1969. No. 359 **[C]**

INDUSTRIAL AND PROVIDENT SOCIETIES

Group Accounts

REGULATIONS, DATED 31ST DECEMBER 1969, MADE BY THE REGISTRAR OF FRIENDLY SOCIETIES, WITH THE CONSENT OF THE MINISTRY OF COMMERCE, UNDER SECTIONS 45 AND 97 OF THE INDUSTRIAL AND PROVIDENT SOCIETIES ACT (NORTHERN IRELAND) 1969.

The Registrar, with the consent of the Ministry of Commerce, in exercise of the powers conferred upon him by sections 45(3) and 97(3) of the Industrial and Provident Societies Act (Northern Ireland) 1969(a) hereby makes the following Regulations:—

Citation and Commencement

1. These Regulations may be cited as the Industrial and Provident Societies (Group Accounts) Regulations (Northern Ireland) 1969 and shall come into operation on 1st January 1970.

Interpretation

2. In these Regulations—

"committee" has the meaning assigned to it by section 101 of the Industrial and Provident Societies Act (Northern Ireland) 1969;

"society" means a society registered or deemed to be registered under the said Act of 1969, but does not include a credit union;

"subsidiaries" means companies or societies which are subsidiaries within the meaning of section 47 of the said Act of 1969;

"income and expenditure" includes, in relation to a subsidiary which is a company, profit and loss.

Form and contents of Group Accounts

3.—(1) Subject to paragraph (2) the group accounts of a society shall comprise—

(*a*) a consolidated balance sheet which deals with the state of affairs of the society and the subsidiaries to be dealt with in the group accounts;

(*b*) a consolidated revenue account which deals with the income and expenditure of the society and those subsidiaries.

(2) If in the opinion of the committee of the society it is better for the purpose

(*a*) of presenting the same or equivalent information about the state of affairs and income and expenditure of the society and those subsidiaries; and

(*b*) of so presenting it that it may be readily appreciated by the society's members;

the group accounts may be prepared in a form other than that required by paragraph (1) and in particular may consist of more than one set of consolidated accounts dealing respectively with the society and one group of subsidiaries

(a) 1969. c. 24 (N.I.).

and with other groups of subsidiaries or of separate accounts dealing with each of the subsidiaries to be dealt with in the group accounts, or of statements expanding the information about those subsidiaries in the society's own accounts, or any combination of those forms.

4. The consolidated balance sheet and income and expenditure account shall combine the information contained in the separate balance sheets and income and expenditure accounts of the society and of the subsidiaries dealt with by the consolidated accounts, but with such adjustments, if any, as the committee of the society thinks necessary.

5. Group accounts, if prepared in accordance with paragraph (1) of Regulation 3, shall comply with the requirements of the Schedule so far as applicable thereto or, if not so prepared, shall give the same or equivalent information.

6. Where, pursuant to paragraph (2) of Regulation 3, a balance sheet is prepared dealing with the society and one or more of its subsidiaries, but not with all the subsidiaries required to be dealt with in the group accounts, there shall be set out in the balance sheet separately from all other assets and liabilities the aggregate amount of assets consisting of shares in or amounts owing from those subsidiaries required to be dealt with in the group accounts but not dealt with by the balance sheet, and the aggregate amount of indebtedness to those subsidiaries.

Dated this 31st day of December 1969.

E. Simpson,
Registrar of Friendly Societies.

The Ministry of Commerce hereby consents to these Regulations.

Sealed with the Official Seal of the Ministry of Commerce for Northern Ireland this 31st day of December 1969.

(L.S.)

W. L. Robinson,
Assistant Secretary.

SCHEDULE

PART I

GENERAL PROVISIONS AS TO BALANCE SHEET

1. The balance sheet shall, subject to paragraph 15, comply with the requirements set out in paragraphs 2 to 8.

2. The amount paid up on the shares of the society and, in the case of non-withdrawable shares, the amount of the issued shares, shall be stated.

3.—(1) The reserves, provisions, liabilities and assets shall be classified under headings appropriate to the business of the society and its subsidiaries:

Provided that—

(*a*) where the amount of any class is not material, it may be included under the same heading as some other class; and

(*b*) where any assets of one class are not separable from assets of another class, those assets may be included under the same heading.

(2) Such particulars of the liabilities and assets shall be stated as are necessary to disclose their general nature.

(3) Fixed assets, current assets and assets that are neither fixed nor current shall be separately identified.

(4) The method or methods used to arrive at the amount of the fixed assets under each heading shall be stated.

4. There shall be shown under separate headings—

(*a*) the preliminary expenses, so far as they are not written off;

(*b*) the aggregate amounts respectively of reserves and provisions, where they are material (other than provisions for depreciation, renewals or diminution in value of assets);

(*c*) the aggregate amounts respectively of quoted and unquoted investments;

(*d*) the aggregate amount of bank loans and overdrafts;

(*e*) the aggregate amount of loans (not being bank loans or overdrafts) made to the society or its subsidiaries.

5. If an amount is set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation, it shall be stated.

6. Where any liability of the society or its subsidiaries is secured otherwise than by operation of law on any assets of the society or its subsidiaries, the fact that the liability is so secured shall be stated, but it shall not be necessary to specify the assets on which the liability is secured.

7. Subject to paragraph 8, the following matters shall be stated by way of note to the balance sheet or in a statement or report annexed thereto, if not otherwise shown—

(*a*) where the replacement of fixed assets has been provided for wholly or partly—

(i) by making provision for renewals and charging the cost of replacements against the provision so made; or

(ii) by charging the cost of replacement direct to revenue;

the fact that such provision has been made;

(*b*) where the amount of fixed assets (other than unquoted investments) is arrived at by reference to a valuation, the years (so far as they are known to the committee of the society) in which the assets were severally valued and the several values, and, in the case of assets that have been valued during the year of account, the names of the persons who valued them or particulars of their qualifications for doing so and (whichever is stated) the bases of valuation used by them;

(*c*) if there are included amongst the fixed assets (other than investments) assets that have been acquired during the year of account, the aggregate amount of the assets acquired as determined for the purpose of making up that balance sheet;

(*d*) if during the year of account any fixed assets (other than investments) included in the balance sheet made up with respect to the immediately preceding year of account have been disposed of or destroyed, the aggregate amount thereof for the purpose of making up that balance sheet;

(*e*) of the amount of fixed assets consisting of land, how much is ascribable to land of freehold tenure and how much to land of leasehold tenure;

(*f*) if the amount carried forward for stock in trade or work in progress is material for the appreciation by the members of the society of the state of affairs of the society and its subsidiaries, or of the income or expenditure of the society and its subsidiaries for the year of account, the manner in which that amount has been computed;

(*g*) if in the opinion of the committee of the society any of the current assets and unquoted investments have not a value on realisation in the ordinary course of the business of the society or its subsidiaries at least equal to the amount at which they are stated, the fact that the committee is of that opinion;

(*h*) the aggregate market value of the quoted investments where it differs from the amount of the investments as stated, and the stock exchange value of any investments of which the market value is shown (whether separately or not) and is taken as being higher than their stock exchange value;

(*i*) where the amounts of the separate reserves or of the provisions (other than provisions for depreciation, renewals, or diminution in value of assets) as compared with the amounts at the end of the immediately preceding year of account show any material increases or decreases, the sources from which the increases have been derived and how the amounts of any decreases have been applied;

(*j*) the general nature of any contingent liability not provided for, and, where practicable, the estimated amount of that contingent liability, if it is material;

(*k*) where practicable, the aggregate amount or estimated amount, if it is material, of—

(i) contracts for capital expenditure, so far as not provided for, and

(ii) capital expenditure authorised by the committee of the society or any of its subsidiaries which has not been contracted for;

(*l*) the basis on which the amount, if any, set aside for United Kingdom corporation tax is computed;

(*m*) the names of the subsidiaries dealt with in the group accounts, and the names of the subsidiaries not so dealt with and why they are not so dealt with;

(*n*) the corresponding amounts at the end of the immediately preceding year of account for all items shown in the balance sheet.

8. The matters referred to in sub-paragraphs (*d*), (*f*), (*i*) and (*n*) of paragraph 7 are not required to be stated by way of note to the balance sheet or otherwise, where the balance sheet is drawn up as at a date on or before 30th December 1970.