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STATUTORY INSTRUMENTS

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**2013 No. 3008**

**The Small Companies (Micro-Entities' Accounts) Regulations 2013**

**PART 4**

**AMENDMENT OF THE 2008 REGULATIONS**

**Amendment of Part 2 (form and content of individual accounts)**

- 9.**—(1) Part 2 of the 2008 Regulations<sup>(1)</sup> is amended as follows.
- (2) In regulation 3 (Companies Act individual accounts)—
- (a) at the beginning of paragraph (1) insert “Subject to the following provisions of this regulation and regulation 5A,”; and
- (b) after paragraph (1) insert—
- “(1A) Sections C (alternative accounting rules) and D (fair value accounting) in Part 2 of Schedule 1 to these Regulations do not apply to a company which qualifies as a micro-entity in relation to a financial year (see sections 384A and 384B of the 2006 Act) and whose accounts for that year are prepared in accordance with the exemption permitted by—
- (a) regulation 5A, or
- (b) paragraph 1(1A) of Section A in Part 1 of Schedule 1 to these Regulations.”
- (3) In regulation 4 (information about related undertakings), at the beginning of paragraph (1) insert “Subject to regulation 5A,”.
- (4) In regulation 5 (information about directors' benefits: remuneration), at the beginning insert “Subject to regulation 5A,”.
- (5) After regulation 5 insert—

**“Companies Act individual accounts: micro-entities – notes to the accounts**

**5A.** Nothing in Schedule 1, 2 or 3 to these Regulations requires the Companies Act individual accounts of a company for a financial year in which the company qualifies as a micro-entity (see sections 384A and 384B of the 2006 Act) to contain any information by way of notes to the accounts, except that the company is required to disclose by way of notes to the accounts the information required by paragraph 57 in Part 3 of Schedule 1.”

- (6) In regulation 6 (accounts for delivery to the registrar of companies), in paragraph (1), for “The directors” substitute “Except where section 444(3B) of the 2006 Act applies, the directors”.

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(1) [S.I. 2008/409](#), to which there are amendments not relevant to these Regulations.

**Amendment of Part 1 of Schedule 1 (Companies Act individual accounts: general rules and formats)**

10.—(1) Part 1 of Schedule 1 to the 2008 Regulations is amended as follows.

(2) In Section A (general rules)—

(a) after paragraph 1(1) insert—

“(1A) But, subject to the following provisions of this Schedule, in relation to a company which qualifies as a micro-entity in relation to a financial year (see sections 384A and 384B of the 2006 Act)—

(a) the only items which must be shown on the company’s balance sheet for that year are those listed in either of the balance sheet formats in Section C of this Part, and

(b) the only items which must be shown on the company’s profit and loss account for that year are those listed in the profit and loss account format in Section C.”;

(b) in paragraph 1(2), after “Section B” insert “and Section C”;

(c) in paragraph 2(1), for “paragraph 1” substitute “paragraph 1(1)”;

(d) after paragraph 2 insert—

“2A. Where in accordance with paragraph 1(1A) a company’s balance sheet or profit and loss account for any financial year has been prepared by reference to one of the formats in Section C, the company’s directors must use the same format in preparing Companies Act individual accounts for subsequent financial years, unless in their opinion there are special reasons for a change.”; and

(e) in paragraph 6 (profit or loss on ordinary activities), after “account” insert “other than one prepared by reference to the format in Section C”.

(3) In section B (the required formats for accounts), for the heading substitute “**The required formats for the accounts of companies other than micro-entities**”.

(4) After Section B insert—

**“SECTION C****THE REQUIRED FORMATS FOR THE ACCOUNTS OF MICRO-ENTITIES****Balance Sheet Formats**Format 1

A Called up share capital not paid

B Fixed assets

C Current assets

D Prepayments and accrued income

E Creditors: amounts falling due within one year

F Net current assets (liabilities)

G Total assets less current liabilities

H Creditors: amounts falling due after more than one year

I Provisions for liabilities

J Accruals and deferred income

K Capital and reserves

Format 2

ASSETS

- A Called up share capital not paid
- B Fixed assets
- C Current Assets
- D Prepayments and accrued income

**LIABILITIES**

- A Capital and reserves
- B Provisions for liabilities
- C Creditors (1)
- D Accruals and deferred income

**Notes on the balance sheet formats**

*(1) Creditors*

(Format 2, item C under Liabilities)

Aggregate amounts falling due within one year and after one year must be shown separately.

**Profit and loss account format**

- A Turnover
- B Other income
- C Cost of raw materials and consumables
- D Staff costs
- E Depreciation and other amounts written off assets
- F Other charges
- G Tax
- H Profit or loss”.

**Amendment of Part 2 of Schedule 1 (accounting principles and rules)**

**11.** In Section B of Part 2 of Schedule 1 to the 2008 Regulations (historical cost accounting rules)

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- (a) in paragraph 19 (provisions for diminution in the value of assets), in sub-paragraph (1), after “set out in” insert “Section B of”;
- (b) in paragraph 21 (development costs), for sub-paragraph (1) substitute—
  - “(1) Development costs may only in special circumstances be included in “other intangible assets” under “fixed assets” in the balance sheet formats set out in Section B of Part 1 of this Schedule.”;
- (c) in paragraph 26 (assets included at a fixed amount), for sub-paragraph (1) substitute—
  - “(1) Subject to sub-paragraph (2), the following may be included at a fixed quantity and value in the balance sheet formats set out in Section B of Part 1 of this Schedule—
    - (a) assets which fall to be included amongst the fixed assets of a company under the item “intangible assets”, and
    - (b) raw materials and consumables within the item “stocks”.”; and
- (d) in paragraph 28 (purchase price or production cost of stocks and fungible assets), in sub-paragraph (1)(a), after “assets which” insert “, by virtue of regulation 3(1) and Section B of Part 1 of this Schedule,”.

**Amendment of Schedule 6 (group accounts)**

**12.** In Part 1 of Schedule 6 to the 2008 Regulations—

(a) in paragraph 1 (general rules)—

(i) in sub-paragraph (2), after “set out in” insert “Section B of Part 1 of”; and

(ii) in sub-paragraph (3), after “profit and loss account formats” insert “in Section B of Part 1 of that Schedule”; and

(b) in paragraph 17 (minority interests), in sub-paragraph (1), after “set out in” insert “Section B of Part 1 of”.

**Amendment of Schedule 8 (general interpretation)**

**13.**—(1) Schedule 8 to the 2008 Regulations is amended as follows.

(2) In paragraph 8 (participating interests), in sub-paragraph (5), after “set out in” insert “Section B of”.

(3) In paragraph 11 (staff costs), in sub-paragraph (3), for “the company’s profit and loss account” substitute “the profit and loss account Formats 2 and 4 in Section B of Part 1 of Schedule 1”.