

GIBRALTAR STATEMENT OF STANDARD ACCOUNTING PRACTICE No.19 INTERPRETATIVE NOTE

(Issued June 1995; revised December 2001)

This interpretative note should be read in conjunction with the Explanatory Foreword to Gibraltar Accounting Standards.

REFERENCE

Statement of Standard Accounting Practice No.19 – “Accounting for investment properties”, as amended by FRS3, together with this interpretative note will be referred to collectively as Gibraltar Statement of Standard Accounting Practice No.19 – “Accounting for investment properties” (“GSSAP 19”).

LEGAL REQUIREMENTS IN GIBRALTAR²

The application of this GSSAP will usually be a departure from the legal accounting requirement to provide depreciation on any fixed asset which has a limited useful life. In this circumstance there must be included in the notes to the accounts particulars of that departure, an explanation of the reasons for it and a statement of its effect.

APPLICATION TO SMALLER ENTITIES

Reporting entities applying the Gibraltar Financial Reporting Standard for Smaller Entities currently applicable are exempt from this accounting standard.

However, reference should be made to the legal requirements section of this GSSAP to establish whether application of the FRSSE (or part thereof) would constitute a departure from any Gibraltar legal accounting requirements.

DATE FROM WHICH EFFECTIVE

The accounting and disclosure requirements set out in this GSSAP should be adopted as soon as possible and regarded as recommended practice in respect of the later of (i) accounting periods ending on or after 31 December 2001 and (ii) the effective date as stipulated in the UK standard.

² *Prior to the enactment of the Companies (Accounts) Ordinance 1999 (which came into operation on 1 April 2000 and applies to the accounts of a company for financial periods beginning on or after 1 April 2000) there were no specific legal requirements for the depreciation of fixed assets.*