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STATUTORY INSTRUMENTS

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**2004 No. 3380**

**The Building Societies Act 1986 (International Accounting Standards and Other Accounting Amendments) Order 2004**

**PART 3**

**Other modifications of provisions relating to  
accounts, directors' reports and auditors' reports**

**Content of auditors' report**

**5.—**(1) Section 78 of the 1986 Act (auditors' report) is amended as follows.

(2) For subsections (4) and (5) substitute—

“(3A) The auditors' report must include—

- (a) an introduction identifying the annual accounts that are the subject of the audit and the financial reporting framework that has been applied in their preparation;
- (b) a description of the scope of the audit identifying the auditing standards in accordance with which the audit was conducted.

(3B) The report must state clearly whether in the auditors' opinion the annual accounts have been properly prepared in accordance with the requirements of this Act (and, where applicable, Article 4 of the IAS Regulation).

(4) The report must state in particular whether the annual accounts give a true and fair view in accordance with the relevant financial reporting framework—

- (a) in the case of an individual balance sheet, of the state of affairs of the society as at the end of the financial year,
- (b) in the case of an individual income and expenditure account, of the income and expenditure of the society for the financial year,
- (c) in the case of group accounts, 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 dealt with in the group accounts, so far as concerns members of the society.

(4A) The auditors' report—

- (a) must be either unqualified or qualified, and
- (b) must include a reference to any matters to which the statutory auditors wish to draw attention by way of emphasis without qualifying the report.”.