Co-operative and Community Benefit Societies Act 2014

2014 CHAPTER 14

PART 7

ACCOUNTS, AUDIT AND ANNUAL RETURNS

Accounts and balance sheets

79 Duty to prepare revenue accounts

A registered society must ensure that there is prepared, in respect of each year of account—

(a) a revenue account for that year which deals with the society's affairs as a whole, or

(b) two or more revenue accounts for that year which deal separately with particular businesses carried on by the society.

80 Accounts and balance sheets to give a true and fair view

(1) A revenue account of a registered society must give a true and fair view of—

(a) the income and expenditure of the society as a whole (if the account deals with the society's affairs as a whole), or

(b) the income and expenditure of the society in respect of a particular business carried on by it (if the account deals with that business),

for the period to which the account relates.

(2) Where two or more revenue accounts are prepared in respect of a registered society for a year of account (see section 79(b)), the accounts when considered together must give a true and fair view of the income and expenditure of the society as a whole for that year.

Status: *Point in time view as at 03/02/2016.*
Changes to legislation: *There are currently no known outstanding effects for the Co-operative and Community Benefit Societies Act 2014, Cross Heading: Accounts and balance sheets. (See end of Document for details)*

(3) A balance sheet of a registered society must give a true and fair view of the state of the society's affairs as at the date of the balance sheet.

(4) A member of a registered society's committee commits an offence if the member fails to take all reasonable steps to secure that—
- (a) a revenue account of the society complies with subsection (1),
- (b) revenue accounts of the society to which subsection (2) applies comply with that subsection, or
- (c) a balance sheet of the society complies with subsection (3).

(5) No offence is committed if the person had reasonable grounds to believe, and did believe, that a competent and reliable person was charged with the duty of securing that the relevant subsection was complied with and was in a position to discharge that duty.

(6) In proceedings for an offence under this section it is for the defendant (in Scotland, the accused) to prove the matters mentioned in subsection (5).

(7) A person guilty of an offence under this section is liable on summary conviction—
- (a) in England and Wales, to a fine;
- (b) in Scotland, to a fine not exceeding level 5 on the standard scale.

81 Duty to display latest balance sheet at registered office

A registered society must, at all times, display a copy of its latest balance sheet in a conspicuous position at its registered office.

Modifications etc. (not altering text)

C1 S. 81 excluded by 1979 c. 34, s. 31(4) (as amended (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 16(5)(b)** (with Sch. 5))

82 Restrictions on publication of accounts and balance sheets

(1) A registered society must not publish a revenue account or balance sheet unless the account or balance sheet complies with such of the requirements set out in the following table as apply in relation to it.

	Accounts and balance sheets to which requirement applies	*Requirement*
1	Any revenue account or balance sheet	Must be signed by— (a) the society's secretary, and (b) two members of its committee, acting on behalf of the committee.
2	Year end revenue account or balance sheet, where section 83 (duty to appoint auditors) applies to the society for the relevant year of account	Must— (a) have been audited by the auditors appointed under section 83, and (b) incorporate a report by them stating whether, in their opinion, it

		complies with section 80(1) or (3) (true and fair view).
3	Year end revenue account or balance sheet, where section 85 (duty to obtain report in certain cases where section 83 disapplied) applies to the society for the relevant year of account	Must— (a) have obtained a report under section 85(2)(a) on it, and (b) incorporate so much of the report as relates to it. This ceases to apply if a direction under section 86 is made in respect of the relevant year of account (see row 7).
4	Interim revenue account or balance sheet, where section 83 applies to the society for the relevant year of account and the preceding year of account	Must— (a) have been audited by the auditors last appointed under section 83, and (b) incorporate a report by them stating whether, in their opinion, it complies with section 80(1) or (3).
5	Interim revenue account or balance sheet, where— (a) a resolution under section 84 is in force in respect of the relevant year of account, and (b) section 83 applies to the society for the preceding year of account	Must incorporate a report by an appropriate person stating whether, in the person's opinion, it complies with section 80(1) or (3). “Appropriate person” here means— (a) a qualified auditor, or (b) any person (if the society made an appointment under section 83(2)(b) for the preceding year and no direction under section 86 has been made in respect of that year).
6	Interim revenue account or balance sheet, where section 85 applies to the society for the year of account preceding the relevant year of account	Must incorporate a report by a qualified auditor stating whether, in the auditor's opinion— (a) it is in agreement with the books of account kept by the society under section 75, and (b) (on the basis of the information contained in those books of account) it complies with the requirements of this Act.
7	Year end or interim revenue account or balance sheet, where— (a) section 83 did not apply to the society for the relevant year of account because of a resolution under section 84, and (b) a direction under section 86 (power to require accounts etc for past years to be audited) has been given in respect of that year of account	Must incorporate a report by the auditors appointed pursuant to the direction stating whether, in their opinion, it complies with section 80(1) or (3).

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(2) The requirements in the rows 4 to 7 of the table do not apply to an interim revenue account or balance sheet that—

(a) is published together with the latest year end revenue account and balance sheet, which comply with the applicable requirements in row 2, 3 or 7 (as the case may be), and

(b) is marked in legible characters in a prominent position "UNAUDITED REVENUE ACCOUNT" or "UNAUDITED BALANCE SHEET" (as the case may be).

(3) In this section—

"interim balance sheet" means a balance sheet relating to the position at any time other than the end of a year of account;

"interim revenue account" means a revenue account for any period within a year of account except one ending at the end of that year;

"relevant year of account" means the year of account to which the revenue account or balance sheet relates;

"year end balance sheet" means a balance sheet relating to the position at the end of a year of account;

"year end revenue account" means a revenue account for—

(a) a year of account, or

(b) any period within a year of account which ends at the end of that year.

Status:
Point in time view as at 03/02/2016.

Changes to legislation:
There are currently no known outstanding effects for the Co-operative and Community Benefit Societies Act 2014, Cross Heading: Accounts and balance sheets.