

## SCHEDULE 1

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

#### PART I

##### Individual Accounts

##### Chapter II

##### Accounting Principles and Rules

##### *Section B*

##### *Current Value Accounting Rules*

#### **Revaluation reserve**

**29.**—(1) Subject to sub-paragraph (7) below, with respect to any determination of the value of an asset of a company in accordance with paragraph 22 or 23 above, the amount of any profit or loss arising from that determination (after allowing, where appropriate, for any provisions for depreciation or diminution in value made otherwise than by reference to the value so determined and any adjustments of any such provisions made in the light of that determination) shall be credited or (as the case may be) debited to a separate reserve (“the revaluation reserve”).

(2) The amount of the revaluation reserve shall be shown in the company’s balance sheet under Liabilities item A.III, but need not be shown under the name “revaluation reserve”.

(3) An amount may be transferred from the revaluation reserve—

- (a) to the profit and loss account, if the amount was previously charged to that account or represents realised profit, or
- (b) on capitalisation;

and the revaluation reserve shall be reduced to the extent that the amounts transferred to it are no longer necessary for the purposes of the valuation method used.

(4) In sub-paragraph (3)(b) “capitalisation”, in relation to an amount standing to the credit of the revaluation reserve, means applying it in wholly or partly paying up unissued shares in the company to be allotted to members of the company as fully or partly paid shares.

(5) The revaluation reserve shall not be reduced except as mentioned in this paragraph.

(6) The treatment for taxation purposes of amounts credited or debited to the revaluation reserve shall be disclosed in a note to the accounts.

(7) This paragraph does not apply to the difference between the valuation of investments and their purchase price or previous valuation shown in the long term business technical account or the non-technical account in accordance with note (9) on the profit and loss account format.