
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 3 to the Large and Medium-sized Companies Accounts Regulations

35.—(1) Part 2 of Schedule 3 to the Large and Medium-sized Companies Accounts Regulations is amended as follows.

(2) In Section A (accounting principles)—

(a) at paragraph 17, after the word “policies”, insert “ and measurement bases ”.

(b) at paragraph 18—

(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 20, insert—

“**20A.** The opening balance sheet for each financial year shall correspond to the closing balance sheet for the preceding financial year.”.

(3) In Section C (valuation at fair value)—

(a) for paragraph 30(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 33, substitute—

“Other assets that may be included at fair value

33.—(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.”

(4) In Section D (historical cost accounting rules)—

(a) for paragraphs 41 and 42, substitute—

“Intangible assets

41.—(1) Where this is in accordance with generally accepted accounting principles or practice, development costs may be included under assets item B (intangible assets) 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 61 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.

42.—(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.”

- (b) at the end of paragraph 45(1), add the words “ and then subtracting any incidental reductions in the cost of acquisition ”, and
- (c) for the words “similar to any of the methods mentioned above” in sub-paragraph (2)(d) of paragraph 46, substitute “ reflecting generally accepted best practice ”.

Changes to legislation:

There are currently no known outstanding effects for the The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015, Section 35.