

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

### Example wording of a description of the directors' responsibilities for inclusion in a company's financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently
- b) make judgments and accounting estimates that are reasonable and prudent
- c) [state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements] <sup>1</sup>
- d) prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business <sup>2</sup>

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

[The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.] <sup>3</sup>

The directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the company's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Notes

- (1) Large companies only.
- (2) Included where no separate statement on going concern is made by the directors.
- (3) Where the financial statements are published on the internet.