

Status: Point in time view as at 01/04/2007.

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SCHEDULES

[^{F1}SCHEDULE 13E

DISCLOSURES ABOUT RELATED UNDERTAKINGS

Textual Amendments

- F1** Sch. 13E inserted (with effect in accordance with art. 1(2) of the amending S.I.) by [The Friendly Societies Act 1992 \(International Accounting Standards and Other Accounting Amendments\) Order 2005 \(S.I. 2005/2211\)](#), art. 1(2), [Sch. para. 6](#)

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.

Financial information about subsidiary undertakings

3. (1) There must be disclosed with respect to each subsidiary undertaking—

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- (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 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) 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
 - (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—

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- (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.

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—

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- (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.]

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