



Companies Act 2006

2006 CHAPTER 46

PART 15

ACCOUNTS AND REPORTS

CHAPTER 4

ANNUAL ACCOUNTS

Group accounts: general

403 Group accounts: applicable accounting framework

- [^{F1}(1) The group accounts of a parent company whose securities are, on its balance sheet date, admitted to trading on a UK regulated market must be prepared in accordance with UK-adopted international accounting standards (“IAS group accounts”).]
- (2) The group accounts of other companies may be prepared—
- (a) in accordance with section 404 (“Companies Act group accounts”), or
 - (b) in accordance with [^{F2}UK-adopted international accounting standards] (“IAS group accounts”).

This is subject to the following provisions of this section.

- (3) The group accounts of a parent company that is a charity must be Companies Act group accounts.
- (4) After the first financial year in which the directors of a parent company prepare IAS group accounts (“the first IAS year”), all subsequent group accounts of the company must be prepared in accordance with [^{F3}UK-adopted international accounting standards] unless there is a relevant change of circumstance. [^{F4}This is subject to subsection (5A).]

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

- (5) There is a relevant change of circumstance if, at any time during or after the first IAS year—
- (a) the company becomes a subsidiary undertaking of another undertaking that does not prepare IAS group accounts,
 - (b) the company ceases to be a company with securities admitted to trading on a [^{F5}UK regulated market], or
 - (c) a parent undertaking of the company ceases to be an undertaking with securities admitted to trading on a [^{F6}UK regulated market].
- [^{F7}(5A) After a financial year in which the directors of a parent company prepare IAS group accounts for the company, the directors may change to preparing Companies Act group accounts for a reason other than a relevant change of circumstance provided they have not changed to Companies Act group accounts in the period of five years preceding the first day of that financial year.
- (5B) In calculating the five year period for the purpose of subsection (5A), no account should be taken of a change due to a relevant change of circumstance.]
- (6) If, having changed to preparing Companies Act group accounts ^{F8}. . . , the directors again prepare IAS group accounts for the company, subsections (4) and (5) apply again as if the first financial year for which such accounts are again prepared were the first IAS year.

Textual Amendments

- F1** S. 403(1) substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), reg. 1(2)(3), **Sch. 1 para. 10(a)** (with reg. 1(4)-(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)
- F2** Words in s. 403(2)(b) substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), reg. 1(2)(3), **Sch. 1 para. 10(b)** (with reg. 1(4)-(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. 403(4) substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), reg. 1(2)(3), **Sch. 1 para. 10(b)** (with reg. 1(4)-(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)
- F4** Words in s. 403(4) inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **15**
- F5** Words in s. 403(5)(b) substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 2 para. 11(a)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F6** Words in s. 403(5)(c) substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 2 para. 11(b)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)

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

- F7** S. 403(5A)(5B) inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **16**
- F8** Words in s. 403(6) omitted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by virtue of [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **17**

Modifications etc. (not altering text)

- C1** Pts. 1-39 modified (31.12.2020) by Regulation (EC) No. 2157/2001, Art. AAA1(3) (as inserted by [The European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1298\)](#), regs. 1, **97** (with regs. 140-145) (as amended by S.I. 2020/523, regs. 1(2), 5(a)-(f)); 2020 c. 1, Sch. 5 para. 1(1))
- C2** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 38** (with Sch. 8)
- C3** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 53** (with Sch. 8)
- C4** Ss. 380-414 applied (with modifications) (1.10.2009) by [S.I. 2009/2436](#), regs. 3-5, **Sch 1 para. 10** (with [reg. 7](#), **Sch. 2**) (and the said Sch. 1 para. 10 is amended (with application in accordance with reg. 1(3) of the amending S.I.) by [The Unregistered Companies \(Amendment\) Regulations 2013 \(S.I. 2013/1972\)](#), regs. 1(2), **2(2)(a)**)
- C5** Ss. 398-408 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. 10** (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), **9**); (with effect in accordance with reg. 2(5)(b) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 3** (with [reg. 2\(6\)\(7\)](#)); (31.12.2020) by [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), reg. 1(2), Sch. 1 para. 58(4) (with [reg. 1\(3\)-\(8\)](#), **Sch. 1 para. 65**) (as amended by S.I. 2020/335, regs. 1, 3, 4 and S.I. 2020/523, regs. 1(2), **22**, 25(c)); 2020 c. 1, **Sch. 5 para. 1(1)**); and (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 3 para. 16** (with [reg. 7\(2\)](#)) (as amended by S.I. 2020/523, regs. 1(2), **10**, 11); 2020 c. 1, **Sch. 5 para. 1(1)**)

404 Companies Act group accounts

- [^{F9}(A1) Companies Act group accounts must state, in respect of the parent company—
- (a) the part of the United Kingdom in which the company is registered,
 - (b) the company's registered number,
 - (c) whether the company is a public or a private company and whether it is limited by shares or by guarantee,
 - (d) the address of the company's registered office, and
 - (e) where appropriate, the fact that the company is being wound-up.]
- (1) Companies Act group accounts must comprise—
- (a) a consolidated balance sheet dealing with the state of affairs of the parent company and its subsidiary undertakings, and
 - (b) a consolidated profit and loss account dealing with the profit or loss of the parent company and its subsidiary undertakings.

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

- (2) The accounts must give a true and fair view of the state of affairs as at the end of the financial year, and 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.
- (3) The accounts must comply with provision made by the Secretary of State by regulations as to—
 - (a) the form and content of the consolidated balance sheet and consolidated profit and loss account, and
 - (b) additional information to be provided by way of notes to the accounts.
- (4) If compliance with the regulations, and any other provision made by or under this Act as to the matters to be included in a company's group accounts or in notes to those accounts, would not be sufficient to give a true and fair view, the necessary additional information must be given in the accounts or in a note to them.
- (5) If in special circumstances compliance with any of those provisions is inconsistent with the requirement to give a true and fair view, the directors must depart from that provision to the extent necessary to give a true and fair view.

Particulars of any such departure, the reasons for it and its effect must be given in a note to the accounts.

Textual Amendments

- F9** S. 404(A1) inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Companies, Partnerships and Groups \(Accounts and Reports\) Regulations 2015 \(S.I. 2015/980\)](#), regs. 2(1), **5(9)** (with reg. 3)

Modifications etc. (not altering text)

- C4** Ss. 380-414 applied (with modifications) (1.10.2009) by [S.I. 2009/2436](#), regs. 3-5, **Sch 1 para. 10** (with reg. 7, **Sch. 2**) (and the said Sch. 1 para. 10 is amended (with application in accordance with reg. 1(3) of the amending S.I.) by [The Unregistered Companies \(Amendment\) Regulations 2013 \(S.I. 2013/1972\)](#), regs. 1(2), **2(2)(a)**)
- C5** Ss. 398-408 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. 10** (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), **9**); (with effect in accordance with reg. 2(5)(b) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 3** (with reg. 2(6)(7)); (31.12.2020) by [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), reg. 1(2), **Sch. 1 para. 58(4)** (with reg. 1(3)-(8), **Sch. 1 para. 65**) (as amended by [S.I. 2020/335](#), regs. 1, **3**, 4 and [S.I. 2020/523](#), regs. 1(2), **22**, 25(c)); 2020 c. 1, **Sch. 5 para. 1(1)**); and (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 3 para. 16** (with reg. 7(2)) (as amended by [S.I. 2020/523](#), regs. 1(2), **10**, 11); 2020 c. 1, **Sch. 5 para. 1(1)**)
- C6** S. 404(2) applied (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 3(2)(a)(iii)**)
- C7** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 38** (with **Sch. 8**)
- C8** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 53** (with **Sch. 8**)

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](#)

Commencement Information

- II** S. 404 wholly in force at 6.4.2008; s. 404 not in force at Royal Assent, see s. 1300; s. 404 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), [art. 3\(3\)](#) (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 404 in force at 6.4.2008 by [S.I. 2007/3495](#), [art. 3\(1\)\(d\)](#) (with [arts. 7, 12](#), [Sch. 4 paras. 6-8](#))

405 Companies Act group accounts: subsidiary undertakings included in the consolidation

- (1) Where a parent company prepares Companies Act group accounts, all the subsidiary undertakings of the company must be included in the consolidation, subject to the following exceptions.
- (2) A subsidiary undertaking may be excluded from consolidation if its inclusion is not material for the purpose of giving a true and fair view (but two or more undertakings may be excluded only if they are not material taken together).
- (3) A subsidiary undertaking may be excluded from consolidation where—
 - (a) severe long-term restrictions substantially hinder the exercise of the rights of the parent company over the assets or management of that undertaking, or
 - (b) ^{F10} [extremely rare circumstances mean that] the information necessary for the preparation of group accounts cannot be obtained without disproportionate expense or undue delay, or
 - (c) the interest of the parent company is held exclusively with a view to subsequent resale.
- (4) The reference in subsection (3)(a) to the rights of the parent company and the reference in subsection (3)(c) to the interest of the parent company are, respectively, to rights and interests held by or attributed to the company for the purposes of the definition of “parent undertaking” (see section 1162) in the absence of which it would not be the parent company.

Textual Amendments

- F10** Words in s. 405(3)(b) inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Companies, Partnerships and Groups \(Accounts and Reports\) Regulations 2015 \(S.I. 2015/980\)](#), regs. 2(1), [5\(10\)](#) (with reg. 3)

Modifications etc. (not altering text)

- C4** Ss. 380-414 applied (with modifications) (1.10.2009) by [S.I. 2009/2436](#), [regs. 3-5](#), [Sch 1 para. 10](#) (with [reg. 7](#), [Sch. 2](#)) (and the said Sch. 1 para. 10 is amended (with application in accordance with reg. 1(3) of the amending S.I.) by [The Unregistered Companies \(Amendment\) Regulations 2013 \(S.I. 2013/1972\)](#), [regs. 1\(2\)](#), [2\(2\)\(a\)](#))
- C5** Ss. 398-408 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. 10](#) (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\(1\)](#), [9](#)); (with effect in accordance with reg. 2(5)(b) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), [reg. 1\(2\)\(3\)](#), [Sch. 3 para. 3](#) (with [reg. 2\(6\)\(7\)](#)); (31.12.2020) by [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), [reg. 1\(2\)](#), [Sch. 1 para. 58\(4\)](#) (with [reg. 1\(3\)-\(8\)](#), [Sch. 1 para. 65](#)) (as amended by [S.I. 2020/335](#), [regs. 1, 3, 4](#) and [S.I. 2020/523](#), [regs.](#)

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

- 1(2), 22, 25(c)); 2020 c. 1, **Sch. 5 para. 1(1)**; and (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by **The Accounts and Reports (Amendment) (EU Exit) Regulations 2019** (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, **Sch. 5 para. 1(1)**
- C9** Ss. 402-406 applied (with modifications) (1.10.2009) by **The Overseas Companies Regulations 2009** (S.I. 2009/1801), **reg. 38** (with Sch. 8)
- C10** Ss. 402-406 applied (with modifications) (1.10.2009) by **The Overseas Companies Regulations 2009** (S.I. 2009/1801), **reg. 53** (with Sch. 8)

[^{F11}406 IAS group accounts

- (1) IAS group accounts must state—
 - (a) the part of the United Kingdom in which the company is registered,
 - (b) the company's registered number,
 - (c) whether the company is a public or a private company and whether it is limited by shares or by guarantee,
 - (d) the address of the company's registered office, and
 - (e) where appropriate, the fact that the company is being wound-up.
- (2) The notes to the accounts must state that the accounts have been prepared in accordance with [^{F12}UK-adopted international accounting standards].

Textual Amendments

- F11** S. 406 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by **The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015** (S.I. 2015/980), regs. 2(1), **5(11)** (with reg. 3)
- F12** Words in s. 406(2) substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by **The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019** (S.I. 2019/685), reg. 1(2)(3), **Sch. 1 para. 11** (with reg. 1(4)-(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)**

Modifications etc. (not altering text)

- C4** Ss. 380-414 applied (with modifications) (1.10.2009) by **S.I. 2009/2436**, regs. 3-5, **Sch 1 para. 10** (with reg. 7, Sch. 2) (and the said Sch. 1 para. 10 is amended (with application in accordance with reg. 1(3) of the amending S.I.) by **The Unregistered Companies (Amendment) Regulations 2013** (S.I. 2013/1972), regs. 1(2), **2(2)(a)**)
- C5** Ss. 398-408 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. 10** (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), **9**); (with effect in accordance with reg. 2(5)(b) of the amending S.I.) by **The Statutory Auditors Regulations 2017** (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 3** (with reg. 2(6)(7)); (31.12.2020) by **The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019** (S.I. 2019/685), reg. 1(2), Sch. 1 para. 58(4) (with reg. 1(3)-(8), **Sch. 1 para. 65**) (as amended by S.I. 2020/335, regs. 1, 3, 4 and S.I. 2020/523, regs. 1(2), 22, 25(c)); 2020 c. 1, **Sch. 5 para. 1(1)**; and (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by **The Accounts and Reports (Amendment) (EU Exit) Regulations 2019** (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, **Sch. 5 para. 1(1)**)

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

- C9** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), [reg. 38](#) (with [Sch. 8](#))
- C10** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), [reg. 53](#) (with [Sch. 8](#))

407 Consistency of financial reporting within group

- (1) The directors of a parent company must secure that the individual accounts of—
- (a) the parent company, and
 - (b) each of its subsidiary undertakings,
- are all prepared using the same financial reporting framework, except to the extent that in their opinion there are good reasons for not doing so.
- (2) Subsection (1) does not apply if the directors do not prepare group accounts for the parent company.
- (3) Subsection (1) only applies to accounts of subsidiary undertakings that are required to be prepared under this Part.
- (4) Subsection (1) does not require accounts of undertakings that are charities to be prepared using the same financial reporting framework as accounts of undertakings which are not charities.
- (5) Subsection (1)(a) does not apply where the directors of a parent company prepare IAS group accounts and IAS individual accounts.

Modifications etc. (not altering text)

- C4** Ss. 380-414 applied (with modifications) (1.10.2009) by [S.I. 2009/2436](#), [regs. 3-5](#), [Sch 1 para. 10](#) (with [reg. 7](#), [Sch. 2](#)) (and the said Sch. 1 para. 10 is amended (with application in accordance with [reg. 1\(3\)](#) of the amending S.I.) by [The Unregistered Companies \(Amendment\) Regulations 2013 \(S.I. 2013/1972\)](#), [regs. 1\(2\)](#), [2\(2\)\(a\)](#))
- C5** Ss. 398-408 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. 10](#) (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\(1\)](#), [9](#)); (with effect in accordance with [reg. 2\(5\)\(b\)](#) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), [reg. 1\(2\)\(3\)](#), [Sch. 3 para. 3](#) (with [reg. 2\(6\)\(7\)](#)); (31.12.2020) by [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), [reg. 1\(2\)](#), [Sch. 1 para. 58\(4\)](#) (with [reg. 1\(3\)-\(8\)](#), [Sch. 1 para. 65](#)) (as amended by [S.I. 2020/335](#), [regs. 1](#), [3](#), [4](#) and [S.I. 2020/523](#), [regs. 1\(2\)](#), [22](#), [25\(c\)](#)); 2020 c. 1, [Sch. 5 para. 1\(1\)](#)); and (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), [regs. 1\(2\)\(b\)](#), [2](#), [Sch. 3 para. 16](#) (with [reg. 7\(2\)](#)) (as amended by [S.I. 2020/523](#), [regs. 1\(2\)](#), [10](#), [11](#)); 2020 c. 1, [Sch. 5 para. 1\(1\)](#))
- C9** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), [reg. 38](#) (with [Sch. 8](#))
- C10** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), [reg. 53](#) (with [Sch. 8](#))

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

408 Individual profit and loss account where group accounts prepared

- (1) This section applies where—
- (a) a company prepares group accounts in accordance with this Act, and
 - ^{F13}(b) the company's individual balance sheet shows the company's profit and loss for the financial year determined in accordance with this Act.]
- ^{F14}(2)
- (3) The company's individual profit and loss account must be approved in accordance with section 414(1) (approval by directors) but may be omitted from the company's annual accounts for the purposes of the other provisions of the Companies Acts.
- (4) The exemption conferred by this section is conditional upon its being disclosed in the company's annual accounts that the exemption applies.

Textual Amendments

- F13** S. 408(1)(b) substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Companies, Partnerships and Groups \(Accounts and Reports\) Regulations 2015 \(S.I. 2015/980\)](#), regs. 2(1), **5(12)(a)** (with reg. 3)
- F14** S. 408(2) omitted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by virtue of [The Companies, Partnerships and Groups \(Accounts and Reports\) Regulations 2015 \(S.I. 2015/980\)](#), regs. 2(1), **5(12)(b)** (with reg. 3)

Modifications etc. (not altering text)

- C4** Ss. 380-414 applied (with modifications) (1.10.2009) by [S.I. 2009/2436](#), regs. 3-5, **Sch 1 para. 10** (with reg. 7, **Sch. 2**) (and the said Sch. 1 para. 10 is amended (with application in accordance with reg. 1(3) of the amending S.I.) by [The Unregistered Companies \(Amendment\) Regulations 2013 \(S.I. 2013/1972\)](#), regs. 1(2), **2(2)(a)**)
- C5** Ss. 398-408 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. 10** (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), **9**); (with effect in accordance with reg. 2(5)(b) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 3** (with reg. 2(6)(7)); (31.12.2020) by [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), reg. 1(2), **Sch. 1 para. 58(4)** (with reg. 1(3)-(8), **Sch. 1 para. 65**) (as amended by [S.I. 2020/335](#), regs. 1, **3**, **4** and [S.I. 2020/523](#), regs. 1(2), **22**, 25(c)); 2020 c. 1, **Sch. 5 para. 1(1)**); and (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 3 para. 16** (with reg. 7(2)) (as amended by [S.I. 2020/523](#), regs. 1(2), **10**, 11); 2020 c. 1, **Sch. 5 para. 1(1)**)
- C9** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 38** (with **Sch. 8**)
- C10** Ss. 402-406 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 53** (with **Sch. 8**)

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 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. 156A-156C inserted by [2015 c. 26 s. 87\(4\)](#)
- s. 156B(5) omitted by [2023 c. 56 Sch. 2 para. 26](#)
- s. 156C(2) words substituted by [2023 c. 56 s. 41\(2\)\(a\)](#)
- s. 156C(2A) inserted by [2023 c. 56 s. 41\(2\)\(b\)](#)
- s. 156C(3) substituted for s. 156C(3)-(5) by [2023 c. 56 Sch. 2 para. 27](#)
- 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. 1047(4)(i)(j) inserted by [2023 c. 56 s. 21\(2\)](#)
- s. 1087(da) substituted by [2023 c. 56 s. 52\(2\)](#)
- 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\(d\)\(ii\)](#)
- s. 1110E-110G applied by S.I. 2009/1804, reg. 60 (as amended) by [S.I. 2024/234 reg. 26](#)
- s. 11989A applied (with modifications) by S.I. 2009/1804, reg. 79A (as inserted) by [S.I. 2024/234 reg. 46](#)
- 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))