



Companies Act 2006

2006 CHAPTER 46

PART 16

AUDIT

CHAPTER 1

REQUIREMENT FOR AUDITED ACCOUNTS

[^{F1}Exemption from audit: qualifying subsidiaries

^{F1}
479A **Subsidiary companies: conditions for exemption from audit**

- (1) A company is exempt from the requirements of this Act relating to the audit of individual accounts for a financial year if—
- (a) it is itself a subsidiary undertaking, and
 - (b) its parent undertaking is established under the law of [^{F2}any part of the United Kingdom].
- (2) Exemption is conditional upon compliance with all of the following conditions—
- (a) all members of the company must agree to the exemption in respect of the financial year in question,
 - (b) the parent undertaking must give a guarantee under section 479C in respect of that year,
 - (c) the company must be included in the consolidated accounts drawn up for that year or to an earlier date in that year by the parent undertaking in accordance with—
 - [^{F3}(i) if the undertaking is a company, the requirements of Part 15 of this Act, or, if the undertaking is not a company, the legal requirements which apply to the drawing up of consolidated accounts for that undertaking, or]

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- (ii) [^{F4}UK-adopted international accounting standards (within the meaning given by section 474(1))],
 - (d) the parent undertaking must disclose in the notes to the consolidated accounts that the company is exempt from the requirements of this Act relating to the audit of individual accounts by virtue of this section, and
 - (e) the directors of the company must deliver to the registrar on or before the date that they file the accounts for that year—
 - (i) a written notice of the agreement referred to in subsection (2)(a),
 - (ii) the statement referred to in section 479C(1),
 - (iii) a copy of the consolidated accounts referred to in subsection (2)(c),
 - (iv) a copy of the auditor's report on those accounts, and
 - (v) a copy of the consolidated annual report drawn up by the parent undertaking.
- (3) This section has effect subject to—
- section 475(2) and (3) (requirements as to statements contained in balance sheet), and
 - section 476 (right of members to require audit).]

Textual Amendments

- F1** Ss. 479A-479C and cross-heading 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, 7
- F2** Words in s. 479A(1)(b) substituted (31.12.2020) by [S.I. 2019/177](#), regs. 2, **4(a)** (as substituted by [The Statutory Auditors, Third Country Auditors and International Accounting Standards \(Amendment\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/1392), regs. 1(2), **4** (with transitional provisions in S.I. 2019/177, Sch. 4 paras. 1(za), **1A** as inserted by S.I. 2020/108, regs. 1(2)(a), **4**); 2020 c. 1, **Sch. 5 para. 1(1)**)
- F3** S. 479A(2)(c)(i) substituted (31.12.2020) by [S.I. 2019/177](#), regs. 2, **4(b)** (as substituted by [The Statutory Auditors, Third Country Auditors and International Accounting Standards \(Amendment\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/1392), regs. 1(2), **4** (with transitional provisions in S.I. 2019/177, **Sch. 4 para. 1(za)** as inserted by S.I. 2020/108, regs. 1(2)(a), **4(a)**); 2020 c. 1, **Sch. 5 para. 1(1)**)
- F4** Words in s. 479A(2)(c)(ii) 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. 22** (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)

- C1** Ss. 479A-479C applied (with modifications) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008](#) (S.I. 2008/1911), **reg. 34A** (as inserted (1.10.2012 with application in accordance with reg. 2 of the amending S.I.) by S.I. 2012/2301, regs. 1, **20(4)**) (and as amended: (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by S.I. 2016/575, regs. 2(1), **20**; (31.12.2020) by S.I. 2019/685, reg. 1(2), Sch. 1 para. 58(8) (with reg. 1(4)-(8), **Sch. 1 para. 65**) (as amended by S.I. 2020/335, regs. 1, 3, 4; S.I. 2020/523, regs. 1(2), **22**, 25(c); 2020 c. 1, **Sch. 5 para. 1(1)**); (31.12.2020) by S.I. 2019/177, regs. 2, **50(b)**; 2020 c. 1, **Sch. 5 para. 1(1)**) (as amended by S.I. 2019/1392, regs. 1(2), 7; 2020 c. 1, **Sch. 5 para. 1(1)**); (N.I.) (3.10.2022) by S.R. 2022/234, regs. 1, **31(5)**; (N.I.) (1.4.2023) by S.R. 2023/59, regs. 1, **31(5)**; and (N.I.) (29.9.2023) by S.R. 2023/148, regs. 1, **31(5)**)

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- C2** 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))
- C3** S. 479A(1)(b) modified (31.12.2020) by [S.I. 2019/177](#), **Sch. 4 para. 1A** (as inserted by [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2020 \(S.I. 2020/108\)](#), regs. 1(2)(a), **4(b)**)

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Changes and effects yet to be applied to :

- s. 479A amendment to earlier affecting provision S.I. 2008/1911, reg. 34A by [S.I. 2019/177 reg. 50\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 50(b) substituted by reg. 50(b)(c) immediately before IP completion day by S.I. 2019/1392, regs. 1(2), 7)
- s. 479A(1)(b) words inserted by [S.I. 2019/177 reg. 4\(a\)](#) (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. 479A(2)(c)(i) words inserted by [S.I. 2019/177 reg. 4\(b\)\(ii\)](#) (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)

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. 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. 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\(d\)\(ii\)](#)
- 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))