



# Friendly Societies Act 1992

## 1992 CHAPTER 40

### PART VI

#### ACCOUNTS AND AUDIT

##### *Committee of management's annual report*

#### **71 Report on a friendly society's affairs by the committee of management.**

(1) The committee of management of a friendly society shall prepare for submission to the annual general meeting of the society a report on the activities of the society containing—

- [<sup>F1</sup>(a) a fair review of the business of the society, its subsidiary undertakings and bodies that it jointly controls (if any) complying with section 71A;
- (aa) a description of the principal risks and uncertainties facing the society, its subsidiary undertakings and bodies that it jointly controls (if any);]
- (b) such information relating to such aspects of the activities of the society as may be prescribed by regulations made by the <sup>F2</sup> . . . Treasury; and
- (c) a statement whether any and, if so, what activities carried on during the year by the society are believed to have been carried on outside its powers.

[<sup>F3</sup>(1A) If the friendly society has subsidiary undertakings, the report may, where appropriate, give greater emphasis to those matters which are significant to the society and its subsidiary undertakings taken as a whole.]

(2) Where an incorporated friendly society has subsidiaries or jointly controls other bodies, the report shall-

- (a) contain such information relating to such aspects of the activities of any subsidiaries or bodies which it jointly controls as may be prescribed by regulations made by the <sup>F2</sup> . . . Treasury;
- <sup>F4</sup>(b) . . . . .
- (c) contain a statement whether any and, if so, what activities carried on during the year by any of its subsidiaries or by any body which it jointly controls

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are believed to have been carried on outside the powers of the subsidiary or jointly controlled body.

- (3) If a report under this section does not contain the prescribed information or the information in the report is not given in accordance with the regulations, each member of the committee of management shall be guilty of an offence and liable—
- (a) on conviction on indictment, to a fine; and
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.

#### Textual Amendments

- F1** S. 71(1)(a)(aa) substituted for s. 71(1)(a) (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), **3(2)**
- F2** Words in s. 71(1)(b)(2)(a) repealed (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2(1)**
- F3** S. 71(1A) 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 \(S.I. 2005/2211\)](#), arts. 1(2), **3(3)**
- F4** S. 71(2)(b) omitted (with effect in accordance with art. 1(2) of the amending S.I.) by virtue of [The Friendly Societies Act 1992 \(International Accounting Standards and Other Accounting Amendments\) Order 2005 \(S.I. 2005/2211\)](#), arts. 1(2), **3(4)**

#### Modifications etc. (not altering text)

- C1** S. 71(1)(b): functions of Friendly Societies Commission transferred (1.12.2001) to the Treasury by [S.I. 2001/2617](#), arts. 2(b), 4(1), **Sch. 1 Pt. II** (with art. 5); [S.I. 2001/3538](#), **art. 2(1)**
- C2** S. 71(2)(a): functions of Friendly Societies Commission transferred (1.12.2001) to the Treasury by [S.I. 2001/2617](#), arts. 2(b), 4(1), Sch. 1 Pt. II (with art. 5); [S.I. 2001/3538](#), **art. 2(1)**

#### Commencement Information

- I1** S. 71 wholly in force; s. 71 not in force at Royal Assent see [s. 126\(2\)](#); s. 71 in force for certain purposes at 13.1.1993 by [S.I. 1993/16](#), art. 2, **Sch. 1**; s. 71(1)(2) in force for certain purposes 13.9.1993 by [S.I. 1993/2213](#), art. 2(1), **Sch. 4**; s. 71 in force for all remaining purposes at 1.1.1994 by [S.I. 1993/2213](#), art. 2(1), **Sch. 5**

### [<sup>F5</sup>71A Business review

- (1) The review required for the purposes of section 71(1)(a) is a balanced and comprehensive analysis of—
- (a) the development and performance of the business of the friendly society, its subsidiary undertakings and bodies that it jointly controls (if any) during the financial year, and
  - (b) the position of the friendly society, its subsidiary undertakings and bodies that it jointly controls (if any) at the end of that year,
- consistent with the size and complexity of the business.
- (2) The review must, to the extent necessary for an understanding of the development, performance or position of the business of the society, its subsidiary undertakings and bodies that it jointly controls (if any), include—
- (a) analysis using financial key performance indicators, and

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- (b) where appropriate, analysis using other key performance indicators, including information relating to environmental matters and employee matters.
- (3) The review must, where appropriate, include references to additional explanations of amounts included in the annual accounts of the society.
- (4) In this section “key performance indicators” means factors by reference to which the development, performance or position of the business of the society, any subsidiary undertakings it has and any bodies that it jointly controls, can be measured effectively.]

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**Textual Amendments**

- F5** S. 71A 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 \(S.I. 2005/2211\)](#), arts. 1(2), 4

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