

## SCHEDULE 11

Regulation 11

### INTERPRETATION OF SCHEDULES

1. The following paragraphs apply for the purposes of the interpretation of the Schedules to these Regulations. Balance sheet date 2. “Balance sheet date”, in relation to a balance sheet, means the date as at which the balance sheet was prepared.

#### Capital

3.—(1) “Gross capital” means reserves as shown in the balance sheet plus any subordinated liabilities, loan capital, subscribed capital, revaluation reserves and minority interests, where applicable, as shown in the balance sheet.

(2) “Free capital” means the aggregate of gross capital and general provisions for bad and doubtful debts less intangible fixed assets and tangible fixed assets, as shown in the balance sheet. Leases 4. In respect of leases—

“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, and “lease” includes an agreement for a lease. Listed securities 5. “Listed security” means a security listed on a recognised stock exchange or on any stock exchange of repute outside the United Kingdom and the expression “unlisted security” shall be construed accordingly. Loans 6. A loan is treated as falling due for repayment, and an instalment of a loan is treated as falling due for payment, on the earliest date on which the lender could require repayment or (as the case may be) payment, if he exercised all options and rights available to him. Materiality 7. No provision of these Regulations requiring the inclusion of amounts in a particular account, or in notes to the annual accounts (other than paragraphs 4 to 14 and 42 of Schedule 5), shall be taken to prohibit the disregarding of an amount which, in the particular context of that provision, is immaterial.

#### Participating interest

8. “Participating interest” has the meaning given to that phrase in section 260 of the Companies Act 1985(1).

#### Provisions

9.—(1) References to provisions for depreciation or diminution in value of assets are to be taken as references to any amount written off by way of providing for depreciation or diminution in value of assets.

(2) Any reference in an income and expenditure account to the depreciation of, or amounts written off, assets of any description is to be taken as a reference to any provision for depreciation or diminution in value of assets of that description.

(3) References to provisions for liabilities and charges are to be taken as a reference to any amount retained as reasonably necessary for the purpose of providing for any liability or loss which is either likely to be incurred, or certain to be incurred but uncertain as to amount or as to the date on which it will arise.

#### Scots land tenure

10. In the application of these Regulations in Scotland, “land of freehold tenure” means land in respect of which the society, (or, as the case may be, a subsidiary undertaking of the society), is the

---

(1) 1985 c. 6. Section 260 of the Companies Act 1985 was inserted by section 22 of the Companies Act 1989.

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

proprietor of the dominium utile or, in the case of land not held on feudal tenure, is the owner, and “land of leasehold tenure” means land of which the society (or, as the case may be, a subsidiary undertaking of the society) is the tenant under a lease.

### **Staff costs**

**11.**—(1) “Social security costs” means any contribution by the society to any state social security or pension scheme, fund or arrangement.

(2) “Pension costs” includes any other contributions by the society for the purposes of any pension scheme established for the purpose of providing pensions for persons employed by the society, any sums set aside for that purpose, and any amounts paid by the society in respect of pensions without first being set aside.

(3) Any amount stated in respect of either of the above items or in respect of the item “wages and salaries” in the society’s income and expenditure account shall be determined by reference to payments made or costs incurred in respect of all persons employed by the society during the financial year.

### **Amounts repayable**

**12.** Only those amounts which can at any time be withdrawn without notice or for which a maturity or period of notice of twenty-four hours or one working day has been agreed shall be regarded as repayable on demand.

### **Other definitions**

**13.** In the Schedules to these Regulation—

“debt securities” means any debt evidenced by any bill of exchange, bond, certificate of deposit, commercial paper, debenture, debenture stock, note or stock which is either listed on a stock exchange, or traded on a money market supervised by a central bank or a government agency of any member State of the European Community or of Canada, Japan, Sweden, Switzerland and the United States of America;

“financial fixed assets” means securities held as fixed assets; participating interests and shareholdings in subsidiary undertakings shall always be regarded as financial fixed assets;

“fixed assets” means assets of a society which are intended for use on a continuing basis in the society’s activities, and “current assets” means assets not intended for such use;

“liquid asset” means an asset which a society is, by virtue of section 21 of the Act (liquid assets) and of regulations for the time being in force under that section empowered to hold for the purpose of meeting its liabilities as they arise;

“retail funds and deposits” means those funds and deposits of a society which—

- (a) come within section 7 (power to raise funds and borrow money) of the Act, and
- (b) are not, by virtue of that section, classified as non-retail funds and deposits, and includes, in the case of a society which has made an effective election for the purposes of subsection (5) of that section, those funds and deposits which would, but for that election, be classified as non-retail;

“sale and repurchase transaction” means a transaction which involves the transfer by a credit institution or a customer (the “transferor”) to another credit institution or customer (the “transferee”) of assets subject to an agreement that the same assets, or, in the case of fungible assets, equivalent assets will subsequently be transferred back to the transferor at a specified price on a date specified or to be specified by the transferor; but forward exchange transactions, options, transactions involving the issue of debt securities with a commitment to repurchase

all or part of the issue before maturity or any similar transactions shall not be regarded as sale and repurchase transactions;

“subordinated loan capital” means, in respect of a society, any liability (not being a liability in respect of a share) specified in an order for the time being in force under section 45(5) of the Act (capital resources which may be aggregated with reserves for certain purposes);

“third party” means a person who is neither the society nor a body corporate associated with it; and “undertaking” has the meaning given to that word in section 259(1) of the Companies Act 1985.(2)

---

(2) Section 259 of the Companies Act 1985 (c. 6.) was inserted by section 1 and 22 of the Companies Act 1989 (c. 40).