similar to any of the methods mentioned above.

(3) For the purposes of this paragraph, assets of any description must be regarded as fungible if assets of that description are substantially indistinguishable one from another.

Substitution of original stated amount where price or cost unknown

29.—(1) This paragraph applies where—

- (a) there is no record of the purchase price or production cost of any asset of an LLP or of any price, expenses or costs relevant for determining its purchase price or production cost in accordance with paragraph 27, or
- (b) any such record cannot be obtained without unreasonable expense or delay.

(2) In such a case, the purchase price or production cost of the asset must be taken, for the purposes of paragraphs 17 to 24, to be the value ascribed to it in the earliest available record of its value made on or after its acquisition or production by the LLP.