



# Companies Act 1989

## 1989 CHAPTER 40

### PART I

#### COMPANY ACCOUNTS

##### *Provisions applying to companies generally*

#### **11 Laying and delivering of accounts and reports**

The following sections are inserted in Part VII of the Companies Act 1985—

##### *“Laying and delivering of accounts and reports*

#### **241 Accounts and reports to be laid before company in general meeting**

- (1) The directors of a company shall in respect of each financial year lay before the company in general meeting copies of the company's annual accounts, the directors' report and the auditors' report on those accounts.
- (2) If the requirements of subsection (1) are not complied with before the end of the period allowed for laying and delivering accounts and reports, every person who immediately before the end of that period was a director of the company is guilty of an offence and liable to a fine and, for continued contravention, to a daily default fine.
- (3) It is a defence for a person charged with such an offence to prove that he took all reasonable steps for securing that those requirements would be complied with before the end of that period.
- (4) It is not a defence to prove that the documents in question were not in fact prepared as required by this Part.

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*Status: This is the original version (as it was originally enacted).*

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## **242 Accounts and reports to be delivered to the registrar**

- (1) The directors of a company shall in respect of each financial year deliver to the registrar a copy of the company's annual accounts together with a copy of the directors' report for that year and a copy of the auditors' report on those accounts.

If any document comprised in those accounts or reports is in a language other than English, the directors shall annex to the copy of that document delivered a translation of it into English, certified in the prescribed manner to be a correct translation.

- (2) If the requirements of subsection (1) are not complied with before the end of the period allowed for laying and delivering accounts and reports, every person who immediately before the end of that period was a director of the company is guilty of an offence and liable to a fine and, for continued contravention, to a daily default fine.
- (3) Further, if the directors of the company fail to make good the default within 14 days after the service of a notice on them requiring compliance, the court may on the application of any member or creditor of the company or of the registrar, make an order directing the directors (or any of them) to make good the default within such time as may be specified in the order.

The court's order may provide that all costs of and incidental to the application shall be borne by the directors.

- (4) It is a defence for a person charged with an offence under this section to prove that he took all reasonable steps for securing that the requirements of subsection (1) would be complied with before the end of the period allowed for laying and delivering accounts and reports.
- (5) It is not a defence in any proceedings under this section to prove that the documents in question were not in fact prepared as required by this Part.

## **242A Civil penalty for failure to deliver accounts**

- (1) Where the requirements of section 242(1) are not complied with before the end of the period allowed for laying and delivering accounts and reports, the company is liable to a civil penalty.

This is in addition to any liability of the directors under section 242.

- (2) The amount of the penalty is determined by reference to the length of the period between the end of the period allowed for laying and delivering accounts and reports and the day on which the requirements are complied with, and whether the company is a public or private company, as follows:—

<i>Length of period</i>	<i>Public company</i>	<i>Private company</i>
Not more than 3 months.	£500	£100
More than 3 months but not more than 6 months.	£1,000	£250

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<i>Length of period</i>	<i>Public company</i>	<i>Private company</i>
More than 6 months but not more than 12 months.	£2,000	£500
More than 12 months.	£5,000	£1,000

- (3) The penalty may be recovered by the registrar and shall be paid by him into the Consolidated Fund.
- (4) It is not a defence in proceedings under this section to prove that the documents in question were not in fact prepared as required by this Part.

### **243 Accounts of subsidiary undertakings to be appended in certain cases**

- (1) The following provisions apply where at the end of the financial year a parent company has as a subsidiary undertaking—
  - (a) a body corporate incorporated outside Great Britain which does not have an established place of business in Great Britain, or
  - (b) an unincorporated undertaking,which is excluded from consolidation in accordance with section 229(4) (undertaking with activities different from the undertakings included in the consolidation).
- (2) There shall be appended to the copy of the company's annual accounts delivered to the registrar in accordance with section 242 a copy of the undertaking's latest individual accounts and, if it is a parent undertaking, its latest group accounts.

If the accounts appended are required by law to be audited, a copy of the auditors' report shall also be appended.
- (3) The accounts must be for a period ending not more than twelve months before the end of the financial year for which the parent company's accounts are made up.
- (4) If any document required to be appended is in a language other than English, the directors shall annex to the copy of that document delivered a translation of it into English, certified in the prescribed manner to be a correct translation.
- (5) The above requirements are subject to the following qualifications—
  - (a) an undertaking is not required to prepare for the purposes of this section accounts which would not otherwise be prepared, and if no accounts satisfying the above requirements are prepared none need be appended;
  - (b) a document need not be appended if it would not otherwise be required to be published, or made available for public inspection, anywhere in the world, but in that case the reason for not appending it shall be stated in a note to the company's accounts;
  - (c) where an undertaking and all its subsidiary undertakings are excluded from consolidation in accordance with section 229(4), the accounts of such of the subsidiary undertakings of that undertaking as are included in its consolidated group accounts need not be appended.
- (6) Subsections (2) to (4) of section 242 (penalties, &c. in case of default) apply in relation to the requirements of this section as they apply in relation to the requirements of subsection (1) of that section.

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#### **244 Period allowed for laying and delivering accounts and reports**

- (1) The period allowed for laying and delivering accounts and reports is—
- (a) for a private company, 10 months after the end of the relevant accounting reference period, and
  - (b) for a public company, 7 months after the end of that period.

This is subject to the following provisions of this section.

- (2) If the relevant accounting reference period is the company's first and is a period of more than 12 months, the period allowed is—
- (a) 10 months or 7 months, as the case may be, from the first anniversary of the incorporation of the company, or
  - (b) 3 months from the end of the accounting reference period,
- whichever last expires.

- (3) Where a company carries on business, or has interests, outside the United Kingdom, the Channel Islands and the Isle of Man, the directors may, in respect of any financial year, give to the registrar before the end of the period allowed by subsection (1) or (2) a notice in the prescribed form—

- (a) stating that the company so carries on business or has such interests, and
- (b) claiming a 3 month extension of the period allowed for laying and delivering accounts and reports;

and upon such a notice being given the period is extended accordingly.

- (4) If the relevant accounting period is treated as shortened by virtue of a notice given by the company under section 225 (alteration of accounting reference date), the period allowed for laying and delivering accounts is that applicable in accordance with the above provisions or 3 months from the date of the notice under that section, whichever last expires.

- (5) If for any special reason the Secretary of State thinks fit he may, on an application made before the expiry of the period otherwise allowed, by notice in writing to a company extend that period by such further period as may be specified in the notice.

- (6) In this section “the relevant accounting reference period” means the accounting reference period by reference to which the financial year for the accounts in question was determined.”.