



# Companies Act 2006

## 2006 CHAPTER 46

### PART 42

#### STATUTORY AUDITORS

### CHAPTER 6

#### SUPPLEMENTARY AND GENERAL

#### *Interpretation*

#### **1260 Meaning of “associate”**

- (1) In this Part “associate”, in relation to a person, is to be construed as follows.
- (2) In relation to an individual, “associate” means—
  - (a) that individual’s spouse, civil partner or minor child or step-child,
  - (b) any body corporate of which that individual is a director, and
  - (c) any employee or partner of that individual.
- (3) In relation to a body corporate, “associate” means—
  - (a) any body corporate of which that body is a director,
  - (b) any body corporate in the same group as that body, and
  - (c) any employee or partner of that body or of any body corporate in the same group.
- (4) In relation to a partnership constituted under the law of Scotland, or any other country or territory in which a partnership is a legal person, “associate” means—
  - (a) any body corporate of which that partnership is a director,
  - (b) any employee of or partner in that partnership, and
  - (c) any person who is an associate of a partner in that partnership.

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*Status: This is the original version (as it was originally enacted).*

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- (5) In relation to a partnership constituted under the law of England and Wales or Northern Ireland, or the law of any other country or territory in which a partnership is not a legal person, “associate” means any person who is an associate of any of the partners.
- (6) In subsections (2)(b), (3)(a) and (4)(a), in the case of a body corporate which is a limited liability partnership, “director” is to be read as “member”.

## **1261 Minor definitions**

- (1) In this Part, unless a contrary intention appears—
- “address” means—
- (a) in relation to an individual, his usual residential or business address;
- (b) in relation to a firm, its registered or principal office in the United Kingdom;
- “company” means any company or other body the accounts of which must be audited in accordance with Part 16;
- “director”, in relation to a body corporate, includes any person occupying in relation to it the position of a director (by whatever name called) and any person in accordance with whose directions or instructions (not being advice given in a professional capacity) the directors of the body are accustomed to act;
- “firm” means any entity, whether or not a legal person, which is not an individual and includes a body corporate, a corporation sole and a partnership or other unincorporated association;
- “group”, in relation to a body corporate, means the body corporate, any other body corporate which is its holding company or subsidiary and any other body corporate which is a subsidiary of that holding company;
- “holding company” and “subsidiary” are to be read in accordance with section 1159 and Schedule 6;
- “officer”, in relation to a body corporate, includes a director, a manager, a secretary or, where the affairs of the body are managed by its members, a member;
- “parent undertaking” and “subsidiary undertaking” are to be read in accordance with section 1162 and Schedule 7.
- (2) For the purposes of this Part a body is to be regarded as “established in the United Kingdom” if and only if—
- (a) it is incorporated or formed under the law of the United Kingdom or a part of the United Kingdom, or
- (b) its central management and control are exercised in the United Kingdom;
- and any reference to a qualification “obtained in the United Kingdom” is to a qualification obtained from such a body.
- (3) The Secretary of State may by regulations make such modifications of this Part as appear to him to be necessary or appropriate for the purposes of its application in relation to any firm, or description of firm, which is not a body corporate or a partnership.
- (4) Regulations under subsection (3) are subject to negative resolution procedure.

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

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## 1262 Index of defined expressions

The following Table shows provisions defining or otherwise explaining expressions used in this Part (other than provisions defining or explaining an expression used only in the same section)—

<i>Expression</i>	<i>Provision</i>
address	section 1261(1)
appropriate qualification	section 1219
associate	section 1260
audited person	section 1210(2)
Auditor General	section 1226(1)
company	section 1261(1)
delegation order	section 1252(1)
director (of a body corporate)	section 1261(1)
enactment	section 1293
established in the United Kingdom	section 1261(2)
firm	section 1261(1)
group (in relation to a body corporate)	section 1261(1)
holding company	section 1261(1)
main purposes of this Part	section 1209
member (of a supervisory body)	section 1217(2)
obtained in the United Kingdom	section 1261(2)
officer	section 1261(1)
parent undertaking	section 1261(1)
qualifying body	section 1220(1)
recognised, in relation to a professional qualification	section 1220(3) and Schedule 11
recognised, in relation to a qualifying body	paragraph 1(2) of Schedule 11
recognised, in relation to a supervisory body	section 1217(4) and Schedule 10
registered third country auditor	section 1241(1)
rules of a qualifying body	section 1220(2)
rules of a supervisory body	section 1217(3)
statutory auditor, statutory audit and statutory audit work	section 1210(1)
subsidiary	section 1261(1)
supervisory body	section 1217(1)

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<i>Expression</i>	<i>Provision</i>
subsidiary undertaking	section 1261(1)
third country auditor, third country audit and third country audit work	section 1241(1)