



# Companies Act 1985

## 1985 CHAPTER 6

### PART VII

#### ACCOUNTS AND AUDIT

#### CHAPTER I

##### PROVISIONS APPLYING TO COMPANIES GENERALLY

##### *Auditors' report*

#### **235 Auditors' report.**

- (1) A company's auditors shall make a report to the company's members on all annual accounts of the company of which copies are to be laid before the company in general meeting during their tenure of office.
- (2) The auditors' report shall state whether in the auditors' opinion the annual accounts have been properly prepared in accordance with this Act, and in particular whether a true and fair view is given—
  - (a) in the case of an individual balance sheet, of the state of affairs of the company as at the end of the financial year,
  - (b) in the case of an individual profit and loss account, of the profit or loss of the company for the financial year,
  - (c) in the case of group accounts, 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 auditors shall consider whether the information given in the directors' report for the financial year for which the annual accounts are prepared is consistent with those accounts; and if they are of opinion that it is not they shall state that fact in their report.

*Status: Point in time view as at 06/01/1997.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, Cross Heading: Auditors' report. (See end of Document for details)*

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

- C1** Ss. 226-237 extended (with modifications) (19.12.1993) by S.I. 1993/3245, **reg.3**  
**C2** S. 235(1) excluded by S.I. 1990/2570, **regs. 6(1)(b), 15**

**[<sup>F1</sup>236 Signature of auditors' report.**

- (1) The auditors' report shall state the names of the auditors and be signed by them.
- (2) Every copy of the auditors' report which is laid before the company in general meeting, or which is otherwise circulated, published or issued, shall state the name of the auditors.
- (3) The copy of the auditors' report which is delivered to the registrar shall state the names of the auditors and be signed by them.
- (4) If a copy of the auditors' report—
  - (a) is laid before the company, or otherwise circulated, published or issued, without the required statement of the auditors' names, or
  - (b) is delivered to the registrar without the required statement of the auditors' names or without being signed as required by this section,
 the company and every officer of it who is in default is guilty of an offence and liable to a fine.
- (5) References in this section to signature by the auditors are, where the office of auditor is held by a body corporate or partnership, to signature in the name of the body corporate or partnership by a person authorised to sign on its behalf.]

**Textual Amendments**

- F1** New ss. 235–237 inserted (subject to the saving and transitional provisions in S.I. 1990/355, arts. 6–9, **Sch. 2**, by **Companies Act 1989 (c. 40, SIF 27)**, **ss. 1, 9, 213(2)** as part of the text inserted in place of ss. 221–262 (as mentioned in s. 1(a) of the 1989 Act)

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

- C3** S. 236 applied with modifications by S.I. 1990/2570, **regs. 6(5), 7(4), 15**  
**C4** Ss. 226-237 extended (with modifications) (19.12.1993) by S.I. 1993/3245, **reg.3**

**[<sup>F2</sup>237 Duties of auditors.**

- (1) A company's auditors shall, in preparing their report, carry out such investigations as will enable them to form an opinion as to—
  - (a) whether proper accounting records have been kept by the company and proper returns adequate for their audit have been received from branches not visited by them, and
  - (b) whether the company's individual accounts are in agreement with the accounting records and returns.
- (2) If the auditors are of opinion that proper accounting records have not been kept, or that proper returns adequate for their audit have not been received from branches not

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visited by them, or if the company's individual accounts are not in agreement with the accounting records and returns, the auditors shall state that fact in their report.

- (3) If the auditors fail to obtain all the information and explanations which, to the best of their knowledge and belief, are necessary for the purposes of their audit, they shall state that fact in their report.
- (4) If the requirements of Schedule 6 (disclosure of information: emoluments and other benefits of directors and others) are not complied with in the annual accounts, the auditors shall include in their report, so far as they are reasonably able to do so, a statement giving the required particulars.]
- [<sup>F3</sup>(4A) If the directors of the company have taken advantage of the exemption conferred by section 248 (exemption for small and medium-sized groups from the need to prepare group accounts) and in the auditors' opinion they were not entitled so to do, the auditors shall state that fact in their report.]

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#### **Textual Amendments**

- F2** New ss. 235–237 inserted (subject to the saving and transitional provisions in [S.I. 1990/355, arts. 6–9, Sch. 2](#), by [Companies Act 1989 \(c. 40, SIF 27\)](#), [ss. 1, 9, 213\(2\)](#) as part of the text inserted in place of ss. 221–262 (as mentioned in s. 1(a) of the 1989 Act)
- F3** [S. 237\(4A\)](#) inserted (2.2.1996) by [S.I. 1996/189, reg. 6](#)

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

- C5** [S. 237](#) applied with modifications by [S.I. 1990/2570, regs. 6\(1\)\(a\), 15](#)
- C6** [Ss. 226–237](#) extended (with modifications) (19.12.1993) by [S.I. 1993/3245, reg. 3](#)
- C7** [S. 237\(1\)–\(3\)](#) applied (with modifications)(23.12.1996) by [S.I. 1996/943, reg. 29\(2\)\(a\)](#)

**Status:**

Point in time view as at 06/01/1997.

**Changes to legislation:**

There are currently no known outstanding effects for the Companies Act 1985, Cross Heading:  
Auditors' report.