



Building Societies Act 1986

1986 CHAPTER 53

PART VIII

ACCOUNTS AND AUDIT

Accounting records^{F1} . . .

71 Accounting records^{F1} . . .

(1) Every building society shall—

- (a) cause accounting records to be kept,^{F2} . . .
- ^{F2}(b)

in accordance with this section.

(2) The accounting records of a society must be such as to—

- (a) explain its transactions;
- (b) disclose, with reasonable accuracy and promptness, the state of the business of the society at any time;
- (c) enable the directors properly to discharge the duties imposed on them by or under this Act [^{F3}(and, where applicable [^{F4}section 403(1) of the Companies Act 2006 (group accounts: applicable accounting framework)))] and their functions of direction of the affairs of the society; and
- (d) enable the society properly to discharge the duties imposed on it by or under this Act [^{F3}(and, where applicable [^{F5}section 403(1) of the Companies Act 2006 (group accounts: applicable accounting framework)))];

and must be kept in an orderly manner.

(3) The accounting records shall in particular contain—

- (a) entries from day to day of all sums received and paid by the society and the matters in respect of which they are received or paid;
- (b) entries from day to day of every transaction entered into by the society which will or there is reasonable ground for expecting may give rise to liabilities or

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assets of the society other than insignificant assets or liabilities in respect of the management of the society; and

- (c) a record of the assets and liabilities of the society and in particular of assets and liabilities of any class specifically regulated by or under [^{F6}section 6 or 7].

^{F7}(4)

^{F7}(5)

^{F7}(6)

^{F7}(7)

- (8) The accounting records shall be kept at the society’s principal office or at such other place or places as the directors think fit, and shall at all times be open to inspection by the directors.

- (9) Accounting records shall be preserved for six years from the date on which they were made.

- (10) Where a building society has [^{F8}connected undertakings], the society shall also secure that such accounting records are kept [^{F9}. . . by the society and the [^{F8}connected undertakings] as will enable the society to comply with the requirements of this section in relation to the business of the society and those [^{F8}connected undertakings].

- [^{F10}(10A) The Commission may, for the purpose of implementing the Council Directive on the supervision of credit institutions on a consolidated basis (No.92/30/EEC), direct that subsection (10) above shall have effect in relation to any building society specified in the direction as if any associated body of the society so specified were linked to it by resolution.]

^{F11}(11)

Textual Amendments

- F1** Words in s. 71 side-note 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)**
- F2** S. 71(1)(b) and the preceding word “and” 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)**
- F3** Words in s. 71(2)(c)(d) 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. 4**
- F4** Words in s. 71(2)(c) 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. 29** (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)
- F5** Words in s. 71(2)(d) 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. 29** (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)
- F6** Words in s. 71(3)(c) substituted (1.12.1997 in specified cases and for specified purposes and otherwise in accordance with art. 2(2)(3)(5) of S.I. 1997/2668) by 1997 c. 32, ss. 43, 47(3), **Sch. 7 para. 29(1)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xvi)**
- F7** S. 71(4)-(7) 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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- F8** Words in s. 71(10) substituted (1.12.1997 in specified cases and for specified purposes and otherwise in accordance with art. 2(2)(3)(5) of S.I. 1997/2668) by 1997 c. 32, ss. 43, 47(3), **Sch. 7 para. 29(3)(a)-(c)**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xvi)**
- F9** Words in s. 71(10) 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)**
- F10** S. 71(10A) repealed (1.12.1997 in specified cases and for specified purposes and otherwise in accordance with art. 2(2)(3)(5) of S.I. 1997/2668) by 1997 c. 32, ss. 43, 46(2), 47(3), Sch. 7 para. 29(4), **Sch. 9**; S.I. 1997/2668, art. 2, **Sch. Pt. II(w)(z)(xvi)(cc)(x)**
- F11** S. 71(11) 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(a)**

Modifications etc. (not altering text)

- C1** S. 71 modified (*temp.*) by S.I. 1986/2168, **art. 12(2)(d)**
- C2** S. 71(1)–(10) excluded (*temp.*) by S.I. 1986/2168, **art. 12(2)(a)**

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 5(11)-(14) inserted by [2007 c. 26 s. 1\(2\)](#)
- s. 5(13)(a) substituted by [S.I. 2013/496 Sch. 8 para. 4\(4\)](#)
- s. 7(6A)-(6C) inserted by [2007 c. 26 s. 1\(1\)\(a\)](#)
- s. 7(8A) inserted by [2007 c. 26 s. 1\(1\)\(c\)](#)
- s. 176ZB excluded by [S.I. 2017/400 reg. 14](#)
- s. 246ZA-246ZC excluded by [S.I. 2017/400 reg. 15](#)
- s. 246ZD excluded by [S.I. 2017/400 reg. 16](#)