



Companies Act 2006

2006 CHAPTER 46

PART 16

AUDIT

CHAPTER 3

FUNCTIONS OF AUDITOR

Auditor's report

495 Auditor's report on company's annual accounts

- (1) A company's auditor must make a report to the company's members on all annual accounts of the company of which copies are, during his tenure of office—
- in the case of a private company, to be sent out to members under section 423;
 - in the case of a public company, to be laid before the company in general meeting under section 437.

[^{F1}(2) The auditor's report must include—

- the identity of the company whose annual accounts are the subject of the audit,
- a description of the annual accounts that are the subject of the audit (including the period covered by those accounts),
- a description of the financial reporting framework that has been applied in the preparation of those accounts, and
- a description of the scope of the audit identifying the auditing standards in accordance with which the audit was conducted.]

- (3) The report must state clearly whether, in the auditor's opinion, the annual accounts—
- give a true and fair view—
 - in the case of an individual balance sheet, of the state of affairs of the company as at the end of the financial year,

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Companies Act 2006. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- (ii) in the case of an individual profit and loss account, of the profit or loss of the company for the financial year,
- (iii) 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;
- (b) have been properly prepared in accordance with the relevant financial reporting framework; and
- (c) have been prepared in accordance with the requirements of this Act ^{F2}....

Expressions used in this subsection [^{F3}or subsection (3A)] that are defined for the purposes of Part 15 (see [^{F4}sections 464, 471 and 474]) have the same meaning as in that Part.

^{F5}(3A) The following provisions apply to the auditors of a company which qualifies as a micro-entity in relation to a financial year (see sections 384A and 384B) in their consideration of whether the Companies Act individual accounts of the company for that year give a true and fair view as mentioned in subsection (3)(a)—

- (a) where the accounts comprise only micro-entity minimum accounting items, the auditors must disregard any provision of an accounting standard which would require the accounts to contain information additional to those items,
- (b) in relation to a micro-entity minimum accounting item contained in the accounts, the auditors must disregard any provision of an accounting standard which would require the accounts to contain further information in relation to that item, and
- (c) where the accounts contain an item of information additional to the micro-entity minimum accounting items, the auditors must have regard to any provision of an accounting standard which relates to that item.]

^{F6}(4) The auditor's report—

- (a) must be either unqualified or qualified,
- (b) must include a reference to any matters to which the auditor wishes to draw attention by way of emphasis without qualifying the report,
- (c) must include a statement on any material uncertainty relating to events [^{F7}or conditions] that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting, and
- (d) must identify the auditor's place of establishment.]

^{F8}(5) Where more than one person is appointed as an auditor—

- (a) all the persons appointed must jointly make a report under this section and the report must include a statement as to whether all the persons appointed agree on the matters contained in the report, and
- (b) if all the persons appointed cannot agree on the matters contained in the report, the report must include the opinions of each person appointed and give reasons for the disagreement.]

Textual Amendments

- F1** S. 495(2) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 13(2)** (with reg. 1(12))
- F2** Words in s. 495(3)(c) omitted (31.12.2020) by virtue of [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019](#)

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Companies Act 2006. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (S.I. 2019/685), reg. 1(2), **Sch. 1 para. 23** (with reg. 1(3)-(8), Sch. 1 para. 64) (as amended by S.I. 2020/335, regs. 1, 3, 4 and S.I. 2020/523, regs. 1(2), 22, 25(b)); 2020 c. 1, Sch. 5 para. 1(1)
- F3** Words in s. 495(3) inserted (with effect in accordance with reg. 2(2) of the amending S.I.) by The Small Companies (Micro-Entities' Accounts) Regulations 2013 (S.I. 2013/3008), regs. 2(1), **8(2)(a)** (with reg. 3)
- F4** Words in s. 495(3) substituted (with effect in accordance with reg. 2(2) of the amending S.I.) by The Small Companies (Micro-Entities' Accounts) Regulations 2013 (S.I. 2013/3008), regs. 2(1), **8(2)(b)** (with reg. 3)
- F5** S. 495(3A) inserted (with effect in accordance with reg. 2(2) of the amending S.I.) by The Small Companies (Micro-Entities' Accounts) Regulations 2013 (S.I. 2013/3008), regs. 2(1), **8(3)** (with reg. 3)
- F6** S. 495(4) substituted (17.6.2016) by The Statutory Auditors and Third Country Auditors Regulations 2016 (S.I. 2016/649), reg. 1(1)(a), **Sch. 3 para. 13(3)** (with reg. 1(12))
- F7** Words in s. 495(4)(c) inserted (with effect in accordance with reg. 1(6)(8) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **12(16)**
- F8** S. 495(5) inserted (17.6.2016) by The Statutory Auditors and Third Country Auditors Regulations 2016 (S.I. 2016/649), reg. 1(1)(a), **Sch. 3 para. 13(4)** (with reg. 1(12))

Modifications etc. (not altering text)

- C1** S. 495 applied (with modifications) (6.4.2008) by The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008 (S.I. 2008/565), **reg. 3**
- C2** S. 495 applied (6.4.2008) by The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008 (S.I. 2008/565), **reg. 7** (as amended (with effect in accordance with reg. 2(4) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 2 para. 7** (with reg. 2(6)(7)))
- C3** S. 495 applied (6.4.2008) by The Bank Accounts Directive (Miscellaneous Banks) Regulations 2008 (S.I. 2008/567), **reg. 8(1)(a)**, Sch. para. 1 (with Sch. para. 11)
- C4** S. 495 applied (6.4.2008) by The Partnerships (Accounts) Regulations 2008 (S.I. 2008/569), **reg. 9(a)**
- C5** S. 495 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. 39** (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), **24**)
- C6** Ss. 484-539 applied (with modifications) (1.10.2009) by The Unregistered Companies Regulations 2009 (S.I. 2009/2436), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C7** S. 495 applied (with modifications) (31.7.2015) by The European Grouping of Territorial Cooperation Regulations 2015 (S.I. 2015/1493), regs. 1(2), **7(1)** (with reg. 11)
- C8** Ss. 495, 496 applied (with modifications) by S.I. 2008/1911, **reg. 39** (as amended (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 13** (with reg. 2(6)(7)))
- C9** S. 495 applied (with modifications) (E.W.S.) (1.10.2018) by The Occupational Pension Schemes (Master Trusts) Regulations 2018 (S.I. 2018/1030), regs. 1(2), **9(4)-(8)**
- C10** S. 495 applied (with modifications) (N.I.) (6.4.2022) by The Occupational Pension Schemes (Master Trusts) Regulations (Northern Ireland) 2022 (S.R. 2022/121), regs. 1, **9(4)-(8)**
- C11** S. 495 applied (with modifications) (N.I.) (3.10.2022) by The Occupational Pension Schemes (Master Trusts) (No. 2) Regulations (Northern Ireland) 2022 (S.R. 2022/234), regs. 1, **9(4)-(8)**
- C12** S. 495 applied (with modifications) (N.I.) (1.4.2023) by The Occupational Pension Schemes (Master Trusts) Regulations (Northern Ireland) 2023 (S.R. 2023/59), regs. 1, **9(5)(b)**
- C13** S. 495 applied (with modifications) (N.I.) (29.9.2023) by The Occupational Pension Schemes (Master Trusts) (No. 2) Regulations (Northern Ireland) 2023 (S.R. 2023/148), regs. 1, **9(4)-(8)**
- C14** S. 495(1) excluded (6.4.2008) by The Companies (Revision of Defective Accounts and Reports) Regulations 2008 (S.I. 2008/373), **reg. 7(1)(b)**

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Companies Act 2006. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- C15** S. 495(1) excluded by S.I. 2008/373, reg. 9(1)(1A) (as substituted (1.1.2018) by [The Statutory Auditors Regulations 2017](#) (S.I. 2017/1164), reg. 1(2)(3), **10(a)** (with reg. 2(6)(7)))
- C16** S. 495(2)-(4) applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009](#) (c. 20), **ss. 44(2)(b)**, 148(2)(b)
- C17** S. 495(2)-(4) applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009](#) (c. 20), **ss. 44(3)(b)**, 148(2)(b)

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Companies Act 2006. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- s. 495 applied (with modifications) by [S.R. 2024/78 reg. 9\(5\)\(b\)](#)
- s. 495(2)-(4) applied (with modifications) by [2009 c. 20 s. 44\(2\)\(b\)](#)
- s. 495(2)-(4) applied (with modifications) by [2009 c. 20 s. 44\(3\)\(b\)](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act amendment to earlier affecting provision S.I. 1989/638, Sch. 4 by [S.I. 2024/410 Sch. 2 para. 1](#)
- Act amendment to earlier affecting provision S.I. 2008/373 reg. 11(1) by [S.I. 2013/1971 reg. 9\(a\)](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)
- Act amendment to earlier affecting provision S.I. 2008/373 reg. 3(4) by [S.I. 2013/1971 reg. 4](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 479A(2)(c)(zi) inserted by [S.I. 2019/177 reg. 4\(b\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 4 substituted by regs. 4, 4A immediately before IP completion day by S.I. 2019/1392, regs. 1(2), 4)
- s. 479B(a)(iii) amendment to earlier affecting provision S.I.2008/1991 reg.34 by [S.R. 2024/78 reg. 31\(4\)](#)
- s. 479B(a)(iii) amendment to earlier affecting provision S.I.2008/1991 reg.34A by [S.R. 2024/78 reg. 31\(5\)](#)
- s. 1087A-1807C applied by S.I. 2009/2436, Sch. 1 para. 20(1)(ca) (as substituted) by [S.I. 2024/410 Sch. 2 para. 5\(d\)\(ii\)](#)
- Sch. 10 para. 6(2D) inserted by [S.I. 2019/177 reg. 28\(e\)](#) (This amendment not applied to legislation.gov.uk. Reg. 28(e) omitted immediately before IP completion day by virtue of S.I. 2020/523, regs. 1(2), 14(e)(iv))
- Sch. 10 para. 7(2A) inserted by [S.I. 2019/177 reg. 29\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 29 substituted immediately before IP completion day by S.I. 2020/523, regs. 1(2), 14(f))