HMRC - OT02020 - Companies Act 2006

The Companies Act 2006 (CA2006) imposes a duty on UK incorporated companies to prepare financial statements for each financial year of the company which

Give a “true and fair view” of the company’s financial performance (profit and loss account) and state of affairs at the end of the financial year (balance sheet);

State whether the accounts have been prepared in accordance with applicable accounting standards and state particulars of any material departure from those standards and the reasons; and

Comply with the provisions of the Companies Act 2006 as to form and content. See Part 15 CA2006 and in particular Chapter 4.

However, some exceptions are available to small companies as defined by the Companies Act 2006 (and Companies Act 1985 where the implementation date has not passed). See in particular Section 380 CA2006.

In addition, UK listed companies must comply with Article 4 of the IAS regulation.

For the Corporation Tax Acts, UK generally accepted accounting practice is practice with respect to the accounts of UK companies that are intended to give a true and fair view (CTA10\S1127). This includes, but is not limited to, Statements of Standard Accounting Practice (SSAPs) and Financial Reporting Standards (FRS’s).

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