

SCHEDULE 6

NOTES TO ANNUAL ACCOUNTS: INFORMATION IN RESPECT OF HOLDINGS IN UNDERTAKINGS

PART I

SOCIETIES NOT REQUIRED TO PREPARE CONSOLIDATED ACCOUNTS

Subsidiary undertakings

1.—(1) The following information shall be given where at the end of the financial year the society has subsidiary undertakings but is not required to prepare consolidated accounts.

- (2) The name of each subsidiary undertaking shall be stated.
- (3) There shall be stated with respect to each subsidiary undertaking—
 - (a) if it is incorporated outside the United Kingdom, the country in which it is incorporated;
 - (b) if it is unincorporated, the address of its principal place of business.
- (4) The specific reason why under regulation 4 each subsidiary undertaking is not required to be included in consolidated accounts shall be stated.

Holdings in subsidiary undertakings

2.—(1) There shall be stated in relation to shares of each class held by the society in a subsidiary undertaking—

- (a) the identity of the class, and
 - (b) the proportion of the nominal value of the shares of that class represented by those shares.
- (2) The shares held by or on behalf of the society itself shall be distinguished from those attributed to the society which are held by or on behalf of a subsidiary undertaking.

Financial information about subsidiary undertakings

3.—(1) There shall be disclosed with respect to each subsidiary undertaking—

- (a) the aggregate amount of its capital and reserves as at the end of its relevant financial year, and
 - (b) its profit or loss for that year.
- (2) The information referred to in sub-paragraph (1) need not be given if the society's investment in the subsidiary undertaking is included in the society's accounts by way of the equity method of valuation or if—
- (a) the subsidiary undertaking is not required by any provision of the Companies Act 1985(1) or the Companies (Northern Ireland) Order 1986(2) to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere, and
 - (b) the society's holding is less than 50 per cent. of the nominal value of the shares in the undertaking.

(1) 1985 c. 6.

(2) S.I.1986/1032 (N.I.6).

Status: This is the original version (as it was originally made).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

(3) Information otherwise required by this paragraph need not be given if it is not material for the purpose of giving a true and fair view for the society of the matters set out in subsections (2), (3) and (4) of section 73 of the Act.

(4) For the purposes of this paragraph the “relevant financial year” of a subsidiary undertaking is—

- (a) if its financial year ends with that of the society, that year, and
- (b) if not, its financial year ending last before the end of the society’s financial year.

Financial years of subsidiary undertakings

4. Where—

- (a) disclosure is made under paragraph 3(1) with respect to a subsidiary undertaking, and
- (b) that undertaking’s financial year does not end with that of the society,

there shall be stated in relation to that undertaking the date on which its last financial year ended (last before the end of the society’s financial year).

Significant holdings in undertakings other than subsidiary undertakings

5.—(1) The information required by paragraphs 6 and 7 shall be given where at the end of the financial year the society has a significant holding in an undertaking which is not a subsidiary undertaking of the society.

(2) A holding is significant for this purpose if—

- (a) it amounts to 20 per cent. or more of the nominal value of the shares in the undertaking, or
- (b) the amount of the holding (as stated or included in the society’s accounts) exceeds one-fifth of the amount (as so stated) of the society’s assets.

6.—(1) The name of the undertaking shall be stated.

(2) There shall be stated—

- (a) if the undertaking is incorporated outside the United Kingdom, the country in which it is incorporated, and
- (b) if it is unincorporated, the address of its principal place of business.

(3) There shall also be stated—

- (a) the identity of each class of shares in the undertaking held by the society, and
- (b) the proportion of the nominal value of the shares of that class represented by those shares.

7.—(1) There shall also be stated—

- (a) the aggregate amount of the capital and reserves of the undertaking as at the end of its relevant financial year, and
- (b) its profit or loss for that year.

(2) That information need not be given if the investment of the society in all undertakings in which it has a significant holding is shown, in aggregate, in the notes to the accounts by way of the equity method of valuation.

(3) That information need not be given in respect of an undertaking if—

- (a) the undertaking is not required by and provision of the Companies Act 1985 or the Companies (Northern Ireland) Order 1986 to deliver a copy of its balance sheet for its

relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere, and

(b) the society's holding is less than 50 per cent. of the nominal value of shares in the undertaking.

(4) Information otherwise required by this paragraph need not be given if it is not material for the purpose of giving a true and fair view for the society of the matters set out in subsections (2), (3) and (4) of section 73 of the Act.

(5) For the purposes of this paragraph the "relevant financial year" of an undertaking is—

(a) if its financial year ends with that of the society, that year, and

(b) if not, its financial year ending last before the end of the society's financial year.

Construction of references to shares held by society

8.—(1) References in this Part of this Schedule to shares held by a society shall be construed as follows.

(2) For the purposes of paragraphs 2 and 3—

(a) there shall be attributed to the society any shares held by a subsidiary undertaking, or by a person acting on behalf of the society or a subsidiary undertaking; but

(b) there shall be treated as not held by the society any shares held on behalf of a person other than the society or a subsidiary undertaking.

(3) For the purposes of paragraphs 5 to 7—

(a) there shall be attributed to the society shares held on its behalf by any person; but

(b) there shall be treated as not held by a society shares held on behalf of a person other than the society.

(4) For the purposes of paragraphs 2 to 7, shares held by way of security shall be treated as held by the person providing the security—

(a) where apart from the right to exercise them for the purposes of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in accordance with his instructions, and

(b) where the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in his interests.