

COMPANIES ACT TOP 10 ACCOUNTING TIPS

1

There are additional statements required in the Directors' Report for certain companies:

- the Directors' Compliance Policy Statement;
- the Audit Committee Statement; and
- the Statement of Relevant Audit Information.

(effective where the accounting period commences on or after 1 June 2015)

2

The exemption thresholds for preparing consolidated financial statements have been increased

3

Audit exemptions have been extended to small groups, unlimited entities, dormant companies and companies limited by guarantee

5

There are additional disclosure requirements in abridged financial statements such as disclosure of details of staff and directors' remuneration

4

Companies limited by guarantee, public limited companies and unlimited companies can now meet the definition of a 'small' company and may therefore avail of the ability to prepare abridged financial statements as an annex to their annual returns

6

There is a general requirement to provide comparatives in respect of all items shown in the financial statements. Exemption from the requirement to provide comparatives for fixed assets, intangible assets, reserves and provisions no longer exists

7

Merger accounting, merger relief and group reconstruction relief have been introduced. However, financial accounting standard requirements dictate that merger accounting can only be applied in certain circumstances

8

There is a general requirement to disclose the terms of repayment and details of interest for all balances presented in creditors

9

The details required to be disclosed for directors' remuneration has been expanded *(effective where the financial year commences on or after 1 June 2015)*

10

Directors' loans to a company, where not explicitly in writing and established to be a loan, are deemed to not bear interest and be a gift. Therefore, accounting treatment will need to reflect this

Contact

If you require assistance or want to learn more about the Companies Act 2014, please refer to our other publications at www.granthornton.ie or contact our Companies Act 2014 team at companiesact2014@ie.gt.com.

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