



Companies Act 2006

2006 CHAPTER 46

PART 15 U.K.

ACCOUNTS AND REPORTS

Modifications etc. (not altering text)

- C1 Pt. 15 applied (with modifications) (6.4.2008) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008 \(S.I. 2008/567\)](#), reg. 4, **Sch. para. 1** (with Sch. para. 11)
- C2 Pt. 15 applied (with modifications) (6.4.2008) by [The Partnerships \(Accounts\) Regulations 2008 \(S.I. 2008/569\)](#), **regs. 4, 7**, Sch. Pt. 1
- C3 Pt. 15 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5**, **Sch. 1 para. 16** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C4 Pts. 1-39 (except for Pt. 7 and ss. 662-669), 45-47 extended (12.5.2011) by [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), art. 5(1), **Sch. 1 para. 2**

CHAPTER 1 U.K.

INTRODUCTION

General

380 Scheme of this Part U.K.

- (1) The requirements of this Part as to accounts and reports apply in relation to each financial year of a company.
- (2) In certain respects different provisions apply to different kinds of company.
- (3) The main distinctions for this purpose are—

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- (a) between companies subject to the small companies regime (see section 381) and companies that are not subject to that regime; and
 - (b) between quoted companies (see section 385) and companies that are not quoted.
- (4) In this Part, where provisions do not apply to all kinds of company—
- (a) provisions applying to companies subject to the small companies regime appear before the provisions applying to other companies,
 - (b) provisions applying to private companies appear before the provisions applying to public companies, and
 - (c) provisions applying to quoted companies appear after the provisions applying to other companies.

Modifications etc. (not altering text)

- C5** S. 380 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 4**
- C6** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

Companies subject to the small companies regime

381 Companies subject to the small companies regime **U.K.**

The small companies regime^{F1} . . . applies to a company for a financial year in relation to which the company—

- (a) qualifies as small (see sections 382 and 383), and
- (b) is not excluded from the regime (see section 384).

Textual Amendments

- F1** Words in s. 381 omitted (6.4.2008) by virtue of [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 6(1)**

Modifications etc. (not altering text)

- C7** Ss. 381-384 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 5** (as amended (with effect in accordance with reg. 1(2) of the amending S.I.) by S.I. 2013/2005, **regs. 1(1), 3(2)** (with **reg. 1(5)(6)**))
- C8** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

382 Companies qualifying as small: general **U.K.**

- (1) A company qualifies as small in relation to its first financial year if the qualifying conditions are met in that year.
- (2) A company qualifies as small in relation to a subsequent financial year—

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- (a) if the qualifying conditions are met in that year and the preceding financial year;
 - (b) if the qualifying conditions are met in that year and the company qualified as small in relation to the preceding financial year;
 - (c) if the qualifying conditions were met in the preceding financial year and the company qualified as small in relation to that year.
- (3) The qualifying conditions are met by a company in a year in which it satisfies two or more of the following requirements—

1. Turnover	[^{F2} Not more than £6.5 million]
2. Balance sheet total	[^{F3} Not more than £3.26 million]
3. Number of employees	Not more than 50

- (4) For a period that is a company's financial year but not in fact a year the maximum figures for turnover must be proportionately adjusted.
- (5) The balance sheet total means the aggregate of the amounts shown as assets in the company's balance sheet.
- (6) The number of employees means the average number of persons employed by the company in the year, determined as follows—
- (a) find for each month in the financial year the number of persons employed under contracts of service by the company in that month (whether throughout the month or not),
 - (b) add together the monthly totals, and
 - (c) divide by the number of months in the financial year.
- (7) This section is subject to section 383 (companies qualifying as small: parent companies).

Textual Amendments

- F2** S. 382(3): entry in Table substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 3(1)**
- F3** S. 382(3): entry in Table substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 3(1)**

Modifications etc. (not altering text)

- C9** Ss. 381-384 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 5** (as amended (with effect in accordance with reg. 1(2) of the amending S.I.) by S.I. 2013/2005, regs. 1(1), **3(2)** (with reg. 1(5)(6)))
- C10** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

383 Companies qualifying as small: parent companies **U.K.**

- (1) A parent company qualifies as a small company in relation to a financial year only if the group headed by it qualifies as a small group.

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- (2) A group qualifies as small in relation to the parent company's first financial year if the qualifying conditions are met in that year.
- (3) A group qualifies as small in relation to a subsequent financial year of the parent company—
- (a) if the qualifying conditions are met in that year and the preceding financial year;
 - (b) if the qualifying conditions are met in that year and the group qualified as small in relation to the preceding financial year;
 - (c) if the qualifying conditions were met in the preceding financial year and the group qualified as small in relation to that year.
- (4) The qualifying conditions are met by a group in a year in which it satisfies two or more of the following requirements—

1. Aggregate turnover	[^{F4} Not more than £6.5 million net (or £7.8 million gross)]
2. Aggregate balance sheet total	[^{F5} Not more than £3.26 million net (or £3.9 million gross)]
3. Aggregate number of employees	Not more than 50

- (5) The aggregate figures are ascertained by aggregating the relevant figures determined in accordance with section 382 for each member of the group.
- (6) In relation to the aggregate figures for turnover and balance sheet total—
- “net” means after any set-offs and other adjustments made to eliminate group transactions—
- (a) in the case of Companies Act accounts, in accordance with regulations under section 404,
 - (b) in the case of IAS accounts, in accordance with international accounting standards; and
- “gross” means without those set-offs and other adjustments.

A company may satisfy any relevant requirement on the basis of either the net or the gross figure.

- (7) The figures for each subsidiary undertaking shall be those included in its individual accounts for the relevant financial year, that is—
- (a) if its financial year ends with that of the parent company, that financial year, and
 - (b) if not, its financial year ending last before the end of the financial year of the parent company.

If those figures cannot be obtained without disproportionate expense or undue delay, the latest available figures shall be taken.

Textual Amendments

- F4** S. 383(4): entry in Table substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), [reg. 3\(2\)\(a\)](#)

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F5 S. 383(4): entry in Table substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 3(2)(b)**

Modifications etc. (not altering text)

C11 Ss. 381-384 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 5** (as amended (with effect in accordance with reg. 1(2) of the amending S.I.) by S.I. 2013/2005, regs. 1(1), **3(2)** (with reg. 1(5)(6)))

C12 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

384 Companies excluded from the small companies regime **U.K.**

- (1) The small companies regime does not apply to a company that is, or was at any time within the financial year to which the accounts relate—
 - (a) a public company,
 - (b) a company that—
 - (i) is an authorised insurance company, a banking company, an e-money issuer, [^{F6}a MiFID investment firm] or a UCITS management company, or
 - (ii) carries on insurance market activity, or
 - (c) a member of an ineligible group.
- (2) A group is ineligible if any of its members is—
 - (a) a public company,
 - (b) a body corporate (other than a company) whose shares are admitted to trading on a regulated market in an EEA State,
 - (c) a person (other than a small company) who has permission under Part 4 of the Financial Services and Markets Act 2000 (c. 8) to carry on a regulated activity,
 - (d) a small company that is an authorised insurance company, a banking company, an e-money issuer, [^{F7}a MiFID investment firm] or a UCITS management company, or
 - (e) a person who carries on insurance market activity.
- (3) A company is a small company for the purposes of subsection (2) if it qualified as small in relation to its last financial year ending on or before the end of the financial year to which the accounts relate.

Textual Amendments

F6 Words in s. 384(1)(b) substituted (1.11.2007) by [The Markets in Financial Instruments Directive \(Consequential Amendments\) Regulations 2007 \(S.I. 2007/2932\)](#), **reg. 3(2)(a)**

F7 Words in s. 384(2)(d) substituted (1.11.2007) by [The Markets in Financial Instruments Directive \(Consequential Amendments\) Regulations 2007 \(S.I. 2007/2932\)](#), **reg. 3(2)(b)**

Modifications etc. (not altering text)

C13 Ss. 381-384 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 5** (as amended (with effect in accordance with reg. 1(2) of the amending S.I.) by S.I. 2013/2005, regs. 1(1), **3(2)** (with reg. 1(5)(6)))

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C14 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

Quoted and unquoted companies

385 Quoted and unquoted companies **U.K.**

- (1) For the purposes of this Part a company is a quoted company in relation to a financial year if it is a quoted company immediately before the end of the accounting reference period by reference to which that financial year was determined.
- (2) A “quoted company” means a company whose equity share capital—
 - (a) has been included in the official list in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000 (c. 8), or
 - (b) is officially listed in an EEA State, or
 - (c) is admitted to dealing on either the New York Stock Exchange or the exchange known as Nasdaq.

In paragraph (a) “the official list” has the meaning given by section 103(1) of the Financial Services and Markets Act 2000.
- (3) An “unquoted company” means a company that is not a quoted company.
- (4) The Secretary of State may by regulations amend or replace the provisions of subsections (1) to (2) so as to limit or extend the application of some or all of the provisions of this Part that are expressed to apply to quoted companies.
- (5) Regulations under this section extending the application of any such provision of this Part are subject to affirmative resolution procedure.
- (6) Any other regulations under this section are subject to negative resolution procedure.

Modifications etc. (not altering text)

C15 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

Commencement Information

II S. 385 wholly in force at 6.4.2008; s. 385 not in force at Royal Assent, see s. 1300; s. 385 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6](#), [8](#), [Sch. 5](#)); s. 385 in force for certain purposes at 1.10.2007 by [S.I. 2007/2194](#), **art. 2(3)(b)** (with saving in [art. 12](#)); s. 385 in force in so far as not already in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with savings in [arts. 7](#), [12](#), [Sch. 4 paras. 6-8](#))

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CHAPTER 2 U.K.

ACCOUNTING RECORDS

386 Duty to keep accounting records U.K.

- (1) Every company must keep adequate accounting records.
- (2) Adequate accounting records means records that are sufficient—
 - (a) to show and explain the company's transactions,
 - (b) to disclose with reasonable accuracy, at any time, the financial position of the company at that time, and
 - (c) to enable the directors to ensure that any accounts required to be prepared comply with the requirements of this Act (and, where applicable, of Article 4 of the IAS Regulation).
- (3) Accounting records must, in particular, contain—
 - (a) entries from day to day of all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place, and
 - (b) a record of the assets and liabilities of the company.
- (4) If the company's business involves dealing in goods, the accounting records must contain—
 - (a) statements of stock held by the company at the end of each financial year of the company,
 - (b) all statements of stocktakings from which any statement of stock as is mentioned in paragraph (a) has been or is to be prepared, and
 - (c) except in the case of goods sold by way of ordinary retail trade, statements of all goods sold and purchased, showing the goods and the buyers and sellers in sufficient detail to enable all these to be identified.
- (5) A parent company that has a subsidiary undertaking in relation to which the above requirements do not apply must take reasonable steps to secure that the undertaking keeps such accounting records as to enable the directors of the parent company to ensure that any accounts required to be prepared under this Part comply with the requirements of this Act (and, where applicable, of Article 4 of the IAS Regulation).

Modifications etc. (not altering text)

- C16** Ss. 386-389 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 6** (as amended (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 85, **Sch. 3 para. 16**)
- C17** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

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387 Duty to keep accounting records: offence **U.K.**

- (1) If a company fails to comply with any provision of section 386 (duty to keep accounting records), an offence is committed by every officer of the company who is in default.
- (2) It is a defence for a person charged with such an offence to show that he acted honestly and that in the circumstances in which the company's business was carried on the default was excusable.
- (3) A person guilty of an offence under this section is liable—
 - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
 - (b) on summary conviction—
 - (i) in England and Wales, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both);
 - (ii) in Scotland or Northern Ireland, to imprisonment for a term not exceeding six months, or to a fine not exceeding the statutory maximum (or both).

Modifications etc. (not altering text)

C18 Ss. 386-389 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 6** (as amended (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 85, **Sch. 3 para. 16**)

C19 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

388 Where and for how long records to be kept **U.K.**

- (1) A company's accounting records—
 - (a) must be kept at its registered office or such other place as the directors think fit, and
 - (b) must at all times be open to inspection by the company's officers.
- (2) If accounting records are kept at a place outside the United Kingdom, accounts and returns with respect to the business dealt with in the accounting records so kept must be sent to, and kept at, a place in the United Kingdom, and must at all times be open to such inspection.
- (3) The accounts and returns to be sent to the United Kingdom must be such as to—
 - (a) disclose with reasonable accuracy the financial position of the business in question at intervals of not more than six months, and
 - (b) enable the directors to ensure that the accounts required to be prepared under this Part comply with the requirements of this Act (and, where applicable, of Article 4 of the IAS Regulation).
- (4) Accounting records that a company is required by section 386 to keep must be preserved by it—

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- (a) in the case of a private company, for three years from the date on which they are made;
 - (b) in the case of a public company, for six years from the date on which they are made.
- (5) Subsection (4) is subject to any provision contained in rules made under section 411 of the Insolvency Act 1986 (c. 45) (company insolvency rules) or Article 359 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)).

Modifications etc. (not altering text)

- C20** Ss. 386-389 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 6** (as amended (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 85, **Sch. 3 para. 16**)
- C21** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

389 Where and for how long records to be kept: offences **U.K.**

- (1) If a company fails to comply with any provision of subsections (1) to (3) of section 388 (requirements as to keeping of accounting records), an offence is committed by every officer of the company who is in default.
- (2) It is a defence for a person charged with such an offence to show that he acted honestly and that in the circumstances in which the company's business was carried on the default was excusable.
- (3) An officer of a company commits an offence if he—
 - (a) fails to take all reasonable steps for securing compliance by the company with subsection (4) of that section (period for which records to be preserved), or
 - (b) intentionally causes any default by the company under that subsection.
- (4) A person guilty of an offence under this section is liable—
 - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
 - (b) on summary conviction—
 - (i) in England and Wales, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both);
 - (ii) in Scotland or Northern Ireland, to imprisonment for a term not exceeding six months, or to a fine not exceeding the statutory maximum (or both).

Modifications etc. (not altering text)

- C22** Ss. 386-389 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 6** (as amended (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 85, **Sch. 3 para. 16**)

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C23 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

CHAPTER 3 **U.K.**

A COMPANY'S FINANCIAL YEAR

390 A company's financial year **U.K.**

- (1) A company's financial year is determined as follows.
- (2) Its first financial year—
 - (a) begins with the first day of its first accounting reference period, and
 - (b) ends with the last day of that period or such other date, not more than seven days before or after the end of that period, as the directors may determine.
- (3) Subsequent financial years—
 - (a) begin with the day immediately following the end of the company's previous financial year, and
 - (b) end with the last day of its next accounting reference period or such other date, not more than seven days before or after the end of that period, as the directors may determine.
- (4) In relation to an undertaking that is not a company, references in this Act to its financial year are to any period in respect of which a profit and loss account of the undertaking is required to be made up (by its constitution or by the law under which it is established), whether that period is a year or not.
- (5) The directors of a parent company must secure that, except where in their opinion there are good reasons against it, the financial year of each of its subsidiary undertakings coincides with the company's own financial year.

Modifications etc. (not altering text)

- C24** Ss. 390-392 excluded (6.4.2008) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008 \(S.I. 2008/567\)](#), reg. 4, **Sch. para. 3**
- C25** Ss. 390-392 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 7**
- C26** Ss. 390-392 applied (with modifications) (1.10.2009) by [The Overseas Companies regulations 2009 \(S.I. 2009/1801\)](#), {reg. 37} (with Sch. 8)
- C27** Ss. 390-392 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 52** (with Sch. 8)
- C28** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

391 Accounting reference periods and accounting reference date **U.K.**

- (1) A company's accounting reference periods are determined according to its accounting reference date in each calendar year.

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- (2) The accounting reference date of a company incorporated in Great Britain before 1st April 1996 is—
 - (a) the date specified by notice to the registrar in accordance with section 224(2) of the Companies Act 1985 (c. 6) (notice specifying accounting reference date given within nine months of incorporation), or
 - (b) failing such notice—
 - (i) in the case of a company incorporated before 1st April 1990, 31st March, and
 - (ii) in the case of a company incorporated on or after 1st April 1990, the last day of the month in which the anniversary of its incorporation falls.
- (3) The accounting reference date of a company incorporated in Northern Ireland before 22nd August 1997 is—
 - (a) the date specified by notice to the registrar in accordance with article 232(2) of the Companies (Northern Ireland) Order 1986 (S.I. 1986/1032 (N.I. 6)) (notice specifying accounting reference date given within nine months of incorporation), or
 - (b) failing such notice—
 - (i) in the case of a company incorporated before the coming into operation of Article 5 of the Companies (Northern Ireland) Order 1990 (S.I. 1990/593 (N.I. 5)), 31st March, and
 - (ii) in the case of a company incorporated after the coming into operation of that Article, the last day of the month in which the anniversary of its incorporation falls.
- (4) The accounting reference date of a company incorporated—
 - (a) in Great Britain on or after 1st April 1996 and before the commencement of this Act,
 - (b) in Northern Ireland on or after 22nd August 1997 and before the commencement of this Act, or
 - (c) after the commencement of this Act,is the last day of the month in which the anniversary of its incorporation falls.
- (5) A company's first accounting reference period is the period of more than six months, but not more than 18 months, beginning with the date of its incorporation and ending with its accounting reference date.
- (6) Its subsequent accounting reference periods are successive periods of twelve months beginning immediately after the end of the previous accounting reference period and ending with its accounting reference date.
- (7) This section has effect subject to the provisions of section 392 (alteration of accounting reference date).

Modifications etc. (not altering text)

- C29** Ss. 390-392 excluded (6.4.2008) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008 \(S.I. 2008/567\)](#), reg. 4, [Sch. para. 3](#)
- C30** Ss. 390-392 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), reg. 7

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- C31** Ss. 390-392 applied (with modifications) (1.10.2009) by The Overseas Companies regulations 2009 (S.I. 2009/1801), {reg. 37} (with Sch. 8)
- C32** Ss. 390-392 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009](#) (S.I. 2009/1801), [reg. 52](#) (with Sch. 8)
- C33** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009](#) (S.I. 2009/2436), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

392 **Alteration of accounting reference date** U.K.

- (1) A company may by notice given to the registrar specify a new accounting reference date having effect in relation to—
- (a) the company's current accounting reference period and subsequent periods, or
 - (b) the company's previous accounting reference period and subsequent periods.

A company's “previous accounting reference period” means the one immediately preceding its current accounting reference period.

- (2) The notice must state whether the current or previous accounting reference period—
- (a) is to be shortened, so as to come to an end on the first occasion on which the new accounting reference date falls or fell after the beginning of the period, or
 - (b) is to be extended, so as to come to an end on the second occasion on which that date falls or fell after the beginning of the period.
- (3) A notice extending a company's current or previous accounting reference period is not effective if given less than five years after the end of an earlier accounting reference period of the company that was extended under this section.

This does not apply—

- (a) to a notice given by a company that is a subsidiary undertaking or parent undertaking of another EEA undertaking if the new accounting reference date coincides with that of the other EEA undertaking or, where that undertaking is not a company, with the last day of its financial year, or
 - (b) where the company is in administration under Part 2 of the Insolvency Act 1986 (c. 45) or Part 3 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)), or
 - (c) where the Secretary of State directs that it should not apply, which he may do with respect to a notice that has been given or that may be given.
- (4) A notice under this section may not be given in respect of a previous accounting reference period if the period for filing accounts and reports for the financial year determined by reference to that accounting reference period has already expired.
- (5) An accounting reference period may not be extended so as to exceed 18 months and a notice under this section is ineffective if the current or previous accounting reference period as extended in accordance with the notice would exceed that limit.

This does not apply where the company is in administration under Part 2 of the Insolvency Act 1986 (c. 45) or Part 3 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)).

- (6) In this section “EEA undertaking” means an undertaking established under the law of any part of the United Kingdom or the law of any other EEA State.

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Modifications etc. (not altering text)

- C34** Ss. 390-392 excluded (6.4.2008) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008 \(S.I. 2008/567\)](#), reg. 4, **Sch. para. 3**
- C35** Ss. 390-392 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 7**
- C36** Ss. 390-392 applied (with modifications) (1.10.2009) by [The Overseas Companies regulations 2009 \(S.I. 2009/1801\)](#), {reg. 37} (with Sch. 8)
- C37** Ss. 390-392 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 52** (with Sch. 8)
- C38** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

CHAPTER 4 U.K.

ANNUAL ACCOUNTS

Modifications etc. (not altering text)

- C39** Pt. 15 Ch. 4 applied (with modifications) (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 3**

General

393 Accounts to give true and fair view U.K.

- (1) The directors of a company must not approve accounts for the purposes of this Chapter unless they are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss—
- (a) in the case of the company's individual accounts, of the company;
 - (b) in the case of the company's group accounts, of the undertakings included in the consolidation as a whole, so far as concerns members of the company.
- (2) The auditor of a company in carrying out his functions under this Act in relation to the company's annual accounts must have regard to the directors' duty under subsection (1).

Modifications etc. (not altering text)

- C40** S. 393 applied (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 3(2)(a)(i)**
- C41** S. 393 applied (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 3(2)(b)**
- C42** S. 393 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 8**

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

C43 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

Individual accounts

394 Duty to prepare individual accounts **U.K.**

The directors of every company must prepare accounts for the company for each of its financial years [^{F8}unless the company is exempt from that requirement under section 394A].

Those accounts are referred to as the company's “individual accounts”.

Textual Amendments

F8 Words in s. 394 inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **8**

Modifications etc. (not altering text)

C44 Ss. 394-397 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 9** (as amended (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by S.I. 2012/2301, **regs. 1, 20(5)(a)**)

C45 Ss. 394-397 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 38** (with **Sch. 8**) (as amended (E.W.S.) (1.10.2018) by [The Occupational Pension Schemes \(Master Trusts\) Regulations 2018 \(S.I. 2018/1030\)](#), **regs. 1(2), 32(2)**)

C46 Ss. 394-397 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 53** (with **Sch. 8**)

C47 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

[^{F9}394A Individual accounts: exemption for dormant subsidiaries **U.K.**

- (1) A company is exempt from the requirement to prepare individual accounts for a financial year if—
 - (a) it is itself a subsidiary undertaking,
 - (b) it has been dormant throughout the whole of that year, and
 - (c) its parent undertaking is established under the law of an EEA State.
- (2) Exemption is conditional upon compliance with all of the following conditions—
 - (a) all members of the company must agree to the exemption in respect of the financial year in question,
 - (b) the parent undertaking must give a guarantee under section 394C in respect of that year,
 - (c) the company must be included in the consolidated accounts drawn up for that year or to an earlier date in that year by the parent undertaking in accordance with—

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- (i) the provisions of the Seventh Directive (83/349/EEC), or
- (ii) international accounting standards,
- (d) the parent undertaking must disclose in the notes to the consolidated accounts that the company is exempt from the requirement to prepare individual accounts by virtue of this section, and
- (e) the directors of the company must deliver to the registrar within the period for filing the company's accounts and reports for that year—
 - (i) a written notice of the agreement referred to in subsection (2)(a),
 - (ii) the statement referred to in section 394C(1),
 - (iii) a copy of the consolidated accounts referred to in subsection (2)(c),
 - (iv) a copy of the auditor's report on those accounts, and
 - (v) a copy of the consolidated annual report drawn up by the parent undertaking.

Textual Amendments

F9 Ss. 394A-394C inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **9**

Modifications etc. (not altering text)

C48 Ss. 394A, 394B, 394C applied (with modifications) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), reg. 9 (as amended (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [S.I. 2012/2301](#), regs. 1, **20(5)(b)**) and as amended (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **8**

394B Companies excluded from the dormant subsidiaries exemption **U.K.**

A company is not entitled to the exemption conferred by section 394A (dormant subsidiaries) if it was at any time within the financial year in question—

- (a) a quoted company as defined in section 385(2) of this Act,
- (b) a company that—
 - (i) is an authorised insurance company, a banking company, an e-money issuer, a MiFID investment firm or a UCITS management company, or
 - (ii) carries on insurance market activity, or
- (c) a special register body as defined in section 117(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 (c 52) or an employers' association as defined in section 122 of that Act or Article 4 of the Industrial Relations (Northern Ireland) Order 1992 (S.I. 1992/807) (NI 5).

Textual Amendments

F9 Ss. 394A-394C inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **9**

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Modifications etc. (not altering text)

C49 Ss. 394A, 394B, 394C applied (with modifications) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), reg. 9 (as amended (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [S.I. 2012/2301](#), regs. 1, **20(5)(b)**) and as amended (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **8**)

394C Dormant subsidiaries exemption: parent undertaking declaration of guarantee U.K.

- (1) A guarantee is given by a parent undertaking under this section when the directors of the subsidiary company deliver to the registrar a statement by the parent undertaking that it guarantees the subsidiary company under this section.
- (2) The statement under subsection (1) must be authenticated by the parent undertaking and must specify—
 - (a) the name of the parent undertaking,
 - (b) if the parent undertaking is incorporated in the United Kingdom, its registered number (if any),
 - (c) if the parent undertaking is incorporated outside the United Kingdom and registered in the country in which it is incorporated, the identity of the register on which it is registered and the number with which it is so registered,
 - (d) the name and registered number of the subsidiary company in respect of which the guarantee is being given,
 - (e) the date of the statement, and
 - (f) the financial year to which the guarantee relates.
- (3) A guarantee given under this section has the effect that—
 - (a) the parent undertaking guarantees all outstanding liabilities to which the subsidiary company is subject at the end of the financial year to which the guarantee relates, until they are satisfied in full, and
 - (b) the guarantee is enforceable against the parent undertaking by any person to whom the subsidiary company is liable in respect of those liabilities.]

Textual Amendments

F9 Ss. 394A-394C inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **9**

Modifications etc. (not altering text)

C50 Ss. 394A, 394B, 394C applied (with modifications) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), reg. 9 (as amended (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [S.I. 2012/2301](#), regs. 1, **20(5)(b)**) and as amended (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **8**)

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

395 Individual accounts: applicable accounting framework **U.K.**

- (1) A company's individual accounts may be prepared—
- (a) in accordance with section 396 (“Companies Act individual accounts”), or
 - (b) in accordance with international accounting standards (“IAS individual accounts”).

This is subject to the following provisions of this section and to section 407 (consistency of financial reporting within group).

- (2) The individual accounts of a company that is a charity must be Companies Act individual accounts.

- (3) After the first financial year in which the directors of a company prepare IAS individual accounts (“the first IAS year”), all subsequent individual accounts of the company must be prepared in accordance with international accounting standards unless there is a relevant change of circumstance. [^{F10}This is subject to subsection (4A).]

- (4) There is a relevant change of circumstance if, at any time during or after the first IAS year—

- (a) the company becomes a subsidiary undertaking of another undertaking that does not prepare IAS individual accounts,
- [^{F11}(aa) the company ceases to be a subsidiary undertaking,]
- (b) the company ceases to be a company with securities admitted to trading on a regulated market in an EEA State, or
- (c) a parent undertaking of the company ceases to be an undertaking with securities admitted to trading on a regulated market in an EEA State.

[^{F12}(4A) After a financial year in which the directors of a company prepare IAS individual accounts for the company, the directors may change to preparing Companies Act individual accounts for a reason other than a relevant change of circumstance provided they have not changed to Companies Act individual accounts in the period of five years preceding the first day of that financial year.

(4B) In calculating the five year period for the purpose of subsection (4A), no account should be taken of a change due to a relevant change of circumstance.]

- (5) If, having changed to preparing Companies Act individual accounts ^{F13}. . . , the directors again prepare IAS individual accounts for the company, subsections (3) and (4) apply again as if the first financial year for which such accounts are again prepared were the first IAS year.

Textual Amendments

F10 Words in s. 395(3) inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **12**

F11 S. 395(4)(aa) inserted (6.4.2008) by virtue of [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 9**

F12 S. 395(4A)(4B) inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **13**

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

F13 Words in s. 395(5) omitted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by virtue of [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, 14

Modifications etc. (not altering text)

C51 Ss. 394-397 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 9** (as amended (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by S.I. 2012/2301, regs. 1, **20(8)**)

C52 Ss. 394-397 applied (with modifications) (1.10.2009) by The Overseas Companies regulations 2009 (S.I. 2009/1801), {reg. 38} (with Sch. 8)

C53 Ss. 394-397 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 53** (with Sch. 8)

C54 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

396 Companies Act individual accounts **U.K.**

- (1) Companies Act individual accounts must comprise—
 - (a) a balance sheet as at the last day of the financial year, and
 - (b) a profit and loss account.
- (2) The accounts must—
 - (a) in the case of the balance sheet, give a true and fair view of the state of affairs of the company as at the end of the financial year, and
 - (b) in the case of the profit and loss account, give a true and fair view of the profit or loss of the company for the financial year.
- (3) The accounts must comply with provision made by the Secretary of State by regulations as to—
 - (a) the form and content of the balance sheet and profit and loss account, and
 - (b) additional information to be provided by way of notes to the accounts.
- (4) If compliance with the regulations, and any other provision made by or under this Act as to the matters to be included in a company's individual accounts or in notes to those accounts, would not be sufficient to give a true and fair view, the necessary additional information must be given in the accounts or in a note to them.
- (5) If in special circumstances compliance with any of those provisions is inconsistent with the requirement to give a true and fair view, the directors must depart from that provision to the extent necessary to give a true and fair view.

Particulars of any such departure, the reasons for it and its effect must be given in a note to the accounts.

Modifications etc. (not altering text)

C55 Ss. 394-397 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 9**

C56 Ss. 394-397 applied (with modifications) (1.10.2009) by The Overseas Companies regulations 2009 (S.I. 2009/1801), {reg. 38} (with Sch. 8)

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- C57** Ss. 394-397 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 53** (with Sch. 8)
- C58** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C59** S. 396(2) applied (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 3(2)(a)(ii)**

Commencement Information

- 12** S. 396 wholly in force at 6.4.2008; s. 396 not in force at Royal Assent, see s. 1300; s. 396 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 396 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with [arts. 7, 12](#), [Sch. 4 paras. 6-8](#))

397 IAS individual accounts **U.K.**

Where the directors of a company prepare IAS individual accounts, they must state in the notes to the accounts that the accounts have been prepared in accordance with international accounting standards.

Modifications etc. (not altering text)

- C60** Ss. 394-397 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 9**
- C61** Ss. 394-397 applied (with modifications) (1.10.2009) by [The Overseas Companies regulations 2009 \(S.I. 2009/1801\)](#), {reg. 38} (with Sch. 8)
- C62** Ss. 394-397 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 53** (with Sch. 8)
- C63** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

Group accounts: small companies

398 Option to prepare group accounts **U.K.**

If at the end of a financial year a company subject to the small companies regime is a parent company the directors, as well as preparing individual accounts for the year, may prepare group accounts for the year.

Modifications etc. (not altering text)

- C64** Ss. 398-408 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 10**
- C65** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Group accounts: other companies

399 Duty to prepare group accounts U.K.

- (1) This section applies to companies that are not subject to the small companies regime.
- (2) If at the end of a financial year the company is a parent company the directors, as well as preparing individual accounts for the year, must prepare group accounts for the year unless the company is exempt from that requirement.
- (3) There are exemptions under—
 - section 400 (company included in EEA accounts of larger group),
 - section 401 (company included in non-EEA accounts of larger group), and
 - section 402 (company none of whose subsidiary undertakings need be included in the consolidation).
- (4) A company to which this section applies but which is exempt from the requirement to prepare group accounts, may do so.

Modifications etc. (not altering text)

- C66** Ss. 398-408 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 10**
- C67** S. 399 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 38** (with [Sch. 8](#))
- C68** S. 399 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 53** (with [Sch. 8](#))
- C69** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

400 Exemption for company included in EEA group accounts of larger group U.K.

- (1) A company is exempt from the requirement to prepare group accounts if it is itself a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State, in the following cases—
 - (a) where the company is a wholly-owned subsidiary of that parent undertaking;
 - (b) where that parent undertaking holds more than 50% of the allotted shares in the company and notice requesting the preparation of group accounts has not been served on the company by shareholders holding in aggregate—
 - (i) more than half of the remaining allotted shares in the company, or
 - (ii) 5% of the total allotted shares in the company.

Such notice must be served not later than six months after the end of the financial year before that to which it relates.
- (2) Exemption is conditional upon compliance with all of the following conditions—
 - (a) the company must be included in consolidated accounts for a larger group drawn up to the same date, or to an earlier date in the same financial year, by a parent undertaking established under the law of an EEA State;
 - (b) those accounts must be drawn up and audited, and that parent undertaking's annual report must be drawn up, according to that law—

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- (i) in accordance with the provisions of the Seventh Directive (83/349/EEC) (as modified, where relevant, by the provisions of the Bank Accounts Directive (86/635/EEC) or the Insurance Accounts Directive (91/674/EEC)), or
 - (ii) in accordance with international accounting standards;
 - (c) the company must disclose in its individual accounts that it is exempt from the obligation to prepare and deliver group accounts;
 - (d) the company must state in its individual accounts the name of the parent undertaking that draws up the group accounts referred to above and—
 - (i) if it is incorporated outside the United Kingdom, the country in which it is incorporated, or
 - (ii) if it is unincorporated, the address of its principal place of business;
 - (e) the company must deliver to the registrar, within the period for filing its accounts and reports for the financial year in question, copies of—
 - (i) those group accounts, and
 - (ii) the parent undertaking's annual report,together with the auditor's report on them;
 - (f) any requirement of Part 35 of this Act as to the delivery to the registrar of a certified translation into English must be met in relation to any document comprised in the accounts and reports delivered in accordance with paragraph (e).
- (3) For the purposes of subsection (1)(b) shares held by a wholly-owned subsidiary of the parent undertaking, or held on behalf of the parent undertaking or a wholly-owned subsidiary, shall be attributed to the parent undertaking.
- (4) The exemption does not apply to a company any of whose securities are admitted to trading on a regulated market in an EEA State.
- (5) Shares held by directors of a company for the purpose of complying with any share qualification requirement shall be disregarded in determining for the purposes of this section whether the company is a wholly-owned subsidiary.
- (6) In subsection (4) “securities” includes—
 - (a) shares and stock,
 - (b) debentures, including debenture stock, loan stock, bonds, certificates of deposit and other instruments creating or acknowledging indebtedness,
 - (c) warrants or other instruments entitling the holder to subscribe for securities falling within paragraph (a) or (b), and
 - (d) certificates or other instruments that confer—
 - (i) property rights in respect of a security falling within paragraph (a), (b) or (c),
 - (ii) any right to acquire, dispose of, underwrite or convert a security, being a right to which the holder would be entitled if he held any such security to which the certificate or other instrument relates, or
 - (iii) a contractual right (other than an option) to acquire any such security otherwise than by subscription.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Modifications etc. (not altering text)

- C70** Ss. 398-408 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 10**
- C71** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

401 Exemption for company included in non-EEA group accounts of larger group U.K.

- (1) A company is exempt from the requirement to prepare group accounts if it is itself a subsidiary undertaking and its parent undertaking is not established under the law of an EEA State, in the following cases—
- (a) where the company is a wholly-owned subsidiary of that parent undertaking;
 - (b) where that parent undertaking holds more than 50% of the allotted shares in the company and notice requesting the preparation of group accounts has not been served on the company by shareholders holding in aggregate—
 - (i) more than half of the remaining allotted shares in the company, or
 - (ii) 5% of the total allotted shares in the company.

Such notice must be served not later than six months after the end of the financial year before that to which it relates.
- (2) Exemption is conditional upon compliance with all of the following conditions—
- (a) the company and all of its subsidiary undertakings must be included in consolidated accounts for a larger group drawn up to the same date, or to an earlier date in the same financial year, by a parent undertaking;
 - (b) those accounts and, where appropriate, the group's annual report, must be drawn up—
 - (i) in accordance with the provisions of the Seventh Directive ([83/349/EEC](#)) (as modified, where relevant, by the provisions of the Bank Accounts Directive ([86/635/EEC](#)) or the Insurance Accounts Directive ([91/674/EEC](#))), or
 - (ii) in a manner equivalent to consolidated accounts and consolidated annual reports so drawn up;
 - (c) the group accounts must be audited by one or more persons authorised to audit accounts under the law under which the parent undertaking which draws them up is established;
 - (d) the company must disclose in its individual accounts that it is exempt from the obligation to prepare and deliver group accounts;
 - (e) the company must state in its individual accounts the name of the parent undertaking which draws up the group accounts referred to above and—
 - (i) if it is incorporated outside the United Kingdom, the country in which it is incorporated, or
 - (ii) if it is unincorporated, the address of its principal place of business;
 - (f) the company must deliver to the registrar, within the period for filing its accounts and reports for the financial year in question, copies of—
 - (i) the group accounts, and
 - (ii) where appropriate, the consolidated annual report,

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- together with the auditor's report on them;
- (g) any requirement of Part 35 of this Act as to the delivery to the registrar of a certified translation into English must be met in relation to any document comprised in the accounts and reports delivered in accordance with paragraph (f).
- (3) For the purposes of subsection (1)(b), shares held by a wholly-owned subsidiary of the parent undertaking, or held on behalf of the parent undertaking or a wholly-owned subsidiary, are attributed to the parent undertaking.
- (4) The exemption does not apply to a company any of whose securities are admitted to trading on a regulated market in an EEA State.
- (5) Shares held by directors of a company for the purpose of complying with any share qualification requirement shall be disregarded in determining for the purposes of this section whether the company is a wholly-owned subsidiary.
- (6) In subsection (4) “securities” includes—
- (a) shares and stock,
 - (b) debentures, including debenture stock, loan stock, bonds, certificates of deposit and other instruments creating or acknowledging indebtedness,
 - (c) warrants or other instruments entitling the holder to subscribe for securities falling within paragraph (a) or (b), and
 - (d) certificates or other instruments that confer—
 - (i) property rights in respect of a security falling within paragraph (a), (b) or (c),
 - (ii) any right to acquire, dispose of, underwrite or convert a security, being a right to which the holder would be entitled if he held any such security to which the certificate or other instrument relates, or
 - (iii) a contractual right (other than an option) to acquire any such security otherwise than by subscription.

Modifications etc. (not altering text)

- C72** Ss. 398-408 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 10**
- C73** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

402 Exemption if no subsidiary undertakings need be included in the consolidation **U.K.**

A parent company is exempt from the requirement to prepare group accounts if under section 405 all of its subsidiary undertakings could be excluded from consolidation in Companies Act group accounts.

Modifications etc. (not altering text)

- C74** Ss. 398-408 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 10**

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- C75** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), [reg. 38](#) (with [Sch. 8](#))
- C76** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), [reg. 53](#) (with [Sch. 8](#))
- C77** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

Group accounts: general

403 Group accounts: applicable accounting framework U.K.

- (1) The group accounts of certain parent companies are required by Article 4 of the IAS Regulation to be prepared in accordance with international accounting standards (“IAS group accounts”).
- (2) The group accounts of other companies may be prepared—
 - (a) in accordance with section 404 (“Companies Act group accounts”), or
 - (b) in accordance with international accounting standards (“IAS group accounts”).

This is subject to the following provisions of this section.

- (3) The group accounts of a parent company that is a charity must be Companies Act group accounts.
- (4) After the first financial year in which the directors of a parent company prepare IAS group accounts (“the first IAS year”), all subsequent group accounts of the company must be prepared in accordance with international accounting standards unless there is a relevant change of circumstance. ^[^{F14}This is subject to subsection (5A).]
- (5) There is a relevant change of circumstance if, at any time during or after the first IAS year—
 - (a) the company becomes a subsidiary undertaking of another undertaking that does not prepare IAS group accounts,
 - (b) the company ceases to be a company with securities admitted to trading on a regulated market in an EEA State, or
 - (c) a parent undertaking of the company ceases to be an undertaking with securities admitted to trading on a regulated market in an EEA State.

^[^{F15}(5A)] After a financial year in which the directors of a parent company prepare IAS group accounts for the company, the directors may change to preparing Companies Act group accounts for a reason other than a relevant change of circumstance provided they have not changed to Companies Act group accounts in the period of five years preceding the first day of that financial year.

(5B) In calculating the five year period for the purpose of subsection (5A), no account should be taken of a change due to a relevant change of circumstance.]

- (6) If, having changed to preparing Companies Act group accounts ^{F16} . . . , the directors again prepare IAS group accounts for the company, subsections (4) and (5) apply again as if the first financial year for which such accounts are again prepared were the first IAS year.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Textual Amendments

- F14** Words in s. 403(4) inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **15**
- F15** S. 403(5A)(5B) inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **16**
- F16** Words in s. 403(6) omitted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by virtue of [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **17**

Modifications etc. (not altering text)

- C78** Ss. 398-408 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 10** (as amended (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by S.I. 2012/2301, regs. 1, **20(9)**)
- C79** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 38** (with [Sch. 8](#))
- C80** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 53** (with [Sch. 8](#))
- C81** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

404 Companies Act group accounts **U.K.**

- (1) Companies Act group accounts must comprise—
- (a) a consolidated balance sheet dealing with the state of affairs of the parent company and its subsidiary undertakings, and
 - (b) a consolidated profit and loss account dealing with the profit or loss of the parent company and its subsidiary undertakings.
- (2) The accounts must give a true and fair view of the state of affairs as at the end of the financial year, and the profit or loss for the financial year, of the undertakings included in the consolidation as a whole, so far as concerns members of the company.
- (3) The accounts must comply with provision made by the Secretary of State by regulations as to—
- (a) the form and content of the consolidated balance sheet and consolidated profit and loss account, and
 - (b) additional information to be provided by way of notes to the accounts.
- (4) If compliance with the regulations, and any other provision made by or under this Act as to the matters to be included in a company's group accounts or in notes to those accounts, would not be sufficient to give a true and fair view, the necessary additional information must be given in the accounts or in a note to them.
- (5) If in special circumstances compliance with any of those provisions is inconsistent with the requirement to give a true and fair view, the directors must depart from that provision to the extent necessary to give a true and fair view.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Particulars of any such departure, the reasons for it and its effect must be given in a note to the accounts.

Modifications etc. (not altering text)

- C82** Ss. 398-408 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 10**
- C83** S. 404(2) applied (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 3(2)(a)(iii)**
- C84** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 38** (with [Sch. 8](#))
- C85** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 53** (with [Sch. 8](#))
- C86** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

Commencement Information

- I3** S. 404 wholly in force at 6.4.2008; s. 404 not in force at Royal Assent, see s. 1300; s. 404 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to [art. 5, Sch. 1](#) and with [arts. 6, 8, Sch. 5](#)); s. 404 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with [arts. 7, 12, Sch. 4 paras. 6-8](#))

405 Companies Act group accounts: subsidiary undertakings included in the consolidation U.K.

- (1) Where a parent company prepares Companies Act group accounts, all the subsidiary undertakings of the company must be included in the consolidation, subject to the following exceptions.
- (2) A subsidiary undertaking may be excluded from consolidation if its inclusion is not material for the purpose of giving a true and fair view (but two or more undertakings may be excluded only if they are not material taken together).
- (3) A subsidiary undertaking may be excluded from consolidation where—
 - (a) severe long-term restrictions substantially hinder the exercise of the rights of the parent company over the assets or management of that undertaking, or
 - (b) the information necessary for the preparation of group accounts cannot be obtained without disproportionate expense or undue delay, or
 - (c) the interest of the parent company is held exclusively with a view to subsequent resale.
- (4) The reference in subsection (3)(a) to the rights of the parent company and the reference in subsection (3)(c) to the interest of the parent company are, respectively, to rights and interests held by or attributed to the company for the purposes of the definition of “parent undertaking” (see section 1162) in the absence of which it would not be the parent company.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Modifications etc. (not altering text)

- C87** Ss. 398-408 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 10**
- C88** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 38** (with [Sch. 8](#))
- C89** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 53** (with [Sch. 8](#))
- C90** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

406 IAS group accounts **U.K.**

Where the directors of a company prepare IAS group accounts, they must state in the notes to those accounts that the accounts have been prepared in accordance with international accounting standards.

Modifications etc. (not altering text)

- C91** Ss. 398-408 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 10**
- C92** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 38** (with [Sch. 8](#))
- C93** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 53** (with [Sch. 8](#))
- C94** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

407 Consistency of financial reporting within group **U.K.**

- (1) The directors of a parent company must secure that the individual accounts of—
 - (a) the parent company, and
 - (b) each of its subsidiary undertakings,are all prepared using the same financial reporting framework, except to the extent that in their opinion there are good reasons for not doing so.
- (2) Subsection (1) does not apply if the directors do not prepare group accounts for the parent company.
- (3) Subsection (1) only applies to accounts of subsidiary undertakings that are required to be prepared under this Part.
- (4) Subsection (1) does not require accounts of undertakings that are charities to be prepared using the same financial reporting framework as accounts of undertakings which are not charities.
- (5) Subsection (1)(a) does not apply where the directors of a parent company prepare IAS group accounts and IAS individual accounts.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Modifications etc. (not altering text)

- C95** Ss. 398-408 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 10**
- C96** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

408 Individual profit and loss account where group accounts prepared **U.K.**

- (1) This section applies where—
 - (a) a company prepares group accounts in accordance with this Act, and
 - (b) the notes to the company's individual balance sheet show the company's profit or loss for the financial year determined in accordance with this Act.
- (2) [^{F17}The company's individual profit and loss account] need not contain the information specified in section 411 (information about employee numbers and costs).
- (3) The company's individual profit and loss account must be approved in accordance with section 414(1) (approval by directors) but may be omitted from the company's annual accounts for the purposes of the other provisions of the Companies Acts.
- (4) The exemption conferred by this section is conditional upon its being disclosed in the company's annual accounts that the exemption applies.

Textual Amendments

- F17** Words in s. 408(2) substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 10**

Modifications etc. (not altering text)

- C97** Ss. 398-408 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 10**
- C98** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

Information to be given in notes to the accounts

409 Information about related undertakings **U.K.**

- (1) The Secretary of State may make provision by regulations requiring information about related undertakings to be given in notes to a company's annual accounts.
- (2) The regulations—
 - (a) may make different provision according to whether or not the company prepares group accounts, and
 - (b) may specify the descriptions of undertaking in relation to which they apply, and make different provision in relation to different descriptions of related undertaking.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (3) The regulations may provide that information need not be disclosed with respect to an undertaking that—
- (a) is established under the law of a country outside the United Kingdom, or
 - (b) carries on business outside the United Kingdom,
- if the following conditions are met.
- (4) The conditions are—
- (a) that in the opinion of the directors of the company the disclosure would be seriously prejudicial to the business of—
 - (i) that undertaking,
 - (ii) the company,
 - (iii) any of the company's subsidiary undertakings, or
 - (iv) any other undertaking which is included in the consolidation;
 - (b) that the Secretary of State agrees that the information need not be disclosed.
- (5) Where advantage is taken of any such exemption, that fact must be stated in a note to the company's annual accounts.

Modifications etc. (not altering text)

C99 Ss. 409-411 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 11**

C100 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

Commencement Information

I4 S. 409 wholly in force at 6.4.2008; s. 409 not in force at Royal Assent, see s. 1300; s. 409 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to **art. 5, Sch. 1** and with **arts. 6, 8, Sch. 5**); s. 409 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with **arts. 7, 12, Sch. 4 paras. 6-8**)

410 Information about related undertakings: alternative compliance **U.K.**

- (1) This section applies where the directors of a company are of the opinion that the number of undertakings in respect of which the company is required to disclose information under any provision of regulations under section 409 (related undertakings) is such that compliance with that provision would result in information of excessive length being given in notes to the company's annual accounts.
- (2) The information need only be given in respect of—
- (a) the undertakings whose results or financial position, in the opinion of the directors, principally affected the figures shown in the company's annual accounts, and
 - (b) where the company prepares group accounts, undertakings excluded from consolidation under section 405(3) (undertakings excluded on grounds other than materiality).
- (3) If advantage is taken of subsection (2)—

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (a) there must be included in the notes to the company's annual accounts a statement that the information is given only with respect to such undertakings as are mentioned in that subsection, and
- (b) the full information (both that which is disclosed in the notes to the accounts and that which is not) must be annexed to the company's next annual return.

For this purpose the “next annual return” means that next delivered to the registrar after the accounts in question have been approved under section 414.

- (4) If a company fails to comply with subsection (3)(b), an offence is committed by—
 - (a) the company, and
 - (b) every officer of the company who is in default.
- (5) A person guilty of an offence under subsection (4) is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

Modifications etc. (not altering text)

C101 Ss. 409-411 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 11**

C102 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

[^{F18}410A Information about off-balance sheet arrangements U.K.]

- (1) In the case of a company that is not subject to the small companies regime, if in any financial year—
 - (a) the company is or has been party to arrangements that are not reflected in its balance sheet, and
 - (b) at the balance sheet date the risks or benefits arising from those arrangements are material,
 the information required by this section must be given in notes to the company's annual accounts.
- (2) The information required is—
 - (a) the nature and business purpose of the arrangements, and
 - (b) the financial impact of the arrangements on the company.
- (3) The information need only be given to the extent necessary for enabling the financial position of the company to be assessed.
- (4) If the company qualifies as medium-sized in relation to the financial year (see sections 465 to 467) it need not comply with subsection (2)(b).
- (5) This section applies in relation to group accounts as if the undertakings included in the consolidation were a single company.]

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Textual Amendments

F18 S. 410A inserted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 8**

Modifications etc. (not altering text)

C103 Ss. 409-411 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 11**

C104 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

411 Information about employee numbers and costs **U.K.**

- (1) In the case of a company not subject to the small companies regime, the following information with respect to the employees of the company must be given in notes to the company's annual accounts—
 - (a) the average number of persons employed by the company in the financial year, and
 - (b) the average number of persons so employed within each category of persons employed by the company.
- (2) The categories by reference to which the number required to be disclosed by subsection (1)(b) is to be determined must be such as the directors may select having regard to the manner in which the company's activities are organised.
- (3) The average number required by subsection (1)(a) or (b) is determined by dividing the relevant annual number by the number of months in the financial year.
- (4) The relevant annual number is determined by ascertaining for each month in the financial year—
 - (a) for the purposes of subsection (1)(a), the number of persons employed under contracts of service by the company in that month (whether throughout the month or not);
 - (b) for the purposes of subsection (1)(b), the number of persons in the category in question of persons so employed;and adding together all the monthly numbers.
- (5) In respect of all persons employed by the company during the financial year who are taken into account in determining the relevant annual number for the purposes of subsection (1)(a) there must also be stated the aggregate amounts respectively of—
 - (a) wages and salaries paid or payable in respect of that year to those persons;
 - (b) social security costs incurred by the company on their behalf; and
 - (c) other pension costs so incurred.

This does not apply in so far as those amounts, or any of them, are stated elsewhere in the company's accounts.

- (6) In subsection (5)—
 - “pension costs” includes any costs incurred by the company in respect of—
 - (a) any pension scheme established for the purpose of providing pensions for persons currently or formerly employed by the company,

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (b) any sums set aside for the future payment of pensions directly by the company to current or former employees, and
 - (c) any pensions paid directly to such persons without having first been set aside;
- “social security costs” means any contributions by the company to any state social security or pension scheme, fund or arrangement.

[^{F19}(7) This section applies in relation to group accounts as if the undertakings included in the consolidation were a single company.]

Textual Amendments

F19 S. 411(7) substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), [reg. 11](#)

Modifications etc. (not altering text)

C105 Ss. 409-411 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), [reg. 11](#)

C106 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

412 Information about directors' benefits: remuneration **U.K.**

- (1) The Secretary of State may make provision by regulations requiring information to be given in notes to a company's annual accounts about directors' remuneration.
- (2) The matters about which information may be required include—
 - (a) gains made by directors on the exercise of share options;
 - (b) benefits received or receivable by directors under long-term incentive schemes;
 - (c) payments for loss of office (as defined in section 215);
 - (d) benefits receivable, and contributions for the purpose of providing benefits, in respect of past services of a person as director or in any other capacity while director;
 - (e) consideration paid to or receivable by third parties for making available the services of a person as director or in any other capacity while director.
- (3) Without prejudice to the generality of subsection (1), regulations under this section may make any such provision as was made immediately before the commencement of this Part by Part 1 of Schedule 6 to the Companies Act 1985 (c. 6).
- (4) For the purposes of this section, and regulations made under it, amounts paid to or receivable by—
 - (a) a person connected with a director, or
 - (b) a body corporate controlled by a director,
 are treated as paid to or receivable by the director.

The expressions “connected with” and “controlled by” in this subsection have the same meaning as in Part 10 (company directors).

- (5) It is the duty of—

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (a) any director of a company, and
- (b) any person who is or has at any time in the preceding five years been a director of the company,

to give notice to the company of such matters relating to himself as may be necessary for the purposes of regulations under this section.

- (6) A person who makes default in complying with subsection (5) commits an offence and is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

Modifications etc. (not altering text)

C107 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

Commencement Information

I5 S. 412 wholly in force at 6.4.2008; s. 412 not in force at Royal Assent, see s. 1300; s. 412 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to [art. 5, Sch. 1](#) and with [arts. 6, 8, Sch. 5](#)); s. 412 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with [arts. 7, 12, Sch. 4 paras. 6-8](#))

413 Information about directors' benefits: advances, credit and guarantees U.K.

- (1) In the case of a company that does not prepare group accounts, details of—
 - (a) advances and credits granted by the company to its directors, and
 - (b) guarantees of any kind entered into by the company on behalf of its directors, must be shown in the notes to its individual accounts.
- (2) In the case of a parent company that prepares group accounts, details of—
 - (a) advances and credits granted to the directors of the parent company, by that company or by any of its subsidiary undertakings, and
 - (b) guarantees of any kind entered into on behalf of the directors of the parent company, by that company or by any of its subsidiary undertakings, must be shown in the notes to the group accounts.
- (3) The details required of an advance or credit are—
 - (a) its amount,
 - (b) an indication of the interest rate,
 - (c) its main conditions, and
 - (d) any amounts repaid.
- (4) The details required of a guarantee are—
 - (a) its main terms,
 - (b) the amount of the maximum liability that may be incurred by the company (or its subsidiary), and
 - (c) any amount paid and any liability incurred by the company (or its subsidiary) for the purpose of fulfilling the guarantee (including any loss incurred by reason of enforcement of the guarantee).
- (5) There must also be stated in the notes to the accounts the totals—

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (a) of amounts stated under subsection (3)(a),
 - (b) of amounts stated under subsection (3)(d),
 - (c) of amounts stated under subsection (4)(b), and
 - (d) of amounts stated under subsection (4)(c).
- (6) References in this section to the directors of a company are to the persons who were a director at any time in the financial year to which the accounts relate.
- (7) The requirements of this section apply in relation to every advance, credit or guarantee subsisting at any time in the financial year to which the accounts relate—
- (a) whenever it was entered into,
 - (b) whether or not the person concerned was a director of the company in question at the time it was entered into, and
 - (c) in the case of an advance, credit or guarantee involving a subsidiary undertaking of that company, whether or not that undertaking was such a subsidiary undertaking at the time it was entered into.
- (8) Banking companies and the holding companies of credit institutions need only state the details required by ^{F20}subsection (5)(a) and (c)].

Textual Amendments

F20 Words in s. 413(8) substituted (23.12.2009) by [The Companies Act 2006 \(Amendment of Section 413\) Regulations 2009 \(S.I. 2009/3022\)](#), [reg. 2](#) (with application as mentioned in [reg. 1\(2\)](#))

Modifications etc. (not altering text)

C108 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

Approval and signing of accounts

414 Approval and signing of accounts **U.K.**

- (1) A company's annual accounts must be approved by the board of directors and signed on behalf of the board by a director of the company.
- (2) The signature must be on the company's balance sheet.
- (3) If the accounts are prepared in accordance with the provisions applicable to companies subject to the small companies regime, the balance sheet must contain a statement to that effect in a prominent position above the signature.
- (4) If annual accounts are approved that do not comply with the requirements of this Act (and, where applicable, of Article 4 of the IAS Regulation), every director of the company who—
 - (a) knew that they did not comply, or was reckless as to whether they complied, and
 - (b) failed to take reasonable steps to secure compliance with those requirements or, as the case may be, to prevent the accounts from being approved,
 commits an offence.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (5) A person guilty of an offence under this section is liable—
- (a) on conviction on indictment, to a fine;
 - (b) on summary conviction, to a fine not exceeding the statutory maximum.

Modifications etc. (not altering text)

- C109** S. 414 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 4**
- C110** S. 414 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 12**
- C111** S. 414 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 39** (with Sch. 8)
- C112** S. 414 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 54** (with Sch. 8)
- C113** Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

CHAPTER 5 U.K.

DIRECTORS' REPORT

Modifications etc. (not altering text)

- C114** Pt. 15 Ch. 5 applied (with modifications) (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 3**

Directors' report

415 Duty to prepare directors' report U.K.

- (1) The directors of a company must prepare a directors' report for each financial year of the company.
- (2) For a financial year in which—
- (a) the company is a parent company, and
 - (b) the directors of the company prepare group accounts,
- the directors' report must be a consolidated report (a “group directors' report”) relating to the undertakings included in the consolidation.
- (3) A group directors' report may, where appropriate, give greater emphasis to the matters that are significant to the undertakings included in the consolidation, taken as a whole.
- (4) In the case of failure to comply with the requirement to prepare a directors' report, an offence is committed by every person who—
- (a) was a director of the company immediately before the end of the period for filing accounts and reports for the financial year in question, and
 - (b) failed to take all reasonable steps for securing compliance with that requirement.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (5) A person guilty of an offence under this section is liable—
- (a) on conviction on indictment, to a fine;
 - (b) on summary conviction, to a fine not exceeding the statutory maximum.

Modifications etc. (not altering text)

C115 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

[^{F21} **415A Directors' report: small companies exemption** **U.K.**

- (1) A company is entitled to small companies exemption in relation to the directors' report for a financial year if—
- (a) it is entitled to prepare accounts for the year in accordance with the small companies regime, or
 - (b) it would be so entitled but for being or having been a member of an ineligible group.
- (2) The exemption is relevant to—
- section 416(3) (contents of report: statement of amount recommended by way of dividend),
- section 417 (contents of report: business review), and
- sections 444 to 446 (filing obligations of different descriptions of company).]

Textual Amendments

F21 S. 415A inserted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 6(2)**

Modifications etc. (not altering text)

C116 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

416 Contents of directors' report: general **U.K.**

- (1) The directors' report for a financial year must state—
- (a) the names of the persons who, at any time during the financial year, were directors of the company, and
 - (b) the principal activities of the company in the course of the year.
- (2) In relation to a group directors' report subsection (1)(b) has effect as if the reference to the company was to the undertakings included in the consolidation.
- (3) Except in the case of a company [^{F22}entitled to the small companies exemption], the report must state the amount (if any) that the directors recommend should be paid by way of dividend.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (4) The Secretary of State may make provision by regulations as to other matters that must be disclosed in a directors' report.

Without prejudice to the generality of this power, the regulations may make any such provision as was formerly made by Schedule 7 to the Companies Act 1985.

Textual Amendments

F22 Words in s. 416(3) substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), [reg. 6\(3\)](#)

Modifications etc. (not altering text)

C117 Ss. 380-416 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

Commencement Information

I6 S. 416 wholly in force at 6.4.2008; s. 416 not in force at Royal Assent, see s. 1300; s. 416 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), [art. 3\(3\)](#) (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 416 in force at 6.4.2008 by [S.I. 2007/3495](#), [art. 3\(1\)\(d\)](#) (with [arts. 7, 12](#), [Sch. 4 paras. 6-8](#))

417 Contents of directors' report: business review **U.K.**

- (1) Unless the company is [^{F23}entitled to the small companies exemption], the directors' report must contain a business review.
- (2) The purpose of the business review is to inform members of the company and help them assess how the directors have performed their duty under section 172 (duty to promote the success of the company).
- (3) The business review must contain—
- a fair review of the company's business, and
 - a description of the principal risks and uncertainties facing the company.
- (4) The review required is a balanced and comprehensive analysis of—
- the development and performance of the company's business during the financial year, and
 - the position of the company's business at the end of that year, consistent with the size and complexity of the business.
- (5) In the case of a quoted company the business review must, to the extent necessary for an understanding of the development, performance or position of the company's business, include—
- the main trends and factors likely to affect the future development, performance and position of the company's business; and
 - information about—
 - environmental matters (including the impact of the company's business on the environment),
 - the company's employees, and
 - social and community issues,

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

including information about any policies of the company in relation to those matters and the effectiveness of those policies; and

- (c) subject to subsection (11), information about persons with whom the company has contractual or other arrangements which are essential to the business of the company.

If the review does not contain information of each kind mentioned in paragraphs (b) (i), (ii) and (iii) and (c), it must state which of those kinds of information it does not contain.

- (6) The review must, to the extent necessary for an understanding of the development, performance or position of the company's business, include—
- (a) analysis using financial key performance indicators, and
 - (b) where appropriate, analysis using other key performance indicators, including information relating to environmental matters and employee matters.
“Key performance indicators” means factors by reference to which the development, performance or position of the company's business can be measured effectively.
- (7) Where a company qualifies as medium-sized in relation to a financial year (see sections 465 to 467), the directors' report for the year need not comply with the requirements of subsection (6) so far as they relate to non-financial information.
- (8) The review must, where appropriate, include references to, and additional explanations of, amounts included in the company's annual accounts.
- (9) In relation to a group directors' report this section has effect as if the references to the company were references to the undertakings included in the consolidation.
- (10) Nothing in this section requires the disclosure of information about impending developments or matters in the course of negotiation if the disclosure would, in the opinion of the directors, be seriously prejudicial to the interests of the company.
- (11) Nothing in subsection (5)(c) requires the disclosure of information about a person if the disclosure would, in the opinion of the directors, be seriously prejudicial to that person and contrary to the public interest.

Textual Amendments

F23 Words in s. 417(1) substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), [reg. 6\(4\)](#)

Commencement Information

I7 [S. 417](#) wholly in force at 1.10.2007; [s. 417](#) not in force at Royal Assent, see [s. 1300](#); [s. 417](#) wholly in force at 1.10.2007 by [S.I. 2007/2194](#), [art. 2\(1\)\(g\)](#) (with saving in [art. 3](#) and subject to transitional adaptations specified in [Sch. 1](#) and with transitional provisions and savings in [Sch. 3](#))

418 Contents of directors' report: statement as to disclosure to auditors U.K.

- (1) This section applies to a company unless—
- (a) it is exempt for the financial year in question from the requirements of Part 16 as to audit of accounts, and
 - (b) the directors take advantage of that exemption.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (2) The directors' report must contain a statement to the effect that, in the case of each of the persons who are directors at the time the report is approved—
 - (a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
 - (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.
- (3) “Relevant audit information” means information needed by the company's auditor in connection with preparing his report.
- (4) A director is regarded as having taken all the steps that he ought to have taken as a director in order to do the things mentioned in subsection (2)(b) if he has—
 - (a) made such enquiries of his fellow directors and of the company's auditors for that purpose, and
 - (b) taken such other steps (if any) for that purpose,as are required by his duty as a director of the company to exercise reasonable care, skill and diligence.
- (5) Where a directors' report containing the statement required by this section is approved but the statement is false, every director of the company who—
 - (a) knew that the statement was false, or was reckless as to whether it was false, and
 - (b) failed to take reasonable steps to prevent the report from being approved, commits an offence.
- (6) A person guilty of an offence under subsection (5) is liable—
 - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
 - (b) on summary conviction—
 - (i) in England and Wales, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both);
 - (ii) in Scotland or Northern Ireland, to imprisonment for a term not exceeding six months, or to a fine not exceeding the statutory maximum (or both).

Modifications etc. (not altering text)

C118 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

419 Approval and signing of directors' report **U.K.**

- (1) The directors' report must be approved by the board of directors and signed on behalf of the board by a director or the secretary of the company.
- (2) ^[F24]If in preparing the report advantage is taken of the small companies exemption,], it must contain a statement to that effect in a prominent position above the signature.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (3) If a directors' report is approved that does not comply with the requirements of this Act, every director of the company who—
- (a) knew that it did not comply, or was reckless as to whether it complied, and
 - (b) failed to take reasonable steps to secure compliance with those requirements or, as the case may be, to prevent the report from being approved,
- commits an offence.
- (4) A person guilty of an offence under this section is liable—
- (a) on conviction on indictment, to a fine;
 - (b) on summary conviction, to a fine not exceeding the statutory maximum.

Textual Amendments

F24 Words in s. 419(2) substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 6(5)**

Modifications etc. (not altering text)

C119 S. 419 applied (6.4.2008) by [S.I. 2005/1788](#), **reg. 29** (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))

C120 S. 419 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 5** (as amended (1.1.2018) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), **reg. 1(2)(3)**, **8** (with **reg. 2(6)(7)**))

C121 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5**, **Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9**, **Sch. 2**)

[^{F25}419A Approval and signing of separate corporate governance statement **U.K.**

Any separate corporate governance statement must be approved by the board of directors and signed on behalf of the board by a director or the secretary of the company.]

Textual Amendments

F25 S. 419A inserted (27.6.2009) by [The Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), **reg. 2** (with application as stated in **reg. 1(3)**)

Modifications etc. (not altering text)

C122 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5**, **Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9**, **Sch. 2**)

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

CHAPTER 6 U.K.

QUOTED COMPANIES: DIRECTORS' REMUNERATION REPORT

420 Duty to prepare directors' remuneration report U.K.

- (1) The directors of a quoted company must prepare a directors' remuneration report for each financial year of the company.
- (2) In the case of failure to comply with the requirement to prepare a directors' remuneration report, every person who—
 - (a) was a director of the company immediately before the end of the period for filing accounts and reports for the financial year in question, and
 - (b) failed to take all reasonable steps for securing compliance with that requirement,commits an offence.
- (3) A person guilty of an offence under this section is liable—
 - (a) on conviction on indictment, to a fine;
 - (b) on summary conviction, to a fine not exceeding the statutory maximum.

Modifications etc. (not altering text)

C123 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

421 Contents of directors' remuneration report U.K.

- (1) The Secretary of State may make provision by regulations as to—
 - (a) the information that must be contained in a directors' remuneration report,
 - (b) how information is to be set out in the report, and
 - (c) what is to be the auditable part of the report.
- (2) Without prejudice to the generality of this power, the regulations may make any such provision as was made, immediately before the commencement of this Part, by Schedule 7A to the Companies Act 1985 (c. 6).
- (3) It is the duty of—
 - (a) any director of a company, and
 - (b) any person who is or has at any time in the preceding five years been a director of the company,to give notice to the company of such matters relating to himself as may be necessary for the purposes of regulations under this section.
- (4) A person who makes default in complying with subsection (3) commits an offence and is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Modifications etc. (not altering text)

C124 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

Commencement Information

18 S. 421 wholly in force at 6.4.2008; s. 421 not in force at Royal Assent, see s. 1300; s. 421 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to [art. 5, Sch. 1](#) and with [arts. 6, 8, Sch. 5](#)); s. 421 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with [arts. 7, 12, Sch. 4 paras. 6-8](#))

422 Approval and signing of directors' remuneration report **U.K.**

- (1) The directors' remuneration report must be approved by the board of directors and signed on behalf of the board by a director or the secretary of the company.
- (2) If a directors' remuneration report is approved that does not comply with the requirements of this Act, every director of the company who—
 - (a) knew that it did not comply, or was reckless as to whether it complied, and
 - (b) failed to take reasonable steps to secure compliance with those requirements or, as the case may be, to prevent the report from being approved,
 commits an offence.
- (3) A person guilty of an offence under this section is liable—
 - (a) on conviction on indictment, to a fine;
 - (b) on summary conviction, to a fine not exceeding the statutory maximum.

Modifications etc. (not altering text)

C125 S. 422 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 6**

C126 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

VALID FROM 25/04/2013

[^{F26}422A Revisions to directors' remuneration policy **U.K.**

- (1) The directors' remuneration policy contained in a company's directors' remuneration report may be revised.
- (2) Any such revision must be approved by the board of directors.
- (3) The policy as so revised must be set out in a document signed on behalf of the board by a director or the secretary of the company.
- (4) Regulations under section 421(1) may make provision as to—

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (a) the information that must be contained in a document setting out a revised directors' remuneration policy, and
 - (b) how information is to be set out in the document.
- (5) Sections 422(2) and (3), 454, 456 and 463 apply in relation to such a document as they apply in relation to a directors' remuneration report.
- (6) In this section, “directors' remuneration policy” means the policy of a company with respect to the matters mentioned in section 421(2A).]

Textual Amendments

F26 S. 422A inserted (25.4.2013 for specified purposes) by [Enterprise and Regulatory Reform Act 2013](#) (c. 24), [ss. 79\(2\)](#), [103\(1\)\(i\)](#)

CHAPTER 7 **U.K.**

PUBLICATION OF ACCOUNTS AND REPORTS

Duty to circulate copies of accounts and reports

423 **Duty to circulate copies of annual accounts and reports** **U.K.**

- (1) Every company must send a copy of its annual accounts and reports for each financial year to—
 - (a) every member of the company,
 - (b) every holder of the company's debentures, and
 - (c) every person who is entitled to receive notice of general meetings.
- (2) Copies need not be sent to a person for whom the company does not have a current address.
- (3) A company has a “current address” for a person if—
 - (a) an address has been notified to the company by the person as one at which documents may be sent to him, and
 - (b) the company has no reason to believe that documents sent to him at that address will not reach him.
- (4) In the case of a company not having a share capital, copies need not be sent to anyone who is not entitled to receive notices of general meetings of the company.
- (5) Where copies are sent out over a period of days, references in the Companies Acts to the day on which copies are sent out shall be read as references to the last day of that period.
- (6) This section has effect subject to section 426 (option to provide summary financial statement).

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Modifications etc. (not altering text)

- C127** Ss. 423-425 applied (with modifications) (1.4.2010) by [Housing and Regeneration Act 2008 \(c. 17\)](#), **ss. 132(1)(2)**, 325; S.I. 2010/862, **art 2** (with Sch.)
- C128** S. 423 modified (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 11(2)(b)**
- C129** Ss. 423-425 applied (6.4.2008) by S.I. 2005/1788, **reg. 29** (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C130** Ss. 423-425 applied (with modifications) (6.4.2008) by 1996 c. 52, **Sch. 1 para. 16D** (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C131** S. 423 modified (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 10(2)(d)**
- C132** S. 423 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 13**
- C133** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C134** S. 423(2)-(4) applied (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 12(3)**

424 Time allowed for sending out copies of accounts and reports **U.K.**

- (1) The time allowed for sending out copies of the company's annual accounts and reports is as follows.
- (2) A private company must comply with section 423 not later than—
 - (a) the end of the period for filing accounts and reports, or
 - (b) if earlier, the date on which it actually delivers its accounts and reports to the registrar.
- (3) A public company must comply with section 423 at least 21 days before the date of the relevant accounts meeting.
- (4) If in the case of a public company copies are sent out later than is required by subsection (3), they shall, despite that, be deemed to have been duly sent if it is so agreed by all the members entitled to attend and vote at the relevant accounts meeting.
- (5) Whether the time allowed is that for a private company or a public company is determined by reference to the company's status immediately before the end of the accounting reference period by reference to which the financial year for the accounts in question was determined.
- (6) In this section the “relevant accounts meeting” means the accounts meeting of the company at which the accounts and reports in question are to be laid.

Modifications etc. (not altering text)

- C135** Ss. 423-425 applied (with modifications) (1.4.2010) by [Housing and Regeneration Act 2008 \(c. 17\)](#), **ss. 132(1)(2)**, 325; S.I. 2010/862, **art. 2** (with Sch.)

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- C136** S. 423-425 applied (6.4.2008) by S.I. 2005/1788, reg. 29 (as substituted by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C137** Ss. 423-425 applied (with modifications) (6.4.2008) by 1996 c. 52, Sch. 1 para. 16D (as substituted by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C138** Ss. 418-469 applied (with modifications) (1.10.2009) by The Unregistered Companies Regulations 2009 (S.I. 2009/2436), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

425 Default in sending out copies of accounts and reports: offences **U.K.**

- (1) If default is made in complying with section 423 or 424, an offence is committed by—
- the company, and
 - every officer of the company who is in default.
- (2) A person guilty of an offence under this section is liable—
- on conviction on indictment, to a fine;
 - on summary conviction, to a fine not exceeding the statutory maximum.

Modifications etc. (not altering text)

- C139** S. 423-425 applied (6.4.2008) by S.I. 2005/1788, reg. 29 (as substituted by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C140** S. 425 applied (with modifications) (6.4.2008) by The Companies (Revision of Defective Accounts and Reports) Regulations 2008 (S.I. 2008/373), **reg. 12(4)**
- C141** Ss. 423-425 applied (with modifications) (6.4.2008) by 1996 c. 52, Sch. 1 para. 16D (as substituted by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C142** S. 425 applied (with modifications) (1.10.2008) by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (S.I. 2008/1911), **reg. 14**
- C143** Ss. 423-425 applied (with modifications) (1.4.2010) by Housing and Regeneration Act 2008 (c. 17), **ss. 132(1)(2), 325; S.I. 2010/862, art. 2** (with Sch.)
- C144** Ss. 418-469 applied (with modifications) (1.10.2009) by The Unregistered Companies Regulations 2009 (S.I. 2009/2436), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

Option to provide summary financial statement

426 Option to provide summary financial statement **U.K.**

- (1) A company may—
- in such cases as may be specified by regulations made by the Secretary of State, and
 - provided any conditions so specified are complied with,
- provide a summary financial statement instead of copies of the accounts and reports required to be sent out in accordance with section 423.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (2) Copies of those accounts and reports must, however, be sent to any person entitled to be sent them in accordance with that section and who wishes to receive them.
- (3) The Secretary of State may make provision by regulations as to the manner in which it is to be ascertained, whether before or after a person becomes entitled to be sent a copy of those accounts and reports, whether he wishes to receive them.
- (4) A summary financial statement must comply with the requirements of—
 - section 427 (form and contents of summary financial statement: unquoted companies), or
 - section 428 (form and contents of summary financial statement: quoted companies).
- (5) This section applies to copies of accounts and reports required to be sent out by virtue of section 146 to a person nominated to enjoy information rights as it applies to copies of accounts and reports required to be sent out in accordance with section 423 to a member of the company.
- (6) Regulations under this section are subject to negative resolution procedure.

Modifications etc. (not altering text)

- C145** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))
- C146** S. 426(1)-(4) applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), [regs. 17\(2\)](#), [19\(3\)](#)
- C147** S. 426(1)(2) applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), [regs. 17\(4\)](#), [19\(3\)](#)

Commencement Information

- I9** S. 426 wholly in force at 6.4.2008; s. 426 not in force at Royal Assent, see s. 1300; s. 426 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), [art. 3\(3\)](#) (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 426 in force at 6.4.2008 by [S.I. 2007/3495](#), [art. 3\(1\)\(d\)](#) (with [arts. 7, 12](#), [Sch. 4 paras. 6-8](#))

427 Form and contents of summary financial statement: unquoted companies U.K.

- (1) A summary financial statement by a company that is not a quoted company must—
 - (a) be derived from the company's annual accounts, and
 - (b) be prepared in accordance with this section and regulations made under it.
- (2) The summary financial statement must be in such form, and contain such information, as the Secretary of State may specify by regulations.

The regulations may require the statement to include information derived from the directors' report.
- (3) Nothing in this section or regulations made under it prevents a company from including in a summary financial statement additional information derived from the company's annual accounts or the directors' report.
- (4) The summary financial statement must—

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (a) state that it is only a summary of information derived from the company's annual accounts;
 - (b) state whether it contains additional information derived from the directors' report and, if so, that it does not contain the full text of that report;
 - (c) state how a person entitled to them can obtain a full copy of the company's annual accounts and the directors' report;
 - (d) contain a statement by the company's auditor of his opinion as to whether the summary financial statement—
 - (i) is consistent with the company's annual accounts and, where information derived from the directors' report is included in the statement, with that report, and
 - (ii) complies with the requirements of this section and regulations made under it;
 - (e) state whether the auditor's report on the annual accounts was unqualified or qualified and, if it was qualified, set out the report in full together with any further material needed to understand the qualification;
 - (f) state whether, in that report, the auditor's statement under section 496 (whether directors' report consistent with accounts) was qualified or unqualified and, if it was qualified, set out the qualified statement in full together with any further material needed to understand the qualification;
 - (g) state whether that auditor's report contained a statement under—
 - (i) section 498(2)(a) or (b) (accounting records or returns inadequate or accounts not agreeing with records and returns), or
 - (ii) section 498(3) (failure to obtain necessary information and explanations),and if so, set out the statement in full.
- (5) Regulations under this section may provide that any specified material may, instead of being included in the summary financial statement, be sent separately at the same time as the statement.
- (6) Regulations under this section are subject to negative resolution procedure.

Modifications etc. (not altering text)

C148 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

Commencement Information

I10 S. 427 wholly in force at 6.4.2008; s. 427 not in force at Royal Assent, see s. 1300; s. 427 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to [art. 5, Sch. 1](#) and with arts. 6, 8, Sch. 5); s. 427 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with arts. 7, 12, Sch. 4 paras. 6-8)

428 Form and contents of summary financial statement: quoted companies **U.K.**

- (1) A summary financial statement by a quoted company must—
- (a) be derived from the company's annual accounts and the directors' remuneration report, and

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

*Changes to legislation: There are currently no known outstanding effects
for the Companies Act 2006, Part 15. (See end of Document for details)*

- (b) be prepared in accordance with this section and regulations made under it.
- (2) The summary financial statement must be in such form, and contain such information, as the Secretary of State may specify by regulations.
- The regulations may require the statement to include information derived from the directors' report.
- (3) Nothing in this section or regulations made under it prevents a company from including in a summary financial statement additional information derived from the company's annual accounts, the directors' remuneration report or the directors' report.
- (4) The summary financial statement must—
- (a) state that it is only a summary of information derived from the company's annual accounts and the directors' remuneration report;
 - (b) state whether it contains additional information derived from the directors' report and, if so, that it does not contain the full text of that report;
 - (c) state how a person entitled to them can obtain a full copy of the company's annual accounts, the directors' remuneration report or the directors' report;
 - (d) contain a statement by the company's auditor of his opinion as to whether the summary financial statement—
 - (i) is consistent with the company's annual accounts and the directors' remuneration report and, where information derived from the directors' report is included in the statement, with that report, and
 - (ii) complies with the requirements of this section and regulations made under it;
 - (e) state whether the auditor's report on the annual accounts and the auditable part of the directors' remuneration report was unqualified or qualified and, if it was qualified, set out the report in full together with any further material needed to understand the qualification;
 - (f) state whether that auditor's report contained a statement under—
 - (i) section 498(2) (accounting records or returns inadequate or accounts or directors' remuneration report not agreeing with records and returns), or
 - (ii) section 498(3) (failure to obtain necessary information and explanations),
and if so, set out the statement in full;
 - (g) state whether, in that report, the auditor's statement under section 496 (whether directors' report consistent with accounts) was qualified or unqualified and, if it was qualified, set out the qualified statement in full together with any further material needed to understand the qualification.
- (5) Regulations under this section may provide that any specified material may, instead of being included in the summary financial statement, be sent separately at the same time as the statement.
- (6) Regulations under this section are subject to negative resolution procedure.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Modifications etc. (not altering text)

C149 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

Commencement Information

I11 S. 428 wholly in force at 6.4.2008; s. 428 not in force at Royal Assent, see s. 1300; s. 428 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to [art. 5, Sch. 1](#) and with [arts. 6, 8, Sch. 5](#)); s. 428 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with [arts. 7, 12, Sch. 4 paras. 6-8](#))

429 Summary financial statements: offences **U.K.**

- (1) If default is made in complying with any provision of section 426, 427 or 428, or of regulations under any of those sections, an offence is committed by—
 - (a) the company, and
 - (b) every officer of the company who is in default.
- (2) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

Modifications etc. (not altering text)

C150 S. 429 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 17(8)**

C151 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

Quoted companies: requirements as to website publication

430 Quoted companies: annual accounts and reports to be made available on website **U.K.**

- (1) A quoted company must ensure that its annual accounts and reports—
 - (a) are made available on a website, and
 - (b) remain so available until the annual accounts and reports for the company's next financial year are made available in accordance with this section.
- (2) The annual accounts and reports must be made available on a website that—
 - (a) is maintained by or on behalf of the company, and
 - (b) identifies the company in question.
- (3) Access to the annual accounts and reports on the website, and the ability to obtain a hard copy of the annual accounts and reports from the website, must not be—
 - (a) conditional on the payment of a fee, or
 - (b) otherwise restricted, except so far as necessary to comply with any enactment or regulatory requirement (in the United Kingdom or elsewhere).

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (4) The annual accounts and reports—
 - (a) must be made available as soon as reasonably practicable, and
 - (b) must be kept available throughout the period specified in subsection (1)(b).
- (5) A failure to make the annual accounts and reports available on a website throughout that period is disregarded if—
 - (a) the annual accounts and reports are made available on the website for part of that period, and
 - (b) the failure is wholly attributable to circumstances that it would not be reasonable to have expected the company to prevent or avoid.
- (6) In the event of default in complying with this section, an offence is committed by every officer of the company who is in default.
- (7) A person guilty of an offence under subsection (6) is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

Modifications etc. (not altering text)

C152 Ss. 430-433 applied (6.4.2008) by [S.I. 2005/1788, reg. 29](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), [Sch. 1 para. 242\(4\)](#) (with arts. 6, 11, 12))

C153 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

Right of member or debenture holder to demand copies of accounts and reports

431 Right of member or debenture holder to copies of accounts and reports: unquoted companies U.K.

- (1) A member of, or holder of debentures of, an unquoted company is entitled to be provided, on demand and without charge, with a copy of—
 - (a) the company's last annual accounts,
 - (b) the last directors' report, and
 - (c) the auditor's report on those accounts (including the statement on that report).
- (2) The entitlement under this section is to a single copy of those documents, but that is in addition to any copy to which a person may be entitled under section 423.
- (3) If a demand made under this section is not complied with within seven days of receipt by the company, an offence is committed by—
 - (a) the company, and
 - (b) every officer of the company who is in default.
- (4) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Modifications etc. (not altering text)

- C154** Ss. 430-433 applied (6.4.2008) by S.I. 2005/1788, reg. 29 (as substituted by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C155** S. 431 modified (6.4.2008) by The Companies (Revision of Defective Accounts and Reports) Regulations 2008 (S.I. 2008/373), **reg. 10(2)(a)**
- C156** S. 431 modified (6.4.2008) by The Companies (Revision of Defective Accounts and Reports) Regulations 2008 (S.I. 2008/373), **reg. 11(2)(a)**
- C157** S. 431 applied (with modifications) (6.4.2008) by 1996 c. 52, Sch. 1 para. 16D (as substituted by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C158** S. 431 applied (with modifications) (1.10.2008) by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (S.I. 2008/1911), **reg. 15**
- C159** S. 431 applied (with modifications) (1.4.2010) by Housing and Regeneration Act 2008 (c. 17), **ss. 132(1)(2), 325; S.I. 2010/862, art. 2** (with Sch.)
- C160** Ss. 418-469 applied (with modifications) (1.10.2009) by The Unregistered Companies Regulations 2009 (S.I. 2009/2436), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

432 Right of member or debenture holder to copies of accounts and reports: quoted companies **U.K.**

- (1) A member of, or holder of debentures of, a quoted company is entitled to be provided, on demand and without charge, with a copy of—
 - (a) the company's last annual accounts,
 - (b) the last directors' remuneration report,
 - (c) the last directors' report, and
 - (d) the auditor's report on those accounts (including the report on the directors' remuneration report and on the directors' report).
- (2) The entitlement under this section is to a single copy of those documents, but that is in addition to any copy to which a person may be entitled under section 423.
- (3) If a demand made under this section is not complied with within seven days of receipt by the company, an offence is committed by—
 - (a) the company, and
 - (b) every officer of the company who is in default.
- (4) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

Modifications etc. (not altering text)

- C161** Ss. 430-433 applied (6.4.2008) by S.I. 2005/1788, reg. 29 (as substituted by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C162** S. 432 modified (6.4.2008) by The Companies (Revision of Defective Accounts and Reports) Regulations 2008 (S.I. 2008/373), **reg. 10(2)(b)**

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- C163** S. 432 modified (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 11(2)(a)**
- C164** S. 432 applied (with modifications) (6.4.2008) by [1996 c. 52, Sch. 1 para. 16D](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 202(3)**) (with arts. 6, 11, 12))
- C165** S. 432 applied (with modifications) (1.4.2010) by [Housing and Regeneration Act 2008 \(c. 17\)](#), **ss. 132(1)(2), 325; S.I. 2010/862, art. 2** (with Sch.)
- C166** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

Requirements in connection with publication of accounts and reports

433 Name of signatory to be stated in published copies of accounts and reports **U.K.**

- (1) Every copy of a document to which this section applies that is published by or on behalf of the company must state the name of the person who signed it on behalf of the board.
- (2) In the case of an unquoted company, this section applies to copies of—
 - (a) the company's balance sheet, and
 - (b) the directors' report.
- (3) In the case of a quoted company, this section applies to copies of—
 - (a) the company's balance sheet,
 - (b) the directors' remuneration report, and
 - (c) the directors' report.
- (4) If a copy is published without the required statement of the signatory's name, an offence is committed by—
 - (a) the company, and
 - (b) every officer of the company who is in default.
- (5) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

Modifications etc. (not altering text)

- C167** Ss. 430-433 applied (6.4.2008) by [S.I. 2005/1788, reg. 29](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 242(4)**) (with arts. 6, 11, 12))
- C168** Ss. 433-436 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 16**
- C169** S. 433 applied (with modifications) (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 3**
- C170** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

434 Requirements in connection with publication of statutory accounts **U.K.**

- (1) If a company publishes any of its statutory accounts, they must be accompanied by the auditor's report on those accounts (unless the company is exempt from audit and the directors have taken advantage of that exemption).
- (2) A company that prepares statutory group accounts for a financial year must not publish its statutory individual accounts for that year without also publishing with them its statutory group accounts.
- (3) A company's "statutory accounts" are its accounts for a financial year as required to be delivered to the registrar under section 441.
- (4) If a company contravenes any provision of this section, an offence is committed by—
 - (a) the company, and
 - (b) every officer of the company who is in default.
- (5) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (6) This section does not apply in relation to the provision by a company of a summary financial statement (see section 426).

Modifications etc. (not altering text)

- C171** Ss. 434-436 applied (with modifications) (6.4.2008) by 1996 c. 52, Sch. 1 para. 16D (as substituted by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C172** Ss. 433-436 applied (with modifications) (1.10.2008) by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (S.I. 2008/1911), **reg. 16**
- C173** Ss. 434-436 applied (with modifications) (1.4.2010) by Housing and Regeneration Act 2008 (c. 17), **ss. 132(1)(2), 325; S.I. 2010/862, art. 2** (with Sch.)
- C174** Ss. 418-469 applied (with modifications) (1.10.2009) by The Unregistered Companies Regulations 2009 (S.I. 2009/2436), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C175** S. 434(3) modified (6.4.2008) by The Companies (Revision of Defective Accounts and Reports) Regulations 2008 (S.I. 2008/373), **reg. 10(2)(c)**
- C176** S. 434(6) applied (with modifications) (6.4.2008) by The Companies (Revision of Defective Accounts and Reports) Regulations 2008 (S.I. 2008/373), **regs. 17(2), 19(3)**
- C177** S. 434(6) applied (with modifications) (6.4.2008) by The Companies (Revision of Defective Accounts and Reports) Regulations 2008 (S.I. 2008/373), **regs. 17(4), 19(3)**

435 Requirements in connection with publication of non-statutory accounts **U.K.**

- (1) If a company publishes non-statutory accounts, it must publish with them a statement indicating—
 - (a) that they are not the company's statutory accounts,
 - (b) whether statutory accounts dealing with any financial year with which the non-statutory accounts purport to deal have been delivered to the registrar, and
 - (c) whether an auditor's report has been made on the company's statutory accounts for any such financial year, and if so whether the report—

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- (i) was qualified or unqualified, or included a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report, or
 - (ii) contained a statement under section 498(2) (accounting records or returns inadequate or accounts or directors' remuneration report not agreeing with records and returns), or section 498(3) (failure to obtain necessary information and explanations).
- (2) The company must not publish with non-statutory accounts the auditor's report on the company's statutory accounts.
- (3) References in this section to the publication by a company of “non-statutory accounts” are to the publication of—
- (a) any balance sheet or profit and loss account relating to, or purporting to deal with, a financial year of the company, or
 - (b) an account in any form purporting to be a balance sheet or profit and loss account for a group headed by the company relating to, or purporting to deal with, a financial year of the company,
- otherwise than as part of the company's statutory accounts.
- (4) In subsection (3)(b) “a group headed by the company” means a group consisting of the company and any other undertaking (regardless of whether it is a subsidiary undertaking of the company) other than a parent undertaking of the company.
- (5) If a company contravenes any provision of this section, an offence is committed by—
- (a) the company, and
 - (b) every officer of the company who is in default.
- (6) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (7) This section does not apply in relation to the provision by a company of a summary financial statement (see section 426).

Modifications etc. (not altering text)

- C178** Ss. 434-436 applied (with modifications) (6.4.2008) by [1996 c. 52, Sch. 1 para. 16D](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), [Sch. 1 para. 202\(3\)](#) (with arts. 6, 11, 12))
- C179** Ss. 433-436 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), [reg. 16](#)
- C180** Ss. 434-436 applied (with modifications) (1.4.2010) by [Housing and Regeneration Act 2008 \(c. 17\)](#), [ss. 132\(1\)\(2\)](#), 325; [S.I. 2010/862](#), [art. 2](#) (with Sch.)
- C181** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))
- C182** S. 435(7) applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), [regs. 17\(2\)](#), 19(3)
- C183** S. 435(7) applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), [regs. 17\(4\)](#), 19(3)

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

436 Meaning of “publication” in relation to accounts and reports **U.K.**

- (1) This section has effect for the purposes of—
- section 433 (name of signatory to be stated in published copies of accounts and reports),
 - section 434 (requirements in connection with publication of statutory accounts),
 - and
 - section 435 (requirements in connection with publication of non-statutory accounts).
- (2) For the purposes of those sections a company is regarded as publishing a document if it publishes, issues or circulates it or otherwise makes it available for public inspection in a manner calculated to invite members of the public generally, or any class of members of the public, to read it.

Modifications etc. (not altering text)

- C184** Ss. 434-436 applied (with modifications) (6.4.2008) by 1996 c. 52, Sch. 1 para. 16D (as substituted by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C185** Ss. 433-436 applied (with modifications) (1.10.2008) by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (S.I. 2008/1911), **reg. 16**
- C186** Ss. 434-436 applied (with modifications) (1.4.2010) by Housing and Regeneration Act 2008 (c. 17), **ss. 132(1)(2), 325; S.I. 2010/862, art. 2** (with Sch.)
- C187** S. 436 applied (with modifications) (6.4.2008) by The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008 (S.I. 2008/565), **reg. 3**
- C188** S. 436 applied (6.4.2008) by S.I. 2005/1788, **reg. 29** (as substituted by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C189** S. 436(2) applied (1.4.2009 with effect as noted in s. 1329(1) of the amending act) by Corporation Tax Act 2009 (c. 4), **ss. 1046(3)**, (with Sch 2 Pts. 1, 2)
- C190** S. 436(2) applied (1.4.2009 with effect as noted in s. 1329(1) of the amending act) by Corporation Tax Act 2009 (c. 4), **ss. 1057(5)**, (with Sch 2 Pts. 1, 2)
- C191** S. 436(2) applied (1.4.2009 with effect as noted in s. 1329(1) of the amending act) by Corporation Tax Act 2009 (c. 4), **ss. 1094(3)**, (with Sch 2 Pts. 1, 2)
- C192** S. 436(2) applied (1.4.2009 with effect as noted in s. 1329(1) of the amending act) by Corporation Tax Act 2009 (c. 4), **ss. 1106(5)**, (with Sch 2 Pts. 1, 2)
- C193** Ss. 418-469 applied (with modifications) (1.10.2009) by The Unregistered Companies Regulations 2009 (S.I. 2009/2436), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C194** S. 436(2) modified (with effect as mentioned in Sch. 9 para. 3 of the amending Act) by 2000 c. 17, s. 18A(5) (as inserted by Finance Act 2008 (c. 9), s. 28, **Sch. 9 para. 1(6)**)
- C195** S. 436(2) modified (with effect as mentioned in Sch. 9 para. 3 of the amending Act) by 2000 c. 23, s. 18A(5) (as inserted by Finance Act 2008 (c. 9), s. 28, **Sch. 9 para. 2(6)**)

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

CHAPTER 8 **U.K.**

PUBLIC COMPANIES: LAYING OF ACCOUNTS AND REPORTS BEFORE GENERAL MEETING

437 **Public companies: laying of accounts and reports before general meeting** **U.K.**

- (1) The directors of a public company must lay before the company in general meeting copies of its annual accounts and reports.
- (2) This section must be complied with not later than the end of the period for filing the accounts and reports in question.
- (3) In the Companies Acts “accounts meeting”, in relation to a public company, means a general meeting of the company at which the company's annual accounts and reports are (or are to be) laid in accordance with this section.

Modifications etc. (not altering text)

- C196** S. 437 modified (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 10(2)(d)**
- C197** S. 437 modified (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 11(2)(b)**
- C198** Ss. 437, 438 applied (with modifications) (6.4.2008) by [1996 c. 52, Sch. 1 para. 16D](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C199** Ss. 437, 438 applied (6.4.2008) by [S.I. 2005/1788, reg. 29](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C200** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

438 **Public companies: offence of failure to lay accounts and reports** **U.K.**

- (1) If the requirements of section 437 (public companies: laying of accounts and reports before general meeting) are not complied with before the end of the period allowed, every person who immediately before the end of that period was a director of the company commits an offence.
- (2) It is a defence for a person charged with such an offence to prove that he took all reasonable steps for securing that those requirements would be complied with before the end of that period.
- (3) It is not a defence to prove that the documents in question were not in fact prepared as required by this Part.
- (4) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

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Modifications etc. (not altering text)

- C201** S. 438 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 13(3)**
- C202** Ss. 437, 438 applied (with modifications) (6.4.2008) by 1996 c. 52, Sch. 1 para. 16D (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C203** Ss. 437, 438 applied (6.4.2008) by [S.I. 2005/1788](#), **reg. 29** (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C204** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

CHAPTER 9 U.K.

QUOTED COMPANIES: MEMBERS' APPROVAL OF DIRECTORS' REMUNERATION REPORT

439 Quoted companies: members' approval of directors' remuneration report U.K.

- (1) A quoted company must, prior to the accounts meeting, give to the members of the company entitled to be sent notice of the meeting notice of the intention to move at the meeting, as an ordinary resolution, a resolution approving the directors' remuneration report for the financial year.
 - (2) The notice may be given in any manner permitted for the service on the member of notice of the meeting.
 - (3) The business that may be dealt with at the accounts meeting includes the resolution.
- This is so notwithstanding any default in complying with subsection (1) or (2).
- (4) The existing directors must ensure that the resolution is put to the vote of the meeting.
 - (5) No entitlement of a person to remuneration is made conditional on the resolution being passed by reason only of the provision made by this section.
 - (6) In this section—

“the accounts meeting” means the general meeting of the company before which the company's annual accounts for the financial year are to be laid; and
“existing director” means a person who is a director of the company immediately before that meeting.

Modifications etc. (not altering text)

- C205** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

440 Quoted companies: offences in connection with procedure for approval **U.K.**

- (1) In the event of default in complying with section 439(1) (notice to be given of resolution for approval of directors' remuneration report), an offence is committed by every officer of the company who is in default.
- (2) If the resolution is not put to the vote of the accounts meeting, an offence is committed by each existing director.
- (3) It is a defence for a person charged with an offence under subsection (2) to prove that he took all reasonable steps for securing that the resolution was put to the vote of the meeting.
- (4) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (5) In this section—

“the accounts meeting” means the general meeting of the company before which the company's annual accounts for the financial year are to be laid; and
“existing director” means a person who is a director of the company immediately before that meeting.

Modifications etc. (not altering text)

C206 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#)) (and the said Sch. 1 para. 10 is amended (with application in accordance with reg. 1(3) of the amending S.I.) by [The Unregistered Companies \(Amendment\) Regulations 2013 \(S.I. 2013/1972\)](#), regs. 1(2), 2(2)(a))

CHAPTER 10 **U.K.**

FILING OF ACCOUNTS AND REPORTS

Duty to file accounts and reports

441 Duty to file accounts and reports with the registrar **U.K.**

- (1) The directors of a company must deliver to the registrar for each financial year the accounts and reports required by—
 - section 444 (filing obligations of companies subject to small companies regime),
 - [^{F27}section 444A (filing obligations of companies entitled to small companies exemption in relation to directors' report),]
 - section 445 (filing obligations of medium-sized companies),
 - section 446 (filing obligations of unquoted companies), or
 - section 447 (filing obligations of quoted companies).
- [^{F28}(2) This is subject to—
 - section 448 (unlimited companies exempt from filing obligations), and
 - section 448A (dormant subsidiaries exempt from filing obligations).]

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Textual Amendments

- F27** Words in s. 441(1) inserted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 6(6)**
- F28** S. 441(2) substituted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **10**

Modifications etc. (not altering text)

- C207** Ss. 441-448 applied (6.4.2008) by [S.I. 2005/1788](#), **reg. 29** (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C208** Ss. 441-444 applied (with modifications) (6.4.2008) by [1996 c. 52](#), **Sch. 1 para. 16D** (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C209** Ss. 441-444 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 17** (as amended (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [S.I. 2012/2301](#), regs. 1, **20(6)**)
- C210** Ss. 441-444A applied (with modifications) (1.4.2010) by [Housing and Regeneration Act 2008 \(c. 17\)](#), **ss. 132(1)(2)**, 325; [S.I. 2010/862](#), **art. 2** (with Sch.)
- C211** S. 441 modified (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 10(2)(d)**
- C212** S. 441 modified (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 11(2)(b)**
- C213** S. 441 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 40** (with Sch. 8)
- C214** S. 441 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 55** (with Sch. 8)
- C215** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

442 Period allowed for filing accounts **U.K.**

- (1) This section specifies the period allowed for the directors of a company to comply with their obligation under section 441 to deliver accounts and reports for a financial year to the registrar.

This is referred to in the Companies Acts as the “period for filing” those accounts and reports.

- (2) The period is—
- for a private company, nine months after the end of the relevant accounting reference period, and
 - for a public company, six months after the end of that period.

This is subject to the following provisions of this section.

- (3) If the relevant accounting reference period is the company's first and is a period of more than twelve months, the period is—

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- (a) nine months or six months, as the case may be, from the first anniversary of the incorporation of the company, or
 - (b) three months after the end of the accounting reference period,
- whichever last expires.
- (4) If the relevant accounting reference period is treated as shortened by virtue of a notice given by the company under section 392 (alteration of accounting reference date), the period is—
- (a) that applicable in accordance with the above provisions, or
 - (b) three months from the date of the notice under that section,
- whichever last expires.
- (5) If for any special reason the Secretary of State thinks fit he may, on an application made before the expiry of the period otherwise allowed, by notice in writing to a company extend that period by such further period as may be specified in the notice.
- (6) Whether the period allowed is that for a private company or a public company is determined by reference to the company's status immediately before the end of the relevant accounting reference period.
- (7) In this section “the relevant accounting reference period” means the accounting reference period by reference to which the financial year for the accounts in question was determined.

Modifications etc. (not altering text)

- C216** Ss. 441-448 applied (6.4.2008) by [S.I. 2005/1788, reg. 29](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C217** Ss. 441-444 applied (with modifications) (6.4.2008) by [1996 c. 52, Sch. 1 para. 16D](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C218** Ss. 441-444 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 17**
- C219** Ss. 441-444A applied (with modifications) (1.4.2010) by [Housing and Regeneration Act 2008 \(c. 17\)](#), **ss. 132(1)(2), 325**; [S.I. 2010/862, art. 2](#) (with Sch.)
- C220** S. 442 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 40** (with Sch. 8)
- C221** S. 442 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 55** (with Sch. 8)
- C222** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

443 Calculation of period allowed **U.K.**

- (1) This section applies for the purposes of calculating the period for filing a company's accounts and reports which is expressed as a specified number of months from a specified date or after the end of a specified previous period.

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- (2) Subject to the following provisions, the period ends with the date in the appropriate month corresponding to the specified date or the last day of the specified previous period.
- (3) If the specified date, or the last day of the specified previous period, is the last day of a month, the period ends with the last day of the appropriate month (whether or not that is the corresponding date).
- (4) If—
 - (a) the specified date, or the last day of the specified previous period, is not the last day of a month but is the 29th or 30th, and
 - (b) the appropriate month is February,the period ends with the last day of February.
- (5) “The appropriate month” means the month that is the specified number of months after the month in which the specified date, or the end of the specified previous period, falls.

Modifications etc. (not altering text)

- C223** Ss. 441-448 applied (6.4.2008) by [S.I. 2005/1788](#), [reg. 29](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), [art. 3\(1\)](#), [Sch. 1 para. 242\(4\)](#) (with arts. 6, 11, 12))
- C224** Ss. 441-444 applied (with modifications) (6.4.2008) by [1996 c. 52](#), [Sch. 1 para. 16D](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), [art. 3\(1\)](#), [Sch. 1 para. 202\(3\)](#) (with arts. 6, 11, 12))
- C225** Ss. 441-444 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), [reg. 17](#)
- C226** Ss. 441-444A applied (with modifications) (1.4.2010) by [Housing and Regeneration Act 2008 \(c. 17\)](#), [ss. 132\(1\)\(2\)](#), [325](#); [S.I. 2010/862](#), [art. 2](#) (with [Sch.](#))
- C227** S. 443 applied (with modifications) (6.4.2008) by [The Companies \(Late Filing Penalties\) and Limited Liability Partnerships \(Filing Periods and Late Filing Penalties\) Regulations 2008 \(S.I. 2008/497\)](#), [reg. 6\(1\)](#), [Sch. Pt. 1](#)
- C228** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

Filing obligations of different descriptions of company

444 Filing obligations of companies subject to small companies regime **U.K.**

- (1) The directors of a company subject to the small companies regime—
 - (a) must deliver to the registrar for each financial year a copy of a balance sheet drawn up as at the last day of that year, and
 - (b) may also deliver to the registrar—
 - (i) a copy of the company's profit and loss account for that year, and
 - (ii) a copy of the directors' report for that year.
- (2) The directors must also deliver to the registrar a copy of the auditor's report on [^{F29}the accounts (and any directors' report) that it delivers].

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

This does not apply if the company is exempt from audit and the directors have taken advantage of that exemption.

- (3) The copies of accounts and reports delivered to the registrar must be copies of the company's annual accounts and reports, except that where the company prepares Companies Act accounts—
- (a) the directors may deliver to the registrar a copy of a balance sheet drawn up in accordance with regulations made by the Secretary of State, and
 - (b) there may be omitted from the copy profit and loss account delivered to the registrar such items as may be specified by the regulations.

These are referred to in this Part as “abbreviated accounts”.

- (4) If abbreviated accounts are delivered to the registrar the obligation to deliver a copy of the auditor's report on the accounts is to deliver a copy of the special auditor's report required by section 449.
- (5) Where the directors of a company subject to the small companies regime deliver to the registrar IAS accounts, or Companies Act accounts that are not abbreviated accounts, and in accordance with this section—
- (a) do not deliver to the registrar a copy of the company's profit and loss account, or
 - (b) do not deliver to the registrar a copy of the directors' report,
- the copy of the balance sheet delivered to the registrar must contain in a prominent position a statement that the company's annual accounts and reports have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.
- (6) The copies of the balance sheet and any directors' report delivered to the registrar under this section must state the name of the person who signed it on behalf of the board.
- (7) The copy of the auditor's report delivered to the registrar under this section must—
- (a) state the name of the auditor and (where the auditor is a firm) the name of the person who signed it as senior statutory auditor, or
 - (b) if the conditions in section 506 (circumstances in which names may be omitted) are met, state that a resolution has been passed and notified to the Secretary of State in accordance with that section.

Textual Amendments

F29 Words in s. 444(2) substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 12**

Modifications etc. (not altering text)

C229 Ss. 441-448 applied (6.4.2008) by [S.I. 2005/1788](#), **reg. 29** (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))

C230 Ss. 441-444 applied (with modifications) (6.4.2008) by [1996 c. 52](#), **Sch. 1 para. 16D** (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))

C231 Ss. 441-444 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 17**

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

C232 Ss. 441-444A applied (with modifications) (1.4.2010) by [Housing and Regeneration Act 2008 \(c. 17\)](#), [ss. 132\(1\)\(2\)](#), 325; [S.I. 2010/862](#), [art. 2](#) (with [Sch.](#))

C233 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

Commencement Information

I12 S. 444 wholly in force at 6.4.2008; s. 444 not in force at Royal Assent see s. 1300; s. 444 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), [art. 3\(3\)](#) (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 444 in force at 6.4.2008 by [S.I. 2007/3495](#), [art. 3\(1\)\(d\)](#) (with savings in [arts. 7, 12](#) and subject to transitional adaptations in [Sch. 1 para. 6](#) and with savings in [Sch. 4 paras. 6-8](#))

[^{F30}444A Filing obligations of companies entitled to small companies exemption in relation to directors' report **U.K.**

- (1) The directors of a company that is entitled to small companies exemption in relation to the directors' report for a financial year—
 - (a) must deliver to the registrar a copy of the company's annual accounts for that year, and
 - (b) may also deliver to the registrar a copy of the directors' report.

- (2) The directors must also deliver to the registrar a copy of the auditor's report on the accounts (and any directors' report) that it delivers. This does not apply if the company is exempt from audit and the directors have taken advantage of that exception.

- (3) The copies of the balance sheet and directors' report delivered to the registrar under this section must state the name of the person who signed it on behalf of the board.

- [^{F31}(4) The copy of the auditor's report delivered to the registrar under this section must—
- (a) state the name of the auditor and (where the auditor is a firm) the name of the person who signed it as senior statutory auditor, or
 - (b) if the conditions in section 506 (circumstances in which names may be omitted) are met, state that a resolution has been passed and notified to the Secretary of State in accordance with that section.]

- (5) This section does not apply to companies within section 444 (filing obligations of companies subject to the small companies regime).]

Textual Amendments

F30 S. 444A inserted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), [reg. 6\(7\)](#)

F31 S. 444A(4) substituted (1.10.2009) by [The Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), [reg. 10](#)

Modifications etc. (not altering text)

C234 Ss. 441-448 applied (6.4.2008) by [S.I. 2005/1788](#), [reg. 29](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), [art. 3\(1\)](#), [Sch. 1 para. 242\(4\)](#) (with [arts. 6, 11, 12](#)))

C235 Ss. 441-444A applied (with modifications) (1.4.2010) by [Housing and Regeneration Act 2008 \(c. 17\)](#), [ss. 132\(1\)\(2\)](#), 325; [S.I. 2010/862](#), [art. 2](#) (with [Sch.](#))

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

445 Filing obligations of medium-sized companies **U.K.**

- (1) The directors of a company that qualifies as a medium-sized company in relation to a financial year (see sections 465 to 467) must deliver to the registrar a copy of—
 - (a) the company's annual accounts, and
 - (b) the directors' report.
- (2) They must also deliver to the registrar a copy of the auditor's report on those accounts (and on the directors' report).

This does not apply if the company is exempt from audit and the directors have taken advantage of that exemption.

- (3) Where the company prepares Companies Act accounts, the directors may deliver to the registrar a copy of the company's annual accounts for the financial year—
 - (a) that includes a profit and loss account in which items are combined in accordance with regulations made by the Secretary of State, and
 - (b) that does not contain items whose omission is authorised by the regulations.

These are referred to in this Part as “abbreviated accounts”.

- (4) If abbreviated accounts are delivered to the registrar the obligation to deliver a copy of the auditor's report on the accounts is to deliver a copy of the special auditor's report required by section 449.
- (5) The copies of the balance sheet and directors' report delivered to the registrar under this section must state the name of the person who signed it on behalf of the board.
- (6) The copy of the auditor's report delivered to the registrar under this section must—
 - (a) state the name of the auditor and (where the auditor is a firm) the name of the person who signed it as senior statutory auditor, or
 - (b) if the conditions in section 506 (circumstances in which names may be omitted) are met, state that a resolution has been passed and notified to the Secretary of State in accordance with that section.

[^{F32}(7) This section does not apply to companies within—

- (a) section 444 (filing obligations of companies subject to the small companies regime), or
- (b) section 444A (filing obligations of companies entitled to small companies exemption in relation to directors' report).]

Textual Amendments

F32 S. 445(7) substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), [reg. 6\(8\)](#)

Modifications etc. (not altering text)

C236 Ss. 441-448 applied (6.4.2008) by [S.I. 2005/1788](#), [reg. 29](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), [art. 3\(1\)](#), [Sch. 1 para. 242\(4\)](#) (with arts. 6, 11, 12))

C237 S. 445 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), [reg. 18](#)

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

C238 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

Commencement Information

I13 S. 445 wholly in force at 6.4.2008; s. 445 not in force at Royal Assent see s. 1300; s. 445 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 445 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with savings in [arts. 7, 12](#) and subject to transitional adaptations in [Sch. 1 para. 6](#) and with savings in [Sch. 4 paras. 6-8](#))

446 Filing obligations of unquoted companies **U.K.**

- (1) The directors of an unquoted company must deliver to the registrar for each financial year of the company a copy of—
- the company's annual accounts,^{F33} . . .
 - the directors' report^{F34}, and
 - any separate corporate governance statement.]

- (2) The directors must also deliver to the registrar a copy of the auditor's report on those accounts (and the directors' report [^{F35}and any separate corporate governance statement]).

This does not apply if the company is exempt from audit and the directors have taken advantage of that exemption.

- (3) The copies of the balance sheet [^{F36}, directors' report and any separate corporate governance statement] delivered to the registrar under this section must state the name of the person who signed it on behalf of the board.

- (4) The copy of the auditor's report delivered to the registrar under this section must—
- state the name of the auditor and (where the auditor is a firm) the name of the person who signed it as senior statutory auditor, or
 - if the conditions in section 506 (circumstances in which names may be omitted) are met, state that a resolution has been passed and notified to the Secretary of State in accordance with that section.

- (5) This section does not apply to companies within—
- section 444 (filing obligations of companies subject to the small companies regime),^{F37} . . .
- [^{F38}(aa) section 444A (filing obligations of companies entitled to small companies exemption in relation to directors' report), or]
- section 445 (filing obligations of medium-sized companies).

Textual Amendments

F33 Word following s. 446(1)(a) omitted (27.6.2009) by virtue of [The Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), **reg. 3(2)** (with application as stated in [reg. 1\(3\)](#))

F34 S. 446(1)(c) and preceding word inserted (27.6.2009) by [The Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), **reg. 3(2)** (with application as stated in [reg. 1\(3\)](#))

F35 Words in s. 446(2) inserted (27.6.2009) by [The Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), **reg. 3(3)** (with application as stated in [reg. 1\(3\)](#))

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- F36** Words in s. 446(3) substituted (27.6.2009) by [The Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), **reg. 3(6)** (with application as stated in [reg. 1\(3\)](#))
- F37** Word in s. 446(5) omitted (6.4.2008) by virtue of [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 6(9)**
- F38** S. 446(5)(aa) inserted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 6(9)(a)**

Modifications etc. (not altering text)

- C239** Ss. 441-448 applied (6.4.2008) by [S.I. 2005/1788](#), **reg. 29** (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), **art. 3(1)**, **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C240** S. 446 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 19**
- C241** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5**, **Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9**, **Sch. 2**)

Commencement Information

- I14** S. 446 wholly in force at 6.4.2008; s. 446 not in force at Royal Assent see s. 1300; s. 446 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with savings in **arts. 7, 12** and subject to transitional adaptations in **Sch. 1 para. 8** (as amended (temp. from 27.6.2009) by [Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), **reg. 3(4)(5)** (with application in accordance with **reg. 1(3)**)) and with savings in **Sch. 4 paras. 6-8**)

447 Filing obligations of quoted companies **U.K.**

- (1) The directors of a quoted company must deliver to the registrar for each financial year of the company a copy of—
 - (a) the company's annual accounts,
 - (b) the directors' remuneration report, ^{F39} . . .
 - (c) the directors' report, ^{F40}, and
 - (d) any separate corporate governance statement.]
- (2) They must also deliver a copy of the auditor's report on those accounts (and on the directors' remuneration report ^{F41}, the directors' report and any separate corporate governance statement]).
- (3) The copies of the balance sheet, the directors' remuneration report ^{F42}, the directors' report and any separate corporate governance statement] delivered to the registrar under this section must state the name of the person who signed it on behalf of the board.
- (4) The copy of the auditor's report delivered to the registrar under this section must—
 - (a) state the name of the auditor and (where the auditor is a firm) the name of the person who signed it as senior statutory auditor, or
 - (b) if the conditions in section 506 (circumstances in which names may be omitted) are met, state that a resolution has been passed and notified to the Secretary of State in accordance with that section.

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Textual Amendments

- F39** Word at end of s. 447(1)(b) omitted (27.6.2009) by virtue of [The Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), [reg. 4\(2\)](#) (with application as stated in [reg. 1\(3\)](#))
- F40** S. 447(1)(d) and preceding word inserted (27.6.2009) by [The Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), [reg. 4\(2\)](#) (with application as stated in [reg. 1\(3\)](#))
- F41** Words in s. 447(2) substituted (27.6.2009) by [The Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), [reg. 4\(3\)](#) (with application as stated in [reg. 1\(3\)](#))
- F42** Words in s. 447(3) substituted (27.6.2009) by [The Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), [reg. 4\(6\)](#) (with application as stated in [reg. 1\(3\)](#))

Modifications etc. (not altering text)

- C242** Ss. 441-448, 451-453 applied (6.4.2008) by [S.I. 2005/1788](#), [reg. 29](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), [art. 3\(1\)](#), [Sch. 1 para. 242\(4\)](#) (with [arts. 6, 11, 12](#)))
- C243** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

Commencement Information

- I15** S. 447 wholly in force at 6.4.2008; s. 447 not in force at Royal Assent see s. 1300; s. 447 in force at 6.4.2008 by [S.I. 2007/3495](#), [art. 3\(1\)\(d\)](#) (with savings in [arts. 7, 12](#) and subject to transitional adaptations in [Sch. 1 para. 9](#) (as amended (temp. from 27.6.2009) by [Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), [reg. 3\(4\)\(5\)](#) (with application in accordance with [reg. 1\(3\)](#))) and with savings in [Sch. 4 paras. 6-8](#))

448 Unlimited companies exempt from obligation to file accounts **U.K.**

- (1) The directors of an unlimited company are not required to deliver accounts and reports to the registrar in respect of a financial year if the following conditions are met.
- (2) The conditions are that at no time during the relevant accounting reference period—
 - (a) has the company been, to its knowledge, a subsidiary undertaking of an undertaking which was then limited, or
 - (b) have there been, to its knowledge, exercisable by or on behalf of two or more undertakings which were then limited, rights which if exercisable by one of them would have made the company a subsidiary undertaking of it, or
 - (c) has the company been a parent company of an undertaking which was then limited.

The references above to an undertaking being limited at a particular time are to an undertaking (under whatever law established) the liability of whose members is at that time limited.

- (3) The exemption conferred by this section does not apply if—
 - (a) the company is a banking or insurance company or the parent company of a banking or insurance group, or
 - ^{F43}(b) each of the members of the company is—
 - (i) a limited company,

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (ii) another unlimited company each of whose members is a limited company, or
 - (iii) a Scottish partnership each of whose members is a limited company.]
- [^{F44}The references in paragraph (b) to a limited company, another unlimited company or a Scottish partnership include a comparable undertaking incorporated in or formed under the law of a country or territory outside the United Kingdom.]
- (4) Where a company is exempt by virtue of this section from the obligation to deliver accounts—
- (a) section 434(3) (requirements in connection with publication of statutory accounts: meaning of “statutory accounts”) has effect with the substitution for the words “as required to be delivered to the registrar under section 441” of the words “as prepared in accordance with this Part and approved by the board of directors”; and
 - (b) section 435(1)(b) (requirements in connection with publication of non-statutory accounts: statement whether statutory accounts delivered) has effect with the substitution for the words from “whether statutory accounts” to “have been delivered to the registrar” of the words “that the company is exempt from the requirement to deliver statutory accounts”.
- (5) In this section the “relevant accounting reference period”, in relation to a financial year, means the accounting reference period by reference to which that financial year was determined.

Textual Amendments

- F43** S. 448(3)(b) substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 13(a)**
- F44** Words in s. 448(3) inserted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 13(b)**

Modifications etc. (not altering text)

- C244** Ss. 441-448 applied (6.4.2008) by [S.I. 2005/1788](#), **reg. 29** (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C245** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5**, **Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9**, **Sch. 2**)

[^{F45}**448A**Dormant subsidiaries exempt from obligation to file accounts **U.K.**

- (1) The directors of a company are not required to deliver a copy of the company's individual accounts to the registrar in respect of a financial year if—
- (a) the company is a subsidiary undertaking,
 - (b) it has been dormant throughout the whole of that year, and
 - (c) its parent undertaking is established under the law of an EEA State.
- (2) Exemption is conditional upon compliance with all of the following conditions—
- (a) all members of the company must agree to the exemption in respect of the financial year in question,

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (b) the parent undertaking must give a guarantee under section 448C in respect of that year,
- (c) the company must be included in the consolidated accounts drawn up for that year or to an earlier date in that year by the parent undertaking in accordance with—
 - (i) the provisions of the Seventh Directive (83/349/EEC), or
 - (ii) international accounting standards,
- (d) the parent undertaking must disclose in the notes to the consolidated accounts that the directors of the company are exempt from the requirement to deliver a copy of the company's individual accounts to the registrar by virtue of this section, and
- (e) the directors of the company must deliver to the registrar within the period for filing the company's accounts and reports for that year—
 - (i) a written notice of the agreement referred to in subsection (2)(a),
 - (ii) the statement referred to in section 448C(1),
 - (iii) a copy of the consolidated accounts referred to in subsection (2)(c),
 - (iv) a copy of the auditor's report on those accounts, and
 - (v) a copy of the consolidated annual report drawn up by the parent undertaking.

Textual Amendments

F45 Ss. 448A-448C inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **11**

Modifications etc. (not altering text)

C246 Ss. 448A, 448B, 448C applied (with modifications) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 19A** (as inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [S.I. 2012/2301](#), **regs. 1, 20(7)**)

448B Companies excluded from the dormant subsidiaries exemption **U.K.**

The directors of a company are not entitled to the exemption conferred by section 448A (dormant subsidiaries) if the company was at any time within the financial year in question—

- (a) a quoted company as defined in section 385(2) of this Act,
- (b) a company that—
 - (i) is an authorised insurance company, a banking company, an e-Money issuer, a MiFID investment firm or a UCITS management company, or
 - (ii) carries on insurance market activity, or
- (c) a special register body as defined in section 117(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 (c 52) or an employers' association as defined in section 122 of that Act or Article 4 of the Industrial Relations (Northern Ireland) Order 1992 (S.I. 1992/807) (NI 5).

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Textual Amendments

F45 Ss. 448A-448C inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **11**

Modifications etc. (not altering text)

C247 Ss. 448A, 448B, 448C applied (with modifications) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 19A** (as inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [S.I. 2012/2301](#), **regs. 1**, 20(7))

448C Dormant subsidiaries filing exemption: parent undertaking declaration of guarantee **U.K.**

- (1) A guarantee is given by a parent undertaking under this section when the directors of the subsidiary company deliver to the registrar a statement by the parent undertaking that it guarantees the subsidiary company under this section.
- (2) The statement under subsection (1) must be authenticated by the parent undertaking and must specify—
 - (a) the name of the parent undertaking,
 - (b) if the parent undertaking is incorporated in the United Kingdom, its registered number (if any),
 - (c) if the parent undertaking is incorporated outside the United Kingdom and registered in the country in which it is incorporated, the identity of the register on which it is registered and the number with which it is so registered,
 - (d) the name and registered number of the subsidiary company in respect of which the guarantee is being given,
 - (e) the date of the statement, and
 - (f) the financial year to which the guarantee relates.
- (3) A guarantee given under this section has the effect that—
 - (a) the parent undertaking guarantees all outstanding liabilities to which the subsidiary company is subject at the end of the financial year to which the guarantee relates, until they are satisfied in full, and
 - (b) the guarantee is enforceable against the parent undertaking by any person to whom the subsidiary company is liable in respect of those liabilities.]

Textual Amendments

F45 Ss. 448A-448C inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **11**

Modifications etc. (not altering text)

C248 Ss. 448A, 448B, 448C applied (with modifications) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 19A** (as inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [S.I. 2012/2301](#), **regs. 1**, 20(7))

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Requirements where abbreviated accounts delivered

449 Special auditor's report where abbreviated accounts delivered **U.K.**

- (1) This section applies where—
 - (a) the directors of a company deliver abbreviated accounts to the registrar, and
 - (b) the company is not exempt from audit (or the directors have not taken advantage of any such exemption).
- (2) The directors must also deliver to the registrar a copy of a special report of the company's auditor stating that in his opinion—
 - (a) the company is entitled to deliver abbreviated accounts in accordance with the section in question, and
 - (b) the abbreviated accounts to be delivered are properly prepared in accordance with regulations under that section.
- (3) The auditor's report on the company's annual accounts need not be delivered, but—
 - (a) if that report was qualified, the special report must set out that report in full together with any further material necessary to understand the qualification, and
 - (b) if that report contained a statement under—
 - (i) section 498(2)(a) or (b) (accounts, records or returns inadequate or accounts not agreeing with records and returns), or
 - (ii) section 498(3) (failure to obtain necessary information and explanations),the special report must set out that statement in full.
- (4) The provisions of—
 - sections 503 to 506 (signature of auditor's report), and
 - sections 507 to 509 (offences in connection with auditor's report),apply to a special report under this section as they apply to an auditor's report on the company's annual accounts prepared under Part 16.
- (5) If abbreviated accounts are delivered to the registrar, the references in section 434 or 435 (requirements in connection with publication of accounts) to the auditor's report on the company's annual accounts shall be read as references to the special auditor's report required by this section.

Modifications etc. (not altering text)

C249 S. 446 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 20**

C250 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

Commencement Information

I16 S. 449 wholly in force at 6.4.2008; s. 449 not in force at Royal Assent see s. 1300; s. 449 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with savings in **arts. 7, 12** and subject to transitional adaptations in **Sch. 1 para. 10** and with savings in **Sch. 4 paras. 6-8**)

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

450 Approval and signing of abbreviated accounts U.K.

- (1) Abbreviated accounts must be approved by the board of directors and signed on behalf of the board by a director of the company.
- (2) The signature must be on the balance sheet.
- (3) The balance sheet must contain in a prominent position above the signature a statement to the effect that it is prepared in accordance with the special provisions of this Act relating (as the case may be) to companies subject to the small companies regime or to medium-sized companies.
- (4) If abbreviated accounts are approved that do not comply with the requirements of regulations under the relevant section, every director of the company who—
 - (a) knew that they did not comply, or was reckless as to whether they complied, and
 - (b) failed to take reasonable steps to prevent them from being approved, commits an offence.
- (5) A person guilty of an offence under subsection (4) is liable—
 - (a) on conviction on indictment, to a fine;
 - (b) on summary conviction, to a fine not exceeding the statutory maximum.

Modifications etc. (not altering text)

C251 S. 450 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 21**

C252 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

Failure to file accounts and reports

451 Default in filing accounts and reports: offences U.K.

- (1) If the requirements of section 441 (duty to file accounts and reports) are not complied with in relation to a company's accounts and reports for a financial year before the end of the period for filing those accounts and reports, every person who immediately before the end of that period was a director of the company commits an offence.
- (2) It is a defence for a person charged with such an offence to prove that he took all reasonable steps for securing that those requirements would be complied with before the end of that period.
- (3) It is not a defence to prove that the documents in question were not in fact prepared as required by this Part.
- (4) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Modifications etc. (not altering text)

- C253** Ss. 451-453 applied (6.4.2008) by [S.I. 2005/1788, reg. 29](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C254** Ss. 451-453 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 22**
- C255** S. 451 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 8(3)**
- C256** S. 451 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 14(3)**
- C257** S. 451 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 15(5)**
- C258** S. 451 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 16(3)**
- C259** S. 451 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 41** (with [Sch. 8](#))
- C260** S. 451 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 56** (with [Sch. 8](#))
- C261** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

452 Default in filing accounts and reports: court order **U.K.**

(1) If—

- (a) the requirements of section 441 (duty to file accounts and reports) are not complied with in relation to a company's accounts and reports for a financial year before the end of the period for filing those accounts and reports, and
- (b) the directors of the company fail to make good the default within 14 days after the service of a notice on them requiring compliance,

the court may, on the application of any member or creditor of the company or of the registrar, make an order directing the directors (or any of them) to make good the default within such time as may be specified in the order.

(2) The court's order may provide that all costs (in Scotland, expenses) of and incidental to the application are to be borne by the directors.

Modifications etc. (not altering text)

- C262** Ss. 451-453 applied (6.4.2008) by [S.I. 2005/1788, reg. 29](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C263** Ss. 451-453 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 22**
- C264** S. 452 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 8(3)**
- C265** S. 452 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 14(3)**
- C266** S. 452 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 15(5)**

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- C267** S. 452 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 16(3)**
- C268** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

453 Civil penalty for failure to file accounts and reports U.K.

- (1) Where the requirements of section 441 are not complied with in relation to a company's accounts and reports for a financial year before the end of the period for filing those accounts and reports, the company is liable to a civil penalty.

This is in addition to any liability of the directors under section 451.

- (2) The amount of the penalty shall be determined in accordance with regulations made by the Secretary of State by reference to—
- (a) the length of the period between the end of the period for filing the accounts and reports in question and the day on which the requirements are complied with, and
 - (b) whether the company is a private or public company.
- (3) The penalty may be recovered by the registrar and is to be paid into the Consolidated Fund.
- (4) It is not a defence in proceedings under this section to prove that the documents in question were not in fact prepared as required by this Part.
- (5) Regulations under this section having the effect of increasing the penalty payable in any case are subject to affirmative resolution procedure.

Otherwise, the regulations are subject to negative resolution procedure.

Modifications etc. (not altering text)

- C269** Ss. 451-453 applied (6.4.2008) by [S.I. 2005/1788](#), **reg. 29** (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), **art. 3(1), Sch. 1 para. 242(4)** (with **arts. 6, 11, 12**))
- C270** Ss. 451-453 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 22**
- C271** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

Commencement Information

- I17** S. 453 wholly in force at 6.4.2008; s. 453 not in force at Royal Assent, see s. 1300; s. 453 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to **art. 5, Sch. 1** and with **arts. 6, 8, Sch. 5**); s. 453 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with **arts. 7, 12, Sch. 4 paras. 6-8**)

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

CHAPTER 11 U.K.

REVISION OF DEFECTIVE ACCOUNTS AND REPORTS

Voluntary revision

454 Voluntary revision of accounts etc U.K.

- (1) If it appears to the directors of a company that—
 - (a) the company's annual accounts,
 - (b) the directors' remuneration report or the directors' report, or
 - (c) a summary financial statement of the company,did not comply with the requirements of this Act (or, where applicable, of Article 4 of the IAS Regulation), they may prepare revised accounts or a revised report or statement.
- (2) Where copies of the previous accounts or report have been sent out to members, delivered to the registrar or (in the case of a public company) laid before the company in general meeting, the revisions must be confined to—
 - (a) the correction of those respects in which the previous accounts or report did not comply with the requirements of this Act (or, where applicable, of Article 4 of the IAS Regulation), and
 - (b) the making of any necessary consequential alterations.
- (3) The Secretary of State may make provision by regulations as to the application of the provisions of this Act in relation to—
 - (a) revised annual accounts,
 - (b) a revised directors' remuneration report or directors' report, or
 - (c) a revised summary financial statement.
- (4) The regulations may, in particular—
 - (a) make different provision according to whether the previous accounts, report or statement are replaced or are supplemented by a document indicating the corrections to be made;
 - (b) make provision with respect to the functions of the company's auditor in relation to the revised accounts, report or statement;
 - (c) require the directors to take such steps as may be specified in the regulations where the previous accounts or report have been—
 - (i) sent out to members and others under section 423,
 - (ii) laid before the company in general meeting, or
 - (iii) delivered to the registrar,or where a summary financial statement containing information derived from the previous accounts or report has been sent to members under section 426;
 - (d) apply the provisions of this Act (including those creating criminal offences) subject to such additions, exceptions and modifications as are specified in the regulations.
- (5) Regulations under this section are subject to negative resolution procedure.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Modifications etc. (not altering text)

- C272** Ss. 454-456 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 23**
- C273** S. 454 applied (6.4.2008) by [S.I. 2005/1788](#), **reg. 29** (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), **art. 3(1)**, **Sch. 1 para. 242(4)** (with arts. 6, 11, 12))
- C274** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5**, **Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9**, **Sch. 2**)
- C275** S. 454(4)(b) applied (with modifications) (6.4.2008) by [1996 c. 52](#), **Sch. 1 para. 16D** (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), **art. 3(1)**, **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C276** S. 454(4)(b) applied (with modifications) (1.4.2010) by [Housing and Regeneration Act 2008 \(c. 17\)](#), **ss. 132(1)(2)**, **325**; [S.I. 2010/862](#), **art. 2** (with **Sch.**)

Commencement Information

- I18** S. 454 wholly in force at 6.4.2008; s. 454 not in force at Royal Assent, see s. 1300; s. 454 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to **art. 5**, **Sch. 1** and with **arts. 6, 8**, **Sch. 5**); s. 454 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with **arts. 7, 12**, **Sch. 4 paras. 6-8**)

Secretary of State's notice

455 Secretary of State's notice in respect of accounts or reports U.K.

- (1) This section applies where—
- (a) copies of a company's annual accounts or directors' report have been sent out under section 423, or
 - (b) a copy of a company's annual accounts or directors' report has been delivered to the registrar or (in the case of a public company) laid before the company in general meeting,
- and it appears to the Secretary of State that there is, or may be, a question whether the accounts or report comply with the requirements of this Act (or, where applicable, of Article 4 of the IAS Regulation).
- (2) The Secretary of State may give notice to the directors of the company indicating the respects in which it appears that such a question arises or may arise.
- (3) The notice must specify a period of not less than one month for the directors to give an explanation of the accounts or report or prepare revised accounts or a revised report.
- (4) If at the end of the specified period, or such longer period as the Secretary of State may allow, it appears to the Secretary of State that the directors have not—
- (a) given a satisfactory explanation of the accounts or report, or
 - (b) revised the accounts or report so as to comply with the requirements of this Act (or, where applicable, of Article 4 of the IAS Regulation),
- the Secretary of State may apply to the court.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (5) The provisions of this section apply equally to revised annual accounts and revised directors' reports, in which case they have effect as if the references to revised accounts or reports were references to further revised accounts or reports.

Modifications etc. (not altering text)

C277 Ss. 454-456 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 23**

C278 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

Application to court

456 Application to court in respect of defective accounts or reports **U.K.**

- (1) An application may be made to the court—
- (a) by the Secretary of State, after having complied with section 455, or
 - (b) by a person authorised by the Secretary of State for the purposes of this section,
- for a declaration (in Scotland, a declarator) that the annual accounts of a company do not comply, or a directors' report does not comply, with the requirements of this Act (or, where applicable, of Article 4 of the IAS Regulation) and for an order requiring the directors of the company to prepare revised accounts or a revised report.
- (2) Notice of the application, together with a general statement of the matters at issue in the proceedings, shall be given by the applicant to the registrar for registration.
- (3) If the court orders the preparation of revised accounts, it may give directions as to—
- (a) the auditing of the accounts,
 - (b) the revision of any directors' remuneration report, directors' report or summary financial statement, and
 - (c) the taking of steps by the directors to bring the making of the order to the notice of persons likely to rely on the previous accounts,
- and such other matters as the court thinks fit.
- (4) If the court orders the preparation of a revised directors' report it may give directions as to—
- (a) the review of the report by the auditors,
 - (b) the revision of any summary financial statement,
 - (c) the taking of steps by the directors to bring the making of the order to the notice of persons likely to rely on the previous report, and
 - (d) such other matters as the court thinks fit.
- (5) If the court finds that the accounts or report did not comply with the requirements of this Act (or, where applicable, of Article 4 of the IAS Regulation) it may order that all or part of—
- (a) the costs (in Scotland, expenses) of and incidental to the application, and
 - (b) any reasonable expenses incurred by the company in connection with or in consequence of the preparation of revised accounts or a revised report,

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

are to be borne by such of the directors as were party to the approval of the defective accounts or report.

For this purpose every director of the company at the time of the approval of the accounts or report shall be taken to have been a party to the approval unless he shows that he took all reasonable steps to prevent that approval.

- (6) Where the court makes an order under subsection (5) it shall have regard to whether the directors party to the approval of the defective accounts or report knew or ought to have known that the accounts or report did not comply with the requirements of this Act (or, where applicable, of Article 4 of the IAS Regulation), and it may exclude one or more directors from the order or order the payment of different amounts by different directors.
- (7) On the conclusion of proceedings on an application under this section, the applicant must send to the registrar for registration a copy of the court order or, as the case may be, give notice to the registrar that the application has failed or been withdrawn.
- (8) The provisions of this section apply equally to revised annual accounts and revised directors' reports, in which case they have effect as if the references to revised accounts or reports were references to further revised accounts or reports.

Modifications etc. (not altering text)

- C279** Ss. 454-456 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 23**
- C280** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)
- C281** S. 456(1)(b) modified (2.7.2012) by [The Supervision of Accounts and Reports \(Prescribed Body\) and Companies \(Defective Accounts and Directors' Reports\) \(Authorised Person\) Order 2012 \(S.I. 2012/1439\)](#), **art. 8(2)**

457 Other persons authorised to apply to the court U.K.

- (1) The Secretary of State may by order (an “authorisation order”) authorise for the purposes of section 456 any person appearing to him—
 - (a) to have an interest in, and to have satisfactory procedures directed to securing, compliance by companies with the requirements of this Act (or, where applicable, of Article 4 of the IAS Regulation) relating to accounts and directors' reports,
 - (b) to have satisfactory procedures for receiving and investigating complaints about companies' annual accounts and directors' reports, and
 - (c) otherwise to be a fit and proper person to be authorised.
- (2) A person may be authorised generally or in respect of particular classes of case, and different persons may be authorised in respect of different classes of case.
- (3) The Secretary of State may refuse to authorise a person if he considers that his authorisation is unnecessary having regard to the fact that there are one or more other persons who have been or are likely to be authorised.

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (4) If the authorised person is an unincorporated association, proceedings brought in, or in connection with, the exercise of any function by the association as an authorised person may be brought by or against the association in the name of a body corporate whose constitution provides for the establishment of the association.
- (5) An authorisation order may contain such requirements or other provisions relating to the exercise of functions by the authorised person as appear to the Secretary of State to be appropriate.

No such order is to be made unless it appears to the Secretary of State that the person would, if authorised, exercise his functions as an authorised person in accordance with the provisions proposed.

- (6) Where authorisation is revoked, the revoking order may make such provision as the Secretary of State thinks fit with respect to pending proceedings.
- (7) An order under this section is subject to negative resolution procedure.

Modifications etc. (not altering text)

C282 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

Commencement Information

I19 S. 457 wholly in force at 6.4.2008; s. 457 not in force at Royal Assent, see s. 1300; s. 457 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), [art. 3\(3\)](#) (subject to [art. 5, Sch. 1](#) and with [arts. 6, 8, Sch. 5](#)); s. 457 in force at 6.4.2008 by [S.I. 2007/3495](#), [art. 3\(1\)\(d\)](#) (with [arts. 7, 12, Sch. 4 paras. 6-8](#))

458 Disclosure of information by tax authorities **U.K.**

- (1) The Commissioners for Her Majesty's Revenue and Customs may disclose information to a person authorised under section 457 for the purpose of facilitating—
 - (a) the taking of steps by that person to discover whether there are grounds for an application to the court under section 456 (application in respect of defective accounts etc), or
 - (b) a decision by the authorised person whether to make such an application.

- (2) This section applies despite any statutory or other restriction on the disclosure of information.

Provided that, in the case of personal data within the meaning of the Data Protection Act 1998 (c. 29), information is not to be disclosed in contravention of that Act.

- (3) Information disclosed to an authorised person under this section—
 - (a) may not be used except in or in connection with—
 - (i) taking steps to discover whether there are grounds for an application to the court under section 456, or
 - (ii) deciding whether or not to make such an application, or in, or in connection with, proceedings on such an application; and
 - (b) must not be further disclosed except—

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (i) to the person to whom the information relates, or
 - (ii) in, or in connection with, proceedings on any such application to the court.
- (4) A person who contravenes subsection (3) commits an offence unless—
- (a) he did not know, and had no reason to suspect, that the information had been disclosed under this section, or
 - (b) he took all reasonable steps and exercised all due diligence to avoid the commission of the offence.
- (5) A person guilty of an offence under subsection (4) is liable—
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
 - (b) on summary conviction—
 - (i) in England and Wales, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both);
 - (ii) in Scotland or Northern Ireland, to imprisonment for a term not exceeding six months, or to a fine not exceeding the statutory maximum (or both).
- [^{F46}(6) Where an offence under this section is committed by a body corporate, every officer of the body who is in default also commits the offence. For this purpose—
- (a) any person who purports to act as director, manager or secretary of the body is treated as an officer of the body, and
 - (b) if the body is a company, any shadow director is treated as an officer of the company.]

Textual Amendments

F46 S. 458(6) added (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 244** (with arts. 6, 11, 12))

Modifications etc. (not altering text)

C283 Ss. 458-461 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 24** (as amended (1.10.2009) by [S.I. 2009/1804](#), regs. 2, 85, **Sch. 3 para. 16** and (1.4.2013) by [S.I. 2013/472](#), **Sch. 2 para. 143(a)**)

C284 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

C285 S. 458 modified (2.7.2012) by [The Supervision of Accounts and Reports \(Prescribed Body\) and Companies \(Defective Accounts and Directors' Reports\) \(Authorised Person\) Order 2012 \(S.I. 2012/1439\)](#), **art. 8(3)**

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Power of authorised person to require documents etc

459 Power of authorised person to require documents, information and explanations **U.K.**

- (1) This section applies where it appears to a person who is authorised under section 457 that there is, or may be, a question whether a company's annual accounts or directors' report comply with the requirements of this Act (or, where applicable, of Article 4 of the IAS Regulation).
- (2) The authorised person may require any of the persons mentioned in subsection (3) to produce any document, or to provide him with any information or explanations, that he may reasonably require for the purpose of—
 - (a) discovering whether there are grounds for an application to the court under section 456, or
 - (b) deciding whether to make such an application.
- (3) Those persons are—
 - (a) the company;
 - (b) any officer, employee, or auditor of the company;
 - (c) any persons who fell within paragraph (b) at a time to which the document or information required by the authorised person relates.
- (4) If a person fails to comply with such a requirement, the authorised person may apply to the court.
- (5) If it appears to the court that the person has failed to comply with a requirement under subsection (2), it may order the person to take such steps as it directs for securing that the documents are produced or the information or explanations are provided.
- (6) A statement made by a person in response to a requirement under subsection (2) or an order under subsection (5) may not be used in evidence against him in any criminal proceedings.
- (7) Nothing in this section compels any person to disclose documents or information in respect of which a claim to legal professional privilege (in Scotland, to confidentiality of communications) could be maintained in legal proceedings.
- (8) In this section “document” includes information recorded in any form.

Modifications etc. (not altering text)

- C286** Ss. 458-461 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 24** (as amended (1.10.2009) by [S.I. 2009/1804](#), **regs. 2, 85, Sch. 3 para. 16** and (1.4.2013) by [S.I. 2013/472](#), **Sch. 2 para. 143(a)**)
- C287** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)
- C288** S. 459 modified (2.7.2012) by [The Supervision of Accounts and Reports \(Prescribed Body\) and Companies \(Defective Accounts and Directors' Reports\) \(Authorised Person\) Order 2012 \(S.I. 2012/1439\)](#), **art. 8(3)**

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

*Changes to legislation: There are currently no known outstanding effects
for the Companies Act 2006, Part 15. (See end of Document for details)*

460 Restrictions on disclosure of information obtained under compulsory powers **U.K.**

- (1) This section applies to information (in whatever form) obtained in pursuance of a requirement or order under section 459 (power of authorised person to require documents etc) that relates to the private affairs of an individual or to any particular business.
- (2) No such information may, during the lifetime of that individual or so long as that business continues to be carried on, be disclosed without the consent of that individual or the person for the time being carrying on that business.
- (3) This does not apply—
 - (a) to disclosure permitted by section 461 (permitted disclosure of information obtained under compulsory powers), or
 - (b) to the disclosure of information that is or has been available to the public from another source.
- (4) A person who discloses information in contravention of this section commits an offence, unless—
 - (a) he did not know, and had no reason to suspect, that the information had been disclosed under section 459, or
 - (b) he took all reasonable steps and exercised all due diligence to avoid the commission of the offence.
- (5) A person guilty of an offence under this section is liable—
 - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
 - (b) on summary conviction—
 - (i) in England and Wales, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both);
 - (ii) in Scotland or Northern Ireland, to imprisonment for a term not exceeding six months, or to a fine not exceeding the statutory maximum (or both).
- [^{F47}(6) Where an offence under this section is committed by a body corporate, every officer of the body who is in default also commits the offence. For this purpose—
 - (a) any person who purports to act as director, manager or secretary of the body is treated as an officer of the body, and
 - (b) if the body is a company, any shadow director is treated as an officer of the company.]

Textual Amendments

F47 S. 460(6) added (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), [Sch. 1 para. 245](#) (with arts. 6, 11, 12))

Modifications etc. (not altering text)

C289 [Ss. 458-461](#) applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), [reg. 24](#) (as amended (1.10.2009) by [S.I. 2009/1804](#), [regs. 2, 85](#), [Sch. 3 para. 16](#) and (1.4.2013) by [S.I. 2013/472](#), [Sch. 2 para. 143\(a\)](#))

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- C290** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C291** S. 460 modified (2.7.2012) by [The Supervision of Accounts and Reports \(Prescribed Body\) and Companies \(Defective Accounts and Directors' Reports\) \(Authorised Person\) Order 2012 \(S.I. 2012/1439\)](#), **art. 8(3)**

461 Permitted disclosure of information obtained under compulsory powers **U.K.**

- (1) The prohibition in section 460 of the disclosure of information obtained in pursuance of a requirement or order under section 459 (power of authorised person to require documents etc) that relates to the private affairs of an individual or to any particular business has effect subject to the following exceptions.
- (2) It does not apply to the disclosure of information for the purpose of facilitating the carrying out by the authorised person of his functions under section 456.
- (3) It does not apply to disclosure to—
 - (a) the Secretary of State,
 - (b) the Department of Enterprise, Trade and Investment for Northern Ireland,
 - (c) the Treasury,
 - (d) the Bank of England,
 - (e) the Financial Services Authority, or
 - (f) the Commissioners for Her Majesty's Revenue and Customs.
- (4) It does not apply to disclosure—
 - [^{F48}(a) for the purpose of assisting the Financial Reporting Council Limited to exercise its functions under Part 42 of this Act;]
 - [^{F49}(aa) for the purpose of facilitating the carrying out of inspections under paragraph 23 of Schedule 10 (arrangements for independent monitoring of audits of listed companies and other major bodies);]
 - (b) with a view to the institution of, or otherwise for the purposes of, disciplinary proceedings relating to the performance by an accountant or auditor of his professional duties;
 - (c) for the purpose of enabling or assisting the Secretary of State or the Treasury to exercise any of their functions under any of the following—
 - (i) the Companies Acts,
 - (ii) Part 5 of the Criminal Justice Act 1993 (c. 36) (insider dealing),
 - (iii) the Insolvency Act 1986 (c. 45) or the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)),
 - (iv) the Company Directors Disqualification Act 1986 (c. 46) or the Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4)),
 - (v) the Financial Services and Markets Act 2000 (c. 8);
 - (d) for the purpose of enabling or assisting the Department of Enterprise, Trade and Investment for Northern Ireland to exercise any powers conferred on it by the enactments relating to companies, directors' disqualification or insolvency;
 - (e) for the purpose of enabling or assisting the Bank of England to exercise its functions;

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (f) for the purpose of enabling or assisting the Commissioners for Her Majesty's Revenue and Customs to exercise their functions;
 - (g) for the purpose of enabling or assisting the Financial Services Authority to exercise its functions under any of the following—
 - (i) the legislation relating to friendly societies or to industrial and provident societies,
 - (ii) the Building Societies Act 1986 (c. 53),
 - (iii) Part 7 of the Companies Act 1989 (c. 40),
 - (iv) the Financial Services and Markets Act 2000; or
 - (h) in pursuance of any [^{F50}EU] obligation.
- (5) It does not apply to disclosure to a body exercising functions of a public nature under legislation in any country or territory outside the United Kingdom that appear to the authorised person to be similar to his functions under section 456 for the purpose of enabling or assisting that body to exercise those functions.
- (6) In determining whether to disclose information to a body in accordance with subsection (5), the authorised person must have regard to the following considerations—
- (a) whether the use which the body is likely to make of the information is sufficiently important to justify making the disclosure;
 - (b) whether the body has adequate arrangements to prevent the information from being used or further disclosed other than—
 - (i) for the purposes of carrying out the functions mentioned in that subsection, or
 - (ii) for other purposes substantially similar to those for which information disclosed to the authorised person could be used or further disclosed.
- (7) Nothing in this section authorises the making of a disclosure in contravention of the Data Protection Act 1998 (c. 29).

Textual Amendments

- F48** S. 461(4)(a) substituted (2.7.2012) by [The Statutory Auditors \(Amendment of Companies Act 2006 and Delegation of Functions etc\) Order 2012 \(S.I. 2012/1741\)](#), arts. 1(2), 3, **Sch. para. 2**
- F49** S. 461(4)(aa) inserted (2.7.2012) by [The Supervision of Accounts and Reports \(Prescribed Body\) and Companies \(Defective Accounts and Directors' Reports\) \(Authorised Person\) Order 2012](#), {art. 6(2)}
- F50** S. 461(4)(h): term substituted (22.4.2011 with application in accordance with art. 3(3) of the amending S.I.) by [The Treaty of Lisbon \(Changes in Terminology\) Order 2011 \(S.I. 2011/1043\)](#), **art. 6(1)**

Modifications etc. (not altering text)

- C292** Ss. 458-461 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 24** (as amended (1.10.2009) by [S.I. 2009/1804](#), regs. 2, 85, **Sch. 3 para. 16** and (1.4.2013) by [S.I. 2013/472](#), **Sch. 2 para. 143(a)**)
- C293** S. 461 modified (21.2.2009) by [The Banking Act 2009 \(Parts 2 and 3 Consequential Amendments\) Order 2009 \(S.I. 2009/317\)](#), **art. 6(1)(2)**
- C294** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, **Sch. 2**)
- C295** S. 461 applied (with modifications) (8.2.2011) by [The Investment Bank Special Administration Regulations 2011 \(S.I. 2011/245\)](#), reg. 27, **Sch. 6 Pt. 2 para. 5(2)**

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

C296 S. 461 modified (2.7.2012) by [The Supervision of Accounts and Reports \(Prescribed Body\) and Companies \(Defective Accounts and Directors' Reports\) \(Authorised Person\) Order 2012 \(S.I. 2012/1439\)](#), **art. 8(3)**

462 Power to amend categories of permitted disclosure **U.K.**

- (1) The Secretary of State may by order amend section 461(3), (4) and (5).
- (2) An order under this section must not—
 - (a) amend subsection (3) of that section (UK public authorities) by specifying a person unless the person exercises functions of a public nature (whether or not he exercises any other function);
 - (b) amend subsection (4) of that section (purposes for which disclosure permitted) by adding or modifying a description of disclosure unless the purpose for which the disclosure is permitted is likely to facilitate the exercise of a function of a public nature;
 - (c) amend subsection (5) of that section (overseas regulatory authorities) so as to have the effect of permitting disclosures to be made to a body other than one that exercises functions of a public nature in a country or territory outside the United Kingdom.
- (3) An order under this section is subject to negative resolution procedure.

Modifications etc. (not altering text)

C297 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5**, **Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9**, **Sch. 2**)

Commencement Information

I20 S. 462 wholly in force at 6.4.2008; s. 462 not in force at Royal Assent, see s. 1300; s. 462 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to **art. 5**, **Sch. 1** and with **arts. 6, 8**, **Sch. 5**); s. 462 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with **arts. 7, 12**, **Sch. 4 paras. 6-8**)

CHAPTER 12 **U.K.**

SUPPLEMENTARY PROVISIONS

Liability for false or misleading statements in reports

463 Liability for false or misleading statements in reports **U.K.**

- (1) The reports to which this section applies are—
 - (a) the directors' report,
 - (b) the directors' remuneration report, and
 - (c) a summary financial statement so far as it is derived from either of those reports.

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (2) A director of a company is liable to compensate the company for any loss suffered by it as a result of—
 - (a) any untrue or misleading statement in a report to which this section applies, or
 - (b) the omission from a report to which this section applies of anything required to be included in it.
- (3) He is so liable only if—
 - (a) he knew the statement to be untrue or misleading or was reckless as to whether it was untrue or misleading, or
 - (b) he knew the omission to be dishonest concealment of a material fact.
- (4) No person shall be subject to any liability to a person other than the company resulting from reliance, by that person or another, on information in a report to which this section applies.
- (5) The reference in subsection (4) to a person being subject to a liability includes a reference to another person being entitled as against him to be granted any civil remedy or to rescind or repudiate an agreement.
- (6) This section does not affect—
 - (a) liability for a civil penalty, or
 - (b) liability for a criminal offence.

Modifications etc. (not altering text)

C298 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in [regs. 7, 9, Sch. 2](#))

Commencement Information

I21 S. 463 wholly in force at 20.1.2007, see s. 1300 and [S.I. 2006/3428](#), **art. 3(1)(c)** (subject to [art. 5, Sch. 1](#) and with [arts. 6, 8, Sch. 5 para. 3](#))

Accounting and reporting standards

464 Accounting standards **U.K.**

- (1) In this Part “accounting standards” means statements of standard accounting practice issued by such body or bodies as may be prescribed by regulations.
- (2) References in this Part to accounting standards applicable to a company's annual accounts are to such standards as are, in accordance with their terms, relevant to the company's circumstances and to the accounts.
- (3) Regulations under this section may contain such transitional and other supplementary and incidental provisions as appear to the Secretary of State to be appropriate.

Modifications etc. (not altering text)

C299 S. 464 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 25** (which

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

amending provision was substituted (2.7.2012) by [The Statutory Auditors \(Amendment of Companies Act 2006 and Delegation of Functions etc\) Order 2012 \(S.I. 2012/1741\)](#), arts. 1(2), 3, [Sch. para. 8](#)
C300 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, [Sch. 1 para. 10](#) (with transitional provisions and savings in regs. 7, 9, Sch. 2)

Commencement Information

I22 S. 464 wholly in force at 6.4.2008; s. 464 not in force at Royal Assent, see s. 1300; s. 464 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), [art. 3\(3\)](#) (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 464 in force at 6.4.2008 by [S.I. 2007/3495](#), [art. 3\(1\)\(d\)](#) (with [arts. 7, 12](#), [Sch. 4 paras. 6-8](#))

Companies qualifying as medium-sized

465 Companies qualifying as medium-sized: general **U.K.**

- (1) A company qualifies as medium-sized in relation to its first financial year if the qualifying conditions are met in that year.
- (2) A company qualifies as medium-sized in relation to a subsequent financial year—
 - (a) if the qualifying conditions are met in that year and the preceding financial year;
 - (b) if the qualifying conditions are met in that year and the company qualified as medium-sized in relation to the preceding financial year;
 - (c) if the qualifying conditions were met in the preceding financial year and the company qualified as medium-sized in relation to that year.
- (3) The qualifying conditions are met by a company in a year in which it satisfies two or more of the following requirements—

1. Turnover	[^{F51} Not more than £25.9 million]
2. Balance sheet total	[^{F52} Not more than £12.9 million]
3. Number of employees	Not more than 250

- (4) For a period that is a company's financial year but not in fact a year the maximum figures for turnover must be proportionately adjusted.
- (5) The balance sheet total means the aggregate of the amounts shown as assets in the company's balance sheet.
- (6) The number of employees means the average number of persons employed by the company in the year, determined as follows—
 - (a) find for each month in the financial year the number of persons employed under contracts of service by the company in that month (whether throughout the month or not),
 - (b) add together the monthly totals, and
 - (c) divide by the number of months in the financial year.
- (7) This section is subject to section 466 (companies qualifying as medium-sized: parent companies).

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Textual Amendments

- F51** S. 465(3) Table: words substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 4(1)(a)**
- F52** S. 465(3) Table: words substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 4(1)(b)**

Modifications etc. (not altering text)

- C301** Ss. 465-467 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 26** (as amended (with effect in accordance with reg. 1(2) of the amending S.I.) by S.I. 2013/2005, **regs. 1(1), 3(3)** (with **reg. 1(5)(6)**)
- C302** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with reg. 7, Sch. 2) (and the said Sch. 1 para. 10 is amended (with application in accordance with reg. 1(3) of the amending S.I.) by [The Unregistered Companies \(Amendment\) Regulations 2013 \(S.I. 2013/1972\)](#), **regs. 1(2), 2(2)(a)**)

466 Companies qualifying as medium-sized: parent companies **U.K.**

- (1) A parent company qualifies as a medium-sized company in relation to a financial year only if the group headed by it qualifies as a medium-sized group.
- (2) A group qualifies as medium-sized in relation to the parent company's first financial year if the qualifying conditions are met in that year.
- (3) A group qualifies as medium-sized in relation to a subsequent financial year of the parent company—
 - (a) if the qualifying conditions are met in that year and the preceding financial year;
 - (b) if the qualifying conditions are met in that year and the group qualified as medium-sized in relation to the preceding financial year;
 - (c) if the qualifying conditions were met in the preceding financial year and the group qualified as medium-sized in relation to that year.
- (4) The qualifying conditions are met by a group in a year in which it satisfies two or more of the following requirements—

1. Aggregate turnover	[^{F53} Not more than £25.9 million net (or £31.1 million gross)]
2. Aggregate balance sheet total	[^{F54} Not more than £12.9 million net (or £15.5 million gross)]
3. Aggregate number of employees	Not more than 250

- (5) The aggregate figures are ascertained by aggregating the relevant figures determined in accordance with section 465 for each member of the group.
- (6) In relation to the aggregate figures for turnover and balance sheet total—

“net” means after any set-offs and other adjustments made to eliminate group transactions—

 - (a) in the case of Companies Act accounts, in accordance with regulations under section 404,

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (b) in the case of IAS accounts, in accordance with international accounting standards; and
“gross” means without those set-offs and other adjustments.

A company may satisfy any relevant requirement on the basis of either the net or the gross figure.

- (7) The figures for each subsidiary undertaking shall be those included in its individual accounts for the relevant financial year, that is—
- (a) if its financial year ends with that of the parent company, that financial year, and
 - (b) if not, its financial year ending last before the end of the financial year of the parent company.

If those figures cannot be obtained without disproportionate expense or undue delay, the latest available figures shall be taken.

Textual Amendments

- F53** S. 466(4) Table: words substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), [reg. 4\(2\)\(a\)](#)
- F54** S. 466(4) Table: words substituted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), [reg. 4\(2\)\(b\)](#)

Modifications etc. (not altering text)

- C303** Ss. 465-467 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), [reg. 26](#) (as amended (with effect in accordance with reg. 1(2) of the amending S.I.) by [S.I. 2013/2005](#), [regs. 1\(1\), 3\(3\)](#) (with [reg. 1\(5\)\(6\)](#)))
- C304** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

467 Companies excluded from being treated as medium-sized **U.K.**

- (1) A company is not entitled to take advantage of any of the provisions of this Part relating to companies qualifying as medium-sized if it was at any time within the financial year in question—
- (a) a public company,
 - (b) a company that—
 - (i) has permission under Part 4 of the Financial Services and Markets Act 2000 (c. 8) to carry on a regulated activity, or
 - (ii) carries on insurance market activity, or
 - (c) a member of an ineligible group.
- (2) A group is ineligible if any of its members is—
- (a) a public company,
 - (b) a body corporate (other than a company) whose shares are admitted to trading on a regulated market,
 - (c) a person (other than a small company) who has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on a regulated activity,

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

- (d) a small company that is an authorised insurance company, a banking company, an e-money issuer, [^{F55}a MiFID investment firm] or a UCITS management company, or
 - (e) a person who carries on insurance market activity.
- (3) A company is a small company for the purposes of subsection (2) if it qualified as small in relation to its last financial year ending on or before the end of the financial year in question.
- [^{F56}(4) This section does not prevent a company from taking advantage of section 417(7) (business review: non-financial information) by reason only of its having been a member of an ineligible group at any time within the financial year in question.]

Textual Amendments

- F55** Words in s. 467(2)(d) substituted (1.11.2007) by [The Markets in Financial Instruments Directive \(Consequential Amendments\) Regulations 2007 \(S.I. 2007/2932\)](#), **reg. 3(3)**
- F56** S. 467(4) inserted (6.4.2008) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(S.I. 2008/393\)](#), **reg. 7**

Modifications etc. (not altering text)

- C305** Ss. 465-467 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 26** (as amended (with effect in accordance with reg. 1(2) of the amending S.I.) by [S.I. 2013/2005](#), **regs. 1(1), 3(3)** (with [reg. 1\(5\)\(6\)](#)))
- C306** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

General power to make further provision about accounts and reports

468 General power to make further provision about accounts and reports U.K.

- (1) The Secretary of State may make provision by regulations about—
- (a) the accounts and reports that companies are required to prepare;
 - (b) the categories of companies required to prepare accounts and reports of any description;
 - (c) the form and content of the accounts and reports that companies are required to prepare;
 - (d) the obligations of companies and others as regards—
 - (i) the approval of accounts and reports,
 - (ii) the sending of accounts and reports to members and others,
 - (iii) the laying of accounts and reports before the company in general meeting,
 - (iv) the delivery of copies of accounts and reports to the registrar, and
 - (v) the publication of accounts and reports.
- (2) The regulations may amend this Part by adding, altering or repealing provisions.
- (3) But they must not amend (other than consequentially)—
- (a) section 393 (accounts to give true and fair view), or

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- (b) the provisions of Chapter 11 (revision of defective accounts and reports).
- (4) The regulations may create criminal offences in cases corresponding to those in which an offence is created by an existing provision of this Part.

The maximum penalty for any such offence may not be greater than is provided in relation to an offence under the existing provision.

- (5) The regulations may provide for civil penalties in circumstances corresponding to those within section 453(1) (civil penalty for failure to file accounts and reports).

The provisions of section 453(2) to (5) apply in relation to any such penalty.

Modifications etc. (not altering text)

C307 S. 468 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), [reg. 27](#)

C308 Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

Commencement Information

I23 S. 468 wholly in force at 6.4.2008; s. 468 not in force at Royal Assent, see s. 1300; s. 468 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), [art. 3\(3\)](#) (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 468 in force at 6.4.2008 by [S.I. 2007/3495](#), [art. 3\(1\)\(d\)](#) (with [arts. 7, 12](#), [Sch. 4 paras. 6-8](#))

Other supplementary provisions

469 Preparation and filing of accounts in euros **U.K.**

- (1) The amounts set out in the annual accounts of a company may also be shown in the same accounts translated into euros.
- (2) When complying with section 441 (duty to file accounts and reports), the directors of a company may deliver to the registrar an additional copy of the company's annual accounts in which the amounts have been translated into euros.
- (3) In both cases—
- (a) the amounts must have been translated at the exchange rate prevailing on the date to which the balance sheet is made up, and
 - (b) that rate must be disclosed in the notes to the accounts.
- (4) For the purposes of sections 434 and 435 (requirements in connection with published accounts) any additional copy of the company's annual accounts delivered to the registrar under subsection (2) above shall be treated as statutory accounts of the company.

In the case of such a copy, references in those sections to the auditor's report on the company's annual accounts shall be read as references to the auditor's report on the annual accounts of which it is a copy.

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

Modifications etc. (not altering text)

- C309** S. 469 applied (with modifications) (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 3**
- C310** S. 469 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 28**
- C311** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

470 Power to apply provisions to banking partnerships **U.K.**

- (1) The Secretary of State may by regulations apply to banking partnerships, subject to such exceptions, adaptations and modifications as he considers appropriate, the provisions of this Part (and of regulations made under this Part) applying to banking companies.
- (2) A “banking partnership” means a partnership which has permission under Part 4 of the Financial Services and Markets Act 2000 (c. 8).

But a partnership is not a banking partnership if it has permission to accept deposits only for the purpose of carrying on another regulated activity in accordance with that permission.

- (3) Expressions used in this section that are also used in the provisions regulating activities under the Financial Services and Markets Act 2000 have the same meaning here as they do in those provisions.

See section 22 of that Act, orders made under that section and Schedule 2 to that Act.

- (4) Regulations under this section are subject to affirmative resolution procedure.

Commencement Information

- I24** S. 470 wholly in force at 6.4.2008; s. 470 not in force at Royal Assent, see s. 1300; s. 470 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to **art. 5, Sch. 1** and with **arts. 6, 8, Sch. 5**); s. 470 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with **arts. 7, 12, Sch. 4 paras. 6-8**)

471 Meaning of “annual accounts” and related expressions **U.K.**

- (1) In this Part a company's “annual accounts”, in relation to a financial year, means—
 - ^{F57}(a) any individual accounts prepared by the company for that year (see section 394), and]
 - (b) any group accounts prepared by the company for that year (see sections 398 and 399).

This is subject to section 408 (option to omit individual profit and loss account from annual accounts where information given in group accounts).

- (2) In the case of an unquoted company, its “annual accounts and reports” for a financial year are—

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- (a) its annual accounts,
 - (b) the directors' report, and
 - (c) the auditor's report on those accounts and the directors' report (unless the company is exempt from audit).
- (3) In the case of a quoted company, its “annual accounts and reports” for a financial year are—
- (a) its annual accounts,
 - (b) the directors' remuneration report,
 - (c) the directors' report, and
 - (d) the auditor's report on those accounts, on the auditable part of the directors' remuneration report and on the directors' report.

Textual Amendments

F57 S. 471(1)(a) substituted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **18**

Modifications etc. (not altering text)

C312 S. 471 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 29** (as amended (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by S.I. 2012/2301, regs. 1, **20(10)**)

C313 S. 471 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 42** (with Sch. 8)

C314 S. 471 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 57** (with Sch. 8)

C315 Ss. 471-474 applied (with modifications) (1.10.2009) by S.I. 2009/2436, regs. 3-5, Sch 1 para. 10 (with reg. 7, Sch. 2) (and the said Sch. 1 para. 10 is amended (with application in accordance with reg. 1(3) of the amending S.I.) by [The Unregistered Companies \(Amendment\) Regulations 2013 \(S.I. 2013/1972\)](#), regs. 1(2), 2(2)(a), regs. 3-5, Sch. 1 para. 10 (with transitional provisions and savings in regs. 7, 9, Sch. 2)

472 Notes to the accounts **U.K.**

- (1) Information required by this Part to be given in notes to a company's annual accounts may be contained in the accounts or in a separate document annexed to the accounts.
- (2) References in this Part to a company's annual accounts, or to a balance sheet or profit and loss account, include notes to the accounts giving information which is required by any provision of this Act or international accounting standards, and required or allowed by any such provision to be given in a note to company accounts.

Modifications etc. (not altering text)

C316 S. 472 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 30**

C317 S. 472 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 42** (with Sch. 8)

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

C318 S. 472 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), [reg. 57](#) (with [Sch. 8](#))

C319 Ss. 471-474 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

[^{F58}472A Meaning of “corporate governance statement” etc U.K.]

- (1) In this Part “corporate governance statement” means the statement required by rules 7.2.1 to 7.2.11 in the Disclosure Rules and Transparency Rules sourcebook issued by the Financial Services Authority.
- (2) Those rules were inserted by Annex C of the Disclosure Rules and Transparency Rules Sourcebook (Corporate Governance Rules) Instrument 2008 made by the Authority on 26th June 2008 (FSA 2008/32).
- (3) A “separate” corporate governance statement means one that is not included in the directors' report.]

Textual Amendments

F58 S. 472A inserted (27.6.2009) by [The Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), [reg. 5](#) (with application as stated in [reg. 1\(3\)](#))

Modifications etc. (not altering text)

C320 Ss. 471-474 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), [regs. 3-5](#), [Sch. 1 para. 10](#) (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

473 Parliamentary procedure for certain regulations under this Part U.K.

- (1) This section applies to regulations under the following provisions of this Part—
 - section 396 (Companies Act individual accounts),
 - section 404 (Companies Act group accounts),
 - section 409 (information about related undertakings),
 - section 412 (information about directors' benefits: remuneration, pensions and compensation for loss of office),
 - section 416 (contents of directors' report: general),
 - section 421 (contents of directors' remuneration report),
 - section 444 (filing obligations of companies subject to small companies regime),
 - section 445 (filing obligations of medium-sized companies),
 - section 468 (general power to make further provision about accounts and reports).
- (2) Any such regulations may make consequential amendments or repeals in other provisions of this Act, or in other enactments.
- (3) Regulations that—
 - (a) restrict the classes of company which have the benefit of any exemption, exception or special provision,
 - (b) require additional matter to be included in a document of any class, or

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(c) otherwise render the requirements of this Part more onerous, are subject to affirmative resolution procedure.

(4) Otherwise, the regulations are subject to negative resolution procedure.

Modifications etc. (not altering text)

C321 S. 473 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 31**

C322 Ss. 471-474 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), **regs. 3-5, Sch. 1 para. 10** (with transitional provisions and savings in **regs. 7, 9, Sch. 2**)

Commencement Information

I25 S. 473 wholly in force at 6.4.2008; s. 473 not in force at Royal Assent, see s. 1300; s. 473 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to **art. 5, Sch. 1** and with **arts. 6, 8, Sch. 5**); s. 473 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with **arts. 7, 12, Sch. 4 paras. 6-8**)

474 Minor definitions **U.K.**

(1) In this Part—

“e-money issuer” means a person who has permission under Part 4 of the Financial Services and Markets Act 2000 (c. 8) to carry on the activity of issuing electronic money within the meaning of article 9B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544);

“group” means a parent undertaking and its subsidiary undertakings;

“IAS Regulation” means EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards;

“included in the consolidation”, in relation to group accounts, or “included in consolidated group accounts”, means that the undertaking is included in the accounts by the method of full (and not proportional) consolidation, and references to an undertaking excluded from consolidation shall be construed accordingly;

“international accounting standards” means the international accounting standards, within the meaning of the IAS Regulation, adopted from time to time by the European Commission in accordance with that Regulation;

^{F59}

[^{F60}“MiFID investment firm” means an investment firm within the meaning of Article 4.1.1 of Directive [2004/39/EC](#) of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, other than—

- (a) a company to which that Directive does not apply by virtue of Article 2 of that Directive,
- (b) a company which is an exempt investment firm within the meaning of regulation 4A(3) of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007, and
- (c) any other company which fulfils all the requirements set out in regulation 4C(3) of those Regulations;]

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“profit and loss account”, in relation to a company that prepares IAS accounts, includes an income statement or other equivalent financial statement required to be prepared by international accounting standards;

“regulated activity” has the meaning given in section 22 of the Financial Services and Markets Act 2000, except that it does not include activities of the kind specified in any of the following provisions of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544)—

- (a) article 25A (arranging regulated mortgage contracts),
- (b) article 25B (arranging regulated home reversion plans),
- (c) article 25C (arranging regulated home purchase plans),
- (ca) [^{F61}article 25E (arranging regulated sale and rent back agreements),]
- (d) article 39A (assisting administration and performance of a contract of insurance),
- (e) article 53A (advising on regulated mortgage contracts),
- (f) article 53B (advising on regulated home reversion plans),
- (g) article 53C (advising on regulated home purchase plans),
- (ga) [^{F62}article 53D (advising on regulated sale and rent back agreements),]
- (h) article 21 (dealing as agent), article 25 (arranging deals in investments) or article 53 (advising on investments) where the activity concerns relevant investments that are not contractually based investments (within the meaning of article 3 of that Order), or
- (i) article 64 (agreeing to carry on a regulated activity of the kind mentioned in paragraphs (a) to (h));

“turnover”, in relation to a company, means the amounts derived from the provision of goods and services falling within the company's ordinary activities, after deduction of—

- (a) trade discounts,
- (b) value added tax, and
- (c) any other taxes based on the amounts so derived;

“UCITS management company” has the meaning given by the Glossary forming part of the Handbook made by the Financial Services Authority under the Financial Services and Markets Act 2000 (c. 8).

- (2) In the case of an undertaking not trading for profit, any reference in this Part to a profit and loss account is to an income and expenditure account.

References to profit and loss and, in relation to group accounts, to a consolidated profit and loss account shall be construed accordingly.

Textual Amendments

- F59** S. 474(1): definition omitted (1.11.2007) by The Markets in [Financial Instruments Directive \(Consequential Amendments\) Regulations 2007 \(S.I. 2007/2932\)](#), [reg. 3\(4\)\(a\)](#)
- F60** S. 474(1): definition inserted (1.11.2007) by The Markets in [Financial Instruments Directive \(Consequential Amendments\) Regulations 2007 \(S.I. 2007/2932\)](#), [reg. 3\(4\)\(b\)](#)
- F61** S. 474(1): words in definition of "regulated activity" inserted (1.7.2009 for certain purposes otherwise 30.6.2010) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2009 \(S.I. 2009/1342\)](#), [art. 26\(a\)](#)

Status: Point in time view as at 01/10/2012. This version of this part contains provisions that are not valid for this point in time.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Part 15. (See end of Document for details)

F62 S. 474(1): words in definition of "regulated activity" inserted (1.7.2009 for certain purposes, otherwise 30.6.2010) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2009 \(S.I. 2009/1342\)](#), **art. 26(b)**

Modifications etc. (not altering text)

C323 S. 474 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 32** (as amended (1.10.2009) by [S.I. 2009/1804](#), regs. 2, 85, **Sch. 3 para. 15(3)**) and (1.4.2013) by [S.I. 2013/472](#), Sch. 2 para. 143(b))

C324 S. 474 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 42** (with Sch. 8)

C325 S. 474 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 57** (with Sch. 8)

C326 Ss. 471-474 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

C327 S. 474 modified (2.7.2012) by [The Supervision of Accounts and Reports \(Prescribed Body\) and Companies \(Defective Accounts and Directors' Reports\) \(Authorised Person\) Order 2012 \(S.I. 2012/1439\)](#), **art. 8(4)**

Status:

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Changes to legislation:

There are currently no known outstanding effects for the Companies Act 2006, Part 15.