

## SCHEDULE 8

Regulation 12

### COMMITTEE OF MANAGEMENT'S ANNUAL REPORT

#### PART I

#### SOCIETY

1. There must be stated names of the persons who, at any time during the financial year, were members of the committee of management of the society. There must be stated the name of the person or persons who at any time during the year held the position of chief executive of the society.

2. The committee of management's annual report must contain:

- (a) a statement of the business objectives and activities of the society and its jointly controlled bodies and subsidiaries;
- (b) particulars of any events which have occurred since the end of the financial year and which are considered by the committee of management of the society to have an important effect on the society or any of its associated bodies, and
- (c) an indication of the opinion of the committee of management of the society as to the developments which they consider likely to happen in the business of the society and its associated bodies.

3.—(1) If significant changes in the fixed assets of the society or of any jointly controlled bodies or subsidiaries have occurred in the financial year, the annual report must contain particulars of the changes.

(2) If, in the case of such of those fixed assets as consists in interests in land and buildings, their market value (as at the end of the financial year) differs substantially from the amount at which they are included in the balance sheet, and the difference is, in the opinion of the committee of management of such significance as to require that the attention of the members of the society should be drawn to it, the annual report must indicate the difference with such degree of precision as is practicable.

4.—(1) Subject to subparagraphs (2) and (3), the committee of management annual report must state the following, with respect to each person who, at the end of the financial year, was member of the committee management of the society:

- (a) whether or not he was at the end of that year interested in shares in, or debentures of, any jointly controlled body or subsidiary of the society;
- (b) if he was so interested:
  - (i) the number and amount of shares in, and debentures of, each such body (specifying it) in which he was then interested;
  - (ii) whether or not he was, at the beginning of that year (or, if he was not then a member of the committee management, when he became one), interested in shares in, or debentures of, that or any other such body; and
  - (iii) if he was, the number and amount of shares in, and debentures of, each body (specifying it) in which he was interested at the beginning of the financial year or (as the case may be) when he became a member of the committee of management.

(2) The particulars required by subparagraph (1) may be given by way of notes to the society's annual accounts in respect of the financial year, instead of being stated in the committee of management's annual report.

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(3) Particulars required by subparagraph (1) are not required to be given in respect of committee members' nominee shareholdings, held on behalf of the society.

(4) Any changes in the details disclosed under subparagraph (1) between the end of the year and the relevant date must be disclosed in the committee of management's annual report and any such change after that date may be so disclosed.

(5) For the purposes of subparagraph (4) "the relevant date" is:

- (a) the date one month prior to the date of the notice of the society's annual general meeting; or
- (b) if earlier, the date on which approval, under section 76 of the Act of components of the annual accounts is completed.

**5.—(1)** This paragraph applies to the committee of management's annual report where the average number of persons employed by the society in each month during the financial year exceeded 250.

(2) For the purposes of subparagraph (1) the average number is the quotient derived by dividing, by the number of complete months in the financial year, the number derived by ascertaining, in relation to each of those months, the number of persons who, under contracts of service, were employed in the month (whether throughout it or not) by the society, and adding up the numbers ascertained.

(3) The committee of management's annual report must where this paragraph applies contain a statement describing such policy as the society has applied during the financial year:

- (a) for giving full and fair consideration to applications for employment by the society made by disabled persons, having regard to their particular aptitudes and abilities;
- (b) for continuing the employment of, and for arranging appropriate training for, employees of the society who have become disabled persons during the period when they were employed by the society; and
- (c) otherwise for the training, career development and promotion of disabled persons employed by the society.

(4) The committee of management's annual report must where this paragraph applies also contain a statement describing the action that has been taken during the financial year to introduce, maintain or develop requirements aimed at:

- (a) providing staff systematically with information on matters of concern to them as staff;
- (b) consulting staff, or their representatives on a regular basis so that the views of staff can be taken into account in making decisions which are likely to effect their interests;
- (c) encouraging the involvement of staff in the society's performance; and
- (d) achieving a common awareness on the part of all staff of the financial and economic factors effecting the performance of the society.

(5) In this paragraph:

- (a) "employment" means employment other than employment to work wholly or mainly outside the United Kingdom, and "employed" and "staff" must be construed accordingly; and
- (b) "disabled person" means the same as in the Disabled Persons (Employment) Act 1944(1) and the Disabled Persons (Employment) Act (Northern Ireland) 1945(2).

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(1) 1944 c. 10.  
(2) 1945 c. 6. (N.I.).

**6.—(1)** If at the end of the financial year the society has jointly controlled bodies or subsidiaries, there must be contained in the committee of management’s annual report a statement of:

- (a) the average number of persons employed between them in each week in that year by the society and the jointly controlled bodies or subsidiaries; and
- (b) the aggregate remuneration paid or payable in respect of that year to the persons by reference to whom the number stated under sub-paragraph (a) is ascertained.

(2) The number to be stated under that sub-paragraph is the quotient derived by dividing, by the number of weeks in the financial year, the number derived by ascertaining, in relation to each of those weeks, the number of persons who, under contracts of service, were employed between them in the week (whether throughout it or not) by the society and its jointly controlled bodies or subsidiaries and adding up the numbers ascertained.

**7.** The remuneration to be taken into account under paragraph 6(1)(b) is the gross remuneration paid or payable in respect of the financial year; and for this purpose “remuneration” includes bonuses (whether payable under contract or not).

**8.** There must be contained in the committee of management’s annual report a statement confirming that the society had, at the financial year end, the required margin of solvency as prescribed in Regulations made under section 48(2) of the Act for each class of relevant business.

**9.** There must be stated in the committee of management’s annual report details of any transfers of engagement accepted by the society during the year and the effect, if considered material, on other information provided in the report.

**10.—(1)** The following applies if the society or any subsidiary or jointly controlled body of the society has in the financial year given money for political purposes or charitable purposes or both.

(2) If the money given exceeded £200 in amount, there must be contained in the committee of management’s annual report for the year:

- (a) in the case of each of the purposes for which the money has been given, a statement of the amount of money given for that purpose; and
- (b) in the case of political purposes for which money has been given, the following particulars (so far as is applicable):
  - (i) the name of each person to whom money has been given for those purposes exceeding £200 in amount and the amount of money given; and
  - (ii) if money exceeding £200 in amount has been given by way of donation or subscription to a political party, the identity of the party and the amount of money given.

(3) For the purposes of this paragraph a society or a subsidiary or jointly controlled body is to be treated as giving money for political purposes if, directly or indirectly:

- (a) it gives a donation or subscription to a political party of the United Kingdom or any part of it; or
- (b) it gives a donation or subscription to a person who, to the society’s knowledge (or, as the case may be, that of the subsidiary undertaking), is carrying on, or proposing to carry on, any activities which can, at the time at which the donation or subscription was given, reasonably be regarded as likely to affect public support for such a political party as is mentioned.

(4) For the purposes of this paragraph money given for charitable purposes to a person who, when it was given, was ordinarily resident outside the United Kingdom shall be left out of account.

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(5) In this paragraph, “charitable purposes” means purposes which are exclusively charitable; and, as respects Scotland, “charitable” is to be construed as if it were contained in the Income Tax Acts.

**11.** The committee of management’s annual report must contain particulars of any other matters so far as they are material for the appreciation of the state of the society’s affairs by its members, being matters the disclosure of which will not, in the opinion of the committee of management, be harmful to the business of the society or of any of its jointly controlled bodies or subsidiaries.

## PART II

### NON-DIRECTIVE SOCIETY

**12.** The following paragraphs of Part I of this Schedule are specified as the material to be included in the committee of management’s annual report of a non-directive society:

- (a) paragraph 1 (names of the members of the committee of management);
- (b) paragraph 2a (a fair view of the activities of the society);
- (c) paragraph 8 (solvency);
- (d) paragraph 10 (general matters); and
- (e) paragraph 11 (other material matters).