



# Friendly Societies Act 1896

## 1896 CHAPTER 25

### *INSPECTION : CANCELLING AND SUSPENSION OF REGISTRY : DISSOLUTION.*

#### **76 Inspectors and special meetings**

- (1) Upon the application—
  - (a) of one-fifth of the whole number of members of a registered society; or
  - (b) in the case of a registered society of one thousand members and not exceeding ten thousand, of one hundred members; or
  - (c) in the case of a registered society of more than ten thousand members, of five hundred members,the chief registrar, or in cases of societies registered and doing business exclusively in Scotland or in Ireland the assistant registrars for Scotland and Ireland respectively, but with the consent of the Treasury in every case, may—
  - (a) appoint an inspector or inspectors to examine into and report on the affairs of the society; or
  - (b) call a special meeting of the society.
- (2) The application under this section shall be supported by such evidence, for the purpose of showing that the applicants have good reason for requiring an inspection to be made or meeting to be called, and that they are not actuated by malicious motives in their application, and such notice thereof shall be given to the society, as the chief registrar directs.
- (3) The chief or assistant registrar may, if he thinks fit, require the applicants to give security for the costs of the proposed inspection or meeting, before appointing any inspector or calling the meeting.
- (4) All expenses of and incidental or preliminary to any such inspection or meeting shall be defrayed by the members applying therefor or out of the funds of the society, or by the members or officers, or former members or officers, of the society in such proportions as the chief or assistant registrar directs.
- (5) An inspector appointed under this section may require the production of all or any of the books and documents of the society, and may examine on oath its officers,

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members, agents, and servants in relation to its business, and may administer such oath accordingly.

- (6) The chief or assistant registrar may direct at what time and place a special meeting under this section is to be held and what matters are to be discussed and determined at that meeting, and the meeting shall have all the powers of a meeting called according to the rules of the society, and shall in all cases have power to appoint its own chairman, any rule of the society to the contrary notwithstanding.
- (7) This section shall not apply to a society with branches, except with the consent of the central body of that society.

## 77 **Cancelling and suspension of registry**

- (1) The chief registrar, or, in the case of a society registered and doing business in Scotland or Ireland exclusively, the assistant registrar for Scotland or Ireland, may—
  - (a) if he thinks fit, at the request of a society, to be evidenced in such manner as he may direct: or
  - (b) with the approval of the Treasury, on proof to his satisfaction that an acknowledgment of registry has been obtained by fraud or mistake, or that a society exists for an illegal purpose, or has wilfully and after notice from a registrar whom it may concern violated any of the provisions of this Act, or has ceased to exist,  
by writing under his hand cancel the registry of a society.
- (2) The chief or assistant registrar, in any case in which he might, with the approval of the Treasury, cancel the registry of a society, may, by writing under his hand, suspend the registry for any term not exceeding three months, and may, with the approval of the Treasury, renew the suspension for the like period.
- (3) Unless the chief or assistant registrar has given to a registered society not less than two months previous notice in writing, specifying briefly the ground of any proposed cancelling or suspension, the registry of the society shall not be cancelled (except at its request; or suspended.
- (4) Where the registry of a society has been cancelled or suspended, notice thereof shall forthwith be advertised.
- (5) Where the registry of a society has been suspended or cancelled, the society shall from the time of the suspension or cancelling (but if suspended, only while the suspension lasts, and subject also to the right of appeal given by this section) absolutely cease to enjoy as such the privileges of a registered society, but without prejudice to any liability actually incurred by the society, and any such liability may be enforced against the society as if the suspension or cancelling had not taken place.
- (6) A society may appeal from the cancelling of its registry, or from any suspension thereof which is renewed after six months, as follows:—
  - (a) from the assistant registrar for Scotland or Ireland to the chief registrar, and from him to the Court of Session in Scotland or the High Court in Ireland respectively ; and
  - (b) from the chief registrar, in cases not relating exclusively either to Scotland or to Ireland, to the High Court in England.

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## 78 Dissolution of societies

- (1) Subject to the provision of this Act as to the dissolution of societies with branches, a registered society or branch may terminate or be dissolved in any of the following ways :—
  - (a) upon the happening of any event declared by the rules to be the termination of the society or branch ; or
  - (b) as respects societies or branches other than friendly societies or branches, by the consent of three-fourths of the members, testified by their signatures to the instrument of dissolution ; or
  - (c) as respects friendly societies or branches, by the consent of five-sixths in value of the members (including honorary members, if any), testified by their signatures to the instrument of dissolution, and also by the written consent of every person receiving or entitled to receive any relief, annuity, or other benefit from the funds of the society or branch, unless the claim of that person is first duly satisfied, or adequate provision made for satisfying that claim, and, in the case of a branch, with the consent of the central body of the society, or in accordance with the general rules of the society ; or
  - (d) by the award of the chief registrar or assistant registrars in the cases specified in this Act.
- (2) The provisions of this Act as to the method of calculating the value of members and the remedy of members and persons dissatisfied with the provisions made for satisfying their claims in the case of the amalgamation or transfer of engagements of a registered friendly society shall apply to the dissolution of a registered friendly society or branch.

## 79 Instrument of dissolution

When a registered society or branch is terminated by an instrument of dissolution :—

- (1) the instrument shall set forth—
  - (a) the liabilities and assets of the society or branch in detail; and
  - (b) the number of members and the nature of their interests in the society or branch ; and
  - (c) the claims of creditors (if any), and the provision to be made for their payment; and
  - (d) the intended appropriation or division of the funds and property of the society or branch, unless the appropriation or division is stated in the instrument of dissolution to be left to the award of the chief registrar.
- (2) Alterations in the instrument of dissolution may be made with the like consents as are in this Act required for the dissolution of a society or branch, testified in the same manner.
- (3) A statutory declaration shall be made by one of the trustees, or by three members and the secretary of the society or branch, that the provisions of this Act have been complied with, and shall be sent to the registrar with the instrument of dissolution.
- (4) The instrument shall not in the case of a registered friendly society or branch direct or contain any provision for a division or appropriation of the funds of the society or branch, or any part thereof, otherwise than for the purpose of carrying into effect the objects of the society or branch as declared in the rules thereof, unless the claim of every member or person claiming any relief, annuity, or other benefit from the funds

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thereof is first duly satisfied, or adequate provisions are made for satisfying those claims.

- (5) The instrument of dissolution and all alterations therein shall be registered in manner in this Act provided for the registry of amendments of rules, and shall be binding upon all the members of the society or branch.
- (6) The registrar shall cause a notice of the dissolution to be advertised at the expense of the society or branch, and, unless within three months from the date of the Gazette in which the advertisement appears, a member or other person interested in or having any claim on the funds of the society or branch commences proceedings to set aside the dissolution of the society or branch, and the dissolution is set aside accordingly, the society or branch shall be legally dissolved from the date of that advertisement, and the requisite consents to the instrument of dissolution shall be considered to have been duly obtained without proof of the signatures thereto.

## **80 Dissolution by award**

- (1) Upon the application made in writing under their hands—
  - (a) of one-fifth of the whole number of members of a registered society or branch ; or
  - (b) in the case of a registered society or branch of one thousand members and not exceeding ten thousand, of one hundred members ; or
  - (c) in the case of a registered society or branch of more than ten thousand members, of five hundred members,

the chief registrar may by himself, or by any assistant registrar, or by any actuary or public auditor whom the chief registrar may appoint in writing under his hand, investigate the affairs of the society or branch, but shall give not less than one month's previous notice in writing to the society or branch whose affairs are to be investigated.
- (2) The application shall—
  - (a) state that the funds of the society or branch are insufficient to meet the existing claims thereon, or that the rates of contribution fixed in the rules of the society or branch are insufficient to cover the benefits assured; and
  - (b) set forth the grounds on which the insufficiency is alleged ; and
  - (c) request an investigation into the affairs of the society or branch with a view to the dissolution thereof.
- (3) If upon the investigation it appears that the funds of the society or branch are insufficient to meet the existing claims thereon, or that the rates of contribution fixed in the rules of the society or branch are insufficient to cover the benefits assured to be given by the society or branch the chief registrar may, if he considers it expedient so to do, award that the society or branch be dissolved, and its affairs wound up, and shall direct in what manner the assets of the society or branch shall be divided or appropriated: Provided always, that the chief registrar may suspend his award for such period as he may deem necessary to enable the society or branch to make such alterations and adjustment of contributions and benefits as will in his judgment prevent the necessity of the award of dissolution being made.
- (4) A registrar proceeding under this section shall have all the same powers and authorities, enforceable by the same penalties, as in the case of a dispute referred to him under this Act.

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- (5) Every award under this section, whether for dissolution or distribution of funds, shall be final and conclusive on the society or branch in respect of which the award is made, and on all members of the society or branch and on all other persons having any claim on the funds of the society or branch, without appeal, and shall be enforced in the same manner as a decision on a dispute under this Act.
- (6) The expenses of every investigation and award, and of publishing every notice of dissolution, shall be paid out of the funds of the society or branch before any other appropriation thereof is made.
- (7) Notice of every award for dissolution shall, within twenty-one days after the award has been made, be advertised by the central office and unless, within three months from the date on which that advertisement appears, a member or person interested in or having any claim on the funds of the society or branch commences proceedings to set aside the dissolution of the society or branch consequent upon such award, and the dissolution is set aside accordingly, the society or branch shall be legally dissolved from the date of the advertisement, and the requisite consents to the application to the registrar shall be considered to have been duly obtained without proof of the signatures thereto.

#### **81 Advertisement of notices**

A notice required by this Act to be advertised shall be published in the Gazette and in some newspaper in general circulation in the neighbourhood of the registered office of the society or branch.

#### **82 Dissolution of societies having branches**

The provisions of this Act respecting the dissolution of societies shall not apply to any society having branches except with the consent of the central body of the society.

#### **83 Notice of proceedings or order to set aside dissolution**

- (1) Where a person takes any proceeding to set aside the dissolution of a society or branch, he shall give notice of the proceeding to the central office not less than seven days before the proceeding is commenced.
- (2) Where an order is made setting aside the dissolution of a society or branch, the society or branch shall give notice of the order to the central office within seven days after the order has been made.