
STATUTORY INSTRUMENTS

2015 No. 980

The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015

PART 4

Amendment of the Large and Medium-sized Companies Accounts Regulations

Amendment of Part 2 (accounting principles and rules) of Schedule 2 to the Large and Medium-sized Companies Accounts Regulations

32.—(1) Part 2 of Schedule 2 to the Large and Medium-sized Companies Accounts Regulations is amended as follows.

(2) In Section A (accounting principles)—

(a) at paragraph 18, after the word “policies”, insert “ and measurement bases ”,

(b) at paragraph 19—

(i) omit the word “and” at the end of sub-paragraph (a),

(ii) insert the word “ and ” at the end of sub-paragraph (b),

(iii) insert the following sub-paragraph after sub-paragraph (b)—

“(c) all provisions for diminution of value must be recognised, whether the result of the financial year is a profit or a loss.”, and

(c) after paragraph 21, insert—

“**21A.** The opening balance sheet for each financial year shall correspond to the closing balance sheet for the preceding financial year.”.

(3) In Section B (historical cost accounting rules)—

(a) for paragraph 25(4), substitute—

“(4) Provisions made under this paragraph must be charged to the profit and loss account and disclosed separately in a note to the accounts if they have not been shown separately in the profit and loss account.”,

(b) for paragraph 26(2), substitute—

“(2) Any amounts written back under sub-paragraph (1) must be recognised in the profit and loss account and disclosed separately in a note to the accounts if not shown separately in the profit and loss account.”,

(c) for paragraphs 27 and 28 substitute—

“Intangible assets

27.—(1) Where this is in accordance with generally accepted accounting principles or practice, development costs may be included under assets item 9 in the balance sheet format.

(2) If any amount is included in a company's balance sheet in respect of development costs, the note on accounting policies (see paragraph 53 of this Schedule) must include the following information—

- (a) the period over which the amount of those costs originally capitalised is being or is to be written off, and
- (b) the reasons for capitalising the development costs in question.

28.—(1) Intangible assets must be written off over the useful economic life of the intangible asset.

(2) Where in exceptional cases the useful life of intangible assets cannot be reliably estimated, such assets must be written off over a period chosen by the directors of the company.

(3) The period referred to in sub-paragraph (2) must not exceed ten years.

(4) There must be disclosed in a note to the accounts the period referred to in sub-paragraph (2) and the reasons for choosing that period.”

(d) at the end of paragraph 35(1), add the words “ and then subtracting any incidental reductions in the cost of acquisition ”, and

(e) for the words “similar to any of the methods mentioned above” in sub-paragraph (2)(d) of paragraph 36, substitute “ reflecting generally accepted best practice ”.

(4) In Section C (alternative accounting rules)—

(a) omit sub-paragraph (4) of paragraph 40,

(b) in paragraph 42(2), for the words “a note to the accounts”, substitute “ the note on accounting policies (see paragraph 53 of this Schedule) ”,

(c) for paragraph 42(3), substitute—

“(3) In the case of each balance sheet item affected, the comparable amounts determined according to the historical cost accounting rules must be shown in a note to the accounts.”, and

(d) in paragraph 43(2), omit the words “but need not be shown under that name”.

(5) In Section D (fair value accounting)—

(a) for paragraph 44(4), substitute—

“(4) Financial instruments which under international accounting standards may be included in accounts at fair value, may be so included, provided that the disclosures required by such accounting standards are made.”, and

(b) for paragraph 47, substitute—

“Other assets that may be included at fair value

47.—(1) This paragraph applies to—

- (a) investment property, and
- (b) living animals and plants.

(2) Such investment property and living animals and plants may be included at fair value, provided that, as the case may be, all such investment property or living animals and plants are so included where their fair value can be reliably determined.

(3) In this paragraph, “fair value” means fair value determined in accordance with generally accepted accounting principles or practice.”

Changes to legislation:

There are currently no known outstanding effects for the The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015, Section 32.