

SCHEDULE 2

Regulation 14(2)

MODIFICATION OF [^{F1}THE CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT (NORTHERN IRELAND) 1969]

Textual Amendments

- F1** Words in Sch. 2 heading substituted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 16(a)** (with reg. 2(6)(7))

1. In its application to [^{F2}registered societies] that are insurance undertakings for the purposes of these Regulations [^{F3}the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969] shall have effect subject to the following modifications.

Textual Amendments

- F2** Words in Sch. 2 para. 1 substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), **Sch. para. 20(4)(g)**
- F3** Words in Sch. 2 para. 1 substituted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 16(b)** (with reg. 2(6)(7))

2. Section 37 (general provisions as to accounts and balance sheets of societies) does not apply.

3. In section 37A (publication of accounts and balance sheets of registered societies) ^{M1}, for subsections (2) to (12) substitute—

“(2) If a society publishes any of its statutory accounts, they must be accompanied by the relevant auditors' report under the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008.

(3) A society which is required to prepare group accounts for a financial year shall not publish its statutory individual accounts for that year without also publishing with them its statutory group accounts.

(4) If a society publishes non-statutory accounts, it shall publish with them a statement indicating—

- (a) that they are not the society's statutory accounts,
- (b) whether statutory accounts dealing with any financial year with which the non-statutory accounts purport to deal have been delivered to the registrar,
- (c) whether the society's auditors have made a report under the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008,
- (d) whether any such auditors' report—
 - (i) was qualified or unqualified, or included a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report, or
 - (ii) contained a statement under section 498(2) or (3) of the Companies Act 2006 as applied to [^{F4}registered societies] by the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008 (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations),

Changes to legislation: There are currently no known outstanding effects for the The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008, SCHEDULE 2. (See end of Document for details)

and it shall not publish with the non-statutory accounts any auditors' report under the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008.

(5) For the purposes of this section a society shall be regarded as publishing a document if it publishes, issues or circulates it or otherwise generally makes it available for public inspection in a manner calculated to invite members of the public generally, or any class of members of the public, to read it.

(6) References in this section to a society's statutory accounts are to its individual or group accounts for a financial year as required to be prepared by the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008; and references to the publication by a society of "non-statutory accounts" are to the publication of—

- (a) any balance sheet or profit and loss account relating to, or purporting to deal with, a financial year of the society, or
- (b) an account in any form purporting to be a balance sheet or profit and loss account for the group consisting of the society and its subsidiary undertakings relating to, or purporting to deal with, a financial year of the society,

otherwise than as part of the society's statutory accounts.”.

Textual Amendments

- F4** Words in Sch. 2 para. 3 substituted (1.8.2014) by [The Co-operative and Community Benefit Societies and Credit Unions Act 2010 \(Consequential Amendments\) Regulations 2014 \(S.I. 2014/1815\)](#), reg. 1(2), [Sch. para. 20\(4\)\(h\)](#)

Marginal Citations

- M1** Section 37A was inserted by [S.I. 1997/2984 \(N.I. 22\)](#), [Schedule 2](#), paragraph 5.

4. Sections 38 and 38A (appointment of auditors) do not apply.

5. In section 39 (re-appointment and removal of auditors) ^{M2}—

- (a) in subsection (1), at the end of paragraph (d) insert—

“, or

- (e) he was appointed by the committee, or
- (f) the society's rules require actual re-appointment, or
- (g) the re-appointment is prevented by the members under section 39A”.

- (b) after subsection (2) insert—

“(3) A person who is not automatically re-appointed as auditor by virtue of subsection (1)(e) of this subsection may be re-appointed by the committee for the current year of account and for any subsequent year of account commencing before the next general meeting of the society. However, he may only be re-appointed for any year of account commencing on or after the date of that general meeting by a resolution of the society at that meeting.”.

Marginal Citations

- M2** Section 39 was amended by [S.I. 1997/2984 \(N.I. 22\)](#), [Schedule 2](#), paragraph 7.

6. After section 39, insert—

“39A Prevention by members of automatic re-appointment of auditor

(1) An auditor of a society is not automatically re-appointed under section 39 of this Act if the society has received notices under this section from members representing at least the requisite percentage of the total voting rights of all members who would be entitled to vote on a resolution that the auditor should not be re-appointed.

(2) The “requisite percentage” is 5%, or such lower percentage as is specified for this purpose in the society's rules.

(3) A notice under this section—

- (a) may be in hard copy or electronic form,
- (b) must be authenticated by the person or persons giving it, and
- (c) must be received by the society before the end of the year of account immediately preceding the year of account for which the automatic re-appointment would have effect.”.

7. For section 41 (qualified auditors) substitute—

“41 Qualified auditors

41. References in this Act to a qualified auditor, in relation to a society, are to a person who—

- (a) is eligible for appointment as a statutory auditor under Part 42 of the Companies Act 2006, and
- (b) is not prohibited from acting as statutory auditor of the society by virtue of section 1214 of that Act (independence requirement).”.

8. Section 42 (restrictions on appointment of auditors) does not apply.

9. In section 43 (auditors' report and rights), only subsection (5) (auditors' rights of access to books and to require information and explanations) applies.

10. Sections 43A to 43C (reporting accountant procedure) do not apply.

11. In section 44 (remuneration of auditors) ^{M3}, the following do not apply—

- (a) in subsection (1), the words from “or for the making of a report” to the end;
- (b) in subsection (2), the words “or reporting accountant”;
- (c) subsection (3).

Marginal Citations

M3 Section 44 was amended by [S.I. 1997/2984 \(N.I. 22\)](#), [Schedule 2](#), paragraph 9.

12. In section 45 (group accounts)—

- (a) subsections (1) to (5) do not apply;
- (b) in subsection (6) for “under subsection (5)” substitute “on those accounts”.

13. Section 46 (exemption from requirements in respect of group accounts) does not apply.

14. Section 47 (meaning of “subsidiary”) does not apply.

15. In section 48 (annual returns) ^{M4}—

[^{F5}(a) for subsection (1A), substitute—

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- “(1A) “Relevant auditor’s report” means—
- (a) the auditor’s report required to be prepared by sections 495 and 496 of the Companies Act 2006 as applied by regulation 7 of the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008, and
 - (b) any auditor’s report on a balance sheet made during the year;”]
- (c) in subsection (2) (a), for “the revenue account or accounts of the society prepared in accordance with section 37(2)” substitute “the profit and loss account required to be prepared by section 396 of the Companies Act 2006 as applied by regulation 3 of the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008”; and
- (d) for subsection (2)(b) substitute—
- “(b) shall not contain any other accounts.”;
- (e) subsection (6A) does not apply.

Textual Amendments

- F5** Sch. 2 para. 15(a) substituted for Sch. 2 para. 15(a)(b) (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), [reg. 1\(2\)\(3\)](#), **Sch. 2 para. 16(c)** (with [reg. 2\(6\)\(7\)](#))

Marginal Citations

- M4** Section 48 was amended by [S.I. 1997/2984 \(N.I. 22\)](#), **Schedule 2, paragraph 11**.

16. In section 101 (interpretation)—

- (a) insert at the appropriate place—

““accounts” means the profit and loss account required to be prepared by section 396 of the Companies Act 2006 as applied by regulation 3 of the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008;”;
- (b) for the definition of “group accounts” substitute—

““group accounts” means the accounts required to be prepared by section 404 of the Companies Act 2006 as applied by regulation 3 of the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008;”;
- (c) the definition of “subsidiary” does not apply.

Changes to legislation:

There are currently no known outstanding effects for the The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008, SCHEDULE 2.