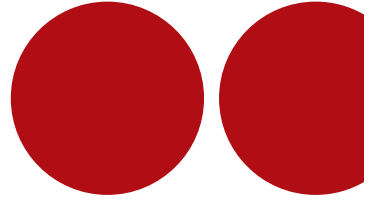
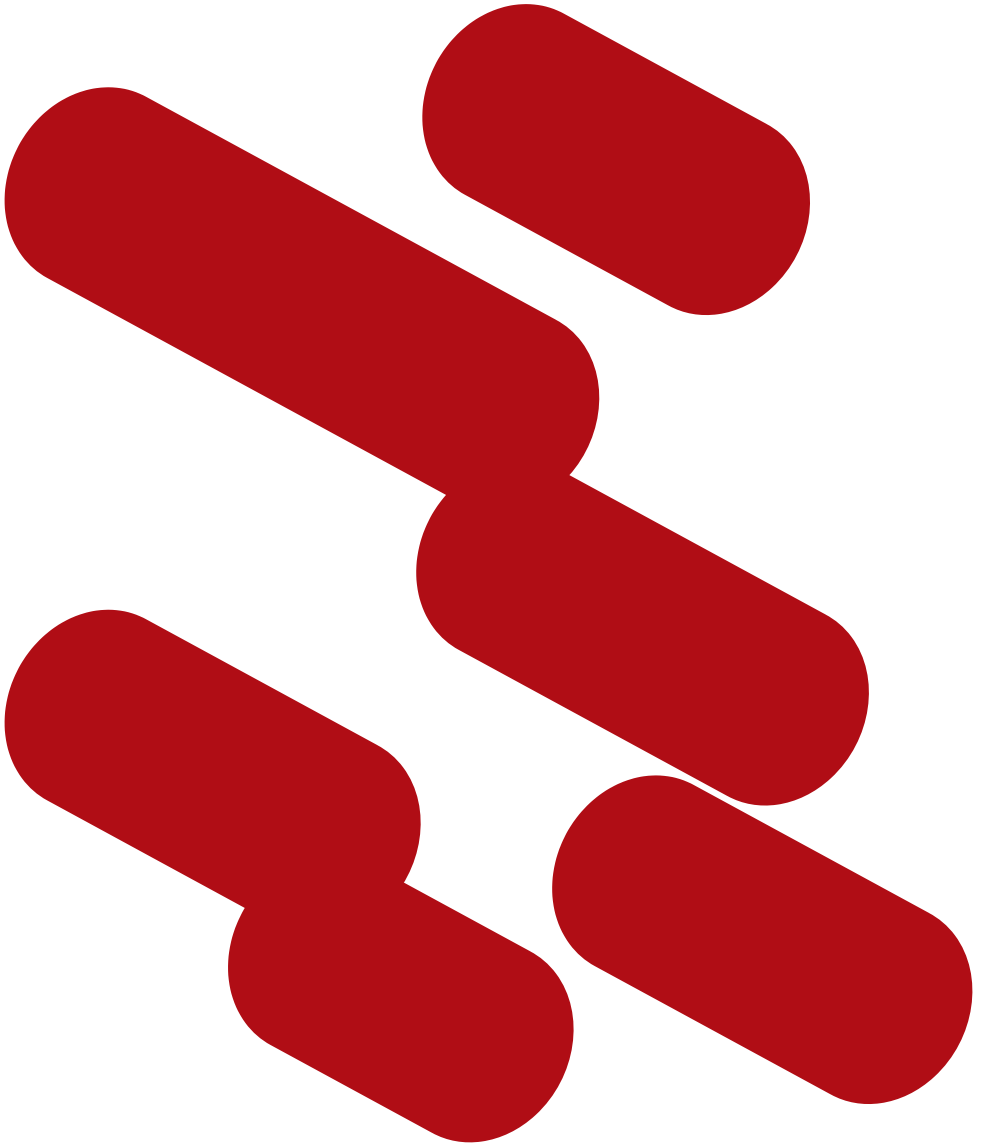


Technical update
Accounting Regulations
Amendments
February 2009



Oury Clark



Accounting regulations amendments

There have been a number of amendments to the accounting regulations as a result of the staggered implementation of the Companies Act 2006. We thought it would be useful to draw your attention to some of the changes we believe may be of relevance to you in running your business. Should you wish to discuss any of these issues in relation to your specific circumstances please contact either myself or the partner who manages your affairs.



Rachel Lockwood

Partner

01753 551111

rachel.lockwood@ouryclark.com

Filing deadline reduced

For accounting periods commencing on or after 6 April 2008 the deadline for filing accounts with the Registrar of Companies has been reduced from ten months after the year end for a private limited company (seven months for a public limited company) to nine months for a private limited company (six months for a public limited company). Similarly, the filing deadline for a Limited Liability Partnership has been reduced from ten months to nine months.

Increased penalties for late filing

For private limited company accounts filed late after 1 February 2009 the penalty imposed for late filing will be increased. The new penalty levels will be as follows:

- Not more than one month late £150
- More than one month but not more than three months late £375
- More than three months but not more than six months late £750
- More than six months £1,500

The levels are higher for public limited company accounts filed late. Additionally, if the accounts are late more than one year running then the applicable penalty for the length of time late (above) is doubled. This only commences when the previous years accounts which were late were for a period commencing on or after 6 April 2008.



Increase in audit exemption thresholds

For accounting periods commencing on or after 6 April 2008, the audit exemption criteria that need to be met are:

Turnover – below £6.5m

Gross assets – below £3.26m

Repeal of medium group consolidation exemption

For year ends commencing on or after 6 April 2008 there is no longer an exemption for medium sized groups from the preparation of consolidated accounts.

Statement that the accounts show a ‘True and fair view’

For both audited and non-audited financial statements Director’s will be required to sign a statement that they believe the accounts give a true and fair view of the financial position of the company.

Presentation of accounts to members

Historically companies have been required to give 21 days notice of their Annual General Meeting at which their accounts would be formally adopted. The requirement for an Annual General Meeting has now been repealed and instead the accounts have to be sent to members by the earlier of the date they are sent to the Registrar of Companies or the due date for filing.

Breaches of long term funding arrangements

In many cases a breach in the covenants set by the bank means that the bank could call the loan, and on this basis the disclosure requirement has been amended to show all funding in this situation as a current liability. The exceptions being if the loan agreement states that a covenant breach only becomes a breach when the bank receives the accounts or if the bank or other lender has provided evidence that they are waiving the breaches in question.

Disclosures

If a company enters into an agreement with the auditor to limit the auditor's liability then the level at which the auditor's liability is limited needs to be disclosed in the company accounts.

The limit over which political and charitable donations have to be disclosed has been increased to £2,000 for each category of donation.

Authorised share capital no longer requires disclosure in the accounts.



Contact



London Office

10 John Street

London WC1N 2EB

T +44(0)20 7067 4300

F +44(0)20 7067 4301

Thames Valley Office

PO BOX 150

Herschel House

Slough SL1 1HD

T +44(0)17 5355 1111

F +44(0)17 5355 0544

www.ouryclark.com