

The Auditor's Statement on the Summary Financial Statement in the United Kingdom

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BULLETIN

This Bulletin applies when reporting on summary financial statements for financial years beginning on or after 6 April 2008.

THE AUDITING PRACTICES BOARD

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- Standards and guidance for the work of reporting accountants in connection with investment circulars; and
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For periods commencing on or after 6 April 2008, this Bulletin supersedes Bulletin 1999/6 "The auditors' statement on the summary financial statement" and Example 5 in Bulletin 2007/1 "Example reports by auditors under company legislation in Great Britain".

THE AUDITING PRACTICES BOARD

THE AUDITOR'S STATEMENT ON THE SUMMARY FINANCIAL STATEMENT IN THE UNITED KINGDOM

Contents	Paragraphs
Introduction	1 – 3
<i>Summary financial statement</i>	1 – 2
<i>Summary annual report</i>	3
Legislative changes since publication of previous guidance	4
Requirements of sections 427 and 428 of the Companies Act 2006	5 – 7
Requirements of the SI 374 Regulations and the Listing Rules	8 – 12
The auditor's procedures	13 – 22
<i>Consistency</i>	17 – 21
<i>Other requirements of sections 427 and 428 of CA 2006</i>	22
Auditor's report on the annual accounts [directors' remuneration report] and directors' report	23 – 26
Modified auditor's report or statement	27 – 30
<i>Qualified report or statement</i>	27 – 28
<i>Emphasis of matter or other matter</i>	29 – 30
Considering the possibility of misstatements in summarised information derived from the directors' report and the directors' remuneration report included in the summary financial statement	31 – 32
Other information included in the summarised annual report	33 – 35
The auditor's statement	36 – 39
<i>Appendices illustrating the auditor's statement on a summary financial statement of:</i>	
1. <i>A quoted company which includes a summary directors' report, summary directors' remuneration report and other surround information.</i>	
2. <i>An unquoted company which does not include either a summary directors' report or any other surround information.</i>	
3. <i>An unquoted company which includes a summary directors' report but no other surround information.</i>	
4. <i>An unquoted company which includes both a summary directors' report and other surround information.</i>	

INTRODUCTION

Summary financial statement

- Under section 426(1) of the Companies Act 2006 (CA 2006) and “The Companies (Summary Financial Statement) Regulations 2008”¹ (the SI 374 Regulations) a company has the option, if the recipient is willing, to send a summary financial statement, in place of copies of its full accounts and reports, to:
 - every member of a company;
 - every holder of a company’s debentures;
 - every person who is entitled to receive notice of general meetings of a company; and
 - a person nominated to enjoy information rights under section 146 of CA 2006.
- The purpose of this Bulletin is to clarify the auditor’s responsibilities in connection with such summary financial statements. A summary financial statement is required to be in such form, and contain such information, as may be specified by CA 2006 and the SI 374 Regulations. The mandatory and optional content of a summary financial statement differs for quoted and unquoted companies as illustrated in the following table:

The required and permitted content of a summary financial statement:

Information derived from:	Unquoted company	Quoted company
Required		
Annual accounts, as prescribed by the SI 374 Regulations	✓	✓
Directors’ remuneration report, as prescribed by the SI 374 Regulations	n/a	✓
Permitted at directors’ option		
Annual accounts, additional to that prescribed by the SI 374 Regulations	✓	✓
Directors’ remuneration report, additional to that prescribed by the SI 374 Regulations	n/a	✓
Directors’ report	✓	✓

1 Statutory Instrument, SI 2008 No. 374

Summary annual report

3. Some companies may include their summary financial statement within a summarised annual report containing other information. Other information may include, for example, a chairman's or chief executive's statement or a corporate governance report. Such summarised annual reports are often described as an "annual review", or an "annual review and summary financial statement".

LEGISLATIVE CHANGES SINCE PUBLICATION OF PREVIOUS GUIDANCE

4. Guidance for auditors on reporting on summary financial statements was previously provided in Bulletin 1999/6. Effective 1 October 2005, the Companies (Summary Financial Statement) (Amendment) Regulations 2005² had come into force which, among other things, had:
 - (a) extended to all companies the ability to send out summary financial statements instead of the full annual accounts and reports, subject to certain conditions being satisfied. Previously only listed public companies had that ability. One of the conditions that is required to be satisfied is that the full annual accounts and reports for the year in question must have been audited;
 - (b) specified the form and content of the Summary Financial Statement of companies and groups that prepare their accounts in accordance with International Financial Reporting Standards as adopted by the EU; and
 - (c) dispensed with the requirement for the Summary Financial Statement to contain a summary of the directors' report. Companies are able, however, to include such a summary if they wish.

REQUIREMENTS OF SECTIONS 427 AND 428 OF THE COMPANIES ACT 2006

5. Sections 427 and 428 of CA 2006 address the form and content of summary financial statements for unquoted and quoted companies respectively. Both sections require that the summary financial statement be derived from the company's annual accounts³ and be prepared in accordance with the respective section of CA 2006 and the SI 374 Regulations. Section 428 additionally requires the summary financial statement of a quoted company to include certain information derived from the directors' remuneration report. Both sections state that the SI 374 Regulations may require the statement to include information derived from the directors' report. However, at the time of writing the SI 374 Regulations do not include such requirements.

2 Statutory Instrument SI 2005 No. 2281

3 In the illustrative auditor's statements in the appendices to this Bulletin, rather than the term "annual accounts" which is used in the Act and this Bulletin, the more conventional term "full annual financial statements" is used.

6. Neither CA 2006 nor the SI 374 Regulations prevent a company from including in a summary financial statement additional information derived from the company's annual accounts, the directors' report and, in the case of quoted companies, the directors' remuneration report.
7. Sections 427(4) and 428(4) of CA 2006 state that the summary financial statement must:
 - (a) state that it is only a summary of information derived from the company's annual accounts [and the directors' remuneration report]⁴;
 - (b) state whether it contains additional information derived from the directors' report and, if so, that it does not contain the full text of that report;
 - (c) state how a person entitled to them can obtain a full copy of the company's annual accounts, [the directors' remuneration report]⁴ or the directors' report;
 - (d) contain a statement by the company's auditor of its opinion as to whether the summary financial statement –
 - (i) is consistent with the company's annual accounts [and the directors' remuneration report]⁴ and, where information derived from the directors' report is included in the statement with that report, and
 - (ii) complies with the requirements of this section (ie either section 428 or 427) and regulations made under it;
 - (e) state whether the auditor's report on the annual accounts [and the auditable part of directors' remuneration report]⁴ was unqualified or qualified, and, if it was qualified, set out the report in full together with any further material needed to understand the qualification;
 - (f) state whether, that auditor's report, contained a statement under –
 - (i) section 498(2) of CA 2006 (accounting records or returns inadequate or accounts [or directors' remuneration report]⁴ not agreeing with the records and returns), or
 - (ii) section 498(3) of CA 2006 (failure to obtain necessary information and explanations),and if so, set out the statement in full,
 - (g) state whether, in that report, the auditor's statement under section 496 of CA 2006 (whether directors' report consistent with accounts) was qualified or unqualified and, if it was qualified, set out the qualified statement in full together with any further material needed to understand the qualification.

4 Throughout this Bulletin references to the directors' remuneration report apply to quoted companies only. Section 385 of CA 2006 provides a definition of the term "quoted company".

(The above is based on section 428(4) of CA 2006. The requirements of section 427(4) vary slightly from this).

REQUIREMENTS OF THE SI 374 REGULATIONS AND THE LISTING RULES

8. Schedules to the SI 374 Regulations set out the requirements for the form and content of summary financial statements for eight different circumstances. These are:

No.	Description
1	Form and content of summary financial statement of company preparing Companies Act individual accounts (other than a banking or insurance company)
2	Form and content of summary financial statement of banking company preparing Companies Act individual accounts
3	Form and content of summary financial statement of insurance company preparing Companies Act individual accounts
4	Form and content of summary financial statement of company preparing Companies Act group accounts (other than banking or insurance group accounts)
5	Form and content of summary financial statement of parent company of banking group preparing Companies Act group accounts
6	Form and content of summary financial statement of parent company of insurance group preparing Companies Act group accounts
7	Form and content of summary financial statement of company preparing IAS individual accounts
8	Form and content of summary financial statement of company preparing IAS group accounts

9. In overview, summary financial statements of all companies are required to comprise:
- (a) a summary profit and loss account/summary income statement;
 - (b) information concerning recognised and proposed dividends included in the annual accounts and reports;
 - (c) a summary balance sheet;
 - (d) corresponding amounts for the immediately preceding financial year in respect of every item shown in the summary profit and loss account/summary income statement, and in the summary balance sheet; and
 - (e) information relating to directors' remuneration that is required by paragraph 1 of Schedule 3 to the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008⁵ (the SI 409 Regulations) or paragraph 1 of Schedule 5 to the

⁵ Statutory Instrument SI 2008 No. 409.

Large and Medium-sized Companies and Groups (Accounts and Reports)
Regulations 2008⁶ (the SI 410 Regulations).

It is beyond the scope of this Bulletin to describe the requirements of the SI 374 Regulations in more detail. Although not explicitly required by CA 2006 or the SI 374 Regulations, many summary financial statements include a summary cash flow statement and a summary statement of total recognised gains and losses (or the equivalent under IFRSs as adopted by the EU).

10. The summary financial statement of a quoted company must contain the whole of, or a summary of, those portions of the directors' remuneration report that set out the matters required by paragraph 3 (statement of company's policy on directors' remuneration) and 4 (performance graph) of Schedule 8 to the SI 410 Regulations.
11. The summary financial statement of a company having certain securities publicly traded as specified in paragraph 13 of Schedule 7 to the SI 410 Regulations (disclosure required by certain publicly-traded companies) must:
 - (a) include in the summary financial statement the explanatory material required to be included in the directors' report by paragraph 14 of Schedule 7; or
 - (b) send that material to the person receiving the summary financial statement at the same time as the company sends the summary financial statement.
12. Under the Listing Rules of the Financial Services Authority any summary financial statement issued by a listed company must additionally disclose earnings per share. (LR 9.8.13R)

THE AUDITOR'S PROCEDURES

13. When planning the audit of the annual accounts of a company, the auditor ascertains whether a summary financial statement will be prepared and whether it is to be included in a summarised annual report. The audit engagement letter, or a separate engagement letter, records the scope of the examination of the summary financial statement, the respective responsibilities of directors and the auditor and the expected wording of the auditor's statement.
14. The auditor normally carries out its work on the summary financial statement at the same time as completing the audit, rather than after its completion. In this way the auditor's statement under section 427(4)(d) or 428(4)(d) of CA 2006 and the auditor's report on the annual accounts can be issued at the same time. The auditor, therefore, encourages the directors to take this into account when planning the year end timetable.

⁶ Statutory Instrument SI 2008 No. 410.

15. The auditor's procedures in relation to the summary financial statement are directed towards consideration of the matters on which it is required, by section 427(4)(d) or 428(4)(d) of CA 2006, to express an opinion, namely:
 - (a) whether the summary financial statement is consistent with the annual accounts, [the directors' remuneration report]⁴ and where information derived from the directors' report is included in the statement, with that report; and
 - (b) whether the summary financial statement complies with the requirements of section 427 or 428 of CA 2006 and the (SI 374) Regulations made under it.
16. These opinions are not independent of each other as the SI 374 Regulations require that the summary financial statement must contain any other information necessary to ensure that the statement is consistent with the full accounts and reports for the financial year in question. The requirement for consistency is considered in the following paragraphs.

Consistency

17. The auditor states whether in its opinion the summary financial statement is consistent with the company's annual accounts [, the directors' report] [and the Directors' Remuneration Report]⁴. The auditor is not required to form an opinion on whether the summary financial statement gives a true and fair view. It is in any event most unlikely that the summary financial statement could give a true and fair view in any practical situation, as much of the detailed information from which it has been extracted is not presented. There is no basis, therefore, for shareholders and other users to have the same expectations of summary financial statements as they do of the annual accounts and reports.
18. Matters which may give rise to an inconsistency include:
 - (a) information which has been inaccurately extracted from the annual accounts and reports (for example, incorrect extraction of amounts appearing in the summary balance sheet or summary profit and loss account/summary income statement);
 - (b) the use of headings in the summary profit and loss account/summary income statement or summary balance sheet that are incompatible with the headings in the annual accounts from which they are derived (for example, the description of fixed assets as 'current assets');
 - (c) information which, in the auditor's opinion has been summarised in a manner which is not consistent with the annual accounts and reports (for example, unduly selective summarisation of the directors' remuneration disclosures); and
 - (d) omission from the summary financial statement of information which although not specifically prescribed by the SI 374 Regulations, in the auditor's opinion, is necessary to ensure consistency with the annual accounts and reports (for example, omission of information relating to a non-adjusting subsequent event which the

auditor considers fundamental to a shareholder's understanding of the company's results or financial position or information about going concern)⁷.

19. When the auditor identifies what it believes may be an inconsistency it discusses the matter with those charged with governance, so that they may eliminate the inconsistency, for example by including additional information in the summary financial statement.
20. If discussion with those charged with governance does not result in the elimination of the inconsistency, the auditor modifies its statement under section 427(4)(d) or 428(4)(d) of CA 2006 to include a description of the inconsistency.
21. An inconsistency between the summary financial statement and the annual accounts and reports means that the summary financial statement is not properly derived from them and does not comply with the SI 374 Regulations. Such an inconsistency, therefore, leads to a qualification of the auditor's statement both on the grounds of non-compliance with section 427 or 428 of CA 2006 and the SI 374 Regulations as well as on the grounds of the inconsistency.

Other requirements of sections 427 and 428 of CA 2006

22. The auditor satisfies itself that the information prescribed by sections 427 or 428 of CA 2006 and by the SI 374 Regulations (such as the statements referred to in paragraph 7 above) is included in the summary financial statement.

AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS [DIRECTORS' REMUNERATION REPORT] AND DIRECTORS' REPORT

23. Sections 427(4)(e) and 428(4)(e) of CA 2006 require the summary financial statement to state whether the auditor's report on the annual accounts (required under section 495 of CA 2006) [and the auditable part of the directors' remuneration report (required under section 497 of CA 2006)]⁴ was unqualified or qualified and if it was qualified set out the report in full together with any further material needed to understand the qualification.
24. Sections 427(4)(f) and 428(4)(g) of CA 2006 require the summary financial statement to state whether the auditor's statement under section 496 of CA 2006 (whether directors' report consistent with accounts) was qualified or unqualified and if it was qualified set out the qualified statement in full together with any further material needed to understand the qualification.

7 Regulation 9(8) of the SI 374 Regulations requires that "The summary financial statement must contain any other information necessary to ensure that the statement is consistent with the full accounts and reports for the financial year in question".

25. Sections 427(4)(g) and 428(4)(f) of CA 2006 require the summary financial statement to state whether the auditor's report contained a statement regarding:
- (a) accounting records or returns inadequate; or
 - (b) accounts [or directors' remuneration report]⁴ not agreeing with records and returns; or
 - (c) failure to obtain necessary information and explanations,
- and if so, set out that statement in full.
26. When the auditor's report and statements described in paragraphs 23 to 25 are unqualified it is usual for the directors to include a statement to that effect immediately following the auditor's statement (see Appendices).

MODIFIED AUDITOR'S REPORT OR STATEMENT

Qualified report or statement

27. When the auditor's report and statements described in paragraphs 23 to 25 are qualified such auditor's report or statement is required to be reproduced in the summary financial statement. The auditor considers whether the qualified report or statement is accurately reproduced in the summary financial statement as required by sections 427(4) (e), (f) and (g) and 428 (4) (e), (f) and (g) of CA 2006.
28. The auditor also considers whether a reader of the summary financial statement will be able to understand the circumstances giving rise to the qualified auditor's report or statement. Usually the reproduction of the full text of the qualified report or statement in the summary financial statement achieves this objective. However, sections 427(4)(e) and 428(4)(e) of CA 2006 require that any further material needed to understand the qualification should also be set out. Therefore, where the qualification includes a reference to a note to the annual accounts or directors' remuneration report but does not reproduce the relevant information contained in that note, that information is also reproduced.

Emphasis of matter or other matter

29. Sections 427 and 428 of CA 2006 and the SI 374 Regulations do not deal with auditor's reports that contain an emphasis of matter or "other matter" paragraph. If the auditor's report on the annual accounts includes such a paragraph, the auditor refers to the matter in its statement on the summary financial statement. The auditor's reference to the matter is sufficiently detailed to enable the reader to obtain a proper understanding of the issues involved, normally this will require inclusion in the summary financial statement of the relevant note to the annual accounts.
30. Where the emphasis of matter or other matter paragraph in the auditor's report on the annual accounts and reports includes a reference to a note to the annual accounts, but

the summary financial statement does not reproduce the relevant information contained in that note, that information is also reproduced in the auditor's statement.

CONSIDERING THE POSSIBILITY OF MISSTATEMENTS IN SUMMARISED INFORMATION DERIVED FROM THE DIRECTORS' REPORT AND THE DIRECTORS' REMUNERATION REPORT INCLUDED IN THE SUMMARY FINANCIAL STATEMENT

31. A summary financial statement may include information derived from the directors' report which may be depicted and described as a summary directors' report or included as notes to the summary financial statement. In the case of a quoted company information from the directors' remuneration report may similarly be described as a summary directors' remuneration report or included as notes to the summary financial statement.
32. In addition to forming an opinion as to whether the summary financial statement is consistent with the directors' report [and the directors' remuneration report]⁴ the auditor reads the information included in the summary financial statement that is derived from the original reports. If, as a result, the auditor becomes aware of any apparent misstatements in the information included in the summary financial information it seeks to resolve them. In this connection the auditor will have already read the original reports, from which the summaries are derived, and considered whether they contain any misstatements.

OTHER INFORMATION INCLUDED IN THE SUMMARISED ANNUAL REPORT

33. The auditor's statement refers only to the summary financial statement and not to any other information included in the same document. Nevertheless, the auditor makes arrangements to see, prior to publication, the summarised annual report in which the summary financial statement is to be included. Other information may include the chairman's or chief executive's statement, or the corporate governance report.
34. The auditor reads the other information. If as a result it becomes aware of any apparent misstatement of fact therein, or identifies any material inconsistencies with the summary financial statement, it seeks to resolve them. In this connection the auditor will have already read the other information, from which the summary other information is derived, and considered whether it contains any misstatements or material inconsistencies with the financial statements.
35. If the auditor concludes that the summary financial statement requires amendment, and no such amendment is made, it considers the implications for its statement. If the other information requires amendment, and no such amendment is made, it considers appropriate action, which may include taking legal advice.

THE AUDITOR'S STATEMENT

36. The auditor's statement incorporates the following elements:

- (a) addressee – CA 2006 does not specify to whom the auditor’s statement is to be addressed; the auditor’s statement is normally addressed to the members or the shareholders;
 - (b) introductory paragraph – identifying the summary financial statement examined;
 - (c) respective responsibilities – the auditor distinguishes between its responsibilities and those of the directors. In particular the auditor indicates that its work was conducted in accordance with Bulletin 2008/3 “The auditor’s statement on the summary financial statement in the United Kingdom”;
 - (d) opinion – the auditor states whether in its opinion:
 - the summary financial statement is consistent with the annual accounts [, the Directors’ Report] [and the Directors’ Remuneration Report]⁴ for the year concerned; and
 - the summary financial statement complies with the applicable requirements of section [427]/[428] of the Companies Act 2006 and the (SI 374) regulations made under it.
 - (e) other information required – if the auditor’s report on the annual accounts [or directors’ remuneration report]⁴ is qualified, the auditor states that fact. If the auditor’s report on the annual accounts or directors’ remuneration report includes an emphasis of matter or other matter paragraph the auditor refers to the matter in its statement on the summary financial statement in accordance with the guidance in paragraphs 29 and 30.
37. The date of the auditor’s statement is the date on which the auditor signs its statement. The auditor is not in a position to do this until after the directors have approved the summarised annual report. It is desirable that the auditor completes and signs its statement on the date that the auditor signs its report on the annual accounts in order to avoid the impression that the statement on the summary financial statement in any way updates the auditor’s report on the annual accounts. When the auditor dates the statement on the summary financial statement after the date of its auditor’s report on the annual accounts, the statement states that the auditor has not considered the effects of any events between the two dates.
38. The provisions of sections 503 to 506 (signature of auditor’s report) and sections 507 to 509 (offences in connection with auditor’s report) of CA 2006 do not apply to the auditor’s statement on the summary financial statement. Consequently the auditor’s statement need not identify or be signed by the senior statutory auditor.
39. An illustrative example of an auditor’s statement on a summary financial statement of a quoted company is provided in Appendix 1. Illustrative examples of auditor’s statements on a summary financial statement of an unquoted company, in three different situations, are provided in Appendices 2 to 4.

**ILLUSTRATIVE AUDITOR'S STATEMENT ON A SUMMARY
FINANCIAL STATEMENT OF A QUOTED COMPANY WHICH
INCLUDES A SUMMARY DIRECTORS' REPORT, SUMMARY
DIRECTORS' REMUNERATION REPORT, AND OTHER
SURROUND INFORMATION**

**INDEPENDENT AUDITOR'S STATEMENT TO THE [MEMBERS]
[SHAREHOLDERS] OF XYZ PLC**

We have examined the summary financial statement [for the year ended ...] [set out on pages....].

Respective responsibilities of the directors and the auditor

The directors are responsible for preparing the [*summarised annual report*] in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the [*summarised annual report*] with the full annual financial statements, the Directors' Remuneration Report and the Directors' Report, and its compliance with the relevant requirements of section 428 of the Companies Act 2006 and the regulations made thereunder.

We also read the other information contained in the [*summarised annual report*] and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement. The other information comprises only [the Chairman's Statement and the Corporate Governance Statement].

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our opinion[s] on those financial statements, the Directors' Remuneration Report, and the Directors' Report.

Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements, the Directors' Report and the Directors' Remuneration Report of XYZ plc for the year ended ... and complies with the applicable requirements of section 428 of the Companies Act 2006, and the regulations made thereunder.

[We have not considered the effects of any events between the date on which we signed our report on the full annual financial statements (insert date) and the date of this statement.]⁸

Statutory auditor

Address

Date

DIRECTORS' STATEMENT

The auditor has issued unqualified reports on the full annual financial statements, the auditable part of the directors' remuneration report and on the consistency of the directors' report with those annual financial statements. Their report on the full annual financial statements and the auditable part of the directors' remuneration report contained no statement under sections 498(2) or 498(3) of the Companies Act 2006.⁹

8 Include this sentence where the date of this statement is after the date of the auditor's report on the full annual financial statements.

9 This statement is a requirement of sections 428(4)(e), 428(4)(f) and 428(4)(g) of CA 2006.

ILLUSTRATIVE AUDITOR'S STATEMENT ON A SUMMARY FINANCIAL STATEMENT OF AN UNQUOTED COMPANY WHICH DOES NOT INCLUDE EITHER A SUMMARY DIRECTORS' REPORT OR ANY OTHER SURROUND INFORMATION

INDEPENDENT AUDITOR'S STATEMENT TO THE [MEMBERS] [SHAREHOLDERS] OF XYZ LIMITED

We have examined the summary financial statement for the year ended

Respective responsibilities of the directors and the auditor

The directors are responsible for preparing the summary financial statement in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the summary financial statement with the full annual financial statements, and its compliance with the relevant requirements of section 427 of the Companies Act 2006 and the regulations made thereunder.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our opinion on those financial statements.

Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements of XYZ Limited for the year ended ... and complies with the applicable requirements of section 427 of the Companies Act 2006, and the regulations made thereunder.

[We have not considered the effects of any events between the date on which we signed our report on the full annual financial statements (insert date) and the date of this statement.]¹⁰

Statutory auditor

Address

Date

¹⁰ Include this sentence where the date of this statement is after the date of the auditor's report on the full annual financial statements.

DIRECTORS' STATEMENT

The auditor has issued unqualified reports on the full annual financial statements and on the consistency of the directors' report with those financial statements. Their report on the full annual financial statements contained no statement under sections 498(2)(a), 498(2)(b) or 498(3) of the Companies Act 2006¹¹.

11 This statement is a requirement of sections 427(4)(e), 427(4)(f) and 427(4)(g) of CA 2006.

ILLUSTRATIVE AUDITOR'S STATEMENT ON A SUMMARY FINANCIAL STATEMENT OF AN UNQUOTED COMPANY WHICH INCLUDES A SUMMARY DIRECTORS' REPORT BUT NO OTHER SURROUND INFORMATION

INDEPENDENT AUDITOR'S STATEMENT TO THE [MEMBERS] [SHAREHOLDERS] OF XYZ LIMITED

We have examined the summary financial statement for the year ended

Respective responsibilities of the directors and the auditor

The directors are responsible for preparing the summarised financial statement in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the summary financial statement with the full annual financial statements and the Directors' Report, and its compliance with the relevant requirements of section 427 of the Companies Act 2006 and the regulations made thereunder.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our opinion[s] on those financial statements and on the Directors' Report.

Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements and the Directors' Report of XYZ Limited for the year ended ... and complies with the applicable requirements of section 427 of the Companies Act 2006, and the regulations made thereunder.

[We have not considered the effects of any events between the date on which we signed our report on the full annual financial statements (insert date) and the date of this statement.]¹²

Statutory auditor

Address

Date

12 Include this sentence where the date of this statement is after the date of the auditor's report on the full annual financial statements.

DIRECTORS' STATEMENT

The auditor has issued unqualified reports on the full annual financial statements and on the consistency of the directors' report with those financial statements. Their report on the full annual financial statements contained no statement under sections 498(2)(a), 498(2)(b) or 498(3) of the Companies Act 2006¹³.

13 This statement is a requirement of sections 427(4)(e), 427(4)(f) and 427(4)(g) of CA 2006.

ILLUSTRATIVE AUDITOR'S STATEMENT ON A SUMMARY FINANCIAL STATEMENT OF AN UNQUOTED COMPANY WHICH INCLUDES BOTH A SUMMARY DIRECTORS' REPORT AND OTHER SURROUND INFORMATION

INDEPENDENT AUDITOR'S STATEMENT TO THE [MEMBERS] [SHAREHOLDERS] OF XYZ LIMITED

We have examined the summary financial statement [for the year ended ...] [set out on pages....].

Respective responsibilities of the directors and the auditor

The directors are responsible for preparing the [*summarised annual report*] in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the [*summarised annual report*] with the full annual financial statements and the Directors' Report, and its compliance with the relevant requirements of section 427 of the Companies Act 2006 and the regulations made thereunder.

We also read the other information contained in the [*summarised annual report*] and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement. The other information comprises only [the Chairman's Statement and the Corporate Governance Statement].

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our opinion[s] on those financial statements and on the Directors' Report.

Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements and the Directors' Report of XYZ Limited for the year ended ... and complies with the applicable requirements of section 427 of the Companies Act 2006, and the regulations made thereunder.

[We have not considered the effects of any events between the date on which we signed our report on the full annual financial statements (insert date) and the date of this statement.]¹⁴

14 Include this sentence where the date of this statement is after the date of the auditor's report on the full annual financial statements.

Statutory auditor

Address

Date

DIRECTORS' STATEMENT

The auditor has issued unqualified reports on the full annual financial statements and on the consistency of the directors' report with those financial statements. Their report on the full annual financial statements contained no statement under sections 498(2)(a), 498(2)(b) or 498(3) of the Companies Act 2006¹⁵.

15 This statement is a requirement of sections 427(4)(e), 427(4)(f) and 427(4)(g) of CA 2006.

NOTICE TO READERS

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