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SCHEDULES

[^{F1}SCHEDULE 10B

DISCLOSURES ABOUT RELATED UNDERTAKINGS REQUIRED IN NOTE TO ACCOUNTS

Textual Amendments

- F1** Schs. 10A, 10B inserted (22.12.2004) (with effect in accordance with art. 1(2) of the amending S.I.) by [The Building Societies Act 1986 \(International Accounting Standards and Other Accounting Amendments\) Order 2004 \(S.I. 2004/3380\)](#), art. 1, **Sch. para. 9**

PART 2

SOCIETIES REQUIRED TO PREPARE CONSOLIDATED GROUP ACCOUNTS

Subsidiary undertakings

9. (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 undertaking 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 unincorporated, the address of its principal place of business.
- (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 it is a subsidiary undertaking of the society.
- (6) That information need not be given in relation to a subsidiary undertaking if—
- (a) the relevant condition is that specified in subsection (2)(a) of that section, 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

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(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 material—
- (a) in the case of Building Societies Act accounts, for the purpose of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 72F(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 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.

Associated undertakings

12. (1) The following information must be given where an undertaking included in the consolidation has an interest in an associated undertaking.
- (2) The name of the associated undertaking must be stated.
- (3) There must be stated—
- (a) if the associated 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.

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- (4) The following information must be given with respect to the shares of the associated undertaking 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 associated undertaking 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 an undertaking which is not one of its subsidiary undertakings and does not fall within paragraph 12 (associated undertakings).
- (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-fifth of the amount of the society's assets (as so stated).
14. (1) The name of the undertaking must be stated.
- (2) There must 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 must 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.
- (4) The information otherwise required by this paragraph need not be given if it is not material—
- (a) in the case of Building Societies Act accounts, for the purpose of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 72F(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 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 profits or loss for that year.
- (2) That information need not be given in respect of an undertaking if—

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- (a) the 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 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 purpose of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 72F(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 an undertaking which is not a subsidiary undertaking of the society and does not fall within paragraph 12 (associated undertakings).
- (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 group accounts) exceeds one-fifth of the amount of the group's assets (as so stated).
17. (1) The name of the undertaking must be stated.
- (2) There must 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 must also be stated—
- (a) the identity of each class of shares in the undertaking 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 material—
- (a) for the purpose of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 72F(2);
 - (b) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.
18. (1) There must 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.

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- (2) That information need not be given if—
- (a) the 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 undertaking.
- (3) Information otherwise required by this paragraph need not be given if it is not material—
- (a) for the purpose of giving a true and fair view for the society and its subsidiary undertakings as a whole, of the matters set out in section 72F(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 in the following cases—
- (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;
 - (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 building society and its subsidiary undertakings.]

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