

## SCHEDULE 6

### NOTES TO ANNUAL ACCOUNTS: INFORMATION IN RESPECT OF ASSOCIATED BODIES

#### PART II

#### SOCIETIES REQUIRED TO PREPARE CONSOLIDATED ACCOUNTS

##### **Subsidiary undertakings**

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

(2) The name of each undertaking shall be stated.

(3) There shall be stated—

- (a) if the undertaking 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;
- (c) if it is unincorporated, the address of its principal place of business.

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

(5) It shall be stated with respect to each subsidiary undertaking by virtue of which of the conditions specified in section 258(2) of the Companies Act 1985 it is a subsidiary undertaking of the parent society<sup>(1)</sup>

(6) That information need not be given if the relevant condition is that specified in subsection (2) (a) of that section and the immediate parent society holds the same proportion of the shares in the undertaking as it holds voting rights.

##### **Holdings in subsidiary undertakings**

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

- (a) by the society, and
- (b) by the group; and the information under paragraphs (a) and (b) shall (if different) be shown separately.

(2) There shall 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**

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

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(1) Section 258 was applied to the interpretation of subsidiary undertakings of building societies by the Building Societies Act 1986 (Modifications) Order 1991 (S.I. 1991/1729).

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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) That information need not be given if the group's investment in the undertaking is included in the accounts by way of the equity method of valuation or 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 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 subsections (2), (3) and (4) of section 73 of the Act.
- (4) For the purpose 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**

- 13.**—(1) Where the financial year of one or more subsidiary undertakings did not end with that of the society, there shall be stated in relation to each such undertaking—
- (a) the reasons why the society's directors consider that its financial year should not end with that of the society, and
  - (b) the date on which its last financial year ended (last before the end of the society's financial year).
- (2) Instead of the dates required by subparagraph (1)(b) being given for each subsidiary undertaking the earliest and latest of those dates may be given.

#### **Further information about subsidiary undertakings excluded from consolidation**

- 14.**—(1) The following information shall be given with respect to subsidiary undertakings excluded from consolidation.
- (2) There shall be disclosed—
- (a) any qualification contained in the auditor's reports on the accounts of the subsidiary undertaking for financial years ending with or during the financial year of the society, and
  - (b) any note or saving contained in such accounts to call attention to a matter which, apart from the note or saving, would properly have been referred to in such a qualification, in so far as the matter which is the subject of the qualification or note is not covered by the consolidated accounts and is material from the point of view of the members of the society.
- (3) In so far as information required by this paragraph is not obtainable, a statement to that effect shall be given instead.

#### **Associated undertakings**

- 15.**—(1) The following information shall be given where an undertaking included in the consolidation has an interest in an associated undertaking.
- (2) The name of the associated undertaking shall be stated.

- (3) There shall be stated—
  - (a) if the undertaking 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 Northern Ireland;
  - (c) if it is unincorporated, the address of its principal place of business.
- (4) The following information shall be given with respect to the shares of the undertaking held—
  - (a) by the society, and
  - (b) by the group, and the information under paragraphs (a) and (b) shall be given separately.
- (5) There shall 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.
- (6) In this paragraph “associated undertaking” has the meaning given by Regulation 2, and the information required by this paragraph shall be given notwithstanding that Regulation 4(12) applies in relation to the accounts themselves.

#### **Other significant holdings of society or group**

**16.**—(1) The information required by paragraphs 17 and 18 shall 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 15 (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-tenth of the amount of its assets (as so stated).

**17.**—(1) The name of the undertaking shall be stated.

- (2) There shall be stated—
  - (a) if the undertaking is incorporated outside the United Kingdom, the country in which is incorporated;
  - (b) if it is incorporated in the United Kingdom, whether it is registered in England and Wales, Scotland or in Northern Ireland;
  - (c) if it is unincorporated, the address of its principal place of business.
- (3) The following information shall be given with respect to the shares of the undertaking held by the society.
- (4) There shall 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.

**18.**—(1) Where the society has a significant holding in an undertaking amounting to 20 per cent or more of the nominal value of the shares in the undertaking there shall 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 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 subsections (2), (3) and (4) of section 73 of the Act.

- (4) For the purposes of this paragraph the "relevant financial year" of an undertaking is—
- (a) if its financial year ends on the same date as that of the society, that year, and
  - (b) if not, its financial year ending last before the end of the society's financial year.

**19.**—(1) The information required by paragraphs 20 and 21 shall 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 15 (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-tenth of the amount of the group's assets (as so stated).

**20.**—(1) The name of the undertaking shall be stated.

- (2) There shall be stated—
- (a) if the undertaking 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;
  - (c) if it is unincorporated, the address of its principal place of business.

(3) The following information shall be given with respect to the shares of the undertaking held by the group.

- (4) There shall 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.

**21.**—(1) Where the holding of the group amounts to 20 per cent. or more of the nominal value of the shares in the undertaking, there shall 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.

- (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.

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(3) Information otherwise required by this paragraph need not be given if it is not material 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 subsections (2), (3) and (4) of section 73 of the Act.

(4) For the purpose 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**

**22.**—(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 11, 15(4) and (5) and 16 to 18—

- (a) there shall be attributed to the society shares held on its behalf by any person; but
- (b) there shall be treated as not held by the society shares held on behalf of a person other than 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 there shall be treated as not held by the group any shares held on behalf of a person other than the society or any of its subsidiary undertakings.

(4) Shares held by way of security shall be treated as 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, and
- (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.