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STATUTORY INSTRUMENTS

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**1992 No. 359**

**BUILDING SOCIETIES**

**The Building Societies (Accounts and  
Related Provisions) Regulations 1992**

*Made* - - - - - *17th February 1992*  
*Laid before Parliament* *6th March 1992*  
*Coming into force* *1st January 1993*

**THE BUILDING SOCIETIES (ACCOUNTS AND  
RELATED PROVISIONS) REGULATIONS 1992**

1. Citation and commencement
  2. Interpretation
  3. Annual accounts
  4. Group accounts-supplementary provisions
  5. Notes to annual accounts
  6. Associated Bodies
  7. Accounting principles and rules
  8. Directors' report
  9. Annual business statement
  10. Summary financial statement
  11. Interpretation of Schedules
  12. Transitional provisions
  13. Further transitional provision
  14. Revocation
- Signature

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SCHEDULE 1 —

PART I — FORMAT OF SOCIETY INCOME AND EXPENDITURE  
ACCOUNT

1. Interest receivable (a) (i) On secured advances
2. Interest payable (a) On retail funds and deposits
3. Net interest receivable
4. Income from associated bodies (a) Income from shares in subsidiary...
5. Other income and charges (a) Fees and Commissions receivable

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6. Amortisation of intangible fixed assets
7. Administrative expenses (a) Staff costs (i) Wages and salaries
8. Provisions (a) Provisions for bad and doubtful debts
9. Adjustments to provisions (a) Adjustments to provisions for bad and...
10. Amounts written off fixed asset investments
11. Adjustments to amounts written off fixed asset investments
12. Profit or loss on ordinary activities before tax
13. Tax on profit or loss on ordinary activities
14. Profit or loss on ordinary activities after tax
15. Extraordinary income
16. Extraordinary charges
17. Extraordinary profit or loss
18. Tax on extraordinary profit or loss
19. Extraordinary profit or loss after tax
20. Other taxes not shown under the preceding items
21. Profit or loss for the financial year

PART II — FORMAT OF CONSOLIDATED INCOME AND EXPENDITURE  
ACCOUNT

1. Interest receivable (a) (i) On secured advances
2. Interest payable (a) On retail funds and deposits
3. Net interest receivable
4. Income from associated bodies (a) Income from shares in unconsolidated...
5. Other income and charges (a) Fees and Commissions receivable
6. Amortisation of intangible fixed assets
7. Administrative expenses (a) Staff costs (i) Wages and salaries
8. Provisions (a) Provisions for bad and doubtful debts
9. Adjustments to provisions (a) Adjustments to provisions for bad and...
10. Amounts written off fixed asset investments
11. Adjustments to amounts written off fixed asset investments
12. Profit or loss on ordinary activities before tax
13. Tax on profit or loss on ordinary activities
14. Profit or loss on ordinary activities after tax
15. Minority interests
16. Profit or loss before extraordinary items
17. Extraordinary income
18. Extraordinary charges
19. Extraordinary profit or loss
20. Tax on extraordinary profit or loss
21. Extraordinary profit or loss after tax
22. Minority interests in extraordinary profit or loss after tax
23. Other taxes not shown under the preceding items
24. Profit or loss for the financial year.

PART III — PROVISIONS APPLICABLE TO PARTS I AND II

1. (1) Item 1(a) and (b) in each of Part I...
2. Item 1(a)(i) in Parts I and II shall include all...
3. (1) Items 2(a) and (b) in each of Parts I...
4. (1) Item 5(a) in Parts I and II shall include...
5. Item 5(c) in each of Parts I and II shall...
6. Items 5(d) and (e) in each of Parts I and...
7. Item 6 in each of Parts I and II shall...
8. Item 7(b) in each of Parts I and II shall...
9. Item 8(a) in each of Parts I and II shall...
10. Item 8(b) in each of Parts I and II shall...

11. Item 9(a) in each of Parts I and II shall...
12. Item 9(b) in each of Parts I and II shall...
13. Item 10 shall comprise amounts written off in respect of...
14. Item 11 shall include amounts written back following earlier write...
15. In this Schedule “financial instrument” means— (a) in relation to...
16. Where a heading in either Part I or Part II...

SCHEDULE 2 —

PART I — FORMAT OF SOCIETY BALANCE SHEET

ASSETS

1. LIQUID ASSETS (a) Cash in hand and balances with the...
2. Commercial Assets
3. OTHER ADVANCES SECURED ON LAND
4. OTHER COMMERCIAL ASSETS (a) Loans for mobile homes
5. INTANGIBLE FIXED ASSETS
6. TANGIBLE FIXED ASSETS (a) Land and buildings
7. OTHER ASSETS
8. PREPAYMENTS AND ACCRUED INCOME
9. TOTAL ASSETS

LIABILITIES

10. Shares and Deposits
11. NON-RETAIL FUNDS AND DEPOSITS (a) Amounts owed to credit institutions...
12. OTHER LIABILITIES (a) Income tax (b) Corporation tax
13. ACCRUALS AND DEFERRED INCOME
14. PROVISIONS FOR LIABILITIES AND CHARGES (a) Provisions for pensions and...
15. SUBORDINATED LIABILITIES
16. SUBSCRIBED CAPITAL (a) Deferred shares issued on formation
17. REVALUATION RESERVE
18. RESERVES (a) General reserves (b) Other reserves
19. TOTAL LIABILITIES

MEMORANDUM ITEMS

20. CONTINGENT LIABILITIES (a) Guarantees and assets pledged as collateral security...
21. COMMITMENTS

PART II — FORMAT OF CONSOLIDATED BALANCE SHEET

ASSETS

1. LIQUID ASSETS (a) Cash in hand and balances with the...
2. Commercial Assets
3. OTHER ADVANCES SECURED ON LAND

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4. OTHER COMMERCIAL ASSETS (a) Loans for mobile homes
5. OTHER OPERATING ASSETS (a) Loans (b) Other
6. INTANGIBLE FIXED ASSETS
7. TANGIBLE FIXED ASSETS (a) Land and buildings
8. OTHER ASSETS
9. PREPAYMENTS AND ACCRUED INCOME
10. TOTAL ASSETS

#### LIABILITIES

11. Shares and Deposits
12. NON-RETAIL FUNDS AND DEPOSITS (a) Amounts owed to credit institutions...
13. OTHER LIABILITIES (a) Income tax (b) Corporation tax
14. ACCRUALS AND DEFERRED INCOME
15. PROVISIONS FOR LIABILITIES AND CHARGES (a) Provisions for pensions and...
16. SUBORDINATED LIABILITIES
17. SUBSCRIBED CAPITAL (a) Deferred shares issued on formation
18. REVALUATION RESERVE
19. RESERVES (a) General reserves (b) Other reserves
20. MINORITY INTERESTS
21. TOTAL LIABILITIES

#### MEMORANDUM ITEMS

22. CONTINGENT LIABILITIES (a) Guarantees and assets pledged as collateral security...
  23. COMMITMENTS
- PART III — PROVISIONS APPLICABLE TO PARTS I AND II
1. The heading “Shares and Deposits” in the balance sheet in...
  2. (1) In respect of any asset or liability item, the...
  3. (1) This paragraph applies to Asset item 1 of Parts...
  4. In Asset items 2 and 3 in Parts I and...
  5. Within Asset item 4 of Parts I and II of...
  6. Mortgage finance rights (as defined in Part II of Schedule...
  7. Premises to which section 17(6) of the Act applies (and...
  8. (a) Asset item 5 in Part I and Asset item...
  9. Asset item 8 in Part I and Asset item 9...
  10. (1) Subject to paragraph 13 all liabilities of a subsidiary...
  11. (1) In Liability items 11 of Part I and 12...
  12. Liability item 13 in Part I and Liability item 14...
  13. (1) Liability item 15 in Part I and Liability item...
  14. Liability item 16(a) in Part I and Liability item 17(a)...
  15. Liability item 16(b) in Part I and Liability item 17(b)...
  16. Memorandum item 20 in Part I and Memorandum item 22...
  17. Memorandum item 20(a) in Part I and Memorandum item 22(a)...
  18. Memorandum item 21 in Part I and Memorandum item 23...
  19. (1) The following rules apply where a society (or the...
  20. (1) For the purpose of this paragraph “managed funds” are...
  21. (1) Where a society (or the society and its subsidiary...

SCHEDULE 3 —  
PART I — FORMAT OF SOCIETY STATEMENT OF THE SOURCE AND  
APPLICATION OF FUNDS

Source of Funds

1. Increase in free capital
2. Advances and loans repaid by borrowers
3. Net receipts from retail funds and deposits
4. Net receipts from non-retail funds and deposits
5. Other items
6. Total source of funds

Application of Funds

7. Increase in liquid assets
8. Advances and loans made to borrowers
9. Increase in other commercial assets
10. Other items
11. Total application of funds Increase in Free Capital Source of...
12. Profit on ordinary activities after tax
13. Extraordinary profit after tax
14. Adjustment for items not involving the movement of funds
15. Funds generated from operations
16. Funds from other sources (a) Disposal of tangible fixed assets...
17. Application of Funds (a) Purchase of tangible fixed assets
18. Increase in free capital.

PART II — FORMAT OF CONSOLIDATED STATEMENT OF THE SOURCE  
AND APPLICATION OF FUNDS

Source of Funds

1. Increase in free capital
2. Advances and loans repaid by borrowers
3. Net receipts from retail funds and deposits
4. Net receipts from non-retail funds and deposits
5. Other items
6. Total source of funds

Application of Funds

7. Increase in liquid assets
8. Advances and loans made to borrowers
9. Increase in other commercial assets
10. Increase in other operating assets
11. Other items
12. Total application of funds

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### Increase in Free Capital

13. Source of Funds
  14. Extraordinary profit after tax
  15. Adjustment for items not involving the movement of funds:
  16. Funds generated from operations
  17. Funds from other sources (a) Disposal of tangible fixed assets...
  18. Application of Funds (a) Purchase of tangible fixed assets
  19. Increase in free capital
- PART III — PROVISIONS APPLICABLE TO PARTS I AND II
1. In Parts I and II assets to which section 17(6)...
  2. In Part II— (a) any asset which arises from the...
  3. (1) No subordinated loan capital shall, in Part I or...
  4. Where subsidiary undertakings have been acquired or disposed of during...
  5. (1) There shall be inserted in the notes to the...
  6. (1) Where in any item in a statement in Part...

### SCHEDULE 4 — FORM AND CONTENT OF THE ANNUAL ACCOUNTS OF A GROUP ACCOUNTS SOCIETY

1. General Rules
2. (1) Where assets and liabilities to be included in the...
3. Any differences of accounting rules as between a society's individual...
4. Amounts which in the particular context of any provision of...
5. Elimination of group transactions
6. Acquisition accounting
8. (1) The acquisition method of accounting is set out in...
9. (1) Where a group is acquired paragraph 8 applies with...
10. (1) The following information with respect to acquisitions taking place...
11. (1) There shall be stated in a note to the...
12. Where during the financial year there has been a disposal...
14. For the purposes only of paragraphs 9, 10, 12 and...
15. Minority interests
17. Foreign Currency Translation

### SCHEDULE 5 — NOTES TO ANNUAL ACCOUNTS

1. Accounting policies
3. Employees
4. Aggregate amount of directors' emoluments
5. Details of chairman's and directors' emoluments
6. Emoluments waived
7. Pensions of directors and past directors
8. Compensation to directors for loss of office
9. Sums paid to third parties in respect of directors' services
10. Supplementary provisions regarding directors' emoluments
11. (1) The amounts to be shown for any financial year...
12. Where the Chief Executive of the society is not also...
13. Regulation 5(2)(b) shall not apply to paragraphs 4 to 12....
14. Interpretation of provisions regarding directors' emoluments
15. Other income and expenditure items
16. Taxation
17. Miscellaneous matters
18. Liquid assets

19. Commercial Assets
20. Provisions for bad and doubtful debts
21. Transferable securities
22. Mortgage finance rights
23. Investments in credit institutions
24. Fixed assets
25. Other assets
26. Retail funds and deposits
27. Non-retail funds and deposits
28. Other liabilities
29. Reserves and provisions
30. Subordinated liabilities
31. Subscribed capital
32. Fixed Cumulative interest
33. Details of assets charged
34. Particulars shall be given of any charge on the assets...
35. Guarantees and other financial commitments
36. Memorandum items : Subsidiary undertakings
37. Leasing transactions
38. Assets and liabilities denominated in a currency other than sterling
39. Where any amount to be included under any of the...
40. Unmatured forward transactions
41. Other miscellaneous matters
42. Directors' loans and transactions

SCHEDULE 6 — NOTES TO ANNUAL ACCOUNTS: INFORMATION IN RESPECT OF ASSOCIATED BODIES

PART I — SOCIETIES NOT REQUIRED TO PREPARE CONSOLIDATED ACCOUNTS

1. Subsidiary undertakings
2. Holdings in subsidiary undertakings
3. Financial information about subsidiary undertakings
4. Financial years of subsidiary undertakings
5. Further information about subsidiary undertakings
6. Significant holdings in undertakings other than subsidiary undertakings
7. (1) The name of the undertaking shall be stated.
8. (1) Where the society has a significant holding in an...
9. Construction of references to shares held by society

PART II — SOCIETIES REQUIRED TO PREPARE CONSOLIDATED ACCOUNTS

10. Subsidiary undertakings
11. Holdings in subsidiary undertakings
12. Financial information about subsidiary undertakings not included in the consolidation
13. Financial years of subsidiary undertakings
14. Further information about subsidiary undertakings excluded from consolidation
15. Associated undertakings
16. Other significant holdings of society or group
17. (1) The name of the undertaking shall be stated.
18. (1) Where the society has a significant holding in an...
19. (1) The information required by paragraphs 20 and 21 shall...
20. (1) The name of the undertaking shall be stated.

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21. (1) Where the holding of the group amounts to 20...
  22. Construction of references to shares held by society or group
- PART III — SUPPLEMENTARY PROVISIONS
23. he information required by paragraphs 7, 17 and 20 of...
  24. For the purposes of paragraphs 5 and 14 of this...

## SCHEDULE 7 — ACCOUNTING PRINCIPLES AND RULES

### PART I — ACCOUNTING PRINCIPLES

1. Subject to paragraph 7, the amounts to be included in...
2. The society shall be presumed to be carrying on business...
3. Accounting policies shall be applied consistently within the same accounts...
4. (1) The amount of any item shall be determined on...
5. Except so far as these Regulations otherwise specify, income and...
6. In determining the aggregate amount of any item the amount...

### PART II — DEPARTURE FROM ACCOUNTING PRINCIPLES

7. If it appears to the directors of a society that...

### PART III — FIXED ASSETS

8. General rules
9. In the case of any fixed asset which has a...
10. (1) Where a fixed asset investment of a description falling...
11. Development costs
12. Goodwill
13. Financial fixed assets

### PART IV — CURRENT ASSETS

14. he amount to be included in respect of loans and...
15. (1) If the net realisable value of any current asset...
16. (1) Subject to paragraph 15, the amount to be included...

### PART V — OTHER ACCOUNTING RULES

17. General rules
18. (1) Assets shall be shown under the relevant balance sheet...
19. reliminary expenses, expenses of and commission on any issue of...
20. Assets acquired in the name of and on behalf of...
21. Excess of money owed over value received as an asset item
22. Determination of cost
23. (1) Subject to the qualification mentioned below, the cost of...
24. To the extent that debt securities included in a society's...
25. Substitution of original amount where cost unknown

### PART VI — ALTERNATIVE ACCOUNTING RULES

26. he rules set out in paragraphs 8 to 25 of...
27. Subject to paragraphs 29 and 30, the amounts to be...
28. (1) Intangible fixed assets, other than goodwill, may be included...
29. (1) Where the value of any asset of a society...
30. (1) With respect to any determination of the value of...

### PART VII — ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

31. (1) Subject to the following subparagraphs, amounts to be included...
32. (1) Subject to subparagraph (2), any difference between the amount...

## SCHEDULE 8 — DIRECTORS' REPORT

1. There shall be stated the names of the persons who,...
2. The directors' report shall contain— (a) a statement of the...
3. (1) If significant changes in the fixed assets of the...



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4. (1) The following applies if the society or any subsidiary...
5. (1) Subject to subparagraphs (2) and (3), the directors' report...
6. (1) This paragraph applies to the directors' report where the...
7. (1) The directors' report shall disclose, in accordance with subparagraph...
8. The directors' report shall also disclose the number of mortgage...

#### SCHEDULE 9 — ANNUAL BUSINESS STATEMENT

1. Statutory ratios and percentages
2. Other percentages
3. Information relating to directors and other officers
4. Average rates
5. Information about new activities

#### SCHEDULE 10 — SUMMARY FINANCIAL STATEMENT

##### PART I — FORMAT OF SUMMARY FINANCIAL STATEMENT

###### SECTION A

###### *PRESCRIBED FORM OF STATEMENT FOR THE PURPOSES OF SECTION 76(4) OF THE ACT*

1. his summary financial statement is only a summary of information...
2. In so far as this summary financial statement summarises the...
3. The annual accounts, directors' report and annual business statement will...

###### SECTION B

###### *FORMAT OF SUMMARY DIRECTORS' REPORT*

1. Summary review of the business.
2. Summary review of events.
3. Summary indication of likely developments.

###### SECTION C

###### *FORMAT OF SUMMARY STATEMENT*

###### SECTION D

###### *FORMAT OF SUMMARY OF KEY FINANCIAL RATIOS*

##### PART II — PROVISIONS APPLICABLE TO PART I

1. n section B of Part I— (a) the summary review...
2. In sections C and D of Part I “year” means...
3. Any amount or percentage required to be included in section...
4. Sections C and D of Part I shall all be...
5. Subject to paragraph 3, in section C of Part I—...
6. Unless there are no extraordinary items in the income and...
7. Subject to paragraph 3, in section D of Part I—...
8. The basis used for calculating “average reserves” as defined in...
9. The basis used for calculating “average total assets” as defined...
10. In this Schedule “relevant year”, in relation to a summary...

#### SCHEDULE 11 — INTERPRETATION OF SCHEDULES

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1. The following paragraphs apply for the purposes of the interpretation...
3. Capital
8. Participating interest
9. Provisions
10. Scots land tenure
11. Staff costs
12. Amounts repayable
13. Other definitions

Explanatory Note