



**AVEY OF LONDON**

Accounting | Financial Reporting

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# COMPANY SIZE THRESHOLDS

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AVEY OF LONDON  
[www.aveyoflondon.co.uk](http://www.aveyoflondon.co.uk)

This guidance is designed to alert to an important issue of general application. It is not intended to be a definitive statement covering all aspects of the related legislation. It is only a brief summary and no action should be taken without consulting the detailed legislation or seeking professional advice.

Should you require further information or would like to discuss any specific elements of the relevant legislation you can contact AVEY of London using details below and we will be happy to assist.

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No responsibility for any person acting or referring to act as a result of any material contained in this guidance can be accepted by AVEY of London.

## SMALL COMPANY LIMITS

[CA2006 s382/s383/s384]

A company qualifies as small if the qualifying conditions are met in the current and the preceding financial years.

A parent company qualifies as a small company if the group headed by it qualifies as a small group. A group qualifies as small if the qualifying conditions are met in the current and the preceding financial years.

### Qualifying conditions – must satisfy two of the following

<b>Company</b>	<b>Financial year ends on or after 1 October 2012</b>	<b>Accounting periods beginning on or after 1 January 2016</b>
Total assets	£3.26m	£5.1m
Annual turnover	£6.5m	£10.2m
Average number of employees in the year	< 50	< 50

<b>Group</b>	<b>Financial year ends on or after 1 October 2012</b>	<b>Accounting periods beginning on or after 1 January 2016</b>
Total assets	£3.26m net (£3.9m gross)	£5.1m net (£6.1m gross)
Annual turnover	£6.5m net (£7.8m gross)	£10.2m net (£12.2m gross)
Average number of employees in the year	< 50	< 50

- If turnover is not a year the maximum figures for the turnover must be prorated.
- Total assets means all assets shown on the balance sheet before liabilities are deducted.
- 'net' means after any set-offs and other adjustments made to eliminate group transactions, 'gross' means without those set-offs and other adjustments.
- The group means parent and subsidiaries (not associates or joint ventures) including any overseas companies.

## MEDIUM SIZED COMPANY LIMITS

[CA 2006 s465/s466/s467]

A company qualifies as medium sized if the qualifying conditions are met in the current and the preceding financial years.

A parent company qualifies as a medium sized company if the group headed by it qualifies as a medium sized group. A group qualifies as medium sized if the qualifying conditions are met in the current and the preceding financial years.

### Qualifying conditions – must satisfy two of the following

<b>Company</b>	<b>Financial year ends on or after 1 October 2012</b>	<b>Accounting periods beginning on or after 1 January 2016</b>
Total assets	£12.9m	£18m
Annual turnover	£25.9m	£36m
Average number of employees in the year	< 250	<250

<b>Group</b>	<b>Financial year ends on or after 1 October 2012</b>	<b>Accounting periods beginning on or after 1 January 2016</b>
Total assets	£12.9m net (£15.5m gross)	£18m net (£21.6m gross)
Annual turnover	£25.9m net (£31.1m gross)	£36m net (£43.2m gross)
Average number of employees in the year	< 250	<250

- If turnover is not a year the maximum figures for the turnover must be prorated.
- Total assets means all assets shown on the balance sheet before liabilities are deducted.
- 'net' means after any set-offs and other adjustments made to eliminate group transactions, 'gross' means without those set-offs and other adjustments.
- The group means parent and subsidiaries (not associates or joint ventures) including any overseas companies.