



Friendly Societies Act 1992

1992 CHAPTER 40

PART VI

ACCOUNTS AND AUDIT

Laying and furnishing of accounts and reports

78 Laying and furnishing of accounts and reports.

- [^{F1}(1) The committee of management of a friendly society shall in each year—
- (a) lay before the society, at the annual general meeting, copies of the annual accounts for the last financial year, the report of the committee of management for that year and the [^{F2}auditor's report] on those accounts; and
 - (b) send to the [^{F3}FCA and, if the society is a PRA-authorized person, the PRA], not later than 30th June or 14 days before the annual general meeting, whichever is earlier, two copies of those accounts and reports.
- (2) The committee of management of a registered branch shall in each year—
- (a) lay before the branch, at the annual general meeting, copies of the annual accounts for the last financial year and the [^{F4}auditor's report] on those accounts; and
 - (b) send to the [^{F5}FCA and, if the society is a PRA-authorized person, the PRA], not later than 30th June or 14 days before the annual general meeting, whichever is earlier, two copies of those accounts and that report.]

(3) Every friendly society shall, as from the date by which at the latest its committee of management is required by subsection (1) above to send them to the [^{F6}FCA and, if the society is a PRA-authorized person, the PRA]—

 - (a) make copies of the annual accounts, the report of the committee of management and the [^{F7}auditor's report] available free of charge to members of the society at every office of the society; and
 - (b) send, free of charge, copies of those documents to any member of the society who demands them;

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and that duty shall cease, as respects those accounts, when the society comes to be under the same duty in respect of the accounts for the next financial year.

- (4) Every registered branch shall, as from the date by which at the latest its committee of management is required by subsection (2) above to send them to the [F8FCA and, if the society is a PRA-authorised person, the PRA]—

- (a) make copies of the annual accounts and the [F9auditor’s report] available free of charge to members of the branch at every office of the branch; and
- (b) send, free of charge, copies of those documents to any member of the branch who demands them;

and that duty shall cease, as respects those accounts, when the branch comes to be under the same duty in respect of the accounts for the next financial year.

- [F10(4A) A friendly society or registered branch is to be regarded as sending a copy of a document to a member for the purposes of subsection (3)(b) or (4)(b) if it makes the document available to the member on a website; and the end date for the purposes of section 119AB(4)(b) is the date when the duty ceases.]

- (5) If default is made in complying with subsection (1) or (2) above, every person who was a member of the committee of management of the society or, as the case may be, the branch, at any time during the relevant period shall be guilty of an offence and liable on summary conviction—

- (a) to a fine not exceeding level 5 on the standard scale; and
- (b) in the case of a continuing offence, to an additional fine not exceeding [F11one-tenth of that level][F11one-tenth of the greater of £5,000 or level 4 on the standard scale] for every day during which the offence continues.

- (6) If, on demand made of it under subsection (3) or (4) above, a friendly society or registered branch fails, in accordance with that subsection, to make available or, as the case may be, within 7 days of the demand, to send to a person a copy of the annual accounts, the society or branch shall be guilty of an offence and liable on summary conviction—

- (a) to a fine not exceeding level 3 on the standard scale; and
- (b) in the case of a continuing offence, to an additional fine not exceeding one-tenth of that level for every day during which the offence continues.

- (7) In subsection (5) above “the relevant period” means the period beginning at the end of the last financial year and ending with the date which falls 14 days before the annual general meeting following the end of that year.

- (8) The [F12[F13FCA] shall keep one of] the copies of documents received by it from a friendly society under subsection (1) above in the public file of the society.

Textual Amendments

- F1** S. 78(1)(2) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 91(a)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F2** Words in s. 78(1)(a) substituted (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), art. 1(2), **Sch. 2 para. 4**
- F3** Words in s. 78(1)(b) substituted (1.4.2013) by *The Financial Services Act 2012 (Mutual Societies) Order 2013* (S.I. 2013/496), art. 1(1), **Sch. 9 para. 32(2)** (with Sch. 12)

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- F4** Words in s. 78(2)(a) substituted (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), art. 1(2), **Sch. 2 para. 4**
- F5** Words in s. 78(2)(b) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 32(2)** (with Sch. 12)
- F6** Words in s. 78(3) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 32(2)** (with Sch. 12)
- F7** Words in s. 78(3)(a) substituted (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), art. 1(2), **Sch. 2 para. 4**
- F8** Words in s. 78(4) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 32(2)** (with Sch. 12)
- F9** Words in s. 78(4)(a) substituted (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), art. 1(2), **Sch. 2 para. 4**
- F10** S. 78(4A) inserted (12.4.2011) by The Mutual Societies (Electronic Communications) Order 2011 (S.I. 2011/593), arts. 1(1), 7
- F11** Words in s. 78(5)(b) substituted (E.W.) (12.3.2015) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Fines on Summary Conviction) Regulations 2015 (S.I. 2015/664), reg. 1(1), **Sch. 3 para. 7(3)** (with reg. 5(1))
- F12** Words in s. 78(8) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 91(c)** (with art. 13(3), Sch. 5); S.I. 2001/2617, **art. 2(1)**
- F13** Word in s. 78(8) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 32(3)** (with Sch. 12)

Commencement Information

- I1** S. 78 wholly in force; s. 78 not in force at Royal Assent see s. 126(2); s. 78 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, **Sch. 1**; s. 78 in force for all remaining purposes at 1.1.1994 by S.I. 1993/2213, art. 2(1), **Sch. 5**

[^{F14}78A Interpretation of Part 6

(1) In this Part—

“annual accounts”, in relation to a friendly society or registered branch, means—

- (a) the individual accounts required by section 69A, and
- (b) any group accounts required by section 69E,

together with the notes to those accounts;

[^{F15}“the Audit Directive” means Directive 2006/43/EC of the European Parliament and of the Council on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (as to friendly societies to which the Directive applies, see subsection (3) below);]

[^{F16}“firm” means any entity, whether or not a legal person, that is not an individual and includes a body corporate, a corporation sole, and a partnership or other unincorporated association;]

“IAS accounts” means IAS individual accounts or IAS group accounts;

“IAS Regulation” means EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards ;

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“income and expenditure account”, in relation to a friendly society or registered branch which prepares IAS accounts, includes an income statement or other equivalent financial statement required to be prepared by international accounting standards;

“international accounting standards” means the international accounting standards, within the meaning of the IAS Regulation, adopted from time to time by the European Commission in accordance with the IAS Regulation;

“non-directive friendly society” means a registered friendly society —

- (a) to which subsections (2) and (3) of section 37 (restriction of combinations of business) do not apply; and
- (b) which does not carry on reinsurance business;

“parent undertaking” and “subsidiary undertaking” shall be construed in accordance with the provisions of ^[F17]section 1162 of the Companies Act 2006, read in conjunction with section 1161(1) of and Schedule 7 to that Act].

^[F16]“senior statutory auditor” has meaning given by section 74A(1) above;]

- (2) References in this Part to accounts giving a “true and fair view” are references—
 - (a) in the case of Friendly Societies Act individual accounts, to the requirement under section 69B that such accounts give a true and fair view;
 - (b) in the case of Friendly Societies Act group accounts, to the requirement under section 69F that such accounts give a true and fair view; and
 - (c) in the case of IAS accounts, to the requirement under international accounting standards that such accounts achieve a fair presentation.
- ^[F18](3) References in this Part to a friendly society to which the Audit Directive applies are to a friendly society that is—
 - (a) an insurance undertaking within the meaning given by Article 2.1 of Council Directive [1991/674/EEC](#) on the annual accounts and consolidated accounts of insurance undertakings, or
 - (b) an issuer whose transferable securities are admitted to trading on a regulated market.
- (4) In subsection (3)—
 - (a) “issuer” and “regulated market” have the same meaning as in Part 6 of the Financial Services and Markets Act 2000; and
 - (b) “transferable securities” means anything which is a transferable security for the purposes of [Directive 2004/39/EC](#) of the European Parliament and of the Council on markets in financial instruments.]]

Textual Amendments

- F14** S. 78A 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. 3**
- F15** Words in s. 78A(1) inserted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 15(2)** (with arts. 6, 11, 12)
- F16** Words in s. 78A(1) 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), **7(1)**
- F17** Words in s. 78A(1) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), **Sch. 1 para. 184** (with arts. 6, 11, 12)

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F18 S. 78A(3)(4) substituted for s. 78A(3) (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **9**

F19⁷⁹

Textual Amendments

F19 S. 79 repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

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