



# GUIDANCE NOTE 25

## Filing of Accounts

Updated March 2024

The Companies Act 2014 incorporates the Companies (Accounts) Act 1999 and the Companies (Consolidated Accounts) Act 1999.

### Part VII of the Act - Accounts and Audit

Part VII of the Act applies to all mainstream companies. A mainstream company is a public or private limited company other than those that are non-profit making or licensed banks and insurance companies. Part VII prescribes the accounting principles to be observed in preparing the annual accounts, the layout of the balance sheet and profit and loss account and the content of the notes to the accounts.

Annual accounts must be drawn up either in accordance with international accounting standards (IAS accounts) or in accordance with section 243 of the Act, when they must give a true and fair view of the company's assets, liabilities, financial position and profit or loss.

**Filing of accounts** — companies are classified as micro, small, medium-sized or large. Documents to be filed at the Companies Registry vary according to their classification. The definition of what constitutes a micro, small, medium-sized or large companies, is found in Schedule 9 of the Companies Act.

### Requirements for different kinds of companies

- **Large companies** — must file full accounts including a balance sheet, profit and loss account, notes, directors' report and auditors' report.
- **Medium-sized companies** — filing is as for large companies except that the profit and loss account may be in abridged format.
- **Micro and small companies** — are required to file an abridged balance sheet only.

**NB:** a public company is a large company for the purposes of the Act.

**Definitions** — companies are classified by size according to the following parameters:

	Net Turnover (pro-rated if more than or less than a year):	Balance sheet total (total assets):	Average number of persons employed in each year:
Micro-Entity	does not exceed £632,000	does not exceed £316,000	does not exceed 10
Small	does not exceed £10.2 million	does not exceed £5.1 million	does not exceed 50
Medium	does not exceed £36 million	does not exceed £18 million	does not exceed 250
Large	exceeds £36 million	exceeds £18 million	exceeds 250

A company must fall within two out of three parameters in the financial year in question and the preceding year in order to be classified as a company of a particular size. However, if a company exceeds or ceases to exceed the limits of more than one of the parameters it will continue to qualify for the relevant year unless this occurs in two consecutive years. For a newly incorporated company the conditions need only be met in its first financial year.

#### Filing due dates

A mainstream company's accounts must be filed with Companies House once for each financial year of a company. The period allowed under section 272 for delivering accounts and reports is as follows:-

- (a) for a private company, 12 months after the end of the relevant financial year;
- (b) for a public company, 10 months after the end of the relevant financial year.

If a company chooses, for example, the 31st of March 2014 as the beginning of its financial year, its financial year will end on the 30th March 2015 and it then has 12 months to file the accounts. It therefore has until the end of March 2016 to file accounts.

**Penalties** — If the filing requirements are not complied with before the end of the relevant period, the company and every officer of the company who is in default is guilty of an offence and liable to pay a fixed penalty as described in sub section (3) by the Minister or on summary conviction to a fine up to level 3 on the standard scale.

The Registrar may, within 6 months of the end of the relevant period ascertained in accordance with section 272, inform the Minister that a company or an officer of the company has failed to comply with a requirement to file accounts.

The minister may, on receipt of the information described in sub section (2), issue a notice, in such form as he may decide, requiring the company or an officer of the company to pay a penalty of such sum as he may prescribe.

**Directors' reports** — matters to be disclosed in the directors' report are laid down and include inter-alia, a review of the development of the company's business, important events which have occurred during the financial year and are likely to affect future developments.

**Audit requirement** — All limited companies must appoint auditors and have their accounts audited except small companies that qualify for the exemptions specified in the Companies Act.

**Other exemptions** — in certain circumstances a company may be exempted from preparing audited accounts, provided all the members agree. However, the parent undertaking must be subject to the laws of an EEA member state, it must guarantee the commitments of the company and it must include the latter in its consolidated accounts. The consolidated accounts must be filed.

**Currency** — The annual accounts of a company may be delivered to the Registrar in any one primary currency.

"Primary currency" means any one currency out of the Gibraltar Pound, the Great British Pound, US Dollar, the Euro, the Japanese Yen or the Swiss Franc.

In such cases, other than in the case of a small company, where accounts are not prepared in the currency of the share capital of the company, the amounts of share capital in their original currency and the exchange rate used to translate them must be given in the notes to the accounts.

## Consolidated Accounts

The Act requires that limited companies with subsidiary undertakings prepare consolidated accounts. These accounts must include a consolidated profit and loss account, a consolidated balance sheet and notes. They must give a true and fair view.

The Act provides the definition of parent and subsidiary undertakings and groups and prescribes the methods to be applied in accounting for the group, the format of the group accounts and the necessary disclosures. It also prescribes disclosures in respect of subsidiary and other undertakings for those companies that are not required to prepare group accounts.

**Definitions** - Groups are classified according to the following parameters:

	Total turnover	Aggregate balance sheet total	Total number of employees
Small Group	Not more than £10.2 million net (£12.2 million gross)	Not more than £5.1 million net (£6.1 million gross)	Not more than 50
Medium-sized Group	Not more than £36 million net (£43.2 million gross)	Not more than £18 million net (£21 million gross)	Not more than 250
Large Group	More than £36 million net (£43.2 million gross)	More than £18 million net (£21 million gross)	More than 250

In order to qualify as small or medium-sized the group must fall within two of the three parameters listed above in the financial year in question and in the preceding year. The rules for applying the criteria are similar to those for establishing the size classification of an individual company (see above). All other groups are treated as large.

**Exemptions** — Small and medium-sized groups need not prepare group accounts unless they include a listed company, a bank or an insurance company. If advantage is to be taken of this exemption by a medium-sized company then the auditors must confirm that they are so entitled.

**Other exemptions** — A company is not required to prepare group accounts if it is itself a subsidiary of a parent undertaking established under the law of an EEA member state provided certain conditions are met.

### **Partnerships and Unlimited Companies (Accounts) Regulations 2015**

These regulations complete the transposition in Gibraltar of the 4th and 7th Company Law Directives. They provide that partnerships and unlimited companies must file accounts at the Companies Registry (in accordance with the Companies Act 2014) if all their members have limited liability. In the case of limited partnerships, if the general partner's (or general partners') liability is limited (whether directly or indirectly) because it is a limited company then the partnership must also file accounts in accordance with the Companies Act 2014.

#### **Filing Fees**

Filing of accounts	£25.00
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#### **Supplementary Fees for late filing of Accounts [see section 426(4) of the Companies Act]**

If more than 13 months but not more than 24 months after the end of the financial period to which they relate; or	£200.00 (in total)
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If more than 24 months after the end of the financial period to which they relate	£325.00 (in total)
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#### **Payment Method**

Please refer to [Guidance Note 36](#) for payment methods accepted by Companies House Gibraltar.

#### **Guidance only**

These notes are intended for general guidance only. Companies House Gibraltar does not assume legal responsibility for the accuracy of any particular statement. In the case of a specific problem, we recommend that you seek professional advice.

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