



# Companies (Audit, Investigations and Community Enterprise) Act 2004

## 2004 CHAPTER 27

### PART 1

#### AUDITORS, ACCOUNTS, DIRECTORS' LIABILITIES AND INVESTIGATIONS

### CHAPTER 1

#### AUDITORS

##### *Services provided by auditors*

#### **7 Disclosure of services provided by auditors and related remuneration**

(1) For section 390B of the Companies Act 1985 (c. 6) substitute—

##### **“390B Disclosure of services provided by auditors or associates and related remuneration**

- (1) The Secretary of State may make provision by regulations for securing the disclosure of—
  - (a) the nature of any services provided for a company by the company's auditors (whether in their capacity as such or otherwise) or by their associates;
  - (b) the amount of any remuneration received or receivable by a company's auditors, or their associates, in respect of any services within paragraph (a).
- (2) The regulations may provide—

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*Status: This is the original version (as it was originally enacted).*

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- (a) for disclosure of the nature of any services provided to be made by reference to any class or description of services specified in the regulations (or any combination of services, however described);
    - (b) for the disclosure of amounts of remuneration received or receivable in respect of services of any class or description specified in the regulations (or any combination of services, however described);
    - (c) for the disclosure of separate amounts so received or receivable by the company's auditors or any of their associates, or of aggregate amounts so received or receivable by all or any of those persons.
  - (3) The regulations may—
    - (a) provide that “remuneration” includes sums paid in respect of expenses;
    - (b) apply to benefits in kind as well as to payments of money, and require the disclosure of the nature of any such benefits and their estimated money value;
    - (c) apply to services provided for associates of a company as well as to those provided for a company;
    - (d) define “associate” in relation to an auditor and a company respectively.
  - (4) The regulations may provide that any disclosure required by the regulations is to be made—
    - (a) in a note to the company's annual accounts (in the case of its individual accounts) or in such manner as is specified in the regulations (in the case of group accounts),
    - (b) in the directors' report required by section 234, or
    - (c) in the auditors' report under section 235.
  - (5) If the regulations provide that any such disclosure is to be made as mentioned in subsection (4)(a) or (b), the regulations may—
    - (a) require the auditors to supply the directors of the company with any information necessary to enable the disclosure to be made;
    - (b) provide for any provision within subsection (6) to apply in relation to a failure to make the disclosure as it applies in relation to a failure to comply with a requirement of this Act or (as the case may be) a provision of Part 7.
  - (6) The provisions are—
    - (a) sections 233(5) and 234(5); and
    - (b) any provision of sections 245 to 245C.
  - (7) The regulations may make different provision for different cases.
  - (8) Nothing in subsections (2) to (7) affects the generality of subsection (1).
  - (9) Regulations under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.”
- (2) In section 390A of the Companies Act 1985 (c. 6) (remuneration of auditors)—
- (a) subsection (3) (auditors' remuneration to be disclosed in note to accounts) accordingly ceases to have effect, and

- (b) in subsection (5) (application to benefits in kind), for the words from “payments in cash” onwards substitute “payments of money.”
- (3) In paragraph 1(1) of Schedule 4A to that Act (form and contents of group accounts), omit “section 390A(3) (amount of auditors' remuneration) and”.