Small companies: filing abridged accounts prepared under FRS102 1A

OMB

01 January 2018

The CIOT has been in correspondence with HMRC regarding to what extent abridged accounts for small entities prepared under FRS102 1A are acceptable to HMRC, for instance when attaching the accounts to a form CT600 (Corporate Tax Return).

In particular, where all the shareholders have consented to abridgement of the balance sheet and profit and loss account under FRS102 1A, abridged accounts sent to Companies House remove, for example, the debtors and creditors note and breakdown on the accounts. Abridged accounts can then be 'filleted', so the company can also choose not to file a copy of the Profit and Loss Account or Directors' Report with Companies House either.

Following queries from members, we asked HMRC to what extent they will accept abridged / filleted accounts submitted with the CT600, and HMRC have agreed that we can share their response as follows:

> *'As a general rule, the accounts that we require as part of a company tax return are those that are prepared for the members of the company. So where a company meets the eligibility criteria of FRS102 section 1A and prepares abridged accounts for members (with their consent), then these will be acceptable to HMRC. However, abridged accounts which have been "filleted" won't be acceptable to HMRC, even if acceptable to Companies House.*
>
> *The company may of course choose to send HMRC a detailed profit and loss account, or other such information, prepared for internal management purposes, as this may aid our understanding and could avoid opening a compliance check and requesting additional information.'*

Links to further information and guidance regarding company accounts and changes to GAAP can be found on our website.