



COMPANY SECRETARIAL AND CORPORATE GOVERNANCE

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# Expanded Thresholds for Company Size Audit and Abridgement Exemptions

by **Colm Hanley, Michelle Howe, Patricia Kelly, Denise Twomey**

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More Irish companies will benefit from abridged reporting and audit exemption under new company size thresholds.

The European Union (Adjustments of Size Criteria for Certain Companies and Groups) Regulations 2024 have increased the balance sheet and turnover thresholds for 'micro', 'small', 'medium' and 'large' companies in the Companies Act 2014 by 25%.

These adjustments will result in more companies being categorised as micro or small and will therefore benefit from the abridgement and audit exemption.

The new Regulations will come into force on 1 July 2024 and the new thresholds will apply for the financial years commencing 1 January 2024, with companies also having the option to apply them from 1 January 2023 in certain circumstances.

| Micro Company                     | Old Threshold | New Threshold |
|-----------------------------------|---------------|---------------|
| Turnover not exceeding            | €700,000      | €900,000      |
| Balance Sheet total not exceeding | €350,000      | €450,000      |

| Small Company (General) | Old Threshold | New Threshold |
|-------------------------|---------------|---------------|
|-------------------------|---------------|---------------|

|                                   |      |       |
|-----------------------------------|------|-------|
| Turnover not exceeding            | €12m | €15m  |
| Balance Sheet total not exceeding | €6m  | €7.5m |

| <b>Small Company (Group Situation)</b>      | <b>Old Threshold</b> | <b>New Threshold</b>     |
|---|----------------------|--------------------------|
| Aggregate Turnover not exceeding            | €12m                 | €15m net (or €18m gross) |
| Aggregate Balance Sheet total not exceeding | €6m                  | €7.5m net (or €9m gross) |

| <b>Medium Company (General)</b>   | <b>Old Threshold</b> | <b>New Threshold</b> |
|-----------------------------------|----------------------|----------------------|
| Turnover not exceeding            | €40m                 | €50m                 |
| Balance Sheet total not exceeding | €20m                 | €25m                 |

| <b>Medium Company (Group Situation)</b> | <b>Old Threshold</b> | <b>New Threshold</b>     |
|---|----------------------|--------------------------|
| Aggregate Turnover not exceeding        | €40m                 | €50m net (or €60m gross) |
| Balance Sheet total not exceeding       | €20m                 | €25m net (or €30m gross) |

It is hoped that these changes will decrease the cost of doing business by reducing the reporting and

regulatory requirements for certain categories of companies.

If you require assistance or advice in relation to any of the above matters, please contact our experienced Company Secretarial and Corporate Governance team.

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