
STATUTORY INSTRUMENTS

2006 No. 265

INDUSTRIAL AND PROVIDENT SOCIETIES

The Friendly and Industrial and Provident Societies
Act 1968 (Audit Exemption) (Amendment) Order 2006

Made - - - - 7th February 2006

Coming into force - - 6th April 2006

This Order is made in exercise of the powers conferred by section 2 of the Industrial and Provident Societies Act 2002⁽¹⁾.

There has been a modification of the statutory provisions in force in Great Britain relating to companies⁽²⁾.

It appears to the Treasury to be expedient to modify the relevant statutory provisions⁽³⁾ for the purpose of assimilating the law relating to companies and the law relating to industrial and provident societies.

A draft of this instrument has been laid before Parliament in accordance with section 2(5) of that Act and approved by a resolution of each House of Parliament.

Accordingly the Treasury make the following Order:

Citation and commencement

1. This Order may be cited as the Friendly and Industrial and Provident Societies Act 1968 (Audit Exemption) (Amendment) Order 2006 and comes into force on 6th April 2006.

Amendment of the Friendly and Industrial and Provident Societies Act 1968

2.—(1) Section 4A of the Friendly and Industrial and Provident Societies Act 1968⁽⁴⁾ (power of societies to disapply section 4) is amended as follows.

(2) In subsection (1)(a), for “£1,400,000” substitute “£2,800,000”.

(3) In subsection (1)(b), for “£350,000” substitute “£5,600,000”.

(1) 2002 c. 20.

(2) See the Companies Act 1985 (Accounts of Small and Medium-Sized Enterprises and Audit Exemption) (Amendment) Regulations 2004 (S.I. 2004/16).

(3) “Relevant statutory provisions” is defined by section 2(2) of the Industrial and Provident Societies Act 2002 and includes the Friendly and Industrial and Provident Societies Act 1968 (c. 55).

(4) Section 4A was inserted by S.I. 1996/1738.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Transitional provision

3. Article 2 has effect in relation to any year of account ending two months or more after the date on which this Order comes into force.

Signatory text

7th February 2006

Gillian Merron
Tom Watson
Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Friendly and Industrial and Provident Societies Act 1968 (c. 55) in respect of the conditions which must be satisfied in order for a society to be able to disapply section 4 of that Act. Section 4 imposes a duty on a society to appoint a qualified auditor to audit its accounts.

The Order is made under section 2 of the Industrial and Provident Societies Act 2002 so as to make these conditions consistent with the relevant company law conditions. The conditions for companies were altered by S.I.2004/16.

Article 2 of the Order provides that, for a society to be able to disapply section 4, its assets must not exceed £2,800,000 (instead of £1,400,000) and its turnover must not exceed £5,600,000 (instead of £350,000). Article 3 provides for the amendments to have effect in relation to any year of account ending two months or more after the coming into force of this Order.

A Regulatory Impact Assessment of this Order is available from the General Insurance, Mutuals and Inclusion Team, HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ and at www.hm-treasury.gov.uk. Copies have been placed in the libraries of both Houses of Parliament.