

## SCHEDULE 2

### BANKING COMPANIES: COMPANIES ACT INDIVIDUAL ACCOUNTS

## PART 2

### ACCOUNTING PRINCIPLES AND RULES

#### SECTION D

#### FAIR VALUE ACCOUNTING

##### **Assets and liabilities denominated in foreign currencies**

**51.**—(1) Subject to sub-paragraph (2), any difference between the amount to be included in respect of an asset or liability under paragraph 50 and the book value, after translation into sterling (or the currency in which the accounts are drawn up) at an appropriate rate, of that asset or liability must be credited or, as the case may be, debited to the profit and loss account.

(2) In the case, however, of assets held as financial fixed assets, of assets to be included under assets items 9 (intangible fixed assets) and 10 (tangible fixed assets) in the balance sheet format and of transactions undertaken to cover such assets, any such difference may be deducted from or credited to any non-distributable reserve available for the purpose.