



Building Societies Act 1986

1986 CHAPTER 53

PART VIII

ACCOUNTS AND AUDIT

Procedure on completion of accounts

80 Signing of balance sheet: documents to be annexed.

- (1) Every balance sheet of a building society shall be signed by two directors on behalf of the board of directors and by the chief executive of the society.
- (2) The income and expenditure account, ^{F1} . . . and the annual business statement shall be annexed to the balance sheet, and so shall any group accounts; and the auditor's report shall be attached to it.
- (3) The income and expenditure account, ^{F2} . . . and the annual business statement shall be approved by the board of directors before the balance sheet is signed on their behalf, and so shall any group accounts; and the date of their approval of those documents shall be endorsed on the balance sheet.
- (4) The directors' report shall be attached to the balance sheet.
- (5) If a balance sheet has not been signed as required by subsection (1) above, and a copy of it is issued, circulated or published, the building society shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale and so shall any officer who is also guilty of the offence.
- (6) If any copy of a balance sheet is issued, circulated or published—
 - (a) without having annexed to it a copy of the income and expenditure account, or
 - ^{F3}(b)
 - (c) without having annexed to it a copy of the annual business statement, or
 - (d) without having attached to it a copy of the [^{F4}auditor's report], or
 - (e) without having attached to it a copy of the directors' report,

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the building society shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale and so shall any officer who is also guilty of the offence.

Textual Amendments

- F1** Words in s. 80(2) omitted (23.3.1999) by virtue of S.I. 1999/248, reg. 3, **Sch. para. 5(1)**
- F2** Words in s. 80(3) omitted (23.3.1999) by virtue of S.I. 1999/248, reg. 3, **Sch. para. 5(2)**
- F3** S. 80(6)(b) omitted (23.3.1999) by virtue of S.I. 1999/248, reg. 3, **Sch. para. 5(3)**
- F4** Words in s. 80(6)(d) substituted (29.6.2008) by **The Building Societies Act 1986 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1519)**, art. 1(2), **Sch. 2 para. 6**

81 Laying and furnishing accounts, etc., to ^{F5}members ^{F6}, the FCA and the PRA]] .

- (1) The directors of every building society shall lay before the society at the annual general meeting the annual accounts for the last financial year.
 - (2) The directors of every building society shall send ^{F7}two copies] of the annual accounts for the last financial year to the ^{F8}FCA, and, if the society is a PRA-authorized person, one copy to the PRA,] not later than 14 days before the annual general meeting at which the accounts are to be considered.
 - (3) Every building society shall, as from the date by which at the latest its directors are required to send them to the ^{F9}FCA and, if the society is a PRA-authorized person, the PRA] , make copies of the annual accounts available free of charge to members of and depositors with the society at every office of the society and, free of charge, shall send copies of those documents to any member or depositor who demands it.
- ^{F10}(3A) Where a copy of the annual accounts is required to be sent to a member or depositor under subsection (3)—
- (a) they may be sent to him electronically only if they are sent to an electronic address notified to the society by that member or depositor for the purpose; but
 - (b) the requirement to send them shall also be treated as satisfied if the conditions set out in subsection (3B) are satisfied.
- (3B) The conditions of this subsection are satisfied in the case of a copy of the annual accounts if—
- (a) the society and the member or depositor have agreed that information that is required to be sent to him may instead be accessed by him on a web site;
 - (b) the agreement applies to the annual accounts in question;
 - (c) within seven days of his demand, the member or depositor is notified ^{F11}... of—
 - (i) the publication of the accounts on a web site,
 - (ii) the address of that web site, and
 - (iii) the place on that web site where the accounts may be accessed, and how they may be accessed; and
 - (d) the accounts are published on that web site throughout the period beginning on the date on which the member or depositor is notified in accordance with paragraph (c) and ending with the conclusion of the annual general meeting at which the accounts are to be considered.]

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- (4) If default is made in complying with subsection (1) or (2) above, every person who was a director at any time during the relevant period shall be 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 £200 for every day during which the offence continues.
- (5) If, on demand made of it under subsection (3) above, a building society fails, in accordance with that subsection, to make available or, as the case may be, within seven days of the demand, to send, to a person a copy of the annual accounts the society shall be 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 £40 for every day during which the offence continues,

and so shall any officer who is also guilty of the offence.

[^{F12}(5A) Where, in a case in which subsection (3A)(b) is relied on for compliance with a requirement under subsection (3)—

- (a) a copy of the annual accounts is published for a part, but not all, of the period mentioned in subsection (3B)(d), but
- (b) the failure to publish it throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the society or the officer to prevent or avoid,

no offence is committed under subsection (5) by reason of that failure.]

- (6) In subsection (4) 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.
- (7) The [^{F13}[^{F14}FCA] shall keep one of the copies] of the annual accounts of a building society received by it under subsection (2) above in the public file of the society.
- (8) In this section any reference to the annual accounts includes a reference to the documents annexed or attached to them under section 80.

Textual Amendments

- F5** Words in s. 81 side-note substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2(a)(b), 8, 13(1), **Sch. 3 para. 170(a)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F6** Words in s. 81 heading substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 30(5)** (with Sch. 12)
- F7** Words in s. 81(2) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2(a)(b), 8, 13(1), **Sch. 3 para. 170(b)(i)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F8** Words in s. 81(2) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 30(2)** (with Sch. 12)
- F9** Words in s. 81(3) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 30(3)** (with Sch. 12)
- F10** S. 81(3A)(3B) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **7(2)**

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- F11** Words in s. 81(3B)(c) omitted (18.2.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(2), **Sch. 9 para. 11**
- F12** S. 81(5A) inserted (20.3.2003) by [The Building Societies Act 1986 \(Electronic Communications\) Order 2003 \(S.I. 2003/404\)](#), arts. 1(1), **7(3)**
- F13** Words in s. 81(7) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by [S.I. 2001/2617](#), arts. 2(a)(b), 8, 13(1), **Sch. 3 para. 170(d)** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2(1)**
- F14** Word in s. 81(7) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 8 para. 30(4)** (with Sch. 12)

[^{F15}81A Requirements in connection with publication of accounts

- (1) If a building society publishes any of its statutory accounts, they must be accompanied by the relevant [^{F16}auditor's report] under section 78.
- (2) A building society that is required to prepare group accounts for a financial year must not publish its statutory individual accounts for that year without also publishing with them its statutory group accounts.
- (3) If a building society publishes non-statutory accounts, it must publish with them a statement indicating—
 - (a) that they are not the society's statutory accounts,
 - (b) whether statutory accounts dealing with any financial year with which the non-statutory accounts purport to deal have been prepared,
 - (c) whether the society's [^{F17}auditor has] made a report under section 78 on the statutory accounts for any financial year, and
 - (d) whether any such [^{F18}auditor's report] —
 - (i) was qualified or unqualified, or included a reference to any matters to which the [^{F19}auditor] drew attention by way of emphasis without qualifying the report, or
 - (ii) contained a statement under section 79(6) (failure to obtain necessary information and explanations);
 and it must not publish with any non-statutory accounts any [^{F20}auditor's report] made under section 78.
- (4) For the purposes of this section a building society is regarded as publishing a document if it publishes, issues or circulates it or otherwise makes it available for public inspection in a manner calculated to invite members of the public generally, or any class of members of the public, to read it.
- (5) References in this section to a building society's statutory accounts are to its annual accounts as required to be laid before the society under section 81; and references to the publication by a society of "non-statutory accounts" are to the publication of—
 - (a) any balance sheet or income and expenditure account relating to, or purporting to deal with, a financial year or part of a financial year of the society, or
 - (b) an account in any form purporting to be a balance sheet or income and expenditure account for the group consisting of the society and its subsidiary undertakings relating to, or purporting to deal with, a financial year or part of a financial year of the society,
 otherwise than as part of the society's statutory accounts or summary financial statement prepared under section 76.

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- (6) A building society which contravenes any provision of this section, and any officer of it who is in default, is guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.]

Textual Amendments

- F15** S. 81A inserted (22.12.2004) (with effect in accordance with art. 1(2) of the amending S.I.) by [The Building Societies Act 1986 \(International Accounting Standards and Other Accounting Amendments\) Order 2004 \(S.I. 2004/3380\)](#), arts. 1, 7
- F16** Words in s. 81A(1) substituted (29.6.2008) by [The Building Societies Act 1986 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1519\)](#), art. 1(2), [Sch. 2 para. 7\(a\)](#)
- F17** Words in s. 81A(3)(c) substituted (29.6.2008) by [The Building Societies Act 1986 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1519\)](#), art. 1(2), [Sch. 2 para. 7\(b\)\(i\)](#)
- F18** Words in s. 81A(3)(d) substituted (29.6.2008) by [The Building Societies Act 1986 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1519\)](#), art. 1(2), [Sch. 2 para. 7\(b\)\(ii\)\(aa\)](#), (ii)
- F19** Word in s. 81A(3)(d)(i) substituted (29.6.2008) by [The Building Societies Act 1986 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1519\)](#), art. 1(2), [Sch. 2 para. 7\(b\)\(ii\)\(bb\)](#), (ii)
- F20** Words in s. 81A(3)(d) substituted (29.6.2008) by [The Building Societies Act 1986 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1519\)](#), art. 1(2), [Sch. 2 para. 7\(b\)\(ii\)\(cc\)](#), (ii)

[^{F21}81B Interpretation of Part 8

- (1) In this Part—

“annual accounts”, in relation to a building society, means—

- (a) the individual accounts required by section 72A, and
(b) any group accounts required by section 72E, together with the notes to those accounts;

^{F22}
...

“income and expenditure account”, in relation to a society which prepares IAS accounts, includes an income statement or other equivalent financial statement required to be prepared by [^{F23}UK-adopted international accounting standards];

^{F24}
...

[^{F25}“UK-adopted international accounting standards” has the meaning given by section 474(1) of the Companies Act 2006;]

[^{F26}“UK regulated market” has the meaning given in Article 2.1.13A of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 and amending Regulation (EU) No. 648/2012.]

- (2) References in this Part to accounts giving a “true and fair view” are references—

- (a) in the case of Building Societies Act individual accounts, to the requirement under section 72B that such accounts give a true and fair view;
(b) in the case of Building Societies Act group accounts, to the requirement under section 72F that such accounts give a true and fair view; and
(c) in the case of IAS accounts, to the requirement under [^{F27}UK-adopted international accounting standards] that such accounts achieve a fair presentation.]

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Textual Amendments

- F21** S. 81B inserted (22.12.2004) (with effect in accordance with art. 1(2) of the amending S.I.) by [The Building Societies Act 1986 \(International Accounting Standards and Other Accounting Amendments\) Order 2004 \(S.I. 2004/3380\)](#), art. 1, **Sch. para. 6**
- F22** Words in s. 81B(1) omitted (31.12.2020) by virtue of [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), reg. 1(2), **Sch. 1 para. 35(a)(i)** (with reg. 1(3)(4), Sch. 1 para. 66) (as amended by S.I. 2020/523, regs. 1(2), 22, **25(d)**); 2020 c. 1, Sch. 5 para. 1(1)
- F23** Words in s. 81B(1) substituted (31.12.2020) by [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), reg. 1(2), **Sch. 1 para. 35(a)(ii)** (with reg. 1(3)(4), Sch. 1 para. 66) (as amended by S.I. 2020/523, regs. 1(2), 22, **25(d)**); 2020 c. 1, Sch. 5 para. 1(1)
- F24** Words in s. 81B(1) omitted (31.12.2020) by virtue of [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), reg. 1(2), **Sch. 1 para. 35(a)(iii)** (with reg. 1(3)(4), Sch. 1 para. 66) (as amended by S.I. 2020/523, regs. 1(2), 22, **25(d)**); 2020 c. 1, Sch. 5 para. 1(1)
- F25** Words in s. 81B(1) inserted (31.12.2020) by [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), reg. 1(2), **Sch. 1 para. 35(a)(iv)** (with reg. 1(3)(4), Sch. 1 para. 66) (as amended by S.I. 2020/523, regs. 1(2), 22, **25(d)**); 2020 c. 1, Sch. 5 para. 1(1)
- F26** Words in s. 81B(1) substituted (31.12.2020) with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 2 para. 20(c)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, **11**); 2020 c. 1, Sch. 5 para. 1(1)
- F27** Words in s. 81B(2) substituted (31.12.2020) by [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), reg. 1(2), **Sch. 1 para. 35(b)** (with reg. 1(3)(4), Sch. 1 para. 66) (as amended by S.I. 2020/523, regs. 1(2), 22, **25(d)**); 2020 c. 1, Sch. 5 para. 1(1)

F28 **82**

Textual Amendments

- F28** S. 82 repealed (1.12.2001) by [S.I. 2001/2617](#), arts. 2(b), 13(2), **Sch. 4** (with art. 13(3), Sch. 5); [S.I. 2001/3538](#), **art. 2(1)**

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