
STATUTORY INSTRUMENTS

2006 No. 2782

The Companies Act 1985 (Small Companies' Accounts and Audit) Regulations 2006

Disapplication of special accounting provisions for small companies

2.—(1) Section 247A of the 1985 Act (cases in which special accounting provisions for small and medium-sized companies do not apply)⁽¹⁾ is amended as follows.

(2) For subsection (1B) substitute—

“(1B) A company that qualifies as small in relation to the financial year to which the accounts relate is ineligible if—

- (a) it is a public company,
- (b) it is an authorised insurance company, a banking company, an e-money issuer, an ISD investment firm or a UCITS management company, or
- (c) it carries on an insurance market activity.

(1C) A company that qualifies as medium-sized in relation to the financial year to which the accounts relate is ineligible if—

- (a) it is a public company,
- (b) it has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on a regulated activity, or
- (c) it carries on an insurance market activity.”.

(3) In subsection (2)—

- (a) in paragraph (b), after “a person” insert “(other than a small company)”, and
- (b) for “or” at the end of that paragraph substitute—

“(ba) a small company that is an authorised insurance company, a banking company, an e-money issuer, an ISD investment firm or a UCITS management company, or”.

(4) After that subsection insert—

“(2A) A company is a small company for the purposes of subsection (2) if it qualified as small in relation to its last financial year ending on or before the end of the financial year to which the accounts relate.”.

⁽¹⁾ Section 247A was inserted by regulation 4 of [S.I. 1997/220](#), and amended by article 11 of [S.I. 2001/3649](#), by regulation 6 of [S.I. 2005/1011](#) and by regulation 13 of [S.I. 2005/2280](#).