



Small company accounts – filing at Companies House

What has changed?

Recent changes to UK company law removed the option for small companies to file an abbreviated version of the full accounts with Companies House. This affects periods beginning on or after 1 January 2016. Small companies are, however, still able to take advantage of certain reduced disclosure filing options.

The new regime introduces what is being referred to as a 'file what you prepare' model. The basic principle is that the accounts filed at Companies House are the same as those prepared for the members.

Is my company small?

Your company will be 'small' if it has any two of the following:

- Annual turnover of £10.2 million or less
- Gross assets of £5.1 million or less
- 50 employees or less

What options are available?

1. File full accounts (FRS 102)

This option would involve filing full accounts with the statutory profit and loss account and balance sheet and profit and loss account notes but not the detailed profit and loss account which is provided to you by Chavereys.

2. File 'filleted' accounts (FRS 102 IA)

Small companies may elect to remove the profit and loss account and/or the directors' report from the accounts filed at Companies House. If a small company chooses this option, the balance sheet must disclose this fact. Certain profit and loss account notes may also be removed.

3. File 'abridged' accounts (FRS 102 IA)

The abridged accounts will include a profit and loss account but will contain reduced disclosure (combining certain items as 'gross profit or loss'). There are also reduced disclosure options for the balance sheet. A statement must be submitted to confirm that all members have consented to file abridged accounts.

4. File micro-entity accounts (FRS 105)

A micro-entity is a very small company; classed as such if it has any two of the following:

- Annual turnover of £632,000 or less
- Gross assets of £316,000 or less
- 10 employees or less

Micro-entity accounts are considerably shorter and simpler than those otherwise required for a small company. No detailed notes are required and the profit and loss account does not need to be filed at Companies House.

Micro-entities retain the option to file accounts in accordance with the small companies' regime (options 1 – 3).



CHAVEREYS

CHAVEREYS.CO.UK
-
ENQUIRIES@CHAVEREYS.CO.UK

What does this mean?

In our opinion, filing 'filleted' or micro-entity accounts provides the best option for reduced disclosure. Filleted accounts will be prepared in the normal way but the profit and loss account will be removed prior to submission to Companies House.

Micro-entity accounts will be simpler but only available to very small companies. Whether qualifying companies chose this option may depend on how banks and lenders view micro-entity accounts.

Other changes

As well as changes to filing options, the new company regulations have introduced new rules for revaluation of assets, deferred tax, biological assets and other disclosures. Client companies of Chavereys will be advised accordingly.

Next steps

Your usual contact at Chavereys will be in touch to discuss these filing options in the context of your business but should you have any questions in the meantime, please contact us.

Please contact your usual Chavereys contact if you have any specific questions on the above.

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, Chavereys, its partners, employees and agents, accepts no liability, and disclaims all responsibility, for the consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2017 Chavereys. All rights reserved.

Issued 03/04/2017

SOUTH

MALL HOUSE | THE MALL | FAVERSHAM | KENT | ME13 8JL
01795 594495

EAST

1 PENN FARM STUDIOS | HARSTON ROAD | HASLINGFIELD | CAMBRIDGE | CB23 1JZ
01223 874693