

## SCHEDULE 1

### Form and Content of Accounts of Insurance Companies and Groups

#### PART I

##### Individual Accounts

##### Chapter II

##### Accounting Principles and Rules

##### *Section C*

##### *Historical Cost Accounting Rules*

#### **Miscellaneous and supplemental**

##### *Determination of cost*

**39.**—(1) The cost of an asset that has been acquired by the company shall be determined by adding to the actual price paid any expenses incidental to its acquisition.

(2) The cost of an asset constructed by the company shall be determined by adding to the purchase price of the raw materials and consumables used the amount of the costs incurred by the company which are directly attributable to the construction of that asset.

(3) In addition, there may be included in the cost of an asset constructed by the company —

(a) a reasonable proportion of the costs incurred by the company which are only indirectly attributable to the construction of that asset, but only to the extent that they relate to the period of construction; and

(b) interest on capital borrowed to finance the construction of that asset, to the extent that it accrues in respect of the period of construction;

provided, however, in a case within sub-paragraph (b) above, that the inclusion of the interest in determining the cost of that asset and the amount of the interest so included is disclosed in a note to the accounts.