



# 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.

[<sup>F1</sup>(1A) The auditors' report must include—

- (a) an introduction identifying the annual accounts that are the subject of the audit and the financial reporting framework that has been applied in their preparation;
  - (b) a description of the scope of the audit identifying the auditing standards in accordance with which the audit was conducted.
- (1B) The report must state clearly whether in the auditors' opinion the annual accounts have been properly prepared in accordance with the requirements of this Act (and, where applicable, Article 4 of the IAS Regulation).
- (2) The report must state in particular whether the annual accounts give a true and fair view, in accordance with the relevant financial reporting framework—
- (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,

*Status: Point in time view as at 22/03/2005. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, Section 235. (See end of Document for details)*

- (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 of 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.
- (2A) The auditors' report–
- (a) must be either unqualified or qualified, and
  - (b) must include a reference to any matters to which the auditors wish to draw attention by way of emphasis without qualifying the report.]
- [<sup>F2</sup>(3) The auditors must state in their report whether in their opinion the information given in the directors' report for the financial year for which the annual accounts are prepared is consistent with those accounts.]
- [<sup>F3</sup>(3A) If the company is a quoted company, the auditors must state in their report—
- (a) whether in their opinion the information given in the operating and financial review for the financial year for which the annual accounts are prepared is consistent with those accounts; and
  - (b) whether any matters have come to their attention, in the performance of their functions as auditors of the company, which in their opinion are inconsistent with the information given in the operating and financial review.]
- [<sup>F4</sup>(4) If a directors' remuneration report is prepared for the financial year for which the annual accounts are prepared the auditors shall in their report
- (a) report to the company's members on the auditable part of the directors' remuneration report, and
  - (b) state whether in their opinion that part of the directors' remuneration report has been properly prepared in accordance with this Act.
- (5) For the purposes of this Part, "the auditable part" of a directors' remuneration report is the part containing the information required by Part 3 of Schedule 7A.]

#### Textual Amendments

- F1** S. 235(1A)-(2A) substituted for s. 235(2) (12.11.2004 with effect as mentioned in reg. 1(2) of the amending S.I.) by [The Companies Act 1985 \(International Accounting Standards and Other Accounting Amendments\) Regulations 2004 \(S.I. 2004/2947\)](#), **reg. 6(2)**
- F2** S. 235(3) substituted (22.3.2005) by [The Companies Act 1985 \(Operating and Financial Review and Directors' Report etc.\) Regulations 2005 \(S.I. 2005/1011\)](#), **reg. 3**
- F3** S. 235(3A) inserted (22.3.2005) by [The Companies Act 1985 \(Operating and Financial Review and Directors' Report etc.\) Regulations 2005 \(S.I. 2005/1011\)](#), **reg. 10**
- F4** S. 235(4)(5) inserted (1.8.2002) by [The Directors' Remuneration Report Regulations 2002 \(S.I. 2002/1986\)](#), **reg. 4**

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

- C1** Ss. 235-237 applied (with modifications) (31.12.2004) by [The Insurance Accounts Directive \(Lloyd's Syndicate and Aggregate Accounts\) Regulations 2004 \(S.I. 2004/3219\)](#), **reg. 3(4)(a)**, Sch.
- C2** Ss. 226-237 extended (with modifications) (19.12.1993) by [S.I. 1993/3245](#), **reg. 3**
- C3** S. 235(1) excluded by [S.I. 1990/2570](#), **regs. 6(1)(b)**, 15

**Status:**

Point in time view as at 22/03/2005. This version of this provision has been superseded.

**Changes to legislation:**

There are currently no known outstanding effects for the Companies Act 1985, Section 235.