

## SCHEDULES

### SCHEDULE 25

#### LOAN RELATIONSHIPS

##### PART 1

##### AMENDMENTS OF THE FINANCE ACT 1996

###### *Debits and credits brought into account*

- 4 (1) Section 84 is amended as follows.
- (2) In subsection (2)(b) (which provides that the reference in subsection (1) to profits, gains and losses includes any which, in accordance with normal accountancy practice, are carried to or sustained by certain reserves) for “normal accountancy practice” substitute “generally accepted accounting practice”.
- (3) After subsection (4) insert—
- “(4A) Where—
- (a) different authorised accounting methods are used for the purposes of this Chapter as respects the same loan relationship for different parts of the same accounting period or for successive accounting periods, and
  - (b) no debit or credit falls to be brought into account under subsection (2)(c) or (3)(b) of section 90 below in consequence of the change of method, but
  - (c) an amount is brought into account for the purposes of the company’s statutory accounts in respect of the change of method,
- that amount shall be taken for the purposes of this Chapter to be included among the sums in respect of which debits and credits fall to be brought into account for the purposes of this Chapter in accordance with subsection (1) (a) above.”.