

Annual Accounts Guidance

Registration Authority

September 2022

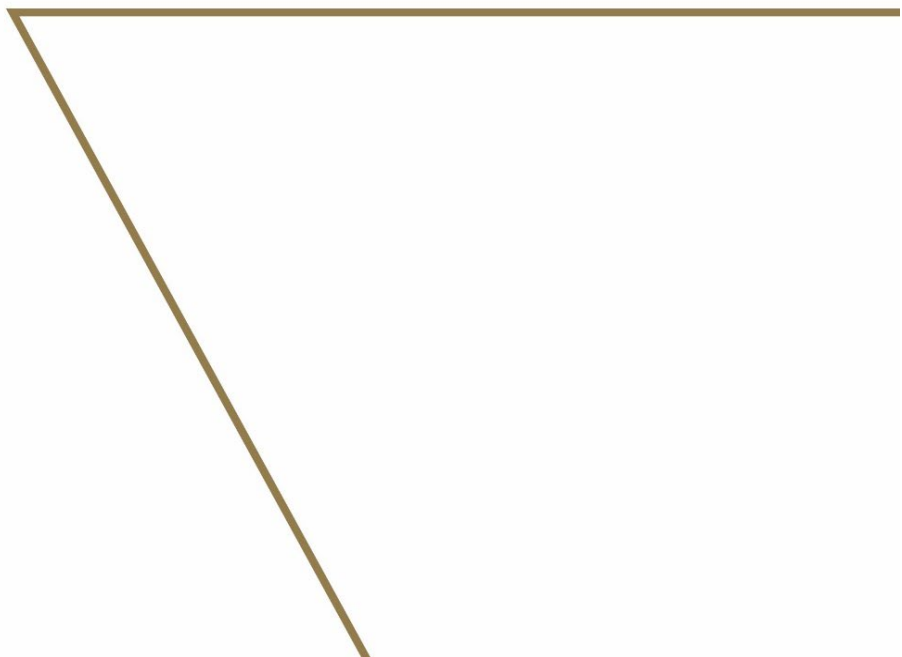


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Definitions

Unless otherwise defined or the context otherwise requires, the terms contained in this Guidance have the same meanings as defined in the ADGM Companies Regulations 2020.

Other ADGM Rulebooks referred to in this Guidance are the ADGM Companies Regulations (International Accounting Standards) Rules 2015.

Abbreviations

Abbreviation	Meaning
ADGM	Abu Dhabi Global Market
ARD	Accounting Reference Date
CR 2020	ADGM Companies Regulations 2020
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICC	Incorporated Cell Company
IFRS	International Financial Reporting Standard
FSRA	Financial Services Regulatory Authority
ORS	Online Registry Solution
PCC	Protected Cell Company
RA	Registration Authority
RSC	Restricted Scope Company
SPV	Special Purpose Vehicle

1. Introduction

Guidance overview and application

This Guidance provides information about the accounts obligations for ADGM limited companies. The Guidance covers a range of areas related to accounts, including accounting reference periods, accounting records, audit requirements, filing accounts with the Registrar, exemptions and extensions.

The Guidance applies to ADGM limited companies¹ including special purpose vehicles (“SPVs”).

The Guidance is issued under section 936(2) of the ADGM Companies Regulations 2020 (“CR 2020”).

Legal framework

The relevant ADGM legislation regarding accounts for limited companies is CR 2020.

The Guidance provides information on accounts and therefore should be read in conjunction with CR 2020.

ADGM’s Regulations and Rules are available on the ADGM website by following this [link](https://en.adgm.thomsonreuters.com/) (<https://en.adgm.thomsonreuters.com/>).

Important information

All companies, including dormant companies, must keep adequate accounting records at its registered office or another suitable location for a minimum of ten years from the date on which they are made.

All ADGM companies have a duty to prepare accounts. Exemptions are available to certain companies if the qualifying conditions are met. If you are unsure, you should seek professional advice.

The directors of a company must not approve accounts unless they are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and in the case of groups, the company’s group accounts, of the undertakings included in the consolidation as a whole.

Companies are subject to a statutory audit that must be carried out by an ADGM registered auditor, unless it qualifies for an audit exemption as per CR 2020.

The signed accounts must be filed with the ADGM Registration Authority every year (see Chapter 14 deadlines for filing accounts), unless exempt. Accounts filed late may be liable to a penalty.

¹ Private unlimited companies are not required to file annual accounts (subject to conditions). Please see Section 13 for more information.

Your company should take appropriate measures to ensure that accounts are filed on time through the Registration Authority's online registry solution: www.registration.adgm.com.

Please read CR 2020 to ensure that all requirements in relation to your company's annual accounts obligations are complied with.

Note: The Registration Authority cannot give technical or legal advice on your accounts or the accounts obligations in your circumstances. The Registration Authority can only give general guidance. Your company's accounts are subject to legal requirements, you may wish to consider consulting a professional if you need technical or legal advice.

2. Accounting and reporting standards

International accounting standards (IAS)

All ADGM company accounts, both individual and group accounts, must be prepared in accordance with international accounting standards (“IAS”).

The ADGM Companies Regulations (International Accounting Standards) Rules 2015 define IAS as current and future standards and interpretations as issued or adopted by the International Accounting Standards Board (“IASB”).

The IASB sets IFRS Accounting Standards. These standards set out how a company prepares its financial statements. Please visit www.ifrs.org to refer to the standards that apply to you as an ADGM company.

3. Accounting reference date

A company's financial year

A financial year is usually a 12-month period for which you prepare accounts. Every company must prepare accounts that report on the performance and activities of the company during the financial year. Your financial year starts on the day after the previous financial year ended or, in the case of a new company, on the day of incorporation.

Financial years are determined by reference to an accounting reference period that ends on a specified date known as the Accounting Reference Date ("ARD").

You may choose to make up your accounts to the accounting reference date or a date up to 7 days either side of it.

Your company's first accounting reference period (or financial year) is the period of more than 6 months, but not more than 18 months, beginning with the date of its incorporation and ending with its ARD.

A company's ARD

In ADGM, a company can choose its preferred ARD as part of the incorporation application. Subsequent ARDs will automatically fall on the same date each year.

Example 1.

Your company was incorporated on 6 May 2022, and as a part of the incorporation application you chose 31 December to be the company's ARD, then its first ARD would be 31 December 2022 and 31 December for every year thereafter.

Note: If a company's first financial year (accounting reference period) would be less than 6 months in duration, then the ARD will be the following year.

Example 2.

Your company was incorporated on 1 September 2021, and you chose 31 December as the company's ARD during incorporation, then the company's first ARD will be 31 December 2022 (i.e., because 1 September 2021 to 31 December 2021 would be a period of less than 6 months, which is not permitted).

How to change a company's ARD

You can change the current or the immediately previous ARD to extend or shorten the period. To do this you must file notice of a change of ARD with the Registrar digitally via the Registration Authority's online portal (www.registration.adgm.com).

You must file a notice of a change of ARD **before** the deadline to file the accounts for the accounting reference period that you wish to change. In other words, if the accounts for a particular accounting reference period are overdue, then it is too late to change the ARD.

Refer to Section 14 of this Guidance for information on accounts filing deadlines.

Restrictions on changing the ARD

You may change an ARD by shortening an accounting reference period as often as you like and by as many months as you like. However, there are restrictions on extending accounting reference periods.

The restrictions are summarised as follows:

- the accounting reference period cannot be more than 18 months, unless the company is in administration; and
- you may not extend a period more than once in 5 years unless:
 - the company is in administration; or
 - the Registrar has approved this.

Note: If you wish to extend your first accounting period to the maximum 18 months, you must count the date of incorporation as the first day of the period.

4. Accounting records

Basic obligations

Every company, whether or not it is trading, must keep adequate accounting records. Adequate accounting records is specified in CR 2020 to mean records that are sufficient to:

- show and explain the company's transactions;
- disclose with reasonable accuracy, at any time, the financial position of the company at that time; and
- enable the directors to ensure that any accounts required to be prepared comply with the requirements of CR 2020.

Accounting records must contain:

- entries showing all money received and expended by the company, including cheques, electronic funds transfers, invoices, contracts, and any other supporting documentation to show the basis of that transaction; and
- a record of the assets and liabilities of the company.

Also, if your company's business involves dealing in goods, the records must contain:

- statements of stock held by the company at the end of each financial year;
- all statements of stock takings from which you have taken or prepared any statements of stock; and
- statements of all goods sold and purchased, other than by ordinary retail trade. This should list the goods, the buyers and sellers.

Parent companies must ensure that any subsidiary undertaking keeps sufficient accounting records so that the directors of the parent company can prepare accounts that comply with CR 2020.

Where to keep your company's accounting records

A company must keep its accounting records at its registered office address or a place that the directors think is suitable. The records must be open to inspection by the company's officers at all times.

If the company holds the records at a place outside of the ADGM, it must send accounts and returns at least every six months to a place in the ADGM and they must at all times be open to inspection.

Those accounts and returns sent to ADGM must disclose the company's financial position and enable the directors to prepare accounts that comply with the requirements of CR 2020.

Length of time that accounting records must be kept

Accounting records must be preserved by a company for ten years from the date on which they are made.

5. Preparing Accounts

The directors of every company must prepare accounts for each financial year. These are called individual accounts. A parent company **also** has a duty prepare group accounts (unless it qualifies for an exemption).

Both individual and group accounts (where applicable) must be prepared in accordance with IAS. The ADGM Companies Regulations (International Accounting Standards) Rules 2015 define IAS as current and future standards and interpretations as issued or adopted by the International Accounting Standards Board (IASB).

The IASB sets IFRS Accounting Standards. These standards set out how an entity prepares its financial statements. Please visit www.ifrs.org to refer to the standards that apply to you as an ADGM company.

The directors of a company must not approve accounts unless they are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and in the case of groups, the company's group accounts, of the undertakings included in the consolidation as a whole.

IAS individual accounts

Generally, a company's IAS individual accounts must include:

- the company's ADGM registered number;
- the address of the company's registered office;
- whether the company is a public or a private company and whether it is limited by shares or by guarantee;
- a profit and loss account (or income statement);
- a balance sheet as at the last date of the financial year, signed by a director on behalf of the board and the printed name of that director; and
- notes to the accounts.

Also, accounts must generally be accompanied by:

- a directors' report signed by a secretary or director and their printed name; and
- an auditors' report stating the name of the auditor and signed and dated by him (unless the company is exempt from audit).

The notes to the accounts must state that the accounts have been prepared in accordance with IAS.

There is no requirement for companies to use a professional accountant to prepare their accounts. However, directors should be aware of their legal responsibilities regarding accounts. If they are uncertain about the requirements, they should consider seeking professional advice.

IAS group accounts

If the company at the end of a financial year is a parent company, the directors have a duty to prepare group accounts in addition to preparing individual accounts for the year, unless exempt from that requirement. See Section 9 of this Guidance for the small companies regime.

Group accounts must also be prepared in accordance with IAS, known as IAS group accounts.

If compliance with CR 2020, as to the matters to be included in a company's group accounts or in notes to those accounts, would not be sufficient to give a fair representation, the necessary additional information must be given in the accounts or in a note to them.

Subsidiary undertakings included in the consolidation

If your company has a duty to prepare IAS group accounts, all the subsidiary undertakings of the company must be included in the consolidation.

The directors of the parent company must ensure that the IAS individual accounts of the parent company and each of its subsidiary undertakings are all prepared using the same financial reporting framework.

Presentational currency of the accounts

The amounts set out in the annual accounts of a company must be shown in United States Dollars ("USD"). You may also show in the same accounts, a translation into any other relevant currency.

If you prepare your accounts in a currency other than USD, you must deliver to the Registrar an additional copy of the company's annual accounts translated into USD. The amounts must have been translated at the exchange rate prevailing on the date to which the balance sheet is made, and that rate must be disclosed in the notes to the accounts.

Sending accounts to your company's members

Every company must send a copy of its annual accounts for each financial year to:

- every member of the company;
- every holder of the company's debentures; and
- every person who is entitled to receive notice of general meetings.

This will not apply to certain dormant subsidiary companies that are exempt from preparing accounts.

There is no statutory requirement for private companies to lay their accounts before members at a general meeting.

A public company must lay its accounts before its members at an annual general meeting.

Information about employee numbers

The number of employees in your company is one of the metrics used to determine the size of your company and the accounts obligations applicable to your company.

The notes to a company's annual accounts should disclose the average number of persons employed by the company in the financial year.

You can work out the average number of employees by dividing the relevant annual number by the number of months in the financial year.

The relevant annual number is determined by ascertaining for each month in the financial year the number of persons employed (whether throughout the month or not) and adding together all the monthly numbers. Section 396 of CR 2020 provides more detail.

Approving and signing accounts

The company's board of directors must approve the accounts before they send them to the company's members and must meet the following requirements:

- a director must sign the balance sheet on behalf of the board and print their name, with any exemption statements (e.g., small companies regime) appearing above the director's signature;
- a director (or secretary) must sign the directors' report on behalf of the board and print their name. Any statement about its being prepared under the small companies' regime must appear above the signature;

- if the company has to attach an auditor's report to the accounts, the report must include the name of the auditor, the name of the person who signed it as the statutory auditor on behalf of the firm, and the auditor's signature.

6. Determining your company size

Overview

When you are determining the size of your company, you must have regard to sections 368 to 374 of CR 2020.

The small companies regime applies to a company for a financial year in relation which:

- the company qualifies as small; and
- is not excluded from the small companies regime.

Small standalone companies

To qualify as a small company in size, companies, which are not parent companies, must be assessed against the following size thresholds:

Company size thresholds

Criteria	Small
Turnover (adjust proportionately if the financial period is not a full 12 months) and ;	Not more than USD 13.5 million
Number of employees	Not more than 35 employees

First year of the company

If it is the first year of the company, it will qualify as small if it satisfies both thresholds above. For the avoidance of doubt, a small standalone company is one with turnover less than or equal to USD 13.5 million **and** employees less than or equal to 35.

Subsequent year of the company

If it is not the first year of the company, a 'two year rule' applies by virtue of section 369 which states that, in relation to a subsequent financial year, where on its balance sheet date a company meets or ceases to meet the qualifying conditions, that affects its qualification as a small company **only** if it occurs in two consecutive financial years. As such this can be a complex area that involves tracking back over several years of history to determine the company's size. You should consider seeking professional advice if in doubt.

Companies that are small parent companies

To qualify as a small company, the size of both the parent, as a single entity, and the group headed by it must be considered.

First, to begin you must assess the parent company's size as described above for an individual company based on its own turnover and employee numbers.

The second step is assessing the size of its group. A parent company only qualifies as a small company if the group it heads also qualifies as a small group. In assessing the size of the group against the thresholds per section 370 (see table below), the group may use **either** the net or gross thresholds where applicable.

The aggregate figures are ascertained by aggregating the relevant figures (calculated in accordance with section 370 of CR 2020) for each member of the group. If any subsidiaries within the group have a different year end from the parent company, the figures for the financial year ending last before the financial year end of the parent should be used (see section 370(8) of CR 2020).

Group size thresholds

Criteria		Small
Turnover (adjust proportionately if the financial period is not a full 12 months) and ;	Net	Not more than USD 13.5 million
	Gross	Not more than USD 16.2 million
Number of employees		Not more than 35 employees

First year of the parent company

If it is the first year of the parent company, it will qualify as small if it satisfies both thresholds in the table above. For the avoidance of doubt, a small parent company is one with net turnover less than or equal to USD 13.5 million **and** employees less than or equal to 35.

Subsequent year of the parent company

If it is not the first year of the parent company, a 'two-year rule' applies by virtue of section 369 which states that, in relation to a subsequent financial year, where on its balance sheet date a company meets or ceases to meet the qualifying conditions, that affects its qualification as a small company **only** if it occurs in two consecutive financial years. As such this can be a complex area that involves tracking back over several years of history to determine the company's size. You should consider seeking professional advice if in doubt.

Net and gross criteria

Net turnover is defined as being 'after any set-offs and other adjustments made to eliminate group transactions' in accordance with IAS (CR 2020 section 370(7)).

Gross turnover means 'without those set-offs and other adjustments'. This simply means adding together the figures straight from the individual financial statements of each group entity.

Audit exemption

When assessing the size of the group to determine whether a company qualifies for an audit exemption, it is the size of the **entire group** that is considered. An entity will need to consider the largest group of which it is a part, including its parents and fellow subsidiaries in addition to the group it heads.

7. Requirement for audited accounts

Background

A statutory auditor is a person who makes an independent report to a company's members as to whether the company has prepared its financial statements in accordance with the applicable financial reporting framework. The report must also state whether a company's accounts give fair representation of its affairs at the end of the year.

A statutory audit includes examination of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in preparing the financial statements.

Audit requirement

CR 2020 states that a company's annual accounts for a financial year must be audited, unless the company is exempt from audit (see section 447). There are three main ways to qualify for an audit exemption:

- Small standalone company
- Small member of small group worldwide
- A dormant company

Right of members to require audit

Members of a company have an option under section 448 of CR 2020 to require the company to have an audit. Where effective notice is given in accordance with this section, a company will not be entitled to claim audit exemption.

Articles and governing documents

The directors of a company should also review the company's articles and other governing documents in order to check whether they contain any specific provisions in relation to audit. A company, which otherwise would be able to claim audit exemption, may still require an audit if its articles contain such provisions.

Small standalone company

If a standalone company (one that is not a member of a group) qualifies as a small company in relation to a financial year, it may be exempt from audit in that year. See section 449 of CR 2020.

A company taking this small companies audit exemption under section 449 will need to include a statement on its balance sheet as required by section 447 of CR 2020.

Small member of a small group worldwide

A small company that is a member of a group, may be entitled to the small companies audit exemption describe above.

In addition to those requirements, a company which is a member of a group will need to consider the size of the **entire group** of which it is a member and whether any member of the group makes the group ineligible.

This is a key point and one which some companies have misunderstood in the past. This activity involves looking at those entities both above and below itself in the group, as well as those in different branches of the group structure.

You must determine the size of the entire group with reference to turnover and employee numbers.

A company taking this audit exemption under section 451 will need to include a statement on its balance sheet as required by section 447 of CR 2020.

If you are in doubt about the size of your group, please consult and seek professional advice.

Dormancy

If a company is dormant, section 455 of CR 2020 lists the conditions a company must meet to take an audit exemption. A company is only dormant during a financial period in which it has no significant accounting transactions.

The conditions for audit exemption are that the company:

- As regards its individual accounts for the financial year in question –
 - It has been dormant since its formation, or
 - It has been dormant since the end of the previous financial year and the conditions (in section 455) are met.
- It is not required to prepare group accounts for that year.

A company taking this dormant companies audit exemption under section 455 will need to include a statement on its balance sheet as required by section 447.

Entities ineligible to claim exemption from audit

A company is not eligible to claim an audit exemption if it is:

- A publicly listed entity;
- A Financial Institution (other than a FinTech Participant).

For the avoidance of doubt, a Financial Institution is one that is regulated by the ADGM Financial Services Regulatory Authority, or is involved in:

- An authorised insurance company
- A banking company
- An e-money issuer
- A company which carries on insurance market activity

How to appoint an auditor

An auditor must be appointed for each financial year, unless the directors reasonably resolve otherwise on the ground that audited accounts are unlikely to be required. The rules are different for public and private companies.

For public companies, the directors appoint the first auditor of the company. The auditor then holds office until the end of the first meeting of the company at which the directors lay its accounts before the members. At that meeting, the members of the company can re-appoint the auditor, or appoint a different auditor, to hold office from the end of that meeting until the end of the next meeting at which the directors lay accounts.

For private companies, the directors appoint the first auditor of the company. The members may then appoint or re-appoint an auditor each year at a meeting of the company's members, or by written resolution, within 28 days of the directors sending the accounts to the members. If they do not do so for a particular year, however, the appointed auditor remains in office until the members pass a resolution to reappoint him or to remove him as auditor (5% of members, or fewer if the articles say so, can force the consideration of a resolution to remove an auditor). This provision about remaining in office, however, does not apply if the auditor's most recent appointment was by the directors or the company's articles require annual appointment.

What does an auditor's report include

The auditor's report must include:

- an introduction identifying the annual accounts that are the subject of the audit and the financial reporting framework that has been applied in their preparation; and
- a description of the scope of the audit identifying the auditing standards in accordance with which the audit was conducted.

The report must state clearly whether, in the auditor's opinion, the annual accounts:

- fairly present in the case of an individual balance sheet, the state of affairs of the company as at the end of the financial year;
- fairly present in the case of an individual profit and loss account, the profit or loss of the company for the financial year;

- fairly present in the case of group accounts, the state of affairs as at the end of the financial year and of the profit or loss for the financial year of the undertakings included;
- fairly present in the consolidation as a whole, so far as concerns members of the company;
- have been properly prepared in accordance with the relevant financial reporting framework; and
- have been prepared in accordance with the requirements of the CR 2020 and Companies Regulations (International Accounting Standards) Rules 2015.

The auditor's report must be either unqualified or qualified and include a reference to any matters to which the auditors wish to draw attention by way of emphasis without qualifying the report. The auditors will qualify the report where either there has been a limitation on the scope of the auditors' work or where there is a material disagreement between the company and the auditors about the accounts.

Responsibility for signing the auditor's report

The auditors must print their name, sign and date the report they provide to the company upon completion of the audit.

The statutory auditor must sign the original auditor's report in his own name on behalf of the audit firm. He must also date the signature. The company must state the name of the statutory auditor in copies of the auditors' report which it publishes. Copies of the auditor's reports delivered to the registrar must state the names of the audit firm and the statutory auditor but need not be signed.

Exemptions from stating the auditor's name on the auditor's report

If the company considers that there is a risk that the auditor or any other person would be at risk of serious violence or intimidation if the auditor's name (or the name of the "statutory auditor" who signed the report on the audit firm's behalf) appeared on filed or published copies of the report, they may pass a resolution to omit the name from those copies.

The resolution must include:

- the name and registered number of the company;
- the financial year of the company to which the report relates; and
- the name of the auditor and the name of the person who signed the report as auditor.

Requirements when choosing an auditor

An auditor must be independent of the company. Therefore, you cannot appoint a person as an auditor if they are:

- an officer or employee of the company or an associated company; or
- a partner or employee of such a person, or a partnership of which such a person is a partner.

The auditor must also be registered by the Registration Authority to be eligible for selection.

The list of ADGM registered auditors is available here:

<https://www.adgm.com/operating-in-adgm/auditors/find-an-auditor>

Auditors' duties

The auditors' statutory duties are limited to checking that there are adequate books and records, and to reporting on the annual accounts.

You should agree an engagement letter that sets out the scope of the auditor's engagement and the form of any reports that the auditor will make.

Removal of auditors

The members of a company may remove an auditor from office at any time during their term of office pursuant to section 479 of CR 2020. In this case, the entity must provide a notice to Registrar of the resolution removing auditor from office. An entity that fails to deliver such notice, is liable to a level 2 fine under CR 2020.

Although a company may remove an auditor from office at any time, the auditor may be entitled to compensation or damages for termination of appointment.

Alternatively, a company may decide not to reappoint the auditor for a further term.

For a private company, the deemed reappointment of an auditor may be prevented by the members by ordinary resolution. It can also be prevented if the company is notified to this effect by members representing at least 5% of the company's voting rights. The notices must be received before the end of the accounting reference period preceding the deemed reappointment.

8. Micro-entity accounts

There are three company size classifications to consider when preparing your company's accounts; small, medium or large. Within the small company classification there is a sub-classification called micro-entity, which is applicable to very small companies. There are thresholds for turnover and the average number of employees, which determine whether your company is a micro-entity, small or medium-sized.

Any companies that do not meet the criteria for micro or small companies must prepare and submit full accounts.

Micro-entities may prepare and file a balance sheet with a reduced set of information compared to that required by a small, medium or large company (such as reduced disclosures in the notes to the accounts). Additionally, a micro-entity may be able to benefit from the exemptions available to small companies such as exemption from audit and the requirement to file a directors' report or profit & loss account with the Registration Authority.

Micro-entities still need to send accounts to their members and file them with the Registration Authority.

Threshold conditions to qualify as a micro-entity

A micro-entity must meet both of the following conditions:

- turnover must be not more than 2.5 million US dollars; and
- the average number of employees must be not more than 9.

Companies ineligible to prepare and file micro-entity accounts

Regardless of satisfying the micro-entity threshold condition, a company cannot prepare and submit micro-entity accounts if it is, or was at any time during the financial year, one of the following:

- a public interest entity;
- a financial institution, other than a FinTech Participant;
- a member of an ineligible group, other than a FinTech Participant;
- the company is a parent company which prepares group accounts for that year as permitted by section 388 of CR 2020 (option to prepare group accounts); or

- the company is not a parent company but its accounts are included in consolidated group accounts for that year.

A group is ineligible if any of its members are:

- a public interest entity; or
- a financial institution, other than a FinTech Participant.

Qualifying as a micro-entity each year

Generally, a company qualifies as a micro-entity in its first financial year if it fulfils the conditions in that year. In any subsequent years a company must fulfil the conditions in that year and the year before.

However, if a company which qualified as a micro-entity in one year no longer meets the criteria in the next year, it may continue to claim the exemptions available in the next year. If that company then reverts back to being a micro-entity by meeting the criteria in the following year, the exemption will continue uninterrupted.

Contents of micro-entity accounts

A micro-entity is required to prepare accounts that contain the following elements:

- A balance sheet that complies with CR 2020;
- A directors' report;
- A profit & loss account; and
- An auditor's report, unless the company is claiming exemption from audit as a small company.

The balance sheet must contain a statement in a prominent position **above** the director's signature and printed name that, "The accounts have been prepared in accordance with the micro-entity provisions." This statement should appear in the original accounts as well as the copy sent to the Registration Authority.

Micro-entities do not have to deliver a copy of the directors' report or the profit and loss account to the Registration Authority.

Note: A template for small companies (which can be used by micro-entities) is available at [Appendix A](#).

Audit exemption for micro-entities

A micro-entity may claim an audit exemption as a small company if it meets the qualification criteria for the exemption. Refer to Section 7 of this Guidance for information on audit exemptions.

9. Small companies accounts

A small company can prepare and submit accounts according to the provisions in CR 2020. This means that it can choose to disclose less information than medium-sized and large companies.

Threshold condition to qualify as a small company

A small company must meet both of the following requirements:

- annual turnover must be not more than 13.5 million US dollars; and
- the average number of employees must be not more than 35.

Example 3.

*Your SPV has no employees but has an annual turnover of USD 15 million. Hence it does **not** qualify as small as only one of the two conditions are met (both conditions must be met).*

Companies ineligible to prepare and file small company accounts

Regardless of satisfying the small company threshold, a company cannot prepare and submit small company accounts if it is, or was at any time during the financial year, one of the following:

- a public interest entity;
- a financial institution, other than a FinTech Participant; or
- a member of an ineligible group, other than a FinTech Participant.

A group is ineligible if any of its members is:

- a public interest entity; or
- a financial institution, other than a FinTech Participant.

Qualifying as a small company each year

Generally, a company qualifies as small in its first accounting period if it fulfils the conditions in that period. In any subsequent periods a company must fulfil the conditions in that period and the period before.

If a company which qualified as small in one period no longer meets the criteria in the next period, it may continue to claim the exemptions available for the next period. If that company then reverts back to being small by meeting the criteria for the following period, the exemption will continue uninterrupted.

For more information on the definition of small companies, refer to Section 6 – Determining your company size.

Contents of small company accounts

Generally, small company accounts prepared for members include:

- a profit and loss account;
- a balance sheet, signed by a director on behalf of the board and the printed name of that director;
- notes to the accounts; and
- group accounts (if a small parent company chooses to prepare them).

Small company accounts should also be accompanied by:

- a directors' report that shows the signature of a secretary or director and their printed name; and
- an auditor's report that includes the printed name of the registered auditor (unless the company qualifies for exemption from audit and takes advantage of that exemption).

The balance sheet must contain a statement in a prominent position **above** the director's signature and printed name that the accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Small companies do not have to deliver a copy of the directors' report or the profit and loss account to the Registration Authority.

Note: An accounts template for small companies is available at [**Appendix A**](#).

Other exemptions available to small companies

Directors' Report

CR 2020 exempts small companies from preparing a directors' report. If a company takes advantage of the small companies' exemption in preparing the directors' report it must contain a statement above the director's or secretary's signature and printed name to that effect.

Audit

Small companies may also usually claim exemption from audit. If it meets the qualification criteria for the exemption, it may submit unaudited accounts. Refer to Section 7 of this Guidance for more information on audit and small companies.

Special rules for small groups

A parent company qualifies as a small company in relation to a financial year only if the group headed by it qualifies as a small group. The qualifying conditions for a small group are:

- aggregate turnover must be not more than 13.5 million US dollars net or 16.2 million USD gross; and
- aggregate number of employees must be not more than 35.

Note: An SPV that holds controlling interests in other entities (particularly operational entities) may fall within the definition of a parent company and therefore must consider whether its group satisfies the conditions above to be a small group – please refer to the definitions of parent and subsidiary undertaking in CR 2020 for more information.

Group Accounts Preparation Exemption

A parent company which qualifies as small need not prepare group accounts or submit them to the Registration Authority if the group is small. The parent company will still need to prepare and submit its own individual accounts.

10. Audit exemption for small companies and micro-entities

There is exemption from having accounts audited for certain small companies but only if they are eligible and wish to take advantage of it. If a company qualifies as a micro-entity then it also qualifies as a small company and may also take advantage of this exemption.

Entities ineligible to claim exemption from audit as a small company

You must submit audited accounts to the Registration Authority if the (small) company falls into either of the following categories:

- a public interest entity; or
- a financial institution (other than a FinTech Participant).

Requirement to claim the small company audit exemption

If a small company qualifies for audit exemption, it may submit unaudited accounts to the Registration Authority. However, the balance sheet must contain wording to the effect of the following statements, written **above** the director's printed name and signature:

- For the year ending (dd/mm/yyyy), the company was entitled to exemption from audit under section 449 of the CR 2020 relating to small companies.
- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 448.
- The directors acknowledge their responsibilities for complying with the requirements of the Regulations with respect to accounting records and the preparation of annual accounts.
- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies / micro-entities regime (as applicable).

Note: An accounts template for small companies is available at [Appendix A](#).

11. Medium-sized company accounts

As with a small company, a medium-sized company is determined by its turnover and average number of employees. A medium-sized company must prepare accounts according to provisions applicable to medium-sized companies.

Conditions to qualify as a medium-sized company

To be a medium-sized company, you must meet the two following conditions:

- annual turnover must be no more than 68 million US dollars; and
- the average number of employees must be no more than 75.

Companies ineligible to prepare and file medium-sized company accounts

A company cannot be treated as a medium-sized company if it is, or was at any time during the financial year, one of the following:

- a public interest entity;
- a financial institution; or
- a member of an ineligible group.

A group is ineligible if any of its members is:

- a public interest entity; or
- a financial institution.

Qualifying as a medium-sized company each year

Generally, a company qualifies as 'medium-sized' in its first accounting period if it fulfils the conditions in that period. In any subsequent period a company must fulfil the conditions in that period and the period before.

However, if a company which qualified as medium-sized in one period no longer meets the criteria in the next period, it may continue to claim the exemptions available for the following period. If the

company, then reverts back to being medium-sized by meeting the criteria the exemption will continue uninterrupted.

Contents of medium-sized company accounts

Medium-sized accounts must include:

- a profit and loss account;
- a balance sheet, showing the printed name and signature of a director;
- notes to the accounts; and
- group accounts (if appropriate).

The accounts must be accompanied by:

- a directors' report showing the printed name of the approving secretary or director; and
- an auditor's report that includes the name of the registered auditor, unless the company is exempt from audit.

A medium-sized company must deliver all the constituent parts of their accounts (i.e., all of the above, as applicable) to Registration Authority.

Medium-sized groups

A parent company qualifies as a medium company in relation to a financial year only if the group headed by it qualifies as a medium-sized group. The qualifying conditions for a medium group are:

- aggregate turnover must be not more than 68 million US dollars net or 81.5 million USD gross; and
- aggregate number of employees must be not more than 75.

A medium-sized parent company must prepare group accounts and submit them to the Registration Authority.

12. Dormant company accounts

Generally, all limited companies, whether they trade or not, must prepare and deliver accounts to the Registration Authority. However, one exemption to this requirement applies to dormant subsidiaries. In addition, dormant companies may be eligible for an exemption from audit, as explained in this section.

A company is dormant if it has had no 'significant accounting transactions' during the accounting period. A significant accounting transaction is one which the company should enter in its accounting records. Refer to [Section 4](#) of this Guidance for more information on accounting records.

However, when determining whether a company is dormant you can disregard the following transactions:

- payment for shares taken by initial members in connection with the formation of the company;
- fees paid to the Registrar for a change of company name, the re-registration of a company and for filing a confirmation statement; and
- payment of a penalty for the late filing of accounts.

Note: Even if a company has not traded since incorporation, it may not meet the statutory definition of dormant.

Dormant subsidiary exemption

A dormant company that is also a subsidiary may, in certain circumstances claim exemption from the requirement to prepare and file its accounts with the Registration Authority, as explained below.

Eligibility for a dormant subsidiary company exemption

Your subsidiary may not have to prepare or file annual accounts with the Registration Authority if:

- it has been dormant throughout the financial year;
- it is itself a subsidiary undertaking;
- for exemption from preparation of accounts, the conditions at section 384 of CR 2020 are satisfied; and
- for exemption from filing accounts, the conditions at section 423 of CR 2020 are satisfied.

Notice of agreement, parent company's accounts and statement of guarantee

To claim the exemption from filing a dormant subsidiary's accounts you must send the Registration Authority a package of **three documents** as follows:

1. a written notice of agreement by the subsidiary's members;
2. a statement of guarantee from the parent company; and
3. a copy of the parent company's consolidated accounts.

The package must be filed digitally via the Registration Authority's online registry solution (www.registration.adgm.com)

The parent's consolidated accounts must include:

- a copy of the auditor's report; and
- the consolidated annual report on those accounts.

The statement of guarantee given by the parent must specify:

- the name of the parent and its registered number;
- the name and registered number of the subsidiary in which the guarantee is being given;
- the date of the statement; and
- the financial year to which the guarantee relates.

Dormant subsidiaries that cannot claim exemption

A dormant subsidiary cannot claim exemption if at any time in the financial year it was a:

- a public interest entity;
- a financial institution, other than a FinTech Participant; or
- a member of an ineligible group.

Dormant company audit exemption

A dormant company may claim exemption from having its accounts audited for a financial year if:

- it has been dormant since its formation; or
- it has been dormant since the end of the previous financial year and the and the following conditions are met:
 - the company is entitled to prepare individual accounts in accordance with the small companies regime; and
 - is not required to prepare group accounts.

A financial institution is **not** eligible to claim the dormant company audit exemption.

Requirement to claim the dormant company audit exemption

If a dormant company qualifies for audit exemption, it may submit unaudited accounts to the Registration Authority. However, the balance sheet must contain wording to the effect of the following statements, written **above** the director's printed name and signature:

- For the year ending (dd/mm/yyyy), the company was entitled to exemption from audit under section 455 of the CR 2020 relating to dormant companies.
- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 448.
- The directors acknowledge their responsibilities for complying with the requirements of the Regulations with respect to accounting records and the preparation of annual accounts.

A dormant company that qualifies as small must also include the following statement:

- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies / micro-entities regime (as applicable).

Note: An accounts template for small companies (that can be used by micro-entities also) is available at **Appendix A**.

Deadline to file dormant accounts to Registration Authority

Dormant companies have the same time allowed for filing accounts as for other companies, and the same penalties for late filing apply. Refer to **Section 14** for more information on filing deadlines.

Dormant companies that start trading again

A company will cease to be exempt from audit as a dormant company if it:

- begins commercial or trading activities during the financial year; or
- would no longer qualify for some other reason, e.g. because there have been significant accounting transactions that need to be entered in its accounting records.

If either of these occur, you may need to submit full accounts for the financial year in which the company ceased to be exempt, and the directors may need to appoint auditors for the company. However, the company may qualify for exemptions as a small company.

If a dormant company no longer qualifies as dormant, you should consider consulting a professional advisor regarding the company's accounts obligations.

13. Filing accounts with the Registration Authority

All private limited and public limited companies must file their accounts with the Registration Authority, except for Restricted Scope Companies (“RSCs”) and dormant subsidiaries. Private unlimited companies are not required to file accounts (subject to conditions – see below).

You must file a copy of the accounts that you have already prepared for the members / shareholders to the Registration Authority.

Entities exempted from filing accounts

Restricted Scope Companies

Provided that RSCs do not publish their accounts, they are then exempted from filing accounts with the Registration Authority.

Dormant Subsidiaries

Qualifying dormant subsidiaries are exempt from filing their own accounts but must deliver their parent company’s consolidated accounts and a guarantee. Refer to [Section 12](#) of this Guidance for more information on account requirements for dormant companies.

Unlimited Companies

Unlimited companies must prepare annual financial statements but are not required to deliver accounts to the Registration Authority unless, at any time during a financial year:

- the company was or became a subsidiary undertaking or a parent of a limited undertaking;
- the company is a financial institution or the parent of a group that includes a financial institution; or
- each of the members of the company is a limited company, or another unlimited company whose members is a limited company.

It should be noted that the liability of the shareholders of an unlimited company is not limited, so if the company is insolvent or goes into liquidation the shareholders are personally liable to repay creditors.

Note: The Registration Authority cannot give technical or legal advice on your accounts or the accounts obligations in your circumstances. The Registration Authority can only give general guidance. Your company’s accounts are subject to legal requirements, you may wish to consider consulting a professional if you need technical or legal advice.

Filing your accounts in a language other than English

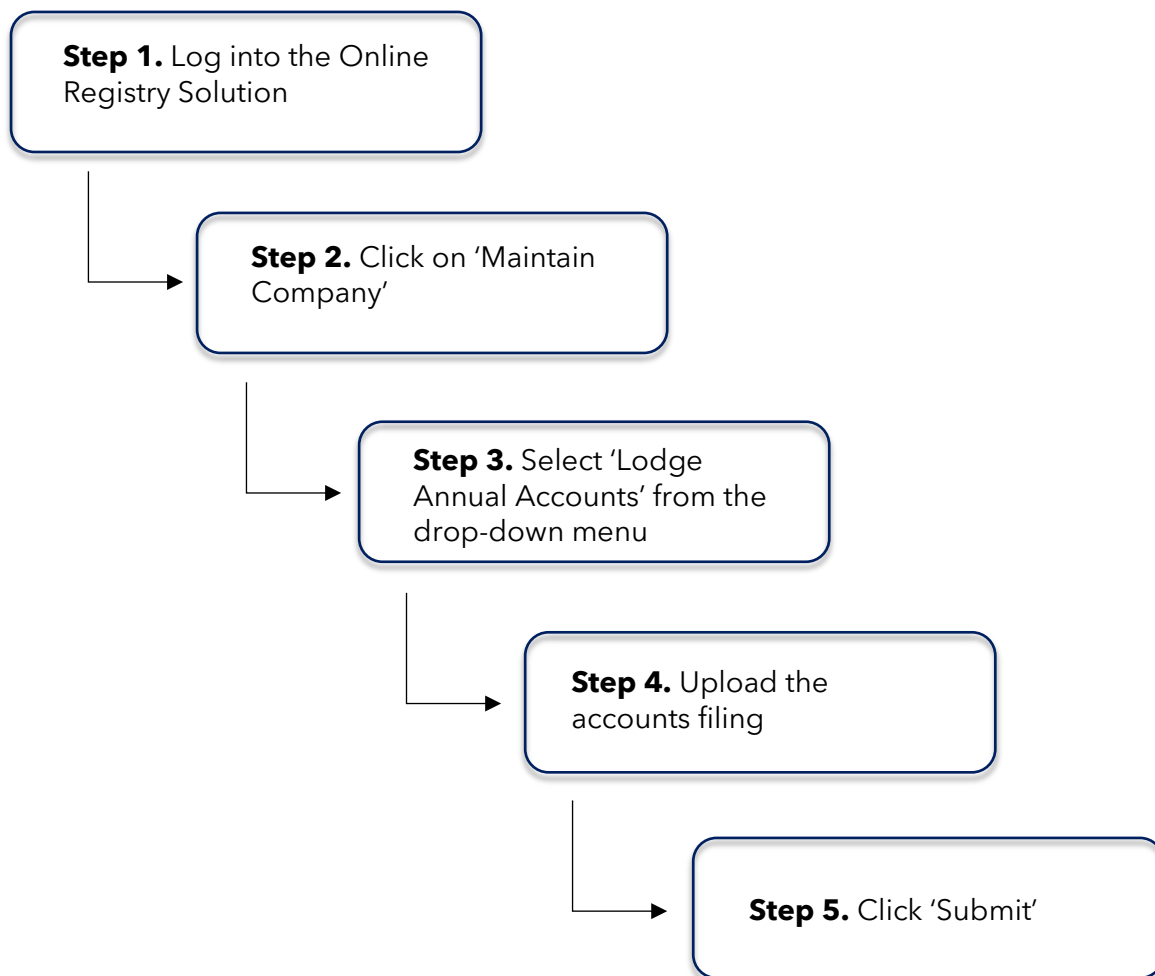
If you prepare accounts in a language other than English, you must also file them with a certified translation into English.

How to file your accounts

You must file your accounts with the Registration Authority digitally via our online registry solution: www.registration.adgm.com

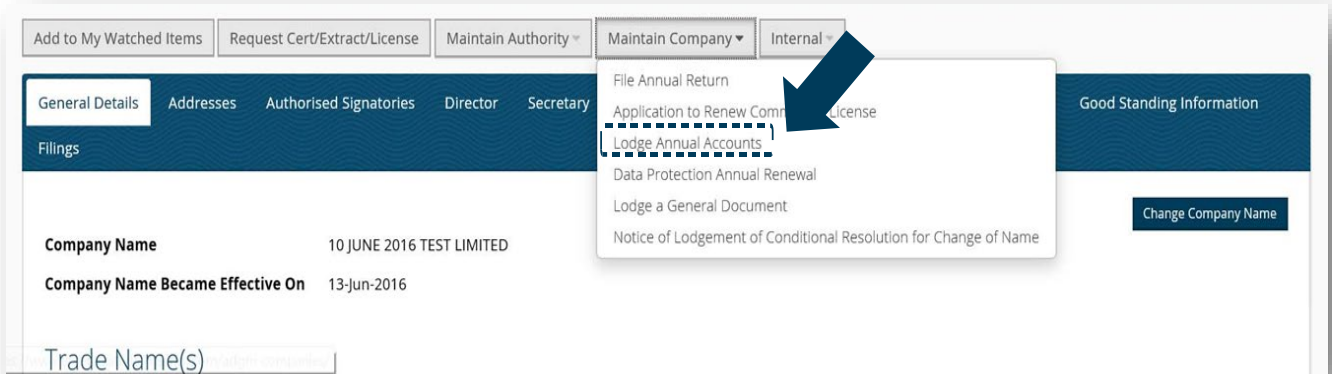
The Registration Authority does not accept paper account filings.

To file your accounts online, log into the online registry solution and then follow the steps shown below.

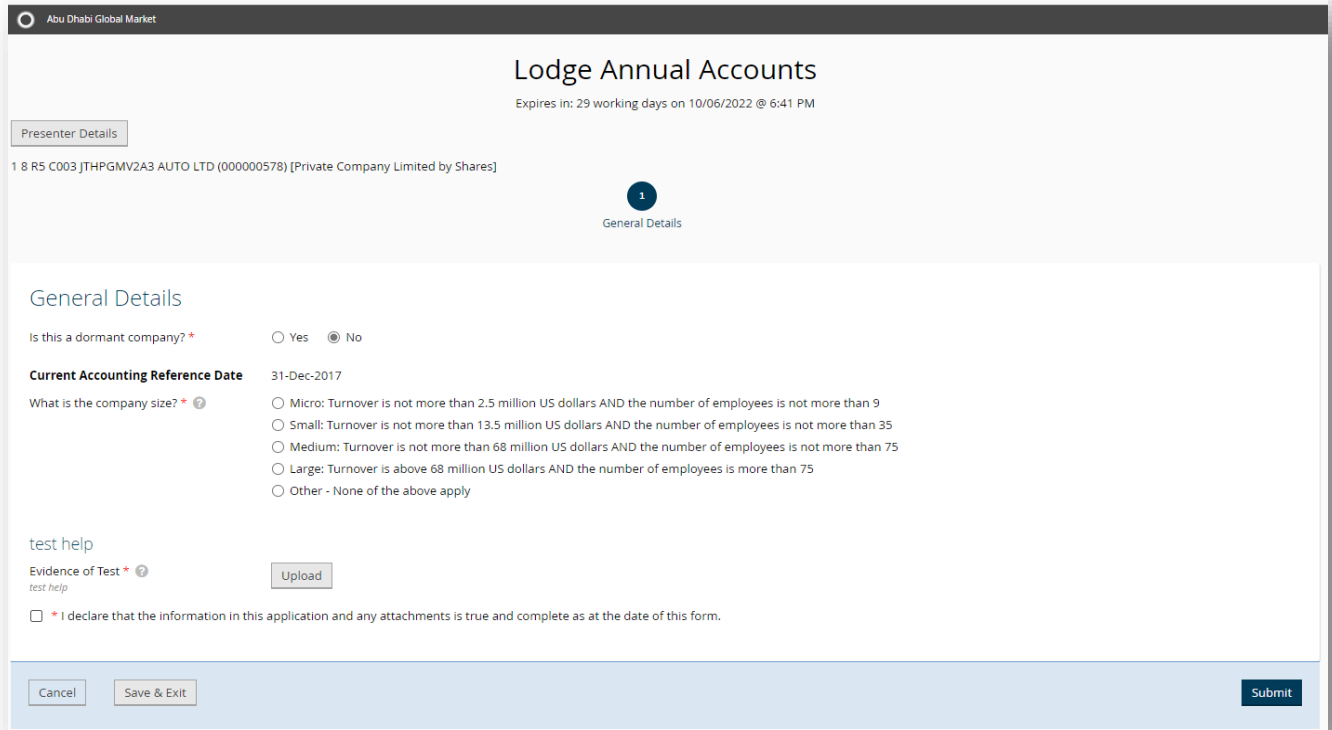


The above process is further explained in the following screen shots below.

1. Click on the 'Maintain Company' button and select 'Lodge Annual Accounts' from the drop down



2. Click on the relevant options on the annual accounts page, upload the accounts and submit



14. Deadlines for filing accounts

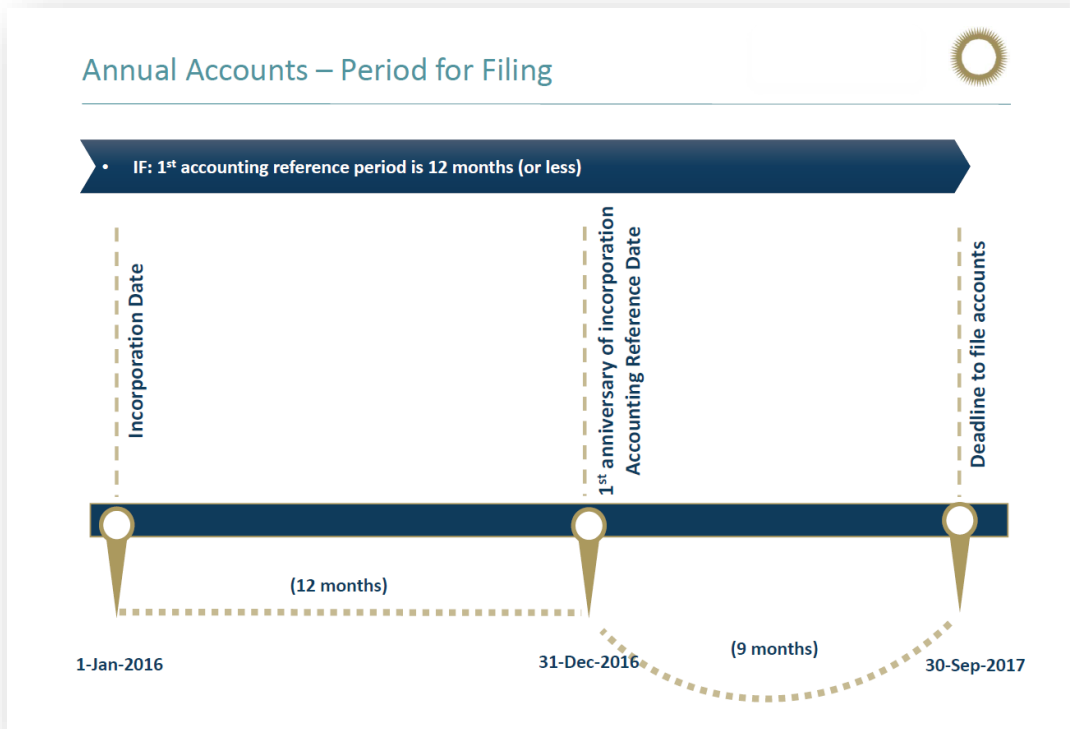
Unless you are filing your company's first accounts the time normally allowed for delivering accounts to the Registration Authority is:

- **9 months** from the accounting reference date for a **private company**; or
- **6 months** from the accounting reference date for a **public company**.

Example 4.

Your private company has an accounting reference date of 31 December.

Hence the deadline to file accounts is 30 September the following year (see the diagram below).



Please be aware of the definition of a period of months in connection with filing accounts. A period of months after a given date ends on the corresponding date in the appropriate month.

Example 5.

A private company with an accounting reference date of 4 April has until 11:59pm on 4 January of the following year to deliver its accounts (i.e. not 31 January).

If a filing deadline falls on a weekend or holiday, you have until the end of the next business day to file the accounts.

To avoid a late filing penalty, make sure you file acceptable accounts before the deadline.

Acceptable accounts mean accounts which meet the relevant legal requirements. If you file incomplete or accounts that do not meet legal requirements prior to the deadline, and they are returned for correction which lead you resubmit after the deadline, you may be liable to a late penalty.

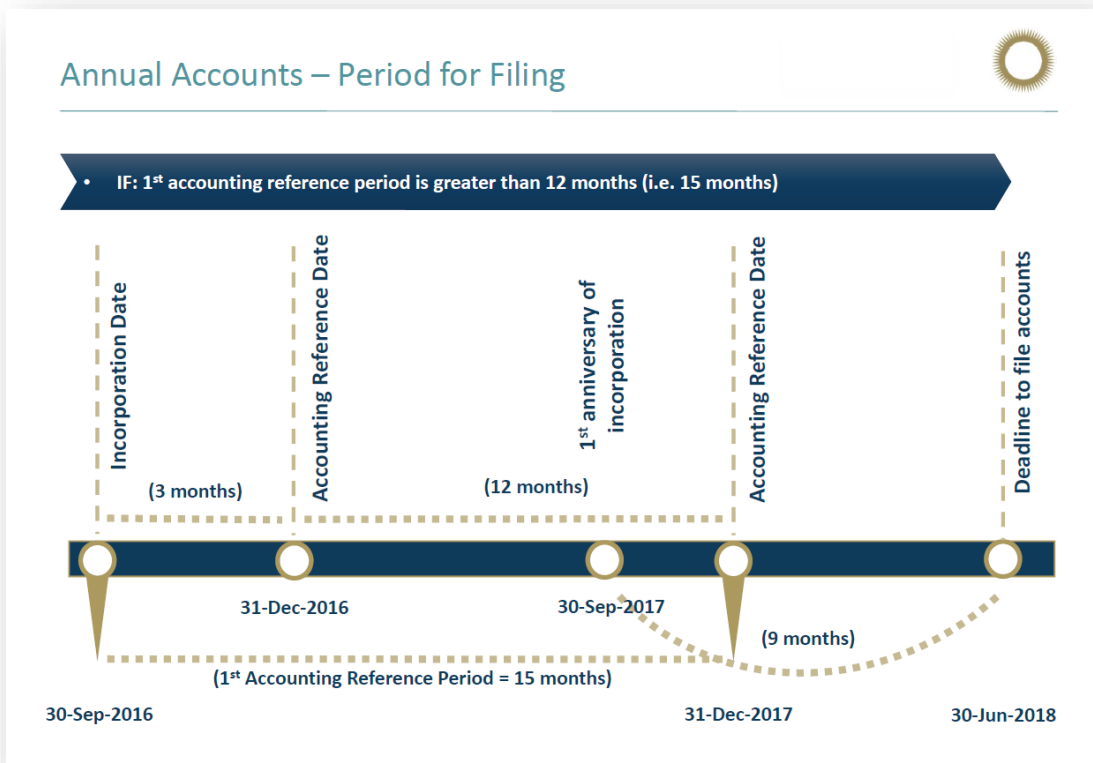
Deadlines for filing your company's first accounts

If you are filing your company's first accounts and those accounts cover a period greater than 12 months, you must deliver them to the Registration Authority:

- within 9 months from the first anniversary of incorporation for **private** companies;
- within 6 months from the first anniversary of incorporation for **public** companies; or
- 3 months from the accounting reference period, whichever is longer.

Example 6.

A private company incorporated on 30 September 2016 with an accounting reference date of 31 December has until 11:59pm on 30 June 2018 (i.e. 9 months from the first anniversary of incorporation) to deliver its accounts (see diagram below).



If the first accounts cover a period of 12 months or less, the normal times allowed for delivering accounts apply.

Calculating the deadline for filing your company's first accounts

To assist you in calculating the deadline for your company's first annual accounts filing, the RA has prepared a calculator.

A screen shot is set out below and the calculator can be downloaded from the 'Guidance for registered entities' section of the ADGM website, here: <https://www.adgm.com/legal-framework/guidance-and-policy-statements>

ADGM ANNUAL ACCOUNTS DUE DATE CALCULATOR - FIRST ACCOUNTING REFERENCE PERIOD						
Incorporation date			Financial Year end	First Accounting Reference period (# of months)	First Accounting Reference Date	Filing Due Date
Day	Month	Year	DD/mm	Auto generated	Auto generated	Auto generated
1	11	2022	31/07	9	31/07/2023	30/04/2024
1	2	3	4	No inputs		
Input the day of incorporation	Input the month of incorporation	Input the year of incorporation	Select the Financial Year-end from the drop down menu			

Deadline for filing accounts if you have shortened your account period

When a company shortens its accounting period, the new filing deadline will be the longer of the following two options:

- 9 months for a private company (or 6 months for a public company) from the new accounting reference date; or
- 3 months from the date of receipt of confirmation from the Registration Authority.

Applying for extra time to file your company's accounts

You can apply for an extension to file your company's accounts if you have a special reason. A special reason would include an unforeseen event outside the company's control that prevents the company from filing its accounts by the filing deadline.

For more information on accounts filing extensions, including the requirements and process please refer to the Registration Authority's [Guidance on Applications for Accounts Filing Extensions](#).

Consequences for failing to submit accounts to the Registration Authority

If a company does not comply with the requirement to file accounts and the Registrar believes that the company is no longer carrying on business or in operation, he may strike it off the register and dissolve it.

Failure to file accounts, or filing late, is an offence under CR 2020. All the directors/members of a company may be liable to a fine, along with the company.

15. Revisions to accounts

Errors in accounts and reports can occur for a variety of reasons. Oftentimes, errors can be corrected in the next financial statements. Material errors through a prior period adjustment and non-material errors through an adjustment in the current year figures.

However, there may be circumstances where the directors of a company wish to revise the financial statements or have been encouraged to do so by the RA.

Generally, defective accounts are those that do not comply with CR 2020 or when applicable, the International Accounting Standards, as defined in ADGM Companies Regulations (International Accounting Standards) Rules 2015.

When revision is required, there are rules to follow that are covered in CR 2020 (see Chapter 9).

Revised or amended accounts must be sent to the Registration Authority. Amended or corrected accounts must be for the same period as the original accounts.

You must clearly say in your new accounts that they:

- replace the original accounts;
- are now the statutory accounts; and
- are prepared as they were at the date of the original accounts.

Write “revised” on the front so that the Registration Authority knows your accounts are not duplicates. Your original accounts will remain on file with the Registration Authority.

If you only want to amend one part of your accounts, you need to send a note saying what’s been changed. The note must be signed by a director and filed with a copy of the original accounts.

16. Accounts of Restricted Scope Companies that re-register

In ADGM, CR 2020 provides for a class of private limited company referred to as a Restricted Scope Company (“RSC”). Certain eligibility criteria apply to incorporating RSCs in ADGM and in turn, RSCs are subject to reduced disclosure requirements.

For example, as noted in [Section 16](#), above, provided that an RSC does not publish its accounts, then the RSC is exempted from filing them with the Registration Authority.

It is possible to re-register an existing RSC as an ‘ordinary’ private limited company if the members wish to do so. This section provides guidance regarding the impact on a company’s accounts obligations when an RSC re-registers as a non-RSC company in ADGM.

Under subsection 99(4) of CR 2020, an RSC becomes a non-RSC company from the date of issuance of a new certificate of incorporation. Accordingly, from this date, the company can no longer avail the exemption from filing accounts with the Registration Authority.

Additionally, the date of issuance of the new certificate of incorporation also marks the commencement of the company’s financial year (accounting reference period) as a non-RSC.

Hence an RSC that re-registers will have its financial year as an RSC end on the day prior to the new certificate of incorporation being issued, regardless of its existing accounting reference date. Similarly, it commences a new financial year as a non-RSC from the date the certificate is issued. For further clarification please refer to the example below.

Example 7.

Your company is incorporated as an RSC on 1 January 2018, with an accounting reference date of 31 December.

The RSC’s first accounts will cover the period from 1 January 2018 to 31 December 2018, and as an RSC, the company is exempt from filing those accounts with the Registrar.

Later, the RSC’s members decide to re-register the company as a non-RSC company and after applying for re-registration, the Registration Authority issues a new certificate of incorporation on 1 August 2019.

The company will need to prepare accounts for the period from 1 January 2019 to 31 July 2019. As it was an RSC during that time, the company will be exempt from filing those accounts with the Registration Authority.

The company’s financial year now changes to starting from 1 August 2019 until 31 December, as a non-RSC company.

Given the requirement for a financial year to have a minimum 6 month duration, the first financial year as a non-RSC will be from 1 August 2019 to 31 December 2020 (not 31 December 2019).

These and all subsequent accounts as a non-RSC will need to be filed with the Registration Authority (unless another exemption is applicable, e.g. dormant subsidiary).

17. Companies continuing into ADGM from another jurisdiction

Part 7 of CR 2020 provides for a company in another jurisdiction to be continued into ADGM, subject to satisfying the relevant requirements. This is also known as company migration.

When a company is continued into ADGM it does not create a new company, rather the existing company (incorporated elsewhere) continues in existence, albeit in the ADGM. All assets, rights, obligations and liabilities attached to the company are not affected by the continuation.

This section provides guidance regarding the impact of continuation into ADGM on a continued company's accounts obligations under CR 2020.

When a company continues into ADGM its financial year continues with it. This means that the continued company's current financial year started from the end of the last period in the previous jurisdiction and ends on its existing accounting reference date.

Example 8.

Your company was incorporated in the British Virgin Islands ("BVI") with an accounting reference date of 31 December.

You have decided to continue the company into ADGM and after submitting an application, it is processed with the continuation date being 1 July 2020.

Regardless of the continuation, your company's financial year commenced on 1 January 2020 and it ends on 31 December 2020.

You will prepare one set of accounts and file them with the Registration Authority (unless exempt) that covers the period 1 January 2020 to 31 December 2020.

Note: The example above will result in the preparation of accounts for a financial year in which the continued company traded for 6 months in BVI and 6 months in ADGM.

Continued companies will need to consider various factors regarding accounts including but not limited to:

- the accounting standards under which the accounts are prepared – CR 2020 requires accounts to be prepared under IAS;
- tax liabilities, if any, in the 'exited' jurisdiction;
- disclosure notes in the financial statements about the continuance, including the date of the continuation and any material implications on the company's accounts, e.g., for transactions, assets and liabilities as a result; and
- if audit is required, how the audit would be carried out on the part of the accounts that represent transactions and trading activities conducted in the 'exited' jurisdiction.

Note: The Registration Authority cannot give technical or legal advice on the above matters. The Registration Authority can only give general guidance. If your company has migrated into ADGM, you may wish to consider consulting a professional for further advice on accounts obligations.

18. Cell Companies

Part 36 of CR 2020 provides for the incorporation of cell companies including Protected Cell Companies (“PCCs”) and Incorporated Cell Companies (“ICCs”) – collectively referred to in this section as cell companies. Part 36 of CR 2020 also sets out the accounts obligations of cell companies.

Accounting records

The requirement to keep accounting records does not apply to the cell of a cell company. However, the cell company must keep records that are sufficient to show and explain a cell’s transactions.

Accounts of cell companies

The duty to prepare individual accounts and duty to prepare group accounts in CR 2020, do not apply to cell companies. However, a cell company must prepare separate accounts, in accordance with section 383 of CR 2020, that:

- fairly present the profit and loss of each cell of the company for the period;
- the state of each cell’s affairs at the end of the period, considering only the assets and liabilities attributable to each cell; and
- comply with any other applicable requirement in CR 2020 (including audit).

Filing accounts with the Registration Authority

The accounts referred to above are not required to be filed with the Registration Authority.

19. Further information

Relevant legislation

The relevant ADGM legislation regarding accounts for limited companies is the ADGM Companies Regulations 2020 (“CR 2020”). This Guidance provides information on accounts and therefore should be read in conjunction with CR 2020.

You can access CR 2020 online from the Registration Authority’s legislation page here:

<https://en.adgm.thomsonreuters.com/rulebook/commercial-legislation>

Further guidance

- You can find a summary of the information contained in this Guidance on the Registration Authority’s Annual Accounts page online, available here:

<https://www.adgm.com/operating-in-adgm/obligations-of-adgm-registered-entities/annual-filings/annual-accounts>

- You can visit the International Financial Reporting Standards (IFRS) website for accounting and reporting standards. These are set by the International Accounting Standards Board. See link here:

www.ifrs.org

Various audit firms have published on their websites model / illustrative financial statements under IAS.

- IFRS adoption in the United Arab Emirates – for ADGM entities holding a controlling interest in mainland entities and consolidating at an ADGM level, it may be useful to know that IFRS is also adopted for certain companies mainland. The UAE Commercial Companies Law (UAE Federal Law No. 2 of 2015) requires all companies with public accountability to use full IFRS as issued by the IASB.

Note: The Registration Authority cannot give technical or legal advice on your accounts or the accounts obligations in your circumstances. The Registration Authority can only give general guidance. Your company’s accounts are subject to legal requirements, you may wish to consider consulting a professional if you need technical or legal advice.

Disclaimer

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This Guidance is a non-binding indicative guide and should be read together with the relevant legislation, in particular the ADGM Companies Regulations 2020 and any other relevant regulations and enabling rules, which may change over time without notice. Information in this Guidance is not to be deemed, considered or relied upon as legal advice and should not be treated as a substitute for a specific advice concerning any individual situation. Any action taken upon the information provided in this Guidance is strictly at your own risk and the Registration Authority will not be liable for any losses and damages in connection with the use of or reliance on information provided in this Guidance. The Registration Authority makes no representations as to the accuracy, completeness, correctness or suitability of any information provided in this Guidance.

APPENDIX A – SMALL COMPANY ACCOUNTS TEMPLATE

Please see next page.

Company registration number: {000000XXX}

{insert Company Name}

Unaudited Balance Sheet

for the year ended {insert Accounting Reference Date}

{Company name}

Balance Sheet as at {accounting ref date}

	{Current Year}	{Previous Year}
	USD	USD
ASSETS		
Non - Current Assets		
{insert details depending on the company}	XXX	XXX
Total non-current assets	XXX	XXX
Current Assets		
{insert details depending on the company}	XXX	XXX
Total current assets	XXX	XXX
Total Assets	<u>XXX</u>	<u>XXX</u>
EQUITY AND LIABILITIES		
Current Liabilities		
{insert details depending on the company}	XXX	XXX
Total current liabilities	XXX	XXX
Non-current liabilities		
{insert details depending on the company}	XXX	XXX
Total non-current liabilities	XXX	XXX
Total Liabilities	XXX	XXX
Shareholders' equity		
Share Capital	XXX	XXX
Shareholder current account	XXX	XXX
Retained Earnings		
Opening balance	XXX	XXX
Profit for the year	XXX	XXX
Total Shareholders' Equity	XXX	XXX
Total Shareholders' Equity and Liabilities	<u>XXX</u>	<u>XXX</u>

For the year ending { }, the company was entitled to exemption from audit under section 449 of the Companies Regulations 2020 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 448;
- The directors acknowledge their responsibilities for complying with the requirements of the Regulations with respect to accounting records and the preparation of annual accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

These accounts were approved by the board of directors and authorised for issue on { }, and are signed on behalf of the board by:

{signature}

{must state the full name of the director}

Director

Company registration number: {00000XXXXX}

{Company name}

Notes to the Financial Statements

Year ended {XXXX}

General information

The company is a {insert company type} and is registered in Abu Dhabi Global Market (ADGM). The registered office address is {insert office address}, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

Statement of compliance

These financial statements have been prepared in compliance with ADGM's Companies Regulations 2020.

Accounting policies

{a summary of the company's adopted accounting policies i.e. basis of preparation, turnover recognition, impairment, financial instruments, provision for liabilities..etc.}

Average number of employees

The average number of persons employed by the company during the year was {XXX}.