

## SCHEDULE 1

### NON-IAS INDIVIDUAL ACCOUNTS

## PART 2

### ACCOUNTING PRINCIPLES AND RULES

#### *Fixed assets*

#### **General rules**

**17.**—(1) The amount to be included in respect of any fixed asset must be its purchase price or production cost.

(2) This is subject to any provision for depreciation or diminution in value made in accordance with paragraphs 18 to 20.

#### **Rules for depreciation and diminution in value**

**18.** In the case of any fixed asset which has a limited useful economic life, the amount of—

- (a) its purchase price or production cost, or
- (b) where it is estimated that any such asset will have a residual value at the end of the period of its useful economic life, its purchase price or production cost less that estimated residual value,

must be reduced by provisions for depreciation calculated to write off that amount systematically over the period of the asset's useful economic life.

**19.**—(1) Where a fixed asset investment falling to be included under item A.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.

[<sup>F1</sup>(3) Provisions made under sub-paragraph (1) or (2) must be charged to the profit and loss account and disclosed separately in a note to the accounts if not shown separately in the profit and loss account.]

#### **Textual Amendments**

- F1** Sch. 1 Pt. 2 s. B para. 19(3) substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **53(a)**

**20.**—(1) Where the reasons for which any provision was made in accordance with paragraph 19 have ceased to apply to any extent, that provision must be written back to the extent that it is no longer necessary.

**Changes to legislation:** There are currently no known outstanding effects for the The Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008, Cross Heading: Fixed assets. (See end of Document for details)

[<sup>F2</sup>(1A) But provision made in accordance with paragraph 19(2) in respect of goodwill must not be written back to any extent.]

[<sup>F3</sup>(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.]

#### Textual Amendments

- F2** Sch. 1 Pt. 2 s. B para. 20(1A) inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **53(b)(i)**
- F3** Sch. 1 Pt. 2 s. B para. 20(2) substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **53(b)(ii)**

#### Textual Amendments

- F1** Sch. 1 Pt. 2 s. B para. 19(3) substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **53(a)**
- F2** Sch. 1 Pt. 2 s. B para. 20(1A) inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **53(b)(i)**
- F3** Sch. 1 Pt. 2 s. B para. 20(2) substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **53(b)(ii)**

#### [<sup>F4</sup>Intangible Assets

**21.**—(1) Where this is in accordance with generally accepted accounting principles or practice, development costs may be included in “other intangible assets” under “fixed assets” in the balance sheet formats set out in Section B of Part 1 of this Schedule.

(2) If any amount is included in an LLP’s balance sheet in respect of development costs, the note on accounting policies (see paragraph 44 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.

#### Textual Amendments

- F4** Sch. 1 Pt. 2 s. B paras. 21 22 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **53(c)**

**22.**—(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 members of the LLP.

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

**Changes to legislation:** There are currently no known outstanding effects for the The Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008, Cross Heading: Fixed assets. (See end of Document for details)

(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.]

**Textual Amendments**

**F4** Sch. 1 Pt. 2 s. B paras. 21 22 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **53(c)**

**Textual Amendments**

**F4** Sch. 1 Pt. 2 s. B paras. 21 22 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **53(c)**

**Current assets**

**23.** Subject to paragraph 24, the amount to be included in respect of any current asset must be its purchase price or production cost.

**24.—(1)** If the net realisable value of any current asset is lower than its purchase price or production cost, the amount to be included in respect of that asset must be the net realisable value.

(2) Where the reasons for which any provision for diminution in value was made in accordance with sub-paragraph (1) have ceased to apply to any extent, that provision must be written back to the extent that it is no longer necessary.

**Changes to legislation:**

There are currently no known outstanding effects for the The Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008, Cross Heading: Fixed assets.