



Friendly Societies Act 1992

1992 CHAPTER 40

PART VI

ACCOUNTS AND AUDIT

Annual accounts of friendly societies and registered branches

^{F1}69 Duty to prepare accounts.

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Textual Amendments

F1 Ss. 69A-69I substituted for ss. 69, 70 (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 \(S.I. 2005/2211\)](#), arts. 1(2), 2 (with art. 8)

[^{F1}69A Duty to prepare individual accounts

- (1) The committee of management of every friendly society or registered branch must prepare accounts for the society or branch for each of its financial years. Those accounts are referred to in this Part as the society's or branch's "individual accounts".
- (2) The individual accounts of a friendly society or registered branch of a society may be prepared—
 - (a) in accordance with section 69B ("Friendly Societies Act individual accounts"), or
 - (b) in accordance with international accounting standards ("IAS individual accounts").

This subsection is subject to subsection (3) and section 69I (consistency of accounts).

- (3) After the first financial year in which the committee of management of a friendly society or registered branch prepares IAS individual accounts ("the first IAS year"),

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all subsequent individual accounts of the society or branch must be prepared in accordance with international accounting standards unless there is a relevant change of circumstance.

- (4) There is a relevant change of circumstance if, at any time during or after the first IAS year—
- (a) the society or branch becomes a subsidiary undertaking of another undertaking and individual accounts for that undertaking are not prepared in accordance with international accounting standards,
 - (b) the society or branch ceases to be a society or part of a society with securities admitted to trading on a regulated market, or
 - (c) a parent undertaking of the society or branch ceases to be an undertaking with securities admitted to trading on a regulated market.

In this subsection “regulated market” has the same meaning as it has in [F2][F3]Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004[[F3]Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014] on markets in financial instruments].

- (5) If, having changed to preparing Friendly Societies Act individual accounts following a relevant change of circumstance, the committee of management again prepares IAS individual accounts for the society or branch, subsections (3) and (4) apply again as if the first financial year for which such accounts are again prepared were the first IAS year.

Textual Amendments

- F1** Ss. 69A–69I substituted for ss. 69, 70 (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 \(S.I. 2005/2211\)](#), arts. 1(2), **2** (with art. 8)
- F2** Words in s. 69A(4) substituted (1.4.2007 for specified purposes, 1.11.2007 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), reg. 1(2), **Sch. 6 para. 10(2)**
- F3** Words in s. 69A(4) substituted (29.6.2017 for specified purposes) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 4 para. 3(2)** (with reg. 7)

69B. Friendly Societies Act individual accounts

- (1) Friendly Societies Act individual accounts must comprise—
- (a) a balance sheet as at the last day of the financial year, and
 - (b) an income and expenditure account.
- (2) The balance sheet must give a true and fair view of the state of affairs of the society or branch as at the end of the financial year; and the income and expenditure account must give a true and fair view of the income and expenditure of the society or branch for the financial year.
- (3) Friendly Societies Act individual accounts must comply with the requirements of regulations made under section 69C as to the form and content of the balance sheet and income and expenditure account and additional information to be provided by way of notes to the accounts or otherwise.

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- (4) Where compliance with the provisions of those regulations, and the other provisions of this Act as to the matters to be included in a society's or branch's individual accounts or in notes to those accounts, would not be sufficient to give a true and fair view, the necessary additional information must be given in the accounts or in a note to them.
- (5) If in special circumstances compliance with any of those provisions is inconsistent with the requirement to give a true and fair view, the committee of management must depart from that provision to the extent necessary to give a true and fair view.
- (6) Particulars of any such departure, the reasons for it and its effect must be given in a note to the accounts.
- (7) The Treasury may by regulations –
 - (a) add to the classes of documents to be comprised in a society's or branch's Friendly Societies Act individual accounts under subsection (1);
 - (b) make provision as to the matters to be included in any document so added;
 - (c) modify the requirements of this Part as to the matters to be stated in any document comprised in the society's or branch's Friendly Societies Act individual accounts;
 - (d) reduce the classes of documents to be comprised in a society's or branch's Friendly Societies Act individual accounts.
- (8) Regulations under subsection (7) –
 - (a) may make different provision for different cases, and
 - (b) may include incidental and supplementary provisions.

Textual Amendments

- F1** [Ss. 69A-69I](#) substituted for ss. 69, 70 (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 \(S.I. 2005/2211\)](#), arts. 1(2), 2 (with art. 8)

69C. Form and contents of Friendly Societies Act individual accounts

- (1) The Treasury must by regulations make provision with respect to the form and content of Friendly Societies Act individual accounts.
- (2) The Treasury may by regulations make provision with respect to additional information to be contained in Friendly Societies Act individual accounts, whether in the form of notes or otherwise.
- (3) The regulations may, in particular–
 - (a) prescribe accounting principles and rules;
 - (b) require corresponding information for a preceding financial year;
 - (c) make different provision for different descriptions of society or branch.

Textual Amendments

- F1** [Ss. 69A-69I](#) substituted for ss. 69, 70 (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 \(S.I. 2005/2211\)](#), arts. 1(2), 2 (with art. 8)

Status: Point in time view as at 29/06/2017.

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992,
Cross Heading: Annual accounts of friendly societies and registered branches. (See end of Document for details)*

69D. IAS individual accounts

Where the committee of management of a friendly society prepare IAS individual accounts for a society or branch, it must state in the notes to those accounts that the accounts have been prepared in accordance with international accounting standards.

Textual Amendments

- F1** Ss. 69A-69I substituted for ss. 69, 70 (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 \(S.I. 2005/2211\)](#), arts. 1(2), 2 (with art. 8)

69E. Duty to prepare group accounts

- (1) If at the end of a financial year an incorporated friendly society has subsidiary undertakings, the committee of management, in addition to preparing individual accounts for the year, must prepare consolidated accounts for the year for the society and those undertakings taken as a whole, except as provided by regulations under subsection (7).

Those accounts are referred to in this Part as the society’s “group accounts”.

- (2) Certain friendly societies are obliged by Article 4 of the IAS Regulation to prepare their group accounts in accordance with international accounting standards (“IAS group accounts”).
- (3) The group accounts of other friendly societies may be prepared –
- in accordance with section 69F (“Friendly Societies Act group accounts”), or
 - in accordance with international accounting standards (“IAS group accounts”).

This subsection is subject to the following provisions of this section and section 69I (consistency of accounts).

- (4) After the first financial year in which the committee of management of a friendly society prepares IAS group accounts (“the first IAS year”), all subsequent group accounts of the society must be prepared in accordance with international accounting standards unless there is a relevant change of circumstance.
- (5) There is a relevant change of circumstance if, at any time during or after the first IAS year—
- the society becomes a subsidiary undertaking of another undertaking and accounts for that undertaking and its subsidiary undertakings (taken as a whole) are not prepared in accordance with international accounting standards,
 - the society ceases to be a society with securities admitted to trading on a regulated market, or
 - a parent undertaking of the society ceases to be an undertaking with securities admitted to trading on a regulated market.

In this subsection “regulated market” has the same meaning as it has in ^[F4]^[F5]Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004^[F5] Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014] on markets in financial instruments].

Status: Point in time view as at 29/06/2017.

Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, Cross Heading: Annual accounts of friendly societies and registered branches. (See end of Document for details)

- (6) If, having changed to preparing Friendly Societies Act group accounts following a relevant change of circumstance, the committee of management again prepares IAS group accounts for the society, subsections (4) and (5) apply again as if the first financial year for which such accounts are again prepared were the first IAS year.
- (7) The Treasury may by regulations exempt specified descriptions of incorporated friendly societies with subsidiaries from any duty to prepare group accounts.
- (8) Regulations under subsection (7) may exempt societies by reference to any criterion and may make different provision for different descriptions of societies.

Textual Amendments

- F1** Ss. 69A-69I substituted for ss. 69, 70 (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 \(S.I. 2005/2211\)](#), arts. 1(2), **2** (with art. 8)
- F4** Words in s. 69E(5) substituted (1.4.2007 for specified purposes, 1.11.2007 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), reg. 1(2), **Sch. 6 para. 10(3)**
- F5** Words in s. 69E(5) substituted (29.6.2017 for specified purposes) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 4 para. 3(3)** (with reg. 7)

69F. Friendly Societies Act group accounts

- (1) Friendly Societies Act group accounts must comprise—
 - (a) a balance sheet dealing with the state of affairs of the society and its subsidiary undertakings;
 - (b) an income and expenditure account showing the income and expenditure of the society and its subsidiary undertakings.
- (2) Friendly Societies Act group accounts must give a true and fair view of the state of affairs as at the end of the financial year, and the income and expenditure for the financial year, of the society and the subsidiary undertakings included in the group accounts as a whole, so far as concerns the members of the society.
- (3) Friendly Societies Act group accounts must comply with the requirements of regulations made under section 69G as to the form and content of the group accounts and additional information to be provided by way of notes to the accounts or otherwise.
- (4) Where compliance with the provisions of those regulations, and the other provisions of this Act as to the matters to be included in a society's group accounts or in notes to those accounts, would not be sufficient to give a true and fair view, the necessary additional information must be given in the accounts or in a note to them.
- (5) If in special circumstances compliance with any of those provisions is inconsistent with the requirement to give a true and fair view, the committee of management must depart from that provision to the extent necessary to give a true and fair view.
- (6) Particulars of any such departure, the reasons for it and its effect must be given in a note to the accounts.
- (7) The Treasury may by regulations—

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- (a) add to the classes of documents to be comprised in a society's Friendly Societies Act group accounts under subsection (1);
 - (b) make provision as to the matters to be included in any document so added;
 - (c) modify the requirements of this Part as to the matters to be stated in any document comprised in the society's Friendly Societies Act group accounts; and
 - (d) reduce the classes of documents to be comprised in a society's Friendly Societies Act group accounts.
- (8) Regulations under subsection (7)—
- (a) may make different provision for different descriptions of society; and
 - (b) may include incidental and supplementary provisions.

Textual Amendments

- F1** [Ss. 69A-69I](#) substituted for ss. 69, 70 (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 \(S.I. 2005/2211\)](#), arts. 1(2), 2 (with art. 8)

69G. Form and content of Friendly Societies Act group accounts

- (1) The Treasury must by regulations make provision with respect to the form and content of Friendly Societies Act group accounts.
- (2) The Treasury may by regulations make provision with respect to additional information to be contained in Friendly Societies Act group accounts, whether in the form of notes or otherwise.
- (3) The regulations may, in particular—
 - (a) prescribe accounting principles and rules;
 - (b) require corresponding information for a preceding financial year; and
 - (c) make different provision for different descriptions of society.

Textual Amendments

- F1** [Ss. 69A-69I](#) substituted for ss. 69, 70 (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 \(S.I. 2005/2211\)](#), arts. 1(2), 2 (with art. 8)

69H. IAS group accounts

Where the committee of management of a friendly society prepares IAS group accounts, it must state in the notes to those accounts that the accounts have been prepared in accordance with international accounting standards.

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Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, Cross Heading: Annual accounts of friendly societies and registered branches. (See end of Document for details)

Textual Amendments

- F1** Ss. 69A-69I substituted for ss. 69, 70 (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 \(S.I. 2005/2211\)](#), arts. 1(2), **2** (with art. 8)

69I. Consistency of accounts

- (1) The committee of management of a friendly society that prepares group accounts must secure that the individual accounts of—
 - (a) the friendly society,
 - (b) each of its subsidiary undertakings, and
 - (c) each of its registered branches,are all prepared using the same financial reporting framework, except to the extent that in their opinion there are good reasons for not doing so.
- (2) Subsection (1) only applies to accounts of subsidiary undertakings which are—
 - (a) required to be prepared under [^{F6}Part 15 of the Companies Act 2006], or
 - (b) required to be prepared under Part 6 of this Act.
- (3) Subsection (1) does not require accounts of undertakings that are charities to be prepared using the same financial reporting framework as accounts of undertakings which are not charities.
- (4) Subsection (1)(a) does not apply where the committee of management of a friendly society prepares IAS group accounts and IAS individual accounts.
- (5) The committee of management of a society which has subsidiary undertakings must ensure that, except where in its opinion there are good reasons against it, the financial year of each of its subsidiary undertakings coincides with the society's own financial year.]

Textual Amendments

- F1** Ss. 69A-69I substituted for ss. 69, 70 (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 \(S.I. 2005/2211\)](#), arts. 1(2), **2** (with art. 8)
- F6** Words in s. 69I(2)(a) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 183** (with arts. 6, 11, 12)

[^{F7}69J] Disclosures relating to members of the committee of management and employees of the society

- (1) The information specified in Schedule 13D must be given in notes to a friendly society's or a registered branch's annual accounts, subject to the provisions of subsection (5).
- (2) In that Schedule—

Part 1 relates to emoluments and other benefits of members of the committee of management and others and to loans and other dealings in favour of members of the committee and connected persons; and

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Part 2 relates to information about the employees of a society.

- (3) It is the duty of any member of the committee of management, and any person who has been at any time in the preceding five years a member of the committee, to give notice to the society of such matters relating to himself as may be necessary for the purposes of Part 1 of Schedule 13D.
- (4) A person who makes default in complying with subsection (3) commits an offence and is liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (5) Paragraphs 11 and 13 of Schedule 13D do not apply to non-directive friendly societies or their registered branches.
- (6) The annual accounts of a friendly society which is required to produce group accounts under section 69E must include the material specified by paragraphs 11 to 13 not only in respect of the society but also in respect of the society and its subsidiaries in combination.
- (7) The Treasury may, by order, modify the provisions of Schedule 13D.
- (8) An order under this section may—
 - (a) make consequential amendments or repeals of other provisions of this Act;
 - (b) make such transitional or saving provisions as appear to the Treasury to be necessary or expedient;
 - (c) make different provision for different cases.

Textual Amendments

- F7** Ss. 69J, 69K 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. 2](#)

69K Disclosures about related undertakings

- (1) The information specified in Schedule 13E must be given in notes to a friendly society's or a registered branch's annual accounts.
- (2) In the case of a friendly society whose committee of management is not required to prepare consolidated accounts, the information specified in Part 1 of that Schedule must be given.
- (3) In the case of a friendly society whose committee of management is required to prepare consolidated accounts, the information specified in Part 2 of that Schedule must be given.
- (4) The Treasury may, by order, modify the provisions of Schedule 13E.
- (5) An order under this section may also—
 - (a) make consequential amendments of or repeals in other provisions of this Act;
 - (b) make such transitional or saving provisions as appear to the Treasury to be necessary or expedient;
 - (c) make different provision for different cases.]

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Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, Cross Heading: Annual accounts of friendly societies and registered branches. (See end of Document for details)

Textual Amendments

- F7** Ss. 69J, 69K 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. 2**

[^{F8}69L. Disclosures relating to off-balance-sheet arrangements

- (1) If in any financial year—
 - (a) a friendly society or registered branch has been party to arrangements that are not reflected in its balance sheet, and
 - (b) at the balance sheet date the risks or benefits arising from those arrangements are material,the information required by this section must be given in notes to the society's or branch's annual accounts.
- (2) The information required is—
 - (a) the nature and business purpose of the arrangements, and
 - (b) the financial impact of the arrangements on the society or branch.
- (3) The information need only be given to the extent necessary for enabling the financial position of the society or branch to be assessed.
- (4) Where a friendly society is required to prepare consolidated group accounts, this section applies in relation to those accounts as if the undertakings included in the consolidation were a single friendly society.]

Textual Amendments

- F8** S. 69L inserted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by [The Friendly Societies Act 1992 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1140\)](#), arts. 1(2), **3**

[^{F9}69M. Disclosure of auditor remuneration

- (1) The information specified in Schedule 13F must be given in notes to a friendly society's or a registered branch's annual accounts.
- (2) The Treasury may, by order, modify the provisions of Schedule 13F.
- (3) An order under this section may—
 - (a) make consequential amendments or repeals of other provisions of this Act;
 - (b) make such transitional or saving provisions as appear to the Treasury to be necessary or expedient, or
 - (c) make different provision for different cases.]

Status: Point in time view as at 29/06/2017.

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992,
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Textual Amendments

F9 S. 69M inserted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by [The Friendly Societies Act 1992 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1140\)](#), arts. 1(2), **4(1)**

^{F1}70 Contents and form of annual accounts.

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Textual Amendments

F1 Ss. 69A-69I substituted for ss. 69, 70 (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 \(S.I. 2005/2211\)](#), arts. 1(2), **2** (with art. 8)

Status:

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