
STATUTORY INSTRUMENTS

1990 No. 593

The Companies (Northern Ireland) Order 1990 (repealed)

PART II

COMPANY ACCOUNTS

Exemptions and special provisions

Dormant companies

16. The following Article is inserted in Part VIII of the 1986 Order—

“Dormant companies

Resolution not to appoint auditors

258.—(1) A company may by special resolution make itself exempt from the provisions of this Part relating to the audit of accounts in the following cases—

- (a) if the company has been dormant from the time of its formation, by a special resolution passed before the first general meeting of the company at which annual accounts are laid;
- (b) if the company has been dormant since the end of the previous financial year and—
 - (i) is entitled in respect of its individual accounts for that year to the exemptions conferred by Article 254 on a small company, or would be so entitled but for being a member of an ineligible group, and
 - (ii) is not required to prepare group accounts for that year,by a special resolution passed at a general meeting of the company at which the annual accounts for that year are laid.

(2) A company may not pass such a resolution if it is—

- (a) a public company,
- (b) a banking or insurance company, or
- (c) an authorised person under the Financial Services Act 1986^{F1}.

(3) A company is “dormant” during a period in which no significant accounting transaction occurs, that is, no transaction which is required by Article 229 to be entered in the company's accounting records; and a company ceases to be dormant on the occurrence of such a transaction.

For this purpose there shall be disregarded any transaction arising from the taking of shares in the company by a subscriber to the memorandum in pursuance of an undertaking of his in the memorandum.

Status: Point in time view as at 01/01/2006. This version of this provision has been superseded.
Changes to legislation: There are currently no known outstanding effects for the The Companies
(Northern Ireland) Order 1990 (repealed), Section 16. (See end of Document for details)

(4) Where a company is, at the end of a financial year, exempt by virtue of this Article from the provisions of this Part relating to the audit of accounts—

- (a) Articles 246 and 247 (right to receive or demand copies of accounts and reports) have effect with the omission of references to the auditors' report;
- (b) no copies of an auditors' report need be laid before the company in general meeting;
- (c) no copy of an auditors' report need be delivered to the registrar, and if none is delivered, the copy of the balance sheet so delivered shall contain a statement by the directors, in a position immediately above the signature required by Article 241(4), that the company was dormant throughout the financial year; and
- (d) the company shall be treated as entitled in respect of its individual accounts for that year to the exemptions conferred by Article 254 on a small company notwithstanding that it is a member of an ineligible group.

(5) Where a company which is exempt by virtue of this Article from the provisions of this Part relating to the audit of accounts—

- (a) ceases to be dormant, or
- (b) would no longer qualify (for any other reason) to make itself exempt by passing a resolution under this Article,

it shall thereupon cease to be so exempt.”

F1 1986 c. 60

Status:

Point in time view as at 01/01/2006. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1990 (repealed), Section 16.