



Companies Act 2006

2006 CHAPTER 46

PART 15

ACCOUNTS AND REPORTS

CHAPTER 12

SUPPLEMENTARY PROVISIONS

Companies qualifying as medium-sized

466 Companies qualifying as medium-sized: parent companies

- (1) A parent company qualifies as a medium-sized company in relation to a financial year only if the group headed by it qualifies as a medium-sized group.
- (2) A group qualifies as medium-sized in relation to the parent company's first financial year if the qualifying conditions are met in that year.
- (3) A group qualifies as medium-sized in relation to a subsequent financial year of the parent company—
 - (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 group 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 group qualified as medium-sized in relation to that year.
- (4) The qualifying conditions are met by a group in a year in which it satisfies two or more of the following requirements—

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1. Aggregate turnover	[^{F1} Not more than £36 million net (or £43.2 million gross)]
2. Aggregate balance sheet total	[^{F2} Not more than £18 million net (or £21.6 million gross)]
3. Aggregate number of employees	Not more than 250

(5) The aggregate figures are ascertained by aggregating the relevant figures determined in accordance with section 465 for each member of the group.

(6) In relation to the aggregate figures for turnover and balance sheet total—

“net” means after any set-offs and other adjustments made to eliminate group transactions—

(a) in the case of Companies Act accounts, in accordance with regulations under section 404,

(b) in the case of IAS accounts, in accordance with [^{F3}UK-adopted international accounting standards]; and

“gross” means without those set-offs and other adjustments.

A company may satisfy any relevant requirement on the basis of either the net or the gross figure.

(7) The figures for each subsidiary undertaking shall be those included in its individual accounts for the relevant financial year, that is—

(a) if its financial year ends with that of the parent company, that financial year, and

(b) if not, its financial year ending last before the end of the financial year of the parent company.

If those figures cannot be obtained without disproportionate expense or undue delay, the latest available figures shall be taken.

Textual Amendments

- F1** Words in s. 466(4) 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(3)(a)** (with reg. 3)
- F2** Words in s. 466(4) 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(3)(b)** (with reg. 3)
- F3** Words in s. 466(6) substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The International Accounting Standards and European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/685\)](#), reg. 1(2)(3), **Sch. 1 para. 19** (with reg. 1(4)-(8), Sch. 1 para. 64) (as amended by S.I. 2020/335, regs. 1, 3, 4 and S.I. 2020/523, regs. 1(2), 22, 25(b)); 2020 c. 1, Sch. 5 para. 1(1)

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

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- 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. 441–469 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) (as 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)**)

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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. 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. 156A-156C inserted by [2015 c. 26 s. 87\(4\)](#)
- 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)
- 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))