



# Friendly and Industrial and Provident Societies Act 1968 (repealed)

## 1968 CHAPTER 55

### *Industrial and provident societies: group accounts*

#### **15 Meaning of “subsidiary”.**

- (1) For the purposes of this Act, a company shall, subject to the provisions of subsection (4) of this section, be deemed to be a subsidiary of an industrial and provident society if, but only if, that society either—
  - (a) is a member of the company and controls the composition of its board of directors; or
  - (b) holds more than half in nominal value of the company’s equity share capital.
- (2) For the purposes of paragraph (a) of the preceding subsection, the composition of a company’s board of directors shall be deemed to be controlled by an industrial and provident society if, but only if, that society by the exercise of some 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) A society shall be deemed for the purposes of subsection (2) of this section to have power to appoint to a directorship if either—
  - (a) a person cannot be appointed thereto without the exercise in his favour by that society of such a power as is mentioned in that subsection; or
  - (b) a person’s appointment thereto follows necessarily from his appointment as a member of the committee of that society; or
  - (c) the directorship is held by that society itself.
- (4) In determining whether a company is a subsidiary of an industrial and provident society—
  - (a) any shares held or power exercisable by that society in a fiduciary capacity shall be treated as not held or exercisable by it;
  - (b) (subject to the two following paragraphs), any shares held or power exercisable by any person as a nominee for that society (except where that

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*Status: Point in time view as at 01/01/2006. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the Friendly and Industrial and Provident Societies Act 1968 (repealed), Section 15. (See end of Document for details)*

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- society is concerned only in a fiduciary capacity) shall be treated as held or exercisable by that society;
- (c) any shares held or power exercisable by any person by virtue of the provisions of any debentures of the company or of a trust deed for securing any issue of such debentures shall be disregarded; and
  - (d) any shares held or power exercisable by, or by a nominee for, that society (not being held or exercisable as mentioned in the last preceding paragraph) shall be treated as not held or exercisable by that society if the ordinary business of that society includes the lending of money and the shares are held or power is exercisable as mentioned above by way of security only for the purposes of a transaction entered into in the ordinary course of that business.
- (5) For the purposes of this Act, an industrial and provident society shall be deemed to be a subsidiary of another such society if, but only if, that other society either—
- (a) is a member of the first mentioned society and controls the composition of its committee; or
  - (b) can exercise a majority of the votes to which members of the first-mentioned society are entitled under its rules.
- (6) For the purposes of paragraph (a) of the last preceding subsection, the composition of a society's committee shall be deemed to be controlled by another society if, but only if, either—
- (a) that other society by the exercise of some power exercisable by it without the consent or concurrence of any other person can appoint and remove the members or a majority of the members of that committee; or
  - (b) that other society is itself a member of that committee and by the exercise of such a power as is mentioned in the preceding paragraph can either appoint and remove the remaining members of that committee or appoint and remove such number of members of that committee as, together with itself, would constitute a majority of the members of that committee.
- (7) A society shall be deemed for the purposes of subsection (6) of this section to have power to appoint a person to membership of the committee of another society if either—
- (a) he cannot be appointed without the exercise in his favour by the first mentioned society of such a power as is mentioned in paragraph (a) of that subsection; or
  - (b) his appointment follows necessarily from his appointment as a member of the committee of the first-mentioned society.
- (8) Subsection (4) of this section shall apply with the necessary modifications in determining whether an industrial and provident society is a subsidiary of another such society as it applies in determining whether a company is a subsidiary of such a society.
- (9) In this section “company” includes any body corporate other than an industrial and provident society, and “equity share capital” means, in relation to a company, its issued share capital excluding any part thereof which, neither as respects dividends nor as respects capital, carries any right to participate beyond a specified amount in a distribution.

**Status:**

Point in time view as at 01/01/2006. This version of this provision has been superseded.

**Changes to legislation:**

There are currently no known outstanding effects for the Friendly and Industrial and Provident Societies Act 1968 (repealed), Section 15.