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SCHEDULES.

EIGHTH SCHEDULE

ACCOUNTS.

PART IV

INTERPRETATION OF SCHEDULE.

- 27 (1) For the purposes of this Schedule, unless the context otherwise requires,—
- (a) the expression “provision ” shall, subject to sub-paragraph (2) of this paragraph, mean any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability of which the amount cannot be determined with substantial accuracy ;
 - (b) the expression “reserve” shall not, subject as aforesaid, include any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability ;
 - (c) the expression “capital reserve” shall not include any amount regarded as free for distribution through the profit and loss account and the expression “revenue reserve” shall mean any reserve other than a capital reserve ;
- and in this paragraph the expression “liability ” shall include all liabilities in respect of expenditure contracted for and all disputed or contingent liabilities.
- (2) Where—
- (a) any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, not being an amount written off in relation to fixed assets before the commencement of this Act; or
 - (b) any amount retained by way of providing for any known liability ;
- is in excess of that which in the opinion of the directors is reasonably necessary for the purpose, the excess shall be treated for the purposes of this Schedule as a reserve and not as a provision.
- 28 For the purposes aforesaid, the expression “quoted investment ” means an investment as respects which there has been granted a quotation or permission to deal on a recognised stock exchange, or on any stock exchange of repute outside Great Britain, and the expression “unquoted investment ” shall be construed accordingly.