



# Companies Act 2006

## 2006 CHAPTER 46

### PART 15

#### ACCOUNTS AND REPORTS

#### CHAPTER 4

##### ANNUAL ACCOUNTS

##### *Approval and signing of accounts*

#### **414 Approval and signing of accounts**

- (1) A company's annual accounts must be approved by the board of directors and signed on behalf of the board by a director of the company.
- (2) The signature must be on the company's balance sheet.
- [<sup>F1</sup>(3) If the accounts are prepared in accordance with the small companies regime, the balance sheet must contain, in a prominent position above the signature—
  - (a) in the case of individual accounts prepared in accordance with the micro-entity provisions, a statement to that effect, or
  - (b) in the case of accounts not prepared as mentioned in paragraph (a), a statement to the effect that the accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.]
- (4) If annual accounts are approved that do not comply with the requirements of this Act (and, where applicable, of Article 4 of the IAS Regulation), every director of the company who—
  - (a) knew that they did not comply, or was reckless as to whether they complied, and
  - (b) failed to take reasonable steps to secure compliance with those requirements or, as the case may be, to prevent the accounts from being approved,

*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)

commits an offence.

- (5) A person guilty of an offence under this section is liable—
- (a) on conviction on indictment, to a fine;
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.

**Annotations:**

**Amendments (Textual)**

- F1** S. 414(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), **5(4)** (with reg. 3)

**Modifications etc. (not altering text)**

- C1** S. 414 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 4**
- C2** S. 414 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 39** (with Sch. 8)
- C3** S. 414 applied (with modifications) (1.10.2009) by [The Overseas Companies Regulations 2009 \(S.I. 2009/1801\)](#), **reg. 54** (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** S. 414 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. 12** (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), **11**)

**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.

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

- 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)
- Act amendment to earlier affecting provision SI 2008/373 reg. 11 by [S.I. 2017/1164 reg. 11](#)

**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. 444(8) inserted by [S.I. 2017/1164 Sch. 1 para. 8](#)
- s. 444A(4A) inserted by [S.I. 2017/1164 Sch. 1 para. 9](#)
- s. 445(6A) inserted by [S.I. 2017/1164 Sch. 1 para. 10](#)
- s. 446(4A) inserted by [S.I. 2017/1164 Sch. 1 para. 11](#)
- s. 447(5) inserted by [S.I. 2017/1164 Sch. 1 para. 12](#)
- s. 463(1)(d) inserted by [S.I. 2017/1164 Sch. 1 para. 13\(a\)\(ii\)](#)
- s. 474(1)(a) amendment to earlier affecting provision SI 2017/701 Sch. 4 para. 9(2) (b) by [S.I. 2017/1255 reg. 37](#)
- s. 474(1)(b) amendment to earlier affecting provision SI 2017/701 Sch. 4 para. 9(2) (c) by [S.I. 2017/1255 reg. 37](#)
- s. 474(1)(b) substituted by [S.I. 2017/1255 reg. 7\(a\)](#)
- s. 474(1)(c) word substituted by [S.I. 2017/1255 reg. 7\(b\)](#)
- s. 486A applied (with modifications) by SI 2008/565 reg. 6(1)(1A) (as substituted) by [S.I. 2017/1164 Sch. 2 para. 6\(a\)](#)
- s. 486A inserted by [S.I. 2017/1164 Sch. 1 para. 16](#)
- s. 490A inserted by [S.I. 2017/1164 Sch. 1 para. 19](#)
- s. 1099(3)(f)(g) inserted by [S.I. 2017/1233 art. 2](#)
- s. 1221(1A)(1B) substituted for s. 1221(1A) by [S.I. 2017/1164 Sch. 1 para. 21\(a\)](#)
- s. 1221(7C)(7D) inserted by [S.I. 2017/1164 Sch. 1 para. 21\(e\)](#)
- Sch. 10 para. 7A inserted by [S.I. 2017/1164 Sch. 1 para. 22](#)