
STATUTORY INSTRUMENTS

1991 No. 2086

BUILDING SOCIETIES

The Building Societies (Accounts and Related Provisions) (Amendment) Regulations 1991

Made - - - - 9th September 1991
Laid before Parliament 17th September 1991
Coming into force - - 15th November 1991

The Building Societies Commission, with the consent of the Treasury, in exercise of the powers conferred on it by section 73 of the Building Societies Act 1986⁽¹⁾, and of all other powers enabling it in that behalf, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Building Societies (Accounts and Related Provisions) (Amendment) Regulations 1991 and shall come into force on 15th November 1991.

Amendment of previous Regulations

2.—(1) The Building Societies (Accounts and Related Provisions) Regulations 1987⁽²⁾ shall be amended in accordance with the following provisions of this regulation.

(2) In Part I of Schedule 2 the word “Reserves” and the words and figures following it to the end of that part shall be deleted and replaced by the following:

“14. REVALUATION RESERVE

15. RESERVES

- (a) General reserves
- (b) Other reserves

16. TOTAL LIABILITIES AND RESERVES”.

(3) In Part II of Schedule 2 the word “Reserves” and the words and figures following it to the end of that part shall be deleted and replaced by the following:

“15. REVALUATION RESERVE

(1) 1986 c. 53.

(2) S.I. 1987/2072, amended by S.I. 1990/2364.

16. RESERVES

- (a) General reserves
- (b) Other reserves

17. MINORITY INTERESTS

18. TOTAL LIABILITIES AND RESERVES”.

- (4) In Schedule 4, paragraph 3 shall be deleted.
- (5) At the end of paragraph 4 of Schedule 4 there shall be added the following subparagraph:
 - “(19) Where the Chief Executive of the society is not also a director of the society, he shall be deemed, for the purposes of this paragraph, to be a director of the society. In such circumstances there shall be a note to the accounts specifying that the Chief Executive has been so deemed to be a director.”
- (6) In paragraph 5(2) of Schedule 4, the words following the word “separately” shall be deleted.
- (7) In paragraph 6(1) of Schedule 4 the words “and United Kingdom income tax” shall be deleted and the word “and” shall be inserted between the words “tax” and “deferred”.
- (8) The following subparagraph shall be added to paragraph 17 of Schedule 4:
 - “(4) for the purposes of this paragraph the revaluation reserve in the society’s balance sheet shall be considered as being “reserves”.”
- (9) In paragraph 2(5)(e) of Schedule 7 the word “total” shall be deleted and the words “and the revaluation reserve” shall be added after the word “reserves” where it appears for the second time.
- (10) In paragraph 5(i) of Part II of Schedule 8 there shall be added:
 - (a) after the figure “12” the figures and word “14 and 15”; and
 - (b) after the figure “13” the figures and word “15 and 16”and the words and figures “and 17” and “and 18” shall be deleted.
- (11) In paragraph 8(b) of Schedule 8 there shall be added:
 - (a) after the figure “12” the figures and word “14 and 15”; and
 - (b) after the figure “13” the figures and word “15 and 16”and the words and figures “and 17” and “and 18” shall be deleted.
- (12) Paragraph 11(1) of Schedule 9 shall be deleted and replaced by the following:
 - “(1) “Gross capital” means the aggregate of reserves, the revaluation reserve and subordinated liabilities, as shown in the balance sheet.”

In witness whereof the common seal of the Building Societies Commission is hereto fixed and is authenticated by me, a person authorised under paragraph 14 of Schedule 1 to the Building Societies Act 1986, on 27th August 1991.

Norman Digance
Secretary to the Commission

We consent to this order.

9th September 1991

Sydney Chapman
Irvine Patnick
Two of the Lords Commissioners of Her
Majesty's Treasury

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations (regulation 2(2) and (3)) amend the Building Societies (Accounts and Related Provisions) Regulations (S.I.1987/2072) so that reserves and the revaluation reserve will be separately disclosed in societies' balance sheets rather than both being included in total reserves. Such separate disclosure is a requirement of Council Directive 86/635 EEC (O.J. 31.12.86, L 372/1) on the annual accounts and consolidated accounts of banks and other financial institutions.

Regulation 2(4) removes the disclosure requirements in respect of the emoluments of higher paid employees and reflects a similar change in respect of companies affected by the Companies Act 1989 (c. 40). But regulation 2(5) requires, for the purposes of the disclosure of his emoluments, that a Chief Executive of a society, who has a statutory function under the Building Societies Act 1986, be treated as a director if he is not in fact a director.

The Regulations also (regulation 2(6) and (7)) remove the disclosure requirements in respect of the income tax on interest on shares and deposits accounted for by societies. This change follows the alteration in societies' liability for income tax consequent upon the abolition of Composite Rate Income Tax.

The remainder of regulation 2 effects minor amendments consequential on the above.