

**Changes to legislation:** There are currently no known outstanding effects for the Friendly Societies Act 1992,  
Cross Heading: Meaning of “associate” and “distant associate” of auditor. (See end of Document for details)

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 13F

#### DISCLOSURE OF AUDITOR REMUNERATION ETC

##### Textual Amendments

- F1** Sch. 13F inserted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), Sch. 1 para. 1

##### *Meaning of “associate” and “distant associate” of auditor*

5. (1) This paragraph defines what is meant in this Schedule by an “associate” or a “distant associate” of a friendly society’s auditor.
- (2) The following are associates of a society’s auditor—
- (a) any person controlled by the society’s auditor or by any associate of the society’s auditor (whether alone or through two or more persons acting together to secure or exercise control), but only if that control does not arise solely by virtue of the society’s auditor or any associate of the society’s auditor acting—
    - (i) as an insolvency practitioner in relation to any person,
    - (ii) in the capacity of a receiver, or a receiver or manager, of the property of a society or other body corporate, or
    - (iii) as a judicial factor on the estate of any person;
  - (b) any person who, or group of persons acting together which, has control of the society’s auditor;
  - (c) any person using a trading name which is the same as or similar to a trading name used by the society’s auditor, but only if the society’s auditor use that trading name with the intention of creating the impression of a connection between the auditor and that other person;
  - (d) any person who is party to an arrangement with the society’s auditor, with or without any other person, under which costs, profits, quality control, business strategy or significant professional resources are shared.
- (3) Where the society’s auditor is a partnership, the following are also associates of the auditor—
- (a) any partner in the society’s auditor;
  - (b) any body corporate which is in the same group as a body corporate which is a partner in the society’s auditor;
  - (c) any body corporate of which a partner in the society’s auditor is a director;
  - (d) any partnership which has a partner in common with the society’s auditor;

---

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992.*  
*Cross Heading: Meaning of “associate” and “distant associate” of auditor. (See end of Document for details)*

---

- (e) any body corporate which is in the same group as a body corporate which is a partner in a partnership which has a partner in common with the society’s auditor.
- (4) Where a society’s auditor is a body corporate (other than one which is also a partnership as defined in sub-paragraph (6)(d)), the following are also associates of the auditor—
- (a) any director of the society’s auditor;
  - (b) any body corporate which is in the same group as a body corporate which is a director of the society’s auditor;
  - (c) any body corporate which is in the same group as the society’s auditor;
  - (d) any partnership in which any such body corporate which is in the same group as the society’s auditor is a partner;
  - (e) any partnership in which a director of the society’s auditor is a partner;
  - (f) any body corporate which has a director in common with the society’s auditor;
  - (g) any body corporate which is in the same group as a body corporate which has a director in common with the society’s auditor.
- (5) A distant associate of a society’s auditor is a person who is an associate of that auditor by reason only that that person is an associate within one or more of—
- (a) sub-paragraph (2)(a) where the person in question is controlled by a distant associate of the society’s auditor but not by the auditor or by an associate who is not a distant associate;
  - (b) sub-paragraph (3)(c), (d) or (e);
  - (c) sub-paragraph (4)(e), (f) or (g).
- (6) For the purposes of this paragraph—
- (a) “acting as an insolvency practitioner” shall be construed in accordance with section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989;
  - (b) “director” includes any person occupying the position of director, by whatever name called;
  - (c) “partner” includes a member of a limited liability partnership;
  - (d) “partnership” includes a limited liability partnership and a partnership constituted under the law of a country or a territory outside the United Kingdom;
  - (e) a reference to “a receiver, or a receiver or manager, of the property of a society or other body corporate” includes a receiver, or (as the case may be) a receiver or manager, of part only of that property;
  - (f) a person able, directly or indirectly to control or materially to influence the operating and financial policy of another person shall be treated as having control of that other person; and
  - (g) a body corporate is in the same group as another body corporate if one is a subsidiary of the other.]

**Changes to legislation:**

There are currently no known outstanding effects for the Friendly Societies Act 1992, Cross  
Heading: Meaning of “associate” and “distant associate” of auditor.