



Companies Act 1985

1985 CHAPTER 6

PART VII

ACCOUNTS AND AUDIT

CHAPTER II

EXEMPTIONS, EXCEPTIONS AND SPECIAL PROVISIONS

Small and medium-sized companies and groups

[^{F1}247 Qualification of company as small or medium-sized.

- (1) A company qualifies as small or medium-sized in relation to a financial year if the qualifying conditions are met—
 - (a) in the case of the company's first financial year, in that year, and
 - (b) in the case of any subsequent financial year, in that year and the preceding year.
- (2) A company shall be treated as qualifying as small or medium-sized in relation to a financial year—
 - (a) if it so qualified in relation to the previous financial year under [^{F2}subsection (1) above or was treated as so qualifying under paragraph (b) below]; or
 - (b) if it was treated as so qualifying in relation to the previous year by virtue of paragraph (a) and the qualifying conditions are met in the year in question.
- (3) The qualifying conditions are met by a company in a year in which it satisfies two or more of the following requirements—

Small company

Status: Point in time view as at 01/03/1997. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, Section 247. (See end of Document for details)

1. Turnover	[^{F3} Not more than £2.8million]
2. Balance sheet total	[^{F3} Not more than £1.4 million]
3. Number of employees	Not more than 50
<i>Medium-sized company</i>	
1. Turnover	[^{F3} Not more than £11.2 million]
2. Balance sheet total	[^{F3} Not more than £5.6 million]
3. Number of employees	Not more than 250.

- (4) For a period which is a company's financial year but not in fact a year the maximum figures for turnover shall be proportionately adjusted.
- (5) The balance sheet total means—
- (a) where in the company's accounts Format 1 of the balance sheet formats set out in Part I of Schedule 4 [^{F4}or Part I of Schedule 8] is adopted, the aggregate of the amounts shown 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".
- (6) The number of employees means the average number of persons employed by the company in the year (determined on a [^{F5}monthly] basis).

That number shall be determined by applying the method of calculation prescribed by paragraph 56(2) and (3) of Schedule 4 for determining the corresponding number required to be stated in a note to the company's accounts.]

Textual Amendments

- F1** New ss. 246, 247 inserted as the beginning of Chapter II (subject to the saving and transitional provisions in S.I. 1990/355, arts. 6–9, Sch. 2) by Companies Act 1989 (c. 40, SIF 27), ss. 1, 13(1), 213(2), as part of the text inserted in place of ss. 221–262 (as mentioned in s. 1(a) of the 1989 Act)
- F2** Words in s. 247(2)(a) substituted (16.11.1992) by S.I. 1992/2452, regs. 5(2), 7.
- F3** Words in s. 247(3) substituted (16.11.1992) by S.I. 1992/2452, regs. 5(3)(4), 7.
- F4** Words in s. 247(5) inserted (1.3.1997) by S.I. 1997/220, reg. 7(2)
- F5** Words in s. 247(6) substituted (2.2.1996) by S.I. 1996/189, reg. 8

Modifications etc. (not altering text)

- C1** S. 247(3) applied (21.4.1995) by S.I. 1995/116, reg. 17(2)
- C2** S. 247 modified (16.11.1992) by S.I. 1992/2452, reg. 7(2).
- C3** S. 247(4)(5)(6) applied by 1986 c. 45, Sch. A1 para. 3(3) (as inserted (1.1.2003 subject to arts. 3-5 of the commencing S.I.) by 2000 c. 39, ss. 1, 16(1), Sch. 1 para. 4; S.I. 2002/2711, art. 2)

Status:

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Changes to legislation:

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