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Companies Act 2006 c. 46

s. 393 Accounts to give true and fair view

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Subjects

Company law

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393 Accounts to give true and fair view

(1) The directors of a company must not approve accounts for the purposes of this Chapter unless they are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss—

- (a) in the case of the company's individual accounts, of the company;
- (b) in the case of the company's group accounts, of the undertakings included in the consolidation as a whole, so far as concerns members of the company.

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(1A) The following provisions apply to the directors 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 required by subsection (1)(a)—

- (a) where the accounts comprise only micro-entity minimum accounting items, the directors 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 directors 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 directors must have regard to any provision of an accounting standard which relates to that item.

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(2) The auditor of a company in carrying out his functions under this Act in relation to the company's annual accounts must have regard to the directors' duty under subsection (1).

Notes

- 1 Added by Small Companies (Micro-Entities' Accounts) Regulations 2013/3008 [Pt 2 reg.5\(2\)](#) (December 1, 2013 in respect of financial years ending on or after September 30, 2013 and for the purpose specified in SI 2013/3008 reg.2(2) (b))
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