

SCHEDULE 1

COMPANIES ACT INDIVIDUAL ACCOUNTS: COMPANIES WHICH ARE NOT BANKING OR INSURANCE COMPANIES

PART 2

ACCOUNTING PRINCIPLES AND RULES

SECTION B

HISTORICAL COST ACCOUNTING RULES

Fixed assets

Rules for depreciation and diminution in value

19.—(1) Where a fixed asset investment falling to be included under item B.III of either of the balance sheet formats set out in Part 1 of this Schedule has diminished in value, provisions for diminution in value may be made in respect of it and the amount to be included in respect of it may be reduced accordingly.

(2) Provisions for diminution in value must be made in respect of any fixed asset which has diminished in value if the reduction in its value is expected to be permanent (whether its useful economic life is limited or not), and the amount to be included in respect of it must be reduced accordingly.

(3) Any provisions made under sub-paragraph (1) or (2) which are not shown in the profit and loss account must be disclosed (either separately or in aggregate) in a note to the accounts.