



Friendly Societies Act 1974

1974 CHAPTER 46

Accounts, audit and auditors

30 General provisions as to accounts and balance sheets

- (1) Every revenue account of a registered society or branch shall give a true and fair view—
 - (a) if it deals with the affairs of the society or branch as a whole, of the income and expenditure of the society or branch as a whole for the period to which the account relates; and
 - (b) if it deals with a particular business conducted by the society or branch, of the income and expenditure of the society or branch in respect of that business for the period to which the account relates.
- (2) Every registered society or branch shall, in respect of each year of account, cause to be prepared either—
 - (a) a revenue account which deals with the affairs of the society or branch as a whole for that year; or
 - (b) two or more revenue accounts for that year which deal separately with the particular businesses conducted by the society or branch.
- (3) In a case falling within subsection (2)(b) above, without prejudice to the application of subsection (1)(b) above to each revenue account dealing with a particular business conducted by a society or branch, the revenue accounts in question, when considered together, shall give a true and fair view of the income and expenditure of the society or branch as a whole for the year of account to which they relate.
- (4) Subject to subsection (5) below, every balance sheet of a registered society or branch shall give a true and fair view, as at the date of the balance sheet, of the state of the affairs of the society or branch.
- (5) Subsection (4) above does not apply in the case of—
 - (a) a registered friendly society or a branch thereof, or

Status: This is the original version (as it was originally enacted).

- (b) a specially authorised society or branch which, by virtue of a direction in the authority for registering that society or branch, is required to carry out a valuation under section 41 below,
- but every balance sheet of a society or branch falling within paragraph (a) or paragraph (b) above shall give a true and fair view, as at the date of the balance sheet, of the assets and current liabilities of the society or branch and the resulting balances of its funds.
- (6) A registered society or branch shall not publish any revenue account or balance sheet unless—
- (a) it has been previously audited by the auditor or auditors last appointed to audit the accounts and balance sheet of the society or branch; and
 - (b) it incorporates a report by the auditor or auditors stating whether, in their opinion, it complies with subsection (1), subsection (4) or, as the case may require, subsection (5) above; and
 - (c) it has been signed by the secretary of the society or branch and by two members of the committee thereof acting on behalf of that committee.
- (7) Without prejudice to the provisions of subsection (6) above, a registered society or branch falling within paragraph (a) or paragraph (b) of subsection (5) above shall not publish any balance sheet which does not include a statement containing the same particulars as the statement required to be included in the annual return of that society or branch by section 43(5) below.
- (8) If in relation to any revenue account, revenue accounts or balance sheet of a registered society or branch, a member of the committee thereof fails to take all reasonable steps to secure compliance—
- (a) with subsection (1), subsection (4) or, as the case may require, subsection (5) above, or
 - (b) in a case falling within subsection (2) (b) above, with subsection (3) above,
- he shall be liable on summary conviction to a fine not exceeding £400 unless he proves that he had reasonable grounds to believe, and did believe, that a competent and reliable person was charged with the duty of seeing that the relevant provision was complied with and was in a position to discharge that duty.