1972. No. 220 **[C]**

BUILDING SOCIETIES

Accounts and Annual Return

REGULATIONS, DATED 4TH SEPTEMBER 1972, MADE BY THE REGISTRAR OF BUILDING SOCIETIES, WITH THE CONSENT OF THE MINISTRY OF COMMERCE, UNDER SECTIONS 78(2), 88(3) AND 91(2) OF THE BUILDING SOCIETIES ACT (NORTHERN IRELAND) 1967.

The Registrar, with the consent of the Ministry of Commerce, in exercise of the powers conferred upon him by sections 78(2), 88(3) and 91(2) of the Building Societies Act (Northern Ireland) 1967(a), and of all other powers enabling him in that behalf, hereby makes the following Regulations:—

Citation

1.—(1) These Regulations may be cited as the Building Societies (Accounts and Annual Return) Regulations (Northern Ireland) 1972.

Revenue and Appropriation Account and Balance Sheet

2. The revenue and appropriation account and the balance sheet of a building society as respects a financial year of the society ending on or after 31st December 1972 shall, with such adaptations, additions or omissions as may be necesary to comply with section 78(1) of the Building Societies Act (Northern Ireland) 1967, be in the forms set out in Schedule 1 and shall contain the particulars therein set out (except that any heading therein may be omitted if the entries in respect of such heading would be "Nil") and the particulars specified in Regulations 4 to 7.

3.—(1) For the purposes of these Regulations unless the context otherwise requires—

(*a*) "provision" means, subject to paragraph (2), any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability of which the amount cannot be determined with substantial accuracy;

(*b*) "reserve" does not, subject as aforesaid, include any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability or any sum set aside for the purpose of being used to prevent any undue fluctuations in the charges for taxation;

and in this paragraph "liability" includes all liabilities in respect of expenditure contracted for and all disputed or contingent liabilities.

(2) Where—

(*a*) any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets; or

(*b*) any amount retained by way of providing for any known liability;

(a) 1967. c. 31 (N.I.).

is in excess of that which in the opinion of the board of directors is reasonably necessary for the purpose, the excess shall be treated for the purposes of these Regulations as a reserve and not a provision.

(3) The amount to be shown in relation to the heading "Mortgages" in the balance sheet shall be the amount due or outstanding in respect of advances secured on mortgage less any provision for anticipated losses thereon.

4. The following particulars shall be shown separately in the revenue and appropriation account—

(*a*) the amount, if material, of any profit or loss on realisation of investments less any corporation tax relating thereto;

(*b*) the amount transferred from general reserve; and

(*c*) the amount transferred to or from any reserve set aside for a particular purpose.

5. The following particulars shall be stated by way of note to the revenue and appropriation account, if not otherwise shown—

(*a*) the amount paid to directors in respect of their fees and expenses including, in relation to a director, any sum paid by way of expenses allowance and the estimated money value of any other benefits received by him otherwise than in cash in so far as those sums and benefits are charged to United Kingdom income tax, and any contribution paid in respect of him, as a director, under any pension scheme;

(*b*) the amount of the remuneration of auditors, including any sums paid to the auditors in respect of their expenses;

(*c*) the basis on which the charge for corporation tax and income tax is computed;

(*d*) the amount of any interest on bank loans and overdrafts;

(*e*) the amount, if material, of any transaction of an exceptional or non-recurrent nature;

(*f*) the effect, if material, of any change in the basis of accounting;

(*g*) any amount applied in writing up or down the amount at which investments are determined for making up the balance sheet;

(*h*) the corresponding amounts for the immediately preceding financial year for all items shown in the revenue and appropriation account.

6.—(1) If an amount is charged to revenue by way of provision for depreciation or diminution in value of assets, and an amount is also so charged by way of provision for renewal of those assets, the last-mentioned amount shall be shown separately.

(2) If the amount charged to revenue by way of provision for depreciation or diminution in value of fixed assets has been determined otherwise than by reference to the amount of those assets as determined for making up the balance sheet, that fact shall be stated.

7.—(1) The following particulars shall be stated by way of note to the balance sheet, if not otherwise shown—

(*a*) the amount owing by the society in respect of deposits, loans and overdrafts which are secured on the assets of the society;

(*b*) the general nature of any contingent liability not provided for, and, where practicable, the amount or estimated amount, if material, of that contingent liability;

(*c*) where practicable, the aggregate amount or estimated amount, if material, of—

(i) contracts for capital expenditure, so far as not provided for, and

(ii) capital expenditure authorised by the directors which has not been contracted for;

(*d*) the amount of any reserve or provision and where the amount compared with the amount at the end of the immediately preceding financial year shows an increase or decrease, the source from which the increase has been derived or how the amount derived from any decrease has been applied;

(*e*) the amount due or outstanding in respect of advances secured on mortgage and the amount of any provision for anticipated losses thereon;

(*f*) of the amounts shown in respect of the item "investments and cash" in the balance sheet how much consists of—

(i) quoted investments showing separately how much consists of investments in the case of which the final redemption date is not more than 5 years from the date of the balance sheet,

(ii) unquoted investments showing separately how much consists of investments which are repayable in not more than 6 months from the date of the balance sheet,

(iii) interest accrued, and

(iv) cash at bank and in hand;

(*g*) the aggregate market value of the society's quoted investments;

(*h*) the method of arriving at the amount at which any fixed assets are shown and where the amount is arrived at by a valuation made during the financial year ending with the date of the balance sheet, either the names of the persons who valued such fixed assets or the particulars of their qualifications for doing so and (in either case) the bases of valuation used by them;

(*i*) of the amount of fixed assets consisting of land how much is ascribable to land of freehold tenure and how much to land of leasehold tenure and, of the latter, how much is held on long lease and how much on short lease;

(*j*) if there are included as fixed assets any assets that have been acquired during the financial year ending with the date of the balance sheet, the aggregate amount of the assets acquired as determined for the purpose of making up the balance sheet, and if during that year any fixed assets included in the balance sheet made up with respect to the immediately preceding financial year have been disposed of, the aggregate amount thereof as determined for the purpose of making up that balance sheet;

(*k*) the corresponding amounts at the end of the immediately preceding year for all items shown in the balance sheet.

(2) In this Regulation—

"quoted investment" means an investment the price of which is quoted on a recognised stock exchange within the meaning of the Prevention of Fraud (Investments) Act 1958(**b**), or the Belfast Stock Exchange or bonds issued by a local authority in whole or in part to a bank, discount house, issuing house or broker in the City of London and "unquoted investment" shall be construed accordingly;

"long lease" means a lease in the case of which the portion of the term for which it was granted remaining unexpired at the end of the financial year is not less than 50 years;

"short lease" means a lease which is not a long lease;

"lease" includes any agreement for a lease.

Annual Return

8. The annual return of a building society as respects a financial year of the society ending on or after 31st December 1972 shall contain the information and be in the form set out in Schedule 2 to these Regulations.

9. The auditors of a building society shall not be required to deal in their report on the annual return with the particulars contained in Part 1, Part 6, Section "B" of Part 7, Part 8 and Part 12 of the return.

Revocation

10. The Building Societies (Annual Return) Regulations (Northern Ireland) 1968(**c**) and the Building Societies (Accounts) Regulations (Northern Ireland) 1968(**d**) are hereby revoked but not so as to affect their operation in relation to the revenue and appropriation account, the balance sheet or the annual return of a building society as respects a financial year ending before 31st December 1972.

Dated this 4th day of September 1972.

Ernest Simpson,
Registrar of Building Societies.

The Ministry of Commerce on behalf of the Secretary of State hereby consents to the foregoing Regulations.

Sealed with the Official Seal of the Ministry of Commerce for Northern Ireland this 4th day of September 1972.

(L.S.)

W. E. Bell,
Deputy Secretary.

(b) 6 & 7 Eliz. 2 c. 45.
(c) S.R. & O. (N.I.) 1968, No. 132.
(d) S.R. & O. (N.I.) 1968, No. 133.

SCHEDULE 1

REVENUE AND APPROPRIATION ACCOUNT

	£	£
INCOME		
Interest on mortgages		
Interest on investments and bank deposits		
Other income		
.....		
.....		
EXPENDITURE		
Interest on shares, deposits and loans ...		
Income tax on interest		
Management expenses		
Depreciation of fixed assets		
Mortgage losses		
Other expenditure		
.....		
.....		
.....		
EXCESS OF INCOME OVER EXPENDITURE deduct CORPORATION TAX		
SURPLUS		
Add:		
... ...		
Deduct:		
... ...		
TRANSFERRED TO GENERAL RESERVE		
GENERAL RESERVE AT BEGINNING OF YEAR		
GENERAL RESERVE AT END OF YEAR AS SHOWN IN THE BALANCE SHEET		