

SCHEDULE 9

INTERPRETATION OF TERM “PROVISIONS”

PART 1

MEANING FOR PURPOSES OF THESE REGULATIONS

Definition of “Provisions”

1.—(1) In these Regulations, references to provisions for depreciation or diminution in value of assets are to any amount written off by way of providing for depreciation or diminution in value of assets.

(2) Any reference in the profit and loss account formats or the notes to them set out in Schedule 1, 2 or 3 to these Regulations to the depreciation of, or amounts written off, assets of any description is to any provision for depreciation or diminution in value of assets of that description.

2. References in these Regulations to provisions for liabilities or, in the case of insurance companies, to provisions for other risks are to any amount retained as reasonably necessary for the purpose of providing for any liability the nature of which is clearly defined and which is either likely to be incurred, or certain to be incurred but uncertain as to amount or as to the date on which it will arise.