



# Friendly Societies Act 1974

## 1974 CHAPTER 46

### *Valuations and annual returns*

#### **41 Valuations.**

- (1) Subject to the following provisions of this section, every registered society and branch, once at least in every five years, shall—
  - (a) cause its assets and liabilities to be valued by a qualified actuary appointed by the society or branch; and
  - (b) send to the [<sup>F1</sup>Authority] a report on the condition of the society or branch; and every valuation report shall be made in such form and shall contain such particulars as the [<sup>F2</sup>Authority may direct].
- (2) For the purpose of any such valuation as is referred to in subsection (1) above, the Treasury—
  - (a) may appoint valuers (in this Act referred to as “public valuers”) who shall be qualified actuaries; and
  - (b) may determine the rates of remuneration to be paid by societies and branches for the services of those public valuers.
- (3) When a valuation is made under subsection (1) above, the report sent to the [<sup>F3</sup>Authority] under paragraph (b) of that subsection—
  - (a) shall be signed by the actuary who made the valuation and shall state his address; and
  - (b) shall contain an abstract to be made by the actuary of the results of his valuation, together with a statement containing such information with respect to the benefits assured and the contributions receivable by the society or branch, and of its funds and effects, debts and credits, as the [<sup>F3</sup>Authority] may require.
- (4) Subsection (1) above shall not apply—
  - (a) to a benevolent society, working men’s club, old people’s home society, cattle insurance society or to a branch of any such society or club; or

*Status: Point in time view as at 17/08/2001.*

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1974, Cross Heading: Valuations and annual returns. (See end of Document for details)*

- (b) to a specially authorised society or branch unless it is so directed in the authority for registering that society or branch.
- (3) The [<sup>F4</sup>Authority] may dispense with the provisions of subsection (1) above in respect of societies or branches to whose purposes, or to the nature of whose operations, [<sup>F5</sup>it] may deem those provisions inapplicable.
- (6) The [<sup>F6</sup>Authority] may dispense with the provisions of subsection (1) above in respect of any particular business conducted by a registered society or branch if, in [<sup>F7</sup>the Authority's] opinion, those provisions are inapplicable to that business because of the nature of the business or the manner in which it is conducted, and in relation to any such society or branch on which a partial exemption is conferred under this subsection, subsection (1) above shall have effect (subject to any regulations made or direction given under section 42 below) as if—
- (a) it required that society or branch once at least in every five years to cause its assets and liabilities in respect of any business other than the business to which the partial exemption relates to be valued under this section; and
- (b) the report required to be sent to the [<sup>F8</sup>Authority] under subsection (1) above were a report on the assets and liabilities so valued.

#### Textual Amendments

- F1** Words in s. 41(1)(b) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 13(1), **Sch. 3 Pt. I para. 18(a)(i)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F2** Words in s. 41(1) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 13(1), **Sch. 3 Pt. I para. 18(a)(ii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F3** Words in s. 41(3) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 13(1), **Sch. 3 Pt. I para. 18(b)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F4** It is provided that in s. 41(5) for the words “Chief Registrar” there is substituted the word “Authority” (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 13(1), **Sch. 3 Pt. I para. 18(c)(i)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F5** It is provided that in s. 41(5) for the word “he” there is substituted the word “it” (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 13(1), **Sch. 3 Pt. I para. 18(c)(ii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F6** Word in s. 41(6) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 13(1), **Sch. 3 Pt. I para. 18(d)(i)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F7** Words in s. 41(6) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 13(1), **Sch. 3 Pt. I para. 18(d)(ii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F8** Words in s. 41(6)(b) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 13(1), **Sch. 3 Pt. I para. 18(d)(iii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

#### Modifications etc. (not altering text)

- C1** Ss. 41(1),43(6) extended by S.I. 1987/2132, **reg. 60(1)**
- C2** By Friendly Societies Act 1992 (c. 40), s. 95, **Sch. 16 para. 12** (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2, **Sch. 6** (with art. 7) (1.1.1994) it is provided that ss. 29-45 shall cease to have effect in relation to registered friendly societies and registered branches of such societies. S.I. 1995/710 arts. 1(2) (in force 1.4.1995) for the year ending 31.12.1993 it is provided that s. 41 shall continue to have effect (temp.) for the purposes mentioned.

*Status: Point in time view as at 17/08/2001.*

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1974, Cross Heading: Valuations and annual returns. (See end of Document for details)*

## 42 Regulations and directions [<sup>F9</sup>of Chief Registrar] relating to valuations.

- (1) The [<sup>F10</sup>Treasury] may by regulations provide that in relation to any registered society or branch of a class specified in the regulations, section 41 above shall have effect as if for the period of five years specified in subsection (1) of that section there were substituted a period of three years.
- (2) The [<sup>F10</sup>Treasury] may by regulations provide that in relation to any registered society or branch of a class specified in the regulations, section 41 above shall have effect as if it required the society or branch—
  - (a) to cause its assets and liabilities in respect of any business of a class so specified to be valued under that section and to send to the [<sup>F11</sup>Authority] a report of those assets and liabilities at least once in every three years; and
  - (b) to cause its assets and liabilities in respect of any other business (other than business to which a partial exemption under subsection (6) of section 41 above relates) to be so valued and to send to the [<sup>F11</sup>Authority] a report on those assets and liabilities at least once in every five years.
- [<sup>F12</sup>(3) The Chief Registrar may by regulations provide that every society or branch of a class specified in the regulations which is or was first registered under this Act or under the <sup>M1</sup>Friendly Societies Act 1896 after 25th July 1968 shall cause its assets and liabilities to be valued for the first time under section 41 above as at a date so specified.]
- (4) Without prejudice to the preceding provisions of this section, if in the opinion of the [<sup>F13</sup>Authority] it is expedient in the interests of the members of any particular registered society or branch to do so, [<sup>F13</sup>the Authority] may direct that, in relation to that society or branch, section 41 above shall have effect—
  - (a) as if for the period of five years specified in subsection (1) of that section there were specified a period of three years; or
  - (b) as if it required that society or branch—
    - (i) to cause its assets and liabilities in respect of any particular business specified in the direction to be valued under that section and to send to the [<sup>F13</sup>Authority] a report on those assets and liabilities at least once in every three years; and
    - (ii) to cause its assets and liabilities in respect of any other business (other than business to which a partial exemption under subsection (6) of that section relates) to be so valued and to send to the [<sup>F13</sup>Authority] a report on those assets and liabilities at least once in every five years.
- (5) The [<sup>F14</sup>Authority] may at any time revoke a direction given by [<sup>F15</sup>it] under subsection (4) above.
- (6) Any power to make regulations under this section may be exercised so as to make different provision in relation to different cases or different circumstances to which the power is applicable.

### Textual Amendments

- F9** Words in s. 42 side-note omitted (17.8.2001 for certain purposes and otherwise *prosp.*) by virtue of S.I. 2001/2617, arts. 2, 13(1), Sch. 3 Pt. I para. 19(a) (with art. 13(3), Sch. 5)
- F10** Words in s. 42(1)(2) substituted (17.8.2001 for certain purposes and otherwise *prosp.*) by S.I. 2001/2617, arts. 2, 13(1), Sch. 3 Pt. I para. 19(b) (with art. 13(3), Sch. 5)
- F11** Words in s. 42(2)(a)(b) substituted (17.8.2001 for certain purposes and otherwise *prosp.*) by S.I. 2001/2617, arts. 2, 13(1), Sch. 3 Pt. I para. 19(c) (with art. 13(3), Sch. 5)

*Status: Point in time view as at 17/08/2001.*

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1974, Cross Heading: Valuations and annual returns. (See end of Document for details)*

- F12** S. 42(3) omitted (17.8.2001 for certain purposes and otherwise *prosp.*) by virtue of S.I. 2001/2617, arts. 2, 13(1), Sch. 3 Pt. I para. 19(d) (with art. 13(3), **Sch. 5**)
- F13** Words in s. 42(4) substituted (17.8.2001 for certain purposes and otherwise *prosp.*) by S.I. 2001/2617, arts. 2, 13(1), Sch. 3 Pt. I para. 19(e) (with art. 13(3), **Sch. 5**)
- F14** Words in s. 42(5) substituted (17.8.2001 for certain purposes and otherwise *prosp.*) by S.I. 2001/2617, arts. 2, 13(1), Sch. 3 Pt. I para. 19(f)(i) (with art. 13(3), **Sch. 5**)
- F15** Words in s. 42(5) substituted (17.8.2001 for certain purposes and otherwise *prosp.*) by S.I. 2001/2617, arts. 2, 13(1), Sch. 3 Pt. I para. 19(f)(ii) (with art. 13(3), **Sch. 5**)

#### Modifications etc. (not altering text)

- C3** By Friendly Societies Act 1992 (c. 40), s. 95, **Sch. 16 para. 12** (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2, **Sch. 6** (1.1.1994) it is provided that ss. 29-45 shall cease to have effect in relation to registered friendly societies and registered branches of such societies.  
S.I. 1995/710 arts. 1(2) (in force 1.4.1995) for the year ending 31.12.1993 it is provided that s. 42 shall continue to have effect (temp.) for the purposes mentioned.

#### Marginal Citations

- M1** 1896 c. 25.

### 43 Annual return.

- (1) Every registered society and branch shall once in every year, not later than [<sup>F16</sup>31st July], send to the [<sup>F17</sup>Authority] a return (in this Act called an “annual return”) relating to its affairs for the year of account preceding that in which the return is required to be sent.
- (2) In the case of a branch, the annual return shall be sent to the [<sup>F17</sup>Authority] through an officer appointed in that behalf by the society of which the branch forms part.
- (3) Every annual return of a registered society or branch—
  - (a) shall be made up for the year of account to which the return relates; and
  - (b) shall contain the revenue account or accounts of the society or branch prepared in accordance with section 30(2) above in respect of the year of account to which the return relates and a balance sheet as at the end of that year; and
  - (c) shall not contain any accounts other than the revenue account or accounts for that year unless those other accounts have been examined by the auditors of the society or branch under section 38 above [<sup>F18</sup>or been the subject of a report under section 39A(2)(a) above].
- (4) Together with every annual return, a registered society or branch shall send
  - [<sup>F19</sup>(a) where the year of account is one at the end of which there is in force in relation to the year a disapplication under section 32A(1) above, copies of the reports, if any, which the society or branch is required, because of the disapplication, to obtain under section 39A above; and
  - (b) where it is not,]
 a copy of the report of the auditors on the accounts and balance sheet contained in the return.
- (5) Every annual return sent to the [<sup>F17</sup>Authority] by a registered society or branch to which section 41(1) above applies shall include a statement specifying either—
  - (a) in the case of a society or branch on which no exemption from the provisions of subsection (1) of section 41 above has been conferred, either under

*Status: Point in time view as at 17/08/2001.*

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1974, Cross Heading: Valuations and annual returns. (See end of Document for details)*

subsection (5) or subsection (6) of that section, the date of the last report under that section on the condition of the society or branch or the dates respectively of the last reports under that section on the assets and liabilities of the society or branch in respect of particular businesses conducted by it, and a place where a copy of that report or copies of those reports (as the case may be) may be inspected; or

- (b) in the case of a society or branch on which a complete exemption from the provisions of section 41 above has been conferred under subsection (5) of that section, the reason for that exemption; or
- (c) in the case of a society or branch on which a partial exemption from the provisions of section 41 above has been conferred under subsection (6) of that section, the reason for that partial exemption and the date of the last report, or the dates respectively of the last reports, under that section on the assets and liabilities of the society or branch in respect of any business or businesses conducted by it, and a place where a copy of that report or copies of those reports (as the case may be) may be inspected.

- (6) Without prejudice to subsection (3) above, every annual or other return required for the purposes of this Act shall be made in such form and shall contain such particulars as the <sup>F20</sup>Authority may direct].

#### Textual Amendments

- F16** Words in s. 43(1) substituted (1.9.1996) by S.I. 1996/1738, **arts. 1, 6**
- F17** Words in s. 43(1)(2)(5) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, **arts. 2, 13(1), Sch. 3 Pt. I para. 20(a)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F18** S. 43(3)(c) words inserted (1.9.1996) by S.I. 1996/1738, **arts. 1, 11(9)**
- F19** S. 43(4)(a)(b) inserted (1.9.1996) by S.I. 1996/1738, **arts. 1, 11(10)**
- F20** Words in s. 43(6) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, **arts. 2, 13(1), Sch. 3 Pt. I para. 20(b)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**

#### Modifications etc. (not altering text)

- C4** By Friendly Societies Act 1992 (c. 40), s. 95, **Sch. 16 para. 12** (with ss. 7(5) and 93(4)); S.I. 1993/2213, **art. 2, Sch. 6** (with art. 7) (1.1.1994) it is provided that ss. 29-45 shall cease to have effect in relation to registered friendly societies and registered branches of such societies.  
It is provided that s. 43 shall continue to have effect (temp.) for the purposes mentioned in S.I. 1995/710 arts. 1(2), 3 (in force 1.4.1995) for the year ending 31.12.1993
- C5** S. 43(1) excluded by S.I. 1987/2132, **reg. 11(7)**
- C6** Ss. 41(1), 43(6) extended by S.I. 1987/2132, **reg. 60(1)**

#### 44 Copies of annual return to be supplied on demand.

- (1) On the application of a member or person interested in its funds a registered society or branch shall supply to him gratuitously either—
  - (a) a copy of the last annual return of the society or branch; or
  - (b) a balance sheet or other document duly audited containing the same particulars relating to the affairs of the society or branch as are contained in the annual return.
- (2) Together with every copy of an annual return supplied in accordance with paragraph (a) of subsection (1) above and together with every balance sheet or other document supplied in accordance with paragraph (b) of that subsection, a registered

*Status: Point in time view as at 17/08/2001.*

*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1974, Cross Heading: Valuations and annual returns. (See end of Document for details)*

society or branch shall provide a copy of the report of the auditors on the accounts and balance sheet contained in the return or on the balance sheet or document supplied, as the case may require.

[<sup>F21</sup>(3) Where the last annual return of a registered society or branch relates to a year of account at the end of which there is in force in relation to the year a disapplication under section 32A(1) above, this section shall have effect with the following modifications—

- (a) in subsection (1)(b), the words “duly audited” shall be omitted, and
- (b) in subsection (2), for the words from “the report” to the end there shall be substituted “ any report which the society or branch is required, because of the disapplication, to obtain under section 39A(2)(a) above. ”]

#### Textual Amendments

**F21** S. 44(3) inserted (1.9.1996) by S.I. 1996/1738 arts. 1, 11(11)

#### Modifications etc. (not altering text)

**C7** By Friendly Societies Act 1992 (c. 40), s. 95, Sch. 16 para. 12 (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2, Sch. 6 (1.1.1994) it is provided that ss. 29-45 shall cease to have effect in relation to registered friendly societies and registered branches of such societies.

## 45 Copies of balance sheet and valuation to be displayed.

Every registered society and branch shall keep always hung up in a conspicuous place at the registered office of the society or branch—

- (a) a copy of the last annual balance sheet <sup>F22</sup>. . . ; and
- (b) a copy of the last report under section 41 above on the condition of the society or branch or, where a report or reports are required under that section in respect of a particular business or particular businesses conducted by the society or branch, a copy of the last report under that section in respect of that business or in respect of each of those businesses, as the case may require.

#### Textual Amendments

**F22** Words in s. 45(a) repealed (1.9.1996) by S.I. 1996/1738 arts. 1, 11(12)

#### Modifications etc. (not altering text)

**C8** By Friendly Societies Act 1992 (c. 40), s. 95, Sch. 16 para. 12 (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2, Sch. 6 (1.1.1994) it is provided that ss. 29-45 shall cease to have effect in relation to registered friendly societies and registered branches of such societies.

**Status:**

Point in time view as at 17/08/2001.

**Changes to legislation:**

There are currently no known outstanding effects for the Friendly Societies Act 1974, Cross  
Heading: Valuations and annual returns.