
STATUTORY INSTRUMENTS

2005 No. 2211

The Friendly Societies Act 1992 (International Accounting Standards and Other Accounting Amendments) Order 2005

PART 3

Other modifications of Friendly Societies Act provisions relating to accounts

Business review

4. After section 71 of the 1992 Act insert—

“ **Business review**

71A.—(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
- (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.”.