



# Friendly Societies Act 1974

## 1974 CHAPTER 46

### *Accounts, audit and auditors*

#### **31 Obligation to appoint auditors.**

- (1) Subject to the following provisions of this section [<sup>F1</sup>and section 32A(1) below], every registered society and branch shall, in each year of account, appoint a qualified auditor or qualified auditors to audit its accounts and balance sheet for that year.
- (2) Subsection (1) above shall not apply to a society or branch <sup>F2</sup>. . . if—
  - (a) the receipts and payments of that society or branch in respect of the preceding year of account did not, in the aggregate, exceed £5,000; and
  - (b) the number of its members at the end of that year did not exceed 500; and
  - (c) the value of its assets at the end of that year did not, in the aggregate, exceed £5,000.
- (3) Without prejudice to subsection (2) above, subsection (1) above shall not apply to a registered branch if—
  - (a) the conditions specified in paragraphs (a) and (b) of subsection (2) above are satisfied in respect of that branch; and
  - (b) at the end of the preceding year of account at least 75% of its assets had been transferred to the society of which it is a branch or to another registered branch of that society for the purpose of being invested, in accordance with section 46(2) below, by that society or other branch, and the value of its assets not so transferred did not, in the aggregate, exceed £5,000; and
  - (c) the society or branch to which the assets were transferred is one to which subsection (1) above applies in the year of account in question.
- (4) A registered society or branch to which, by virtue of subsection (2) or subsection (3) above, subsection (1) above does not apply in respect of any year of account is in this Act referred to as an exempt society or, as the case may be, an exempt branch, in respect of that year of account.
- (5) Regulations made by the [<sup>F3</sup>Treasury], may—

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*Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1974, Section 31. (See end of Document for details)*

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- (a) substitute for any sum or number for the time being specified in subsection (2) above, or for any sum or percentage for the time being specified in subsection (3) above, such sum, number or percentage as may be specified in the regulations; and
- (b) prescribe what receipts and payments of a society shall be taken into account for the purposes of those subsections;
- and any such regulations may make different provision in relation to different cases or different circumstances.

#### Textual Amendments

- F1** Words in **S. 31(1)** inserted (1.9.1996) by **S.I. 1996/1738** arts. 1, 11(4)
- F2** Words in **s. 31(2)** repealed (17.8.2001 for certain purposes and otherwise 1.12.2001) by **S.I. 2001/2617**, arts. 2(b), 8, 13(1)(2), **Sch. 3 Pt. I para. 11(a)**, **Sch. 4** (with art. 13(3), **Sch. 5**); **S.I. 2001/3538**, **art. 2(1)**
- F3** Word in **s. 31(5)** substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by **S.I. 2001/2617**, arts. 2(b), 13(1), **Sch. 3 Pt. I para. 11(b)** (with art. 13(3), **Sch. 5**); **S.I. 2001/3538**, **art. 2(1)**

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

- C1** 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.
- C2** **S. 31(5)**: functions transferred to the Treasury (1.12.2001) by **S.I. 2001/2617**, arts. 2(b), 4(1), **Sch. 1 Pt. I** (with art. 5); **S.I. 2001/3538**, **art. 2(1)**

**Changes to legislation:**

There are currently no known outstanding effects for the Friendly Societies Act 1974, Section 31.