



Companies Act 2006

2006 CHAPTER 46

PART 15

ACCOUNTS AND REPORTS

CHAPTER 12

SUPPLEMENTARY PROVISIONS

Companies qualifying as medium-sized

465 Companies qualifying as medium-sized: general

- (1) A company qualifies as medium-sized in relation to its first financial year if the qualifying conditions are met in that year.
- (2) A company qualifies as medium-sized in relation to a subsequent financial year—
 - (a) if the qualifying conditions are met in that year and the preceding financial year;
 - (b) if the qualifying conditions are met in that year and the company qualified as medium-sized in relation to the preceding financial year;
 - (c) if the qualifying conditions were met in the preceding financial year and the company qualified as medium-sized in relation to that year.
- (3) The qualifying conditions are met by a company in a year in which it satisfies two or more of the following requirements—

1. Turnover	[^{F1} Not more than £36 million]
2. Balance sheet total	[^{F2} Not more than £18 million]
3. Number of employees	Not more than 250

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Companies Act 2006. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (4) For a period that is a company's financial year but not in fact a year the maximum figures for turnover must be proportionately adjusted.
- (5) The balance sheet total means the aggregate of the amounts shown as assets in the company's balance sheet.
- (6) The number of employees means the average number of persons employed by the company in the year, determined as follows—
- (a) find for each month in the financial year the number of persons employed under contracts of service by the company in that month (whether throughout the month or not),
 - (b) add together the monthly totals, and
 - (c) divide by the number of months in the financial year.
- (7) This section is subject to section 466 (companies qualifying as medium-sized: parent companies).

Textual Amendments

- F1** Words in s. 465(3) substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Companies, Partnerships and Groups \(Accounts and Reports\) Regulations 2015 \(S.I. 2015/980\)](#), regs. 2(1), **9(2)(a)** (with reg. 3)
- F2** Words in s. 465(3) substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Companies, Partnerships and Groups \(Accounts and Reports\) Regulations 2015 \(S.I. 2015/980\)](#), regs. 2(1), **9(2)(b)** (with reg. 3)

Modifications etc. (not altering text)

- C1** Ss. 465-467 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 26** (as amended: (with effect in accordance with reg. 1(2) of the amending S.I.) by S.I. 2013/2005, regs. 1(1), **3(3)** (with reg. 1(5)(6)); (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by S.I. 2016/575, regs. 2(1), **17**; (E.W.S.) (1.10.2018) by S.I. 2018/1030, regs. 1(2), **31(3)**; (31.12.2020) by S.I. 2019/685, reg. 1(2), **Sch. 1 para. 58(5)** (with reg. 1(3)-(8), Sch. 1 para. 65) (as amended by S.I. 2020/335, regs. 1, 3, 4; S.I. 2020/523, regs. 1(2), 22, 25(c); 2020 c. 1, Sch. 5 para. 1(1)); (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by S.I. 2019/145, regs. 1(2)(b), **2, Sch. 3 para. 19** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11; 2020 c. 1, Sch. 5 para. 1(1)); (N.I.) (6.4.2022) by S.R. 2022/121, regs. 1, **31(3)**; (N.I.) (3.10.2022) by S.R. 2022/234, regs. 1, **31(3)**; (N.I.) (1.4.2023) by S.R. 2023/59, regs. 1, **31(3)**; and (N.I.) (29.9.2023) by S.R. 2023/148, regs. 1, **31(3)(a)(b)**)
- C2** Ss. 418-469 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 10** (with reg. 7, Sch. 2) (and the said Sch. 1 para. 10 is amended (with application in accordance with reg. 1(3) of the amending S.I.) by [The Unregistered Companies \(Amendment\) Regulations 2013 \(S.I. 2013/1972\)](#), regs. 1(2), **2(2)(a)**)

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act amendment to earlier affecting provision S.I. 1989/638, Sch. 4 by [S.I. 2024/410 Sch. 2 para. 1](#)
- Act amendment to earlier affecting provision S.I. 2008/373 reg. 11(1) by [S.I. 2013/1971 reg. 9\(a\)](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)
- Act amendment to earlier affecting provision S.I. 2008/373 reg. 3(4) by [S.I. 2013/1971 reg. 4](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 479A(2)(c)(zi) inserted by [S.I. 2019/177 reg. 4\(b\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 4 substituted by regs. 4, 4A immediately before IP completion day by S.I. 2019/1392, regs. 1(2), 4)
- s. 479B(a)(iii) amendment to earlier affecting provision S.I.2008/1991 reg.34 by [S.R. 2024/78 reg. 31\(4\)](#)
- s. 479B(a)(iii) amendment to earlier affecting provision S.I.2008/1991 reg.34A by [S.R. 2024/78 reg. 31\(5\)](#)
- s. 1087A-1807C applied by S.I. 2009/2436, Sch. 1 para. 20(1)(ca) (as substituted) by [S.I. 2024/410 Sch. 2 para. 5\(d\)\(ii\)](#)
- Sch. 10 para. 6(2D) inserted by [S.I. 2019/177 reg. 28\(e\)](#) (This amendment not applied to legislation.gov.uk. Reg. 28(e) omitted immediately before IP completion day by virtue of S.I. 2020/523, regs. 1(2), 14(e)(iv))
- Sch. 10 para. 7(2A) inserted by [S.I. 2019/177 reg. 29\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 29 substituted immediately before IP completion day by S.I. 2020/523, regs. 1(2), 14(f))