

GIBRALTAR STATEMENT STANDARD OF ACCOUNTING PRACTICE No.21 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.21 – “Accounting for leases and hire purchase contracts”, together with this interpretative note will be referred to collectively as Gibraltar Statement of Standard Accounting Practice No.21 - “Accounting for leases and hire purchase contracts” (“GSSAP 21”).

LEGAL REQUIREMENTS IN GIBRALTAR

There are no legal requirements governing the accounting treatment of leases or hire purchase contracts. Application of the requirements of this GSSAP will not therefore contravene legal requirements in Gibraltar.

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.
