



Friendly Societies Act 1974

1974 CHAPTER 46

Accounts, audit and auditors

[^{F1}32A Power of societies to disapply section 31.

- (1) Subject to subsections (3) and (4) below, a registered society or branch may disapply section 31 above in relation to a year of account beginning on or after the day on which the Deregulation (Industrial and Provident Societies) Order 1996 comes into force if—
 - (a) the value of its assets at the end of the preceding year of account did not in the aggregate exceed £1,400,000, and
 - (b) its turnover for that year did not exceed £350,000.
- (2) The power conferred by subsection (1) above shall be exercisable by resolution passed at a general meeting of the society or branch at which—
 - (a) less than 20 per cent. of the total votes cast are cast against the resolution, and
 - (b) less than 10 per cent. of the members of the society or branch for the time being entitled under the body's rules to vote cast their votes against the resolution.
- (3) Subsection (1) above shall not apply to a society or branch which holds, or has, at any time since the end of the preceding year of account, held, a deposit ^{F2} . . .

[In subsection (3) the reference to a deposit must be read with—

- ^{F3}(3A)
 - (a) section 22 of the Financial Services and Markets Act 2000;
 - (b) any relevant order under that section;
 - (c) Schedule 2 to that Act.]

- (4) The [^{F4}appropriate authority] may by notice to a society or branch disapply subsection (1) above in relation to the year of account of the society or branch in which the notice is given.
- (5) Where a society or branch exercises the power conferred by subsection (1) above, the disapplication shall cease to have effect if at any time before the end of the year of account to which it relates—
 - (a) the society or branch becomes one to which subsection (3) above applies, or

Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1974, Section 32A. (See end of Document for details)

- (b) the [^{F4}appropriate authority] gives to the society or branch notice under subsection (4) above.
- (6) In the case of a society or branch which is a charity [^{F5} as defined by section 1(1) of the Charities Act 2011,] a recognised body as defined by section 1(7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 or a charity within the meaning of the Charities Act (Northern Ireland) 1964 ^{F6} subsection (1) above shall have effect with the substitution for paragraph (b) of—
- “(b) its gross income for that year did not exceed £250,000.”
- (7) For a period which is a society’s or branch’s year of account, but not in fact a year, the maximum figure in subsection (1)(b) above (including that provision as it has effect by virtue of subsection(6) above) shall be proportionately adjusted.
- (8) In this section, “ turnover ”, in relation to a society or branch, means the amounts derived from the provision of goods and services falling within the society’s or branch’s activities, after deduction of—
- (a) trade discounts,
 - (b) value added tax, and
 - (c) any other taxes based on the amounts so derived.]

Textual Amendments

- F1** S. 32A inserted (1.9.1996) by [S.I. 1996/1738](#) arts. 1, 10(1)
- F2** Words in s. 32A(3) repealed (1.12.2001) by [S.I. 2001/3649](#), [art. 186\(2\)](#)
- F3** S. 32A(3A) inserted (1.12.2001) by [S.I. 2001/3649](#), [art. 186\(3\)](#)
- F4** Words in s. 32A(4)(5) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), [art. 1\(1\)](#), [Sch. 5 para. 5](#) (with [Sch. 12](#))
- F5** Words in s. 32A(6) substituted (14.3.2012 immediately before the Charities Act 2011 (c. 25) comes into force) by [The Charities \(Pre-consolidation Amendments\) Order 2011 \(S.I. 2011/1396\)](#), [art. 1](#), [Sch. para. 38\(b\)](#); words subsequently substituted (14.3.2012) by [Charities Act 2011 \(c. 25\)](#), s. 355, [Sch. 7 para. 30](#) (with [s. 20\(2\)](#), [Sch. 8](#))
- F6** 1964 c. 33 (N.I.).

Changes to legislation:

There are currently no known outstanding effects for the Friendly Societies Act 1974, Section 32A.