

## SCHEDULE

Article 7

### Consequential amendments to the 1992 Act

1. In subsection (2) of section 68 of the 1992 Act (accounting records), in each of paragraphs (b) and (c), after “or the 1974 Act” insert “(and, where applicable, Article 4 of the IAS Regulation)”.
2. After section 69I of the 1992 Act (consistency of accounts) (inserted by article 2 of this Order) insert—

#### **“ Disclosures relating to members of the committee of management and employees of the society**

**69J.**—(1) The information specified in Schedule 13D(1) must be given in notes to a friendly society’s or a registered branch’s annual accounts, subject to the provisions of subsection (5).

(2) In that Schedule—

Part 1 relates to emoluments and other benefits of members of the committee of management and others and to loans and other dealings in favour of members of the committee and connected persons; and

Part 2 relates to information about the employees of a society.

(3) It is the duty of any member of the committee of management, and any person who has been at any time in the preceding five years a member of the committee, to give notice to the society of such matters relating to himself as may be necessary for the purposes of Part 1 of Schedule 13D.

(4) A person who makes default in complying with subsection (3) commits an offence and is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(5) Paragraphs 11 and 13 of Schedule 13D do not apply to non-directive friendly societies or their registered branches.

(6) The annual accounts of a friendly society which is required to produce group accounts under section 69E must include the material specified by paragraphs 11 to 13 not only in respect of the society but also in respect of the society and its subsidiaries in combination.

(7) The Treasury may, by order, modify the provisions of Schedule 13D.

(8) An order under this section may—

- (a) make consequential amendments or repeals of other provisions of this Act;
- (b) make such transitional or saving provisions as appear to the Treasury to be necessary or expedient;
- (c) make different provision for different cases.

#### **Disclosures about related undertakings**

**69K.**—(1) The information specified in Schedule 13E(2) must be given in notes to a friendly society’s or a registered branch’s annual accounts.

(2) In the case of a friendly society whose committee of management is not required to prepare consolidated accounts, the information specified in Part 1 of that Schedule must be given.

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(1) Inserted by paragraph 6 of the Schedule to this Order.

(2) Inserted by paragraph 6 of the Schedule to this Order.

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(3) In the case of a friendly society whose committee of management is required to prepare consolidated accounts, the information specified in Part 2 of that Schedule must be given.

(4) The Treasury may, by order, modify the provisions of Schedule 13E.

(5) An order under this section may also—

- (a) make consequential amendments of or repeals in other provisions of this Act;
- (b) make such transitional or saving provisions as appear to the Treasury to be necessary or expedient;
- (c) make different provision for different cases.”.

3. After section 78 of the 1992 Act insert—

#### “Interpretation of Part 6

**78A.**—(1) In this Part—

“annual accounts”, in relation to a friendly society or registered branch, means—

- (a) the individual accounts required by section 69A, and
- (b) any group accounts required by section 69E,

together with the notes to those accounts;

“IAS accounts” means IAS individual accounts or IAS group accounts;

“IAS Regulation” means EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (3);

“income and expenditure account”, in relation to a friendly society or registered branch which prepares IAS accounts, includes an income statement or other equivalent financial statement required to be prepared by international accounting standards;

“international accounting standards” means the international accounting standards, within the meaning of the IAS Regulation, adopted from time to time by the European Commission in accordance with the IAS Regulation;

“non-directive friendly society” means a registered friendly society —

- (a) to which subsections (2) and (3) of section 37 (restriction of combinations of business do not apply; and
- (b) which does not carry on reinsurance business;

“parent undertaking” and “subsidiary undertaking” shall be construed in accordance with the provisions of section 258 of the Companies Act 1985, read in conjunction with sections 259 and 260 of, and Schedule 10A to, that Act.

(2) References in this Part to accounts giving a “true and fair view” are references –

- (a) in the case of Friendly Societies Act individual accounts, to the requirement under section 69B that such accounts give a true and fair view;
- (b) in the case of Friendly Societies Act group accounts, to the requirement under section 69F that such accounts give a true and fair view; and
- (c) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.”.

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(3) Official Journal L 243, 11/09/2002 p.1 – 4.

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4. In section 119 of the 1992 Act (general interpretation), in the definition of “modifications” after “omissions and amendments”, insert, “and cognate expressions are to be construed accordingly”.

5. In subsection (2) of section 121 of the 1992 Act (orders and regulations), for “section 5”, substitute, “section 5, 69J or 69K”.

6. After Schedule 12 to the 1992 Act (meetings and resolutions), insert—

“SCHEDULE 13D

Section 69J

Disclosures about members of the committee of management and employees

PART 1

Emoluments of and dealings with members of the committee

*Aggregate amount of committee members' emoluments*

1.—(1) The aggregate amount of committee members' emoluments must be shown.

(2) In this paragraph, “committee members' emoluments” means the emoluments paid to or receivable by any person in respect of—

- (a) his services as a member of the committee; or
- (b) his services while a member of the committee—
  - (i) as director of any of the society's associated bodies; or
  - (ii) otherwise in connection with the management of the affairs of the society or any of its associated bodies.

(3) There must also be shown, separately, the aggregate amounts within sub-paragraph (2)(a), sub-paragraph (2)(b)(i) and sub-paragraph (2)(b)(ii).

(4) For the purposes of this paragraph the “emoluments” of a person include—

- (a) fees and percentages;
- (b) sums paid by way of expenses allowance (so far as those sums are chargeable to United Kingdom income tax);
- (c) contributions paid in respect of him under any pension scheme; and
- (d) the estimated money value of any other benefits received by him otherwise than in cash,

and emoluments in respect of a person's accepting office as a member of the committee must be treated as emoluments in respect of his services as a member of the committee.

*Details of chairman's and committee members' emoluments*

2.—(1) Where the amount shown in compliance with paragraph 1(1) is £60,000 or more, the emoluments of the chairman must be shown.

(2) Where sub-paragraph (1) requires an amount to be shown and there has been more than one chairman during the year, the emoluments of each must be stated so far as attributable to the period during which he was chairman.

(3) Where the amount shown in compliance with paragraph 1(1) is £60,000 or more, the following information must be given with respect to the committee members' emoluments—

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- (a) the number of members of the committee whose emoluments fell within each of the following bands—
    - (i) not more than £5,000;
    - (ii) more than £5,000 but not more than £10,000;
    - (iii) more than £10,000 but not more than £15,000;and in successive bands of £5,000;
  - (b) if the emoluments of any of the members of the committee exceeded that of the chairman, the greatest amount of emoluments of any member of the committee.
- (4) Where more than one person has been chairman during the year, the reference in paragraph (3)(b) to the emoluments of the chairman is to the aggregate of the emoluments of each person who has been chairman, so far as attributable to the period during which he was chairman.
- (5) The information required by sub-paragraph (3)(a) need not be given in respect of a member of the committee who discharged his duties as such wholly or mainly outside the United Kingdom; and any such member of the committee must be left out of account for the purposes of sub-paragraph (3)(b).
- (6) In this paragraph “emoluments” has the same meaning as in paragraph 1, except that it does not include contributions paid in respect of a person under a pension scheme.

#### *Emoluments waived*

- 3.—(1) There must be shown—
- (a) the number of members of the committee who have waived rights to receive emoluments in the present financial year or in the future which, but for the waiver, would have fallen to be included in the amount shown under paragraph 1(1) in the present annual accounts or in future annual accounts; and
  - (b) the aggregate amount of those emoluments.
- (2) For the purposes of this paragraph it must be assumed that a sum not receivable in respect of a period would have been paid at the time at which it was due, and if such sum was payable only on demand, it must be deemed to have been due at the time of the waiver.
- (3) In this paragraph “emoluments” has the same meaning as in paragraph 1.

#### *Pensions of members of the committee and past members of the committee*

- 4.—(1) There must be shown the aggregate amount of pensions of members of the committee and past members of the committee.
- (2) This amount does not include any pension paid or receivable under a pension scheme if the scheme is such that the contributions under it are substantially adequate for the maintenance of the scheme, but, subject to this, it includes any pension paid or receivable in respect of any such services of a member of the committee or past member of the committee as are mentioned in paragraph 1(2) whether to or by him or on his nomination or by virtue of dependence on or other connection with him, to or by any other person.
- (3) The amount shown must distinguish between pensions in respect of services as a member of the committee or a director of any of its associated bodies, and other pensions.
- (4) References in this paragraph to pensions include benefits otherwise than in cash and in relation to so much of a pension as consists of such a benefit references to its amount are to the estimated money value of the benefit.

(5) The nature of any such benefit as is mentioned in sub-paragraph (4) must be disclosed.

*Compensation to members of the committee for loss of office*

5.—(1) There must be shown the aggregate amount of any compensation to members of the committee and past members of the committee in respect of loss of office.

(2) This amount includes compensation received or receivable by members of the committee or past members of the committee for —

- (a) loss of office as a member of the committee; or
- (b) loss, while a member of the committee or in connection with his ceasing to be a member of the committee, of—
  - (i) any other office in connection with the management of the society's affairs; or
  - (ii) any office as director or otherwise in connection with the management of the affairs of any associated body of the society,

and must distinguish between compensation in respect of the office of member of the committee or a director of any of its associated bodies, and compensation in respect of other offices.

(3) References to compensation in this paragraph include benefits otherwise than in cash, and in relation to such compensation—

- (a) references to its amount are to the estimated money value of the benefit; and
- (b) the nature of the compensation must be disclosed.

(4) References to compensation for loss of office include compensation in consideration for, or in connection with, a person's retirement from office.

*Sums paid to third parties in respect of services of members of the committee*

6.—(1) There must be shown the aggregate amount of any consideration paid to or receivable by third parties for making available the services of any person—

- (a) as a member of the committee; or
- (b) while a member of the committee—
  - (i) as director of any of its associated bodies; or
  - (ii) otherwise in connection with the management of the affairs of the society or any of its associated bodies.

(2) The reference in sub-paragraph (1) to consideration includes benefits paid or receivable otherwise than in cash, and in relation to such consideration—

- (a) references to its amount are to the estimated money value of the benefit; and
- (b) the nature of the consideration must be disclosed.

(3) The reference in sub-paragraph (1) to third parties is to a person other than—

- (a) the member of the committee himself or a person connected with him or a body corporate associated with him; and
- (b) the society or any of its associated bodies.

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*Supplementary provisions regarding committee members' emoluments*

7.—(1) The following applies with respect to the amounts to be shown under paragraphs 1, 4, 5 and 6.

- (2) The amount in each case includes all relevant sums paid by or receivable from—
- (a) the society;
  - (b) the society's associated bodies; and
  - (c) any other person, except sums to be accounted for to the society or any of its associated bodies.

(3) The amount to be shown under paragraph 5 must distinguish between the sums respectively paid by or receivable from the society, its associated bodies and persons other than the society and its associated bodies.

(4) References in this paragraph to amounts paid to or receivable by a person, include amounts paid to or receivable by a person connected with him or a body corporate associated with him (but not so as to require an amount to be counted twice).

8.—(1) The amounts to be shown for any financial year under paragraphs 1, 2, 5 and 6 are the sums receivable in respect of that year (whenever paid) or, in the case of sums not receivable in respect of a period, the sums paid during that year.

- (2) But where—
- (a) any sums are not shown in a note to the accounts for the relevant financial year on the ground that the person receiving them is liable to account for them as mentioned in paragraph 7(2), but the liability is thereafter wholly or partly released or is not enforced within a period of 2 years; or
  - (b) any sums paid by way of expenses allowance are charged to United Kingdom income tax after the end of the relevant financial year

those sums must, to the extent to which the liability is released or not enforced or they are charged as mentioned (as the case may be), be shown in a note to the first accounts in which it is practicable to show them and must be distinguished from the amounts to be shown apart from this provision.

9.—(1) Where the Chief Executive of the society is not also a member of the committee of the society, he must be treated, for the purposes of paragraphs 1 to 8 as a member of that committee.

(2) In such circumstances there must be a note in the accounts specifying that the Chief Executive has been so treated.

*Interpretation of provisions regarding committee members' emoluments*

- 10.—(1) In paragraphs 1 to 9—
- (a) references to services to an associated body of a society must be taken to refer to services to a body which was an associated body of the society at the time at which the services were rendered, or, in the case only of paragraph 5, immediately before the member of the committee lost his office as member of the committee;
  - (b) "pension" includes any superannuation allowance, superannuation gratuity or similar payment;

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- (c) “pension scheme” means a scheme for the provision of pensions in respect of services as a member of the committee or otherwise which is maintained in whole or in part by means of contributions;
- (d) “contribution”, in relation to a pension scheme, means any payment (including an insurance premium) paid for the purposes of the scheme by or in respect of persons rendering services in respect of which pensions will or may become payable under the scheme except that it does not include any payment in respect of two or more persons if the amount paid in respect of each of them is not ascertainable.

(2) In paragraphs 6 and 7, references to a person being “connected” with a member of the committee, and to a member of the committee being “associated with” a body corporate, must be construed in accordance with section 70 of the Building Societies Act 1986(4) (as applied to friendly societies by paragraph 9 of Schedule 11 to this Act).

#### *Committee members' loans and transactions*

**11.**—(1) This paragraph applies, subject to sub-paragraph (5), in relation to—

- (a) loans from and other transactions and arrangements with the society described in section 65 of the Building Societies Act 1986 (as applied to friendly societies by paragraph 9 of Schedule 11 to this Act) (which restricts loans to and other transactions and arrangements with directors and persons connected with them), other than those to which section 65(5) and (6) of the Building Societies Act 1986 applies; and
- (b) in the case of a society the committee of management of which is obliged to prepare group accounts, loans from and other transactions and arrangements with a subsidiary undertaking of the society to which paragraph (a) would apply were the society rather than the subsidiary undertaking a party to them.

(2) The notes to the annual accounts must contain a statement, in relation to such loans, transactions, and arrangements showing;

- (a) the aggregate amounts outstanding under them at the end of the financial year; and
- (b) the numbers of persons for whom such loans, transactions and arrangements were made.

(3) The notes to the annual accounts must, in relation to any loan or other transaction or arrangement subsisting during or at the end of the financial year, make the following disclosures—

- (a) where a copy of it or a memorandum of its terms is included in the register maintained under section 68 of the Building Societies Act 1986 (as applied to friendly societies by paragraph 9 of Schedule 11 to this Act) (which requires the maintenance of such a register), the existence of the register and the availability of requisite particulars from it for inspection must be disclosed;
- (b) where it comes within paragraph (1)(b), its particulars must be disclosed unless it was one which would, had the subsidiaries of the society formed part of the society, have been exempted from the obligations imposed by section 68 of the Building Societies Act 1986 (as applied to friendly societies by paragraph 9 of Schedule 11 to this Act).

(4) This paragraph applies in relation to loans to, and other transactions and arrangements with, a person connected with a member of the committee where the society (or in the case of

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(4) 1986 c. 53

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a subsidiary undertaking incorporated in the United Kingdom, the subsidiary undertaking) has notice of the connection between that member of the committee and that person.

#### *Disclosure of auditors' remuneration*

**12.—**(1) There must be shown—

- (a) in respect of the statutory auditors of the society or branch, the amount of their remuneration and of their associates (and where remuneration is paid to auditors or their associates for non-audit services, that remuneration must be shown separately); and
- (b) in respect of the actuaries of the society or branch, the amount of their remuneration,

including any sums paid by the society or branch in respect of the auditors' or actuaries' expenses.

(2) For the purposes of determining whether a person is to be regarded as an associate of a society's auditor and for determining the remuneration paid to auditors or their associates for non-audit services, the Companies Act 1985 (Disclosure of Remuneration for Non-audit Work) Regulations 1991<sup>(5)</sup> have effect as if any reference to a company included a reference to a society or branch.

## PART 2

### Information about employees

**13.—**(1) The following information with respect to the employees of a society must be given in notes to the society's individual accounts—

- (a) the average number of persons employed by the society in the financial year; and
- (b) the average number of persons so employed within each category of persons employed by the society.

(2) The average number required by sub-paragraph (1)(a) or (b) is determined by dividing the relevant annual number by the number of complete calendar months in the financial year.

(3) The relevant annual number is determined by ascertaining for each complete calendar month in the financial year—

- (a) for the purposes of sub-paragraph (1)(a), the number of persons employed under contracts of service by the society in that month (whether throughout the month or not);
- (b) for the purposes of sub-paragraph (1)(b), the number of persons in the category in question of persons so employed,

and, in either case, adding together all the monthly numbers.

(4) In respect of all persons employed by the society during the financial year who are taken into account in determining the relevant annual number for the purposes of paragraph (1)(a) there must also be stated the aggregate amounts respectively of—

- (a) wages and salaries paid or payable in respect of that year to those persons;
- (b) social security costs incurred by the society on their behalf; and

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<sup>(5)</sup> S.I.1991/2128, as amended by S.I. 1995/1520.



(c) other pension costs so incurred.

This does not apply in so far as those amounts, or any of them, are stated elsewhere in the society's accounts.

(5) For the purposes of sub-paragraph (1)(b) the categories of person employed by the society are such as the directors may select, having regard to the manner in which the society's activities are organised.

*Interpretation: general*

**14.** In this Schedule "associated body", in relation to a society, means a body in which the society holds shares or corresponding membership rights.

SCHEDULE 13E

Section 69K

Disclosures about related undertakings

**PART 1**

Societies not required to prepare consolidated group accounts

*Subsidiary undertakings*

**1.—(1)** The following information must be given with respect to the undertakings that are subsidiary undertakings of the society at the end of the financial year.

(2) The name of each subsidiary undertaking must be stated.

(3) There must be stated with respect to each subsidiary undertaking—

(a) if it is incorporated outside the United Kingdom, the country in which it is incorporated; or

(b) if it is incorporated in the United Kingdom, whether it is registered in England and Wales, Scotland or in Northern Ireland.

(4) The specific reason why each subsidiary undertaking is not required to be included in consolidated accounts must be stated.

*Holdings in subsidiary undertakings*

**2.—(1)** There must 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 must be distinguished from those attributed to the society which are held by or on behalf of a subsidiary undertaking.

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### *Financial information about subsidiary undertakings*

- 3.—(1) There must 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<sup>(6)</sup> or the Companies (Northern Ireland) Order 1986<sup>(7)</sup> 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.
- (3) Information otherwise required by this paragraph need not be given if it is not material—
- (a) in the case of Friendly Societies Act accounts, for the purpose of giving a true and fair view for the society of the matters set out in section 69B(2) or, where appropriate, section 69F(2); or
  - (b) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.
- (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 must be stated in relation to that undertaking the date on which its last financial year before the end of the society's financial year ended.

### *Significant holdings in bodies corporate other than subsidiary undertakings*

- 5.—(1) The information required by paragraphs 6 and 7 must be given where at the end of the financial year the society has a significant holding in a body corporate 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 body corporate; or

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<sup>(6)</sup> 1985 c. 6.

<sup>(7)</sup> S.I. 1032/1986 (N.I. 6)

- (b) the amount of the holding (as stated or included in the society's accounts) exceeds one-tenth of the amount (as so stated) of the society's assets.

6.—(1) The name of the body corporate must be stated.

(2) There must be stated—

- (a) if the body corporate is incorporated outside the United Kingdom, the country in which it is incorporated; and
- (b) if it is incorporated in the United Kingdom, whether it is registered in England and Wales, Scotland or in Northern Ireland.

(3) There must also be stated—

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

(4) Information otherwise required by this paragraph need not be given if it is not required in order for the society's individual accounts and group accounts to give a true and fair view.

7.—(1) There must also be stated—

- (a) the aggregate amount of the capital and reserves of the body corporate 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 bodies corporate 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 a body corporate if—

- (a) the body corporate is not required by any 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 the shares in the body corporate.

(4) Information otherwise required by this paragraph need not be given if it is not material—

- (a) in the case of Friendly Societies Act accounts, for the purpose of giving a true and fair view for the society of the matters set out in section 69B(2) or, where appropriate, section 69F(2); or
- (b) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.

(5) For the purposes of this paragraph the "relevant financial year" of a body corporate 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.

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*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) shares held by a subsidiary undertaking, or by a person acting on behalf of the society or a subsidiary undertaking, are treated as if they were held by the society; but
- (b) shares held on behalf of a person other than the society or a subsidiary undertaking are not treated as if they were held by the society.

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

- (a) shares held on behalf of a society by any person are treated as if they were held by the society; but
- (b) shares held on behalf of a person other than the society are not treated as if they were held by the society.

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

- (a) 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) 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.

## PART 2

### Societies required to prepare consolidated accounts

*Subsidiary undertakings*

9.—(1) The following information must be given with respect to the bodies corporate that are subsidiary undertakings of the society at the end of the financial year.

(2) The name of each body corporate must be stated.

(3) There must be stated—

- (a) if it is incorporated outside the United Kingdom, the country in which it is incorporated;
- (b) if it is incorporated in the United Kingdom, whether it is registered in England and Wales, Scotland or in Northern Ireland.

(4) It must be stated whether the subsidiary undertaking is included in the consolidation and, if it is not, the reason for excluding it from the consolidation must be given.

(5) It must be stated with respect to each subsidiary undertaking of the society by virtue of which of the conditions specified in section 258 of the Companies Act 1985 (as applied by section 78A of this Act) it is a subsidiary undertaking of the society.

(6) Sub-paragraph (5) does not apply in relation to a subsidiary undertaking if—

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- (a) the relevant condition is that specified in subsection (2)(a) of section 258 of that Act, and
- (b) the society that is its immediate parent undertaking (within the meaning of section 258 of the Companies Act 1985) holds the same proportion of the shares in the undertaking as it holds voting rights.

#### *Holdings in subsidiary undertakings*

**10.**—(1) The following information must be given with respect to the shares of a subsidiary undertaking held—

- (a) by the society, and
- (b) by the group,

and the information required under paragraphs (a) and (b) must (if different) be shown separately.

(2) There must be stated—

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

#### *Financial information about subsidiary undertakings not included in the consolidation*

**11.**—(1) There must be shown with respect to each subsidiary undertaking not included in the consolidation—

- (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 group's investment in the subsidiary undertaking is included in the 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 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 holding of the group is less than 50 per cent of the nominal value of the shares in the subsidiary undertaking.

(3) Information otherwise required by this paragraph need not be given if it is not required in order for the society's group accounts to give a true and fair view.

(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.

#### *Jointly controlled bodies*

**12.**—(1) The following information must be given where a body corporate included in the consolidation has an interest in a jointly controlled body.

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- (2) The name of the jointly controlled body must be stated.
- (3) There must be stated—
  - (a) if the body corporate is incorporated outside the United Kingdom, the country in which it is incorporated; and
  - (b) if it is incorporated in the United Kingdom, whether it is registered in England and Wales, Scotland or in Northern Ireland.
- (4) The following information must be given with respect to the shares of the jointly controlled body held—
  - (a) by the society; and
  - (b) by the group,and the information required under paragraphs (a) and (b) must (if different) be given separately.
- (5) There must be stated—
  - (a) the identity of each class of shares in the jointly controlled body held; and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.

*Other significant holdings of society or group*

**13.**—(1) The information required by paragraphs 14 and 15 must be given where at the end of the financial year the society has a significant holding in a body corporate which is not one of its subsidiary undertakings and does not fall within paragraph 12 (jointly controlled bodies).

- (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 individual accounts) exceeds one-tenth of the amount of the society's assets (as so stated).

**14.**—(1) The name of the body corporate must be stated.

- (2) There must be stated—
  - (a) if the body corporate is incorporated outside the United Kingdom, the country in which it is incorporated; and
  - (b) if it is incorporated in the United Kingdom, whether it is registered in England and Wales, Scotland or in Northern Ireland.
- (3) There must also be stated—
  - (a) the identity of each class of shares in the body corporate held by the society; and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.
- (4) The information otherwise required by this paragraph need not be given if it is not material—
  - (a) for the purposes of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 69(F)(2);
  - (b) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.

- 15.—**(1) There must be stated—
- (a) the aggregate amount of the capital and reserves of the body corporate as at the end of its relevant financial year; and
  - (b) its profits or loss for that year.
- (2) That information need not be given in respect of a body corporate if—
- (a) the body corporate is not required by any 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 the shares in the undertaking.
- (3) Information otherwise required by this paragraph need not be given if it is not material—
- (a) for the purposes of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 69(F)(2);
  - (b) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.
- (4) 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.
- 16.—**(1) The information required by paragraphs 17 and 18 must be given where at the end of the financial year the group has a significant holding in a body corporate which is not a subsidiary undertaking of the society and does not fall within paragraph 12 (jointly controlled bodies).
- (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 body corporate; or
  - (b) the amount of the holding (as stated or included in the group accounts) exceeds one-tenth of the amount of the group's assets (as so stated).
- 17.—**(1) The name of the body corporate must be stated.
- (2) There must be stated—
- (a) if the body corporate is incorporated outside the United Kingdom, the country in which it is incorporated; and
  - (b) if it is incorporated in the United Kingdom, whether it is registered in England and Wales, Scotland or in Northern Ireland.
- (3) There must also be stated—
- (a) the identity of each class of shares in the body corporate held by the group; and
  - (b) the proportion of the nominal value of the shares of that class represented by those shares.
- (4) Information otherwise required by this paragraph need not be given if it is not required in order for the society's group accounts to give a true and fair view.
- 18.—**(1) There must be stated—

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- (a) the aggregate amount of the capital and reserves of the body corporate 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—
  - (a) the body corporate is not required by any 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 holding of the group is less than 50 per cent of the nominal value of the shares in the undertaking.
- (3) Information otherwise required by this paragraph need not be given if it is not material—
  - (a) for the purposes of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 69(F)(2);
  - (b) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.
- (4) 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 or group*

- 19.**—(1) References in this Part of this Schedule to shares held by the society or the group shall be construed as follows.
- (2) For the purposes of paragraphs 10, 12(4) and (5) and 13 to 15—
    - (a) shares held on behalf of a society by any person are treated as if they were held by the society; but
    - (b) shares held on behalf of a person other than the society are not treated as if they were held by the society.
  - (3) References to shares held by the group are to any shares held by or on behalf of the society or any of its subsidiary undertakings; but shares held on behalf of a person other than the society or any of its subsidiary undertakings are not treated as if they were held by the group.
  - (4) Shares held by way of security are treated as if they were held by the person providing the security—
    - (a) where 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 accordance with his instructions; or
    - (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 security, or of realising it, the rights attached to the shares are exercisable only in his interests.

*Interpretation: general*

- 20.** In this Schedule “group” means a friendly society and its subsidiary undertakings.”.



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