



Co-operative and Community Benefit Societies Act 2014

2014 CHAPTER 14

PART 7

ACCOUNTS, AUDIT AND ANNUAL RETURNS

Interpretation of Part 7

100 Meaning of company being a “subsidiary” of a society

- (1) For the purposes of this Part, a company is a subsidiary of a registered society if—
 - (a) the society is a member of the company and controls the composition of its board of directors, or
 - (b) the society holds more than half in nominal value of the company's equity share capital.
- (2) For this purpose, a society is regarded as controlling the composition of a company's board of directors if the society, by exercising a power exercisable by it without the consent or concurrence of any other person, can appoint or remove the holders of all or a majority of the directorships.
- (3) For the purposes of subsection (2), a society is treated as having power to appoint to a directorship if—
 - (a) a person can be appointed to it only if the society exercises a power of a kind mentioned in that subsection in favour of the person,
 - (b) a person's appointment to it follows necessarily from the person's appointment as a member of the society's committee, or
 - (c) the directorship is held by the society.
- (4) In determining whether a company is a subsidiary of a registered society—
 - (a) any shares held or power exercisable by the society in a fiduciary capacity are treated as not held or exercisable by it;

Changes to legislation: There are currently no known outstanding effects for the Co-operative and Community Benefit Societies Act 2014, Section 100. (See end of Document for details)

- (b) subject to paragraphs (c) and (d), any shares held or power exercisable by any person as a nominee for the society are treated as held or exercisable by the society (but this does not apply where the society is concerned only in a fiduciary capacity);
 - (c) no account is to be taken of any shares held or power exercisable by any person by virtue of the provisions of—
 - (i) any debentures of the company, or
 - (ii) a trust deed for securing any issue of such debentures;
 - (d) any shares held or power exercisable by the society or a nominee for the society (not being held or exercisable as mentioned in paragraph (c)) are treated as not held or exercisable by the society if—
 - (i) the ordinary business of the society includes the lending of money, and
 - (ii) the shares are held or power is exercisable by way of security only for the purposes of a transaction entered into in the ordinary course of that business.
- (5) For the meaning of “company” and “equity share capital” see section 102.

Changes to legislation:

There are currently no known outstanding effects for the Co-operative and Community Benefit Societies Act 2014, Section 100.