HMRC - CTM93180 - CTSA: Accounts To Be Delivered

FA98/SCH18/PARA11 (formerly TMA70/S11 (6))

A company is usually required to deliver a copy of its accounts as part of its return.

When a company is:

resident in the UK throughout the return period,

and

required under the Companies Act 1985 (or the equivalent Northern Ireland legislation) to prepare accounts for a period that coincides with or overlaps a period for which it is required to deliver a company tax return,

the accounts it is required to deliver, as part of its return, are those accounts.

Any other documents, such as directors’ and auditors’ reports, that the Companies Act requires the company to prepare must accompany the accounts, - see CTM93200.

These are the full accounts that companies must send, on demand, to members under S239 Companies Act 1985. They are not the abbreviated accounts that some companies may send to the Registrar under S246 of that Act.

Note: The Companies Act requirement does not extend to the preparation of a detailed trading and profit and loss account. It follows from Paragraph 11 that the notice to deliver a return does not require the company to prepare or deliver a detailed trading and profit and loss account. Most companies, however, include such an account as part of their computations (CTM93210).

S226 and 227 Companies Act 1985 require group holding companies to prepare both individual company and consolidated accounts. A company that prepares group accounts need not disclose an individual profit and loss account, although there must always be an individual balance sheet. The accountancy profession’s own standards (FRS 1) also require the company to produce a consolidated cash flow statement. (The Revenue Compliance Accountants website has a brief description of all of the accountancy standards.)

Holding companies must deliver copies of both accounts as part of the company tax return. In practice they can be combined into one document and there is no objection to this practice. However, consolidated accounts that do not also give details of the holding company’s individual balance sheet and profit and loss account are not, by themselves, sufficient.

You should note that a company which is itself a parent but also a subsidiary either of;

another UK company,

or

a company incorporated under the laws of another European Union state,

need not prepare group accounts provided the ultimate parent’s consolidated accounts are publicly available in English.

Under FA98/SCH18/PARA3 (2) (formerly TMA70/S11 (8)) a notice may require different information, accounts, statements and reports in relation to different types of company.

FA98/SCH18/PARA11 does not cover companies not resident but carrying on a trade through a branch or agency in the UK (see CTM93250).

A company not incorporated under the UK Companies Act or its Northern Ireland equivalent, for example:

a building society,

or

an industrial and provident society,

must submit the accounts that it is required by law or by its constitution to prepare, covering the period to which the return relates. As in the case of companies covered by Paragraph 11, there is no requirement under the filing obligation for them to prepare more detailed accounts than they are otherwise required to prepare.

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