

SCHEDULE 1

NON-IAS INDIVIDUAL ACCOUNTS

PART 2

ACCOUNTING PRINCIPLES AND RULES

SECTION C

ALTERNATIVE ACCOUNTING RULES

Preliminary

30.—(1) The rules set out in Section B are referred to below in this Schedule as the historical cost accounting rules.

(2) Those rules, with the omission of paragraphs 16, 22 and 26 to 29, are referred to below in this Part of this Schedule as the depreciation rules; and references below in this Schedule to the historical cost accounting rules do not include the depreciation rules as they apply by virtue of paragraph 33.

31. Subject to paragraphs 33 to 35, the amounts to be included in respect of assets of any description mentioned in paragraph 32 may be determined on any basis so mentioned.

Alternative accounting rules

32.—(1) Intangible fixed assets, other than goodwill, may be included at their current cost.

(2) Tangible fixed assets may be included at a market value determined as at the date of their last valuation or at their current cost.

(3) Investments of any description falling to be included under item A III of either of the balance sheet formats set out in Part 1 of this Schedule may be included either—

(a) at a market value determined as at the date of their last valuation, or

(b) at a value determined on any basis which appears to the members to be appropriate in the circumstances of the LLP.

But in the latter case particulars of the method of valuation adopted and of the reasons for adopting it must be disclosed in a note to the accounts.

(4) Investments of any description falling to be included under item B III of either of the balance sheet formats set out in Part 1 of this Schedule may be included at their current cost.

(5) Stocks may be included at their current cost.

Application of the depreciation rules

33.—(1) Where the value of any asset of an LLP is determined on any basis mentioned in paragraph 32, that value must be, or (as the case may require) be the starting point for determining, the amount to be included in respect of that asset in the LLP's accounts, instead of its purchase price or production cost or any value previously so determined for that asset.

The depreciation rules apply accordingly in relation to any such asset with the substitution for any reference to its purchase price or production cost of a reference to the value most recently determined for that asset on any basis mentioned in paragraph 32.

Status: This is the original version (as it was originally made).

(2) The amount of any provision for depreciation required in the case of any fixed asset by paragraphs 18 to 20 as they apply by virtue of sub-paragraph (1) is referred to below in this paragraph as the adjusted amount, and the amount of any provision which would be required by any of those paragraphs in the case of that asset according to the historical cost accounting rules is referred to as the historical cost amount.

(3) Where sub-paragraph (1) applies in the case of any fixed asset the amount of any provision for depreciation in respect of that asset—

- (a) included in any item shown in the profit and loss account in respect of amounts written off assets of the description in question, or
- (b) taken into account in stating any item so shown which is required by note (12) of the notes on the profit and loss account formats set out in Part 1 of this Schedule to be stated after taking into account any necessary provision for depreciation or diminution in value of assets included under it,

may be the historical cost amount instead of the adjusted amount, provided that the amount of any difference between the two is shown separately in the profit and loss account or in a note to the accounts.

Additional information to be provided in case of departure from historical cost accounting rules

34.—(1) This paragraph applies where the amounts to be included in respect of assets covered by any items shown in an LLP's accounts have been determined on any basis mentioned in paragraph 32.

(2) The items affected and the basis of valuation adopted in determining the amounts of the assets in question in the case of each such item must be disclosed in a note to the accounts.

(3) In the case of each balance sheet item affected (except stocks) either—

- (a) the comparable amounts determined according to the historical cost accounting rules, or
- (b) the differences between those amounts and the corresponding amounts actually shown in the balance sheet in respect of that item,

must be shown separately in the balance sheet or in a note to the accounts.

(4) In sub-paragraph (3), references in relation to any item to the comparable amounts determined as there mentioned are references to—

- (a) the aggregate amount which would be required to be shown in respect of that item if the amounts to be included in respect of all the assets covered by that item were determined according to the historical cost accounting rules, and
- (b) the aggregate amount of the cumulative provisions for depreciation or diminution in value which would be permitted or required in determining those amounts according to those rules.

Revaluation reserve

35.—(1) With respect to any determination of the value of an asset of an LLP on any basis mentioned in paragraph 32, the amount of any profit or loss arising from that determination (after allowing, where appropriate, for any provisions for depreciation or diminution in value made otherwise than by reference to the value so determined and any adjustments of any such provisions made in the light of that determination) must be credited or (as the case may be) debited to a separate reserve (“the revaluation reserve”).

(2) The amount of the revaluation reserve must be shown in the LLP's balance sheet under a separate sub-heading in the position given for the item “revaluation reserve” in Format 1 or 2 of the balance sheet formats set out in Part 1 of this Schedule, but need not be shown under that name.

(3) The treatment for taxation purposes of amounts credited or debited to the revaluation reserve must be disclosed in a note to the accounts.