

SCHEDULE 9

Regulation 9

ANNUAL BUSINESS STATEMENT

Statutory percentages

1.—(1) The annual business statement of a society shall state, as at the end of the financial year with which it deals, the following percentages—

- (a) the difference between the values of X and Y as at the balance sheet date, expressed as a percentage of X, where X and Y are calculated as defined in section 6(2) and (3) of the Act(1) and subject to sub-paragraph (3);
- (b) the limit for the percentage described in sub-paragraph (a) stated in section 6(1) of the Act;
- (c) the difference between the values of X and Y as at the balance sheet date, expressed as a percentage of X, where X and Y are calculated as defined in section 7(2) and (3) of the Act(2); and
- (d) the limit for the percentage described in sub-paragraph (c) stated in section 7(1) of the Act.

(2) The annual business statement shall include an explanation of the basis of the calculation specified in sub-paragraph (1) and of what is represented by each of the percentages and limits so specified.

(3) For the purpose of calculating the percentage required to be stated by sub-paragraph (1)(a)—

- (a) the liquid assets of the society and any subsidiary undertakings referred to in section 6(2) (a) of the Act are those included in the balance sheet under Asset item A; and
- (b) the fixed assets of the society and any subsidiary undertakings referred to in section 6(2) (b) of the Act are those included in the balance sheet under Asset items D and E,

in Part I, or in the case of a group accounts society, Part II of Schedule 2.

Other percentages

2.—(1) Subject to the following provisions of this paragraph, the annual business statement of a society shall state the following particulars in respect of the society both in relation to the financial year with which it deals and in relation to the previous financial year—

- (a) as a percentage of the total of Liability items A to D in Part I or II of Schedule 2 as at the balance sheet date—
 - (i) the gross capital as at that date;
 - (ii) the free capital as at that date; and
 - (iii) liquid assets as of that date;
- (b) the profit or loss after taxation as a percentage of the mean total assets; and
- (c) management expenses as a percentage of the mean total assets.

(2) Where the society is a group accounts society, the particulars required to be stated by sub-paragraph (1) in respect of the society shall be stated in respect of the society and its subsidiary undertakings, but this sub-paragraph shall not be taken to prohibit the stating in addition by a society of those particulars in respect of the society alone.

(3) Any matter required by sub-paragraph (1) to be stated as a particular in, or to be used as a factor in calculating a particular required by this paragraph to be stated in, the annual business statement and which relates to a previous financial year is required to be so stated or used for the

(1) Section 6 was substituted by section 4 of the Building Societies Act 1997 (c. 32).

(2) Section 7 was substituted by section 8 of the Building Societies Act 1997.

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

purpose of assisting the assessment of the corresponding particular for the financial year with which the annual business statement deals and accordingly shall, where it can be derived from an amount in annual accounts adjusted in accordance with regulation 3(7)(b), be derived from that amount as so adjusted.

(4) The annual business statement shall include an explanation of what is represented by each of the particulars referred to in sub-paragraph (1) and, where sub-paragraph (2) applies, a statement of the basis on which particulars are stated by virtue of that sub-paragraph.

(5) Subject to sub-paragraph (3), in this paragraph—

- (a) “management expenses” means the total of items 9 and 10 in Part I or II of Schedule 1;
- (b) “mean total assets” means, in respect of a financial year, the average amount of total assets as would have been included in the balance sheet throughout that year under Asset item H in Part I or II of Schedule 2, calculated on a reasonable basis;
- (c) “the profit or loss after taxation” shall be taken from item 25 in Part I or, as the case may be, item 28 in Part II of Schedule 1; and
- (d) “total assets” shall be taken from Asset item H in Part I or II of Schedule 2.

(6) With regard to sub-paragraph (5)(b) the basis of calculation used shall be stated in the annual business statement.

(7) In sub-paragraph (5)(b) “reasonable” shall be interpreted in accordance with section 74(5) of the Act.

Information relating to directors and other officers

3.—(1) The annual business statement of a society shall state—

- (a) in relation to each person who was, at the end of the financial year with which it deals, a director of the society—
 - (i) his name;
 - (ii) his home address or an address, other than that of the society, at which documents may be served on him;
 - (iii) his business occupation;
 - (iv) the bodies (other than the society) of which he is a director, if any;
 - (v) his date of birth; and
 - (vi) his date of appointment as director; and
- (b) in relation to each person who was, at the end of the financial year with which it deals, an officer (but not a director) of the society—
 - (i) his name;
 - (ii) his business occupation; and
 - (iii) the bodies of which he is a director, if any.

(2) The annual business statement of a society shall state particulars of any arrangement entered into during the financial year with which it deals whereby—

- (a) a director of the society or a person connected with him acquired, or arranged to acquire, any non-cash asset from a relevant body, or
- (b) a relevant body acquired, or arranged to acquire, any non-cash asset from a director of the society or a person connected with him,

and for the purposes of this sub-paragraph “non-cash asset” and “connected with” shall be construed in accordance with Part VII (Management of Societies) of the Act, and “relevant body” means the society or any subsidiary undertaking of the society.

4.—(1) The annual business statement of a society shall state, in relation to each person who was, at the end of the financial year with which it deals, a director or the chief executive of the society, particulars of his service contract (if any) with the society including in particular—

- (a) the date on which the contract was entered into;
- (b) whether the contract is for a fixed term and, if so, what the term is and whether the contract is automatically renewable in any circumstances (specifying them); and
- (c) whether the contract provides for termination by notice (otherwise than for breach of its terms) and, if so, what period of notice must be given by each of the parties.

(2) The annual business statement of a society shall state, in relation to each person who was, at the end of the financial year with which it deals, a director or other officer of the society, whether he or any member of his immediate family was at the end of that year entitled to any right to subscribe for shares in, or debentures of, any connected undertaking of the society and whether any such right was granted to, or exercised by, him or a member of his immediate family during that year.

(3) If any right of the kind mentioned in sub-paragraph (2) granted to a director or other officer of the society or a member of his immediate family was outstanding at the end of that year, or was granted during that year but was not outstanding at the end of it, there shall be stated in respect of each such right—

- (a) the name of the body in respect of which the right was granted;
- (b) the date on which the right was granted;
- (c) the period during which, or the time at which, it is exercisable;
- (d) the consideration for the grant (or, if there is no consideration, that fact); and
- (e) a description of the shares or debentures involved and the number or amount of them, and the prices to be paid for them (or the consideration, if otherwise than in money).

(4) If any right of the kind mentioned in sub-paragraph (2) was exercised by a director or other officer of the society or a member of his immediate family during that year, there shall be stated in respect of each such right—

- (a) the name of the body in respect of which the right was exercised (identifying the right, if more than one was exercisable in respect of that body);
- (b) a description of the shares or debentures involved and the number or amount of them; and
- (c) if they were registered in his name, that fact, and, if not, the name or names of the person or persons in whose name or names they were registered, together (if they were registered in the names of two persons or more) with the number or amount registered in the name of each of them.

(5) In sub-paragraphs (2), (3) and (4) a director’s or other officer’s “immediate family” means his spouse and infant children but does not include a person who is himself a director or other officer of the society; and for this purpose “children” includes step-children, and “infant” means, in relation to Scotland, under the age of 18 years.