

Statement to be included in balance sheet if audit exemption availed of

335. (1) If a company avails itself of the audit exemption in a financial year, the balance sheet prepared by the company in respect of that year shall contain a statement by the directors of the company that, in respect of that year—

(a) the company is availing itself of the audit exemption of Part 6 of the Companies Act 2014”,

(b) the company is availing itself of the exemption on the grounds that section 358 or 359, as appropriate, is complied with,

(c) no notice under subsection (1) of section 334 has, in accordance with subsection (2) of that section, been served on the company, and

(d) the directors acknowledge the obligations of the company, under this Act, to—

(i) keep adequate accounting records and prepare financial statements which give a true and fair view of the assets, liabilities and financial position of the company at the end of its financial year and of its profit or loss for such a year, and

(ii) otherwise comply with the provisions of this Act relating to financial statements so far as they are applicable to the company.

(2) The statement required by subsection (1) shall appear in the balance sheet in a position immediately above the signatures of the directors required by section 324 or, as the case may be, the statement required by section 355 .

(3) If subsection (1) or (2) is not complied with, the company concerned and any officer of it who is in default shall be guilty of a category 3 offence.

(4) If the company referred to in subsection (1) is a holding company that prepares group financial statements for the financial year concerned, that subsection shall be read as applying both to its entity balance sheet and its group balance sheet.

(5) Whenever a company has availed itself of the audit exemption in respect of a financial year, the company shall, if required by the Director of Corporate Enforcement to do so—

(a) give to the Director such access to and facilities for inspecting and taking copies of the books and documents of the company, and

(b) furnish to the Director such information, as the Director may reasonably require for the purpose of satisfying himself or herself that the company did, in respect of that financial year, comply with section 358 or 359, as appropriate.

(6) If a company fails to comply with a requirement under subsection (5), the company and any officer of it who is in default shall be guilty of a category 4 offence.

(7) Where—

(a) the audit exemption, as referred to in section 359 (1), applies to a group, and

(b) any subsidiary undertaking in that group relies on that exemption (and does not have its statutory financial statements for the year concerned audited in consequence),

references in this section to a company availing itself of the audit exemption shall be read, as respects that subsidiary undertaking, as including references to such an undertaking and subsection (3) shall be read accordingly.

(8) In this section “audit exemption” does not include the dormant company audit exemption referred to in section 365 but that section makes similar provision, by applying and adapting its terms, to that made by this section.