

SCHEDULES

SCHEDULE 29

GAINS AND LOSSES OF A COMPANY FROM INTANGIBLE FIXED ASSETS

PART 5

CALCULATION OF TAX WRITTEN DOWN VALUE

Asset written down at fixed rate

- 28 (1) For the purposes of this Schedule the tax written down value of an intangible fixed asset in respect of which an election has been made under paragraph 10 (election for writing down at fixed rate) is given by:

Tax Cost – Debits

where—

Tax Cost is the cost of the asset recognised for tax purposes; and

Debits is the total amount of the debits previously brought into account for tax purposes in respect of the asset under paragraph 11 (writing down on fixed-rate basis: calculation).

- (2) Subject to any adjustment required for tax purposes, the cost of the asset recognised for tax purposes is the same as the amount of the expenditure on the asset that is capitalised for accounting purposes.
- (3) This paragraph has effect subject to paragraph 29 in the case of an asset that has been the subject of a part realisation.