



# Companies Act 1985

## 1985 CHAPTER 6

### PART II

#### RE-REGISTRATION AS A MEANS OF ALTERING A COMPANY'S STATUS

##### *Private company becoming public*

#### **46 Meaning of " unqualified report " in s. 43(3)**

- (1) The following subsections explain the reference in section 43(3)(c) to an unqualified report of the company's auditors on the relevant balance sheet.
- (2) If the balance sheet was prepared in respect of an accounting reference period of the company, that reference is to a report made by the auditors and stating without material qualification, that in their opinion the balance sheet—
  - (a) has been properly prepared in accordance with this Act, and
  - (b) gives a true and fair view of the state of the company's affairs as at the balance sheet date.
- (3) In any other case the reference is to a report by the auditors stating without material qualification that in their opinion the balance sheet—
  - (a) complies with the applicable accounting provisions, and
  - (b) without prejudice to that (but subject to subsection (4) below), gives a true and fair view of the state of the company's affairs as at the balance sheet date;and the accounting provisions referred to in paragraph (a) are sections 228 and 238(1) in Chapter I of Part VII and (where applicable) section 258 in Chapter II of that Part.
- (4) Where the balance sheet is prepared under Chapter II of Part VII (special category companies), and the company is entitled to avail itself, and has availed itself, of any of the provisions of Part III of Schedule 9, the auditors' report is not required to state that the balance sheet gives a true and fair view of the company's state of affairs as at the balance sheet date.

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*Status: This is the original version (as it was originally enacted).*

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- (5) For purposes of references in this section to the auditors' report, a qualification is not material if, but only if, the auditors in their report state that the thing giving rise to the qualification is not material for the purpose of determining (by reference to the balance sheet) whether at the balance sheet date the amount of the company's net assets was not less than the aggregate of its called up share capital and undistributable reserves.
- (6) For the purposes of a report of the auditors falling within subsection (3)—
- (a) section 228 in Chapter I of Part VII, and Schedule 4 (form and content of company accounts), and
  - (b) (where applicable) section 258 in Chapter II of that Part, and Schedule 9 (the same, in relation to special category companies),
- are deemed to have effect in relation to the balance sheet with such modifications as are necessary by reason of the fact that the balance sheet is prepared otherwise than as at the end of an accounting reference period.