

## SCHEDULE 3

Regulation 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 Funds
12. Profit on ordinary activities after tax
13. Extraordinary profit after tax
14. Adjustment for items not involving the movement of funds
  - (a) Depreciation and other amounts written off tangible fixed assets
  - (b) Amortisation of intangible fixed assets
  - (c) Goodwill written off
  - (d) Profit on disposal of intangible fixed assets
  - (e) Profit on disposal of tangible fixed assets
  - (f) Increase in general provision for bad and doubtful debts
15. Funds generated from operations
16. Funds from other sources
  - (a) Disposal of tangible fixed assets
  - (b) Disposal of intangible fixed assets
  - (c) Issue of subordinated liabilities
  - (d) Issue of subscribed capital
17. Application of Funds
  - (a) Purchase of tangible fixed assets
  - (b) Purchase of intangible fixed assets
  - (c) Repayment of subordinated liabilities

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- (d) Repayment of subscribed capital
- 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

#### Increase in Free Capital

#### Source of Funds

- 13. Profit on ordinary activities after tax
- 14. Extraordinary profit after tax
- 15. Adjustment for items not involving the movement of funds:
  - (a) Depreciation and other amounts written off tangible fixed assets
  - (b) Amortisation of intangible fixed assets
  - (c) Goodwill written off
  - (d) Profit on disposal of intangible fixed assets
  - (e) Profit on disposal of tangible fixed assets
  - (f) Increase in general provision for bad and doubtful debts
  - (g) Profits retained in associated undertakings
  - (h) Minority interests
- 16. Funds generated from operations
- 17. Funds from other sources
  - (a) Disposal of tangible fixed assets

- (b) Disposal of intangible fixed assets
  - (c) Issue of subordinated liabilities
  - (d) Issue of subscribed capital
- 18. Application of Funds**
- (a) Purchase of tangible fixed assets
  - (b) Purchase of intangible fixed assets
  - (c) Repayment of subordinated liabilities
  - (d) Repayment of subscribed capital
  - (e) Dividends paid to minority shareholders
- 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) of the Act applies shall be treated as tangible fixed assets and not as commercial assets.

**2.** In Part II—

- (a) any asset which arises from the activity of a subsidiary undertaking and would, were the subsidiary undertaking the society, be a commercial asset, shall (subject to subparagraph (b)) be treated as a commercial asset, but
- (b) assets to which section 17(6) of the Act would apply by the operation of subparagraph (a) shall be treated as tangible fixed assets and not as commercial assets.

**3.—(1)** No subordinated loan capital shall, in Part I or II of this Schedule, be treated as retail or non-retail funds and deposits.

(2) Subject to subparagraph (1), in Part II the liabilities of any subsidiary undertaking of a society in respect of deposits which would, were they liabilities of the society, be classifiable as non-retail funds and deposits shall be treated as non-retail funds and deposits and any other such liabilities of the subsidiary undertaking shall be treated as retail funds and deposits.

**4.** Where subsidiary undertakings have been acquired or disposed of during a financial year to which a statement of the source and application of funds relates, the effect of such acquisitions or disposals shall be summarised in aggregate by way of a footnote to the statement which shall be separate from the notes to the annual accounts.

**5.—(1)** There shall be inserted in the notes to the annual accounts such analyses of the relevant items as are material to the assessment of the key factors.

(2) For the purposes of subparagraph (1)—

- (a) the relevant items are item 9 in Part I and items 9 and 10 in Part II of this Schedule, and
- (b) the key factors, in relation to any statement of the source and application of funds, are—
  - (i) in Part I, the manner in which the business of the society has been financed and in which its financial resources have been used, and
  - (ii) in Part II, the manner in which the business of the society and its subsidiary undertakings has been financed and in which their financial resources have been used,

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during the financial year to which the statement relates.

**6.—(1)** Where in any item in a statement in Part I or II a positive term is used, and the amount referable thereto represents its corresponding negative term, the corresponding negative term shall be used instead and, where that change falls to be made within the relevant section of the statement, the format of the relevant section of the statement shall be changed so far as necessary to include that item in the grouping opposite to that specified for it in the format.

(2) For the purposes of sub-paragraph (1) the positive terms are increase, receipt and profit, their respective corresponding negative terms are decrease, outflow and loss, the groupings are source of funds and application of funds, and the relevant section of the statement comprises—

- (a) in Part I, the section ending with item 11, and
- (b) in Part II, the section ending with item 12.