
STATUTORY INSTRUMENTS

1990 No. 593

The Companies (Northern Ireland) Order 1990

PART II

COMPANY ACCOUNTS

Provisions applying to companies generally

Accounting records

4. The following Articles are inserted in Part VIII of the 1986 Order at the beginning of Chapter I (provisions applying to companies generally)—

“Accounting records

Duty to keep accounting records

229.—(1) Every company shall keep accounting records which are sufficient to show and explain the company’s transactions and are such as to—

- (a) disclose with reasonable accuracy, at any time, the financial position of the company at that time, and
- (b) enable the directors to ensure that any balance sheet and profit and loss account prepared under this Part complies with the requirements of this Order.

(2) The accounting records shall in particular contain—

- (a) entries from day to day of all sums of money received and expended by the company, and the matters in respect of which the receipt and expenditure takes place, and
- (b) a record of the assets and liabilities of the company.

(3) If the company’s business involves dealing in goods, the accounting records shall contain—

- (a) statements of stock held by the company at the end of each financial year of the company,
- (b) all statements of stocktakings from which any such statement of stock as is mentioned in sub-paragraph (a) has been or is to be prepared, and
- (c) except in the case of goods sold by way of ordinary retail trade, statements of all goods sold and purchased, showing the goods and the buyers and sellers in sufficient detail to enable all these to be identified.

(4) A parent company which has a subsidiary undertaking in relation to which the above requirements do not apply shall take reasonable steps to secure that the undertaking keeps such accounting records as to enable the directors of the parent company to ensure that

any balance sheet and profit and loss account prepared under this Part complies with the requirements of this Order.

(5) If a company fails to comply with any provision of this Article, every officer of the company who is in default is guilty of an offence unless he shows that he acted honestly and that in the circumstances in which the company's business was carried on the default was excusable.

(6) A person guilty of an offence under this Article is liable to imprisonment or a fine, or both.

Where and for how long records to be kept

230.—(1) A company's accounting records shall be kept at its registered office or such other place as the directors think fit, and shall at all times be open to inspection by the company's officers.

(2) If accounting records are kept at a place outside Northern Ireland, accounts and returns with respect to the business dealt with in the accounting records so kept shall be sent to, and kept at, a place in Northern Ireland, and shall at all times be open to such inspection.

(3) The accounts and returns to be sent to Northern Ireland shall be such as to—

- (a) disclose with reasonable accuracy the financial position of the business in question at intervals of not more than 6 months; and
- (b) enable the directors to ensure that the company's balance sheet and profit and loss account comply with the requirements of this Order.

(4) If a company fails to comply with any provision of paragraphs (1) to (3), every officer of the company who is in default is guilty of an offence, and liable to imprisonment or a fine or both, unless he shows that he acted honestly and that in the circumstances in which the company's business was carried on the default was excusable.

(5) Accounting records which a company is required by Article 229 to keep shall be preserved by it—

- (a) in the case of a private company, for 3 years from the date on which they are made, and
- (b) in the case of a public company, for 6 years from the date on which they are made.

This is subject to any provision contained in rules made under Article 359 of the Insolvency (Northern Ireland) Order 1989⁽¹⁾ (insolvency rules).

(6) An officer of a company is guilty of an offence, and liable to imprisonment or a fine or both, if he fails to take all reasonable steps for securing compliance by the company with paragraph (5) or intentionally causes any default by the company under that paragraph.

(7) Until the coming into operation of Article 359 of the Insolvency (Northern Ireland) Order 1989, paragraph (5) shall have effect with the substitution of "Article 613 (winding-up rules)" for "Article 359 of the Insolvency (Northern Ireland) Order 1989 (insolvency rules)".

(1) 1989 NI 19