

Interest charged to capital. CTA76 s128 553.—Where—

(a) a company incurs expenditure on the construction of any building, structure or works, being expenditure allowable as a deduction under section 552 in computing a gain accruing to the company on the disposal of the building, structure or works, or of any asset comprising the building, structure or works,

(b) that expenditure was defrayed out of borrowed money, and

(c) the company charged to capital all or any of the interest on that borrowed money referable to a period or part of a period ending on or before the disposal,

then, the sums so allowable shall, notwithstanding section 552 (3)(b), include the amount of that interest charged to capital.