



# Companies Act 1985

## 1985 CHAPTER 6

### PART VII

#### ACCOUNTS AND AUDIT

#### CHAPTER I

##### PROVISIONS APPLYING TO COMPANIES GENERALLY

##### *Accounting records*

#### **221 Companies to keep accounting records**

- (1) Every company shall cause accounting records to be kept in accordance with this section.
- (2) The accounting records shall be sufficient to show and explain the company's transactions, and shall be 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 comply with the requirements of this Act as to the form and content of company accounts and otherwise.
- (3) 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.
- (4) If the company's business involves dealing in goods, the accounting records shall contain—

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*Status: This is the original version (as it was originally enacted).*

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- (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 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.