

SCHEDULE 3

INSURANCE COMPANIES: COMPANIES ACT INDIVIDUAL ACCOUNTS

PART 2

ACCOUNTING PRINCIPLES AND RULES

SECTION B

CURRENT VALUE ACCOUNTING RULES

Meaning of “current value”

25.—(1) Subject to sub-paragraph (5), in the case of investments other than land and buildings, current value means market value determined in accordance with this paragraph.

(2) In the case of listed investments, market value means the value on the balance sheet date or, when the balance sheet date is not a stock exchange trading day, on the last stock exchange trading day before that date.

(3) Where a market exists for unlisted investments, market value means the average price at which such investments were traded on the balance sheet date or, when the balance sheet date is not a trading day, on the last trading day before that date.

(4) Where, on the date on which the accounts are drawn up, listed or unlisted investments have been sold or are to be sold within the short term, the market value must be reduced by the actual or estimated realisation costs.

(5) Except where the equity method of accounting is applied, all investments other than those referred to in sub-paragraphs (2) and (3) must be valued on a basis which has prudent regard to the likely realisable value.