Companies Act 1985

1985 CHAPTER 6

PART VII

ACCOUNTS AND AUDIT

CHAPTER I

PROVISIONS APPLYING TO COMPANIES GENERALLY

Modified accounts

248 **Qualification of company as small or medium-sized**

(1) A company qualifies as small in a financial year if for that year two or more of the following conditions are satisfied—

    (a)   the amount of its turnover for the year is not more than £1.4 million;

    (b)   its balance sheet total is not more than £700.000;

    (c)   the average number of persons employed by the company in the year (determined on a weekly basis) does not exceed 50.

(2) A company qualifies as medium-sized in a financial year if for that year two or more of the following conditions are satisfied—

    (a)   the amount of its turnover for the year is not more than £5.75 million;

    (b)   its balance sheet total is not more than £2.8 million;

    (c)   the average number of persons employed by the company in the year (determined on a weekly basis) does not exceed 250.

(3) In subsections (1) and (2), "balance sheet total" means, in relation to a company's financial year—

    (a)   where in the company's accounts Format I of the balance sheet formats set out in Part I of Schedule 4 is adopted, the aggregate of the amounts shown

2

Companies Act 1985 (c. 6)
PART VII – Accounts and Audit
CHAPTER I – Provisions Applying to Companies Generally
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in the balance sheet under the headings corresponding to items A to D in that Format, and

(b)　where Format 2 is adopted, the aggregate of the amounts shown under the general heading " Assets ".

(4) The average number of persons employed as mentioned in subsections (1)(c) and (2) (c) is determined by applying the method of calculation prescribed by paragraph 56(2) and (3) of Schedule 4 for determining the number required by sub-paragraph (1)(a) of that paragraph to be stated in a note to the company's accounts.

(5) In applying subsections (1) and (2) to a period which is a company's financial year but not in fact a year, the maximum figures for turnover in paragraph (a) of each subsection are to be proportionately adjusted.