
STATUTORY INSTRUMENTS

1978 No. 1042 (N.I. 12)

NORTHERN IRELAND

**The Companies
(Northern Ireland) Order 1978**

Laid before Parliament in draft

Made

25th July 1978

Coming into operation on days to be appointed under Article 1 (1)

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At the Court at Buckingham Palace, the 25th day of July 1978

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order has been approved by a resolution of each House of Parliament:

Now, therefore, Her Majesty, in exercise of the powers conferred by paragraph 1 of Schedule 1 to the Northern Ireland Act 1974 (a), and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

PART I

INTRODUCTORY

Title, commencement and citation

1.—(1) This Order may be cited as the Companies (Northern Ireland) Order 1978 and shall come into operation on such day or days as the Head of the Department may by order appoint.

(2) This Order and the Companies Act (Northern Ireland) 1960 (b) may be cited together as the Companies Acts (Northern Ireland) 1960 and 1978.

Interpretation

2.—(1) The Interpretation Act (Northern Ireland) 1954 (c) shall apply to Article 1 and the following provisions of this Order as it applies to a Measure of the Northern Ireland Assembly.

(2) In this Order “the principal Act” means the Companies Act (Northern Ireland) 1960.

(3) The principal Act and this Order shall be construed as one and accordingly section 399 of the principal Act (interpretation) shall have effect subject to the amendments set out in the following paragraphs.

(4) In section 399 (1)—

(a) after the words “In this Act” there shall be inserted the words “and the Companies (Northern Ireland) Order 1978”;

(a) 1974 c. 28. (b) 1960 c. 22 (N.I.). (c) 1954 c. 33 (N.I.).

(b) the following definitions shall be inserted at the appropriate places in alphabetical order—

“the Companies Acts” means the Companies Acts (Northern Ireland) 1960 and 1978;

“the Official Assignee” means the officer appointed under Article 65 of the Companies (Northern Ireland) Order 1978 to perform the functions of Official Assignee for company liquidations for Northern Ireland;

“Part X company” means a company to which, in accordance with section 355, Part X applies;

“statutory provision” has the meaning assigned to it by section 1 (f) of the Interpretation Act (Northern Ireland) 1954;

“winding-up rules” means rules made under section 317;

(c) for the definition of “bank holiday” there shall be substituted the following definition:—

““bank holiday” means a day which is a bank holiday in Northern Ireland under the Banking and Financial Dealings Act 1971 (a);”;

(d) for the definition of “financial year” there shall, subject to Article 9 (4), be substituted the following definition:—

““financial year”—

(a) in relation to any body corporate to which Article 3 of the Companies (Northern Ireland) Order 1978 applies, means any period in respect of which any profit and loss account prepared under that Article as it applies to that body corporate is made up; and

(b) in relation to any other body corporate, means any period in respect of which any profit and loss account of the body corporate laid before it in general meeting is made up;

whether, in either case, that period is a year or not;”;

(e) in the definition of “prescribed” for the words “rules of court” there shall be substituted the words “winding-up rules made under section 317”.

(5) In section 399 (2) and (3) for the words “this Act” there shall be substituted the words “the Companies Acts”.

(6) At the end of section 399 there shall be added the following subsections:—

“(5) For the purposes of the Companies Acts—

(a) any reference to a balance sheet or profit and loss account shall include any notes thereon or document annexed thereto giving information which is required by the Companies Acts and is thereby allowed to be so given, and

(b) any reference to a profit and loss account shall be taken, in the case of a company not trading for profit, as a reference to its income and expenditure account, and references to profit or to loss and, if the company has subsidiaries, to a consolidated profit and loss account shall be construed accordingly.

(6) Where a reference to a number of shares occurs in the Companies Acts in a context which admits of the reference to shares being construed as including stock, the expression “number” shall be construed as including amount.”.

PART II

ACCOUNTS, ACCOUNTING RECORDS AND AUDITORS

Duty to prepare, lay and deliver accounts by reference to accounting reference periods

Duty to prepare, lay and deliver accounts by reference to accounting reference periods

3.—(1) The directors of every company shall in respect of each accounting reference period of the company prepare a profit and loss account for a period determined by reference to that accounting reference period in accordance with paragraphs (2) and (3); and the period in respect of which any such account prepared under this Article is made up shall be a financial year of the company (whether it is a year or not).

(2) The period in respect of which a profit and loss account prepared under this Article in respect of the first accounting reference period of a company is to be made up shall be a period beginning with the first day of the accounting reference period and ending with—

- (a) the date on which the accounting reference period ends; or
- (b) such other date, not being more than seven days before or more than seven days after the end of the accounting reference period, as the directors may determine.

(3) The period in respect of which a profit and loss account prepared under this Article in respect of any accounting reference period of a company other than the first is to be made up shall be a period beginning with the day after the date to which the last preceding profit and loss account prepared under this Article was made up and ending as mentioned in paragraph (2).

(4) The directors of every company shall prepare a balance sheet as at the date to which any profit and loss account prepared under this Article is made up.

(5) References hereafter in this Article to documents required to be comprised in the accounts of a company in respect of any accounting reference period are references to the profit and loss account and balance sheet required under the preceding provisions of this Article to be prepared in the case of that company in respect of that accounting reference period, and include references—

- (a) to the report of the auditors required by section 150 (1) of the principal Act to be attached to that balance sheet; and
- (b) to the report of the directors required by section 151 (1) of that Act to be so attached.

(6) In respect of each accounting reference period of a company the directors of the company shall lay before the company in general meeting a copy of every document required to be comprised in the accounts of the company in respect of that period.

(7) Subject to paragraph (8), in respect of each accounting reference period of a company the directors of the company—

- (a) shall deliver to the registrar of companies a copy of every document required to be comprised in the accounts of the company in respect of that period; and
- (b) if any such document is in a language other than English, shall annex to the copy so delivered to the registrar a translation of it into English certified in the prescribed manner to be a correct translation.

(8) The directors of an unlimited company shall not be required under paragraph (7) to deliver to the registrar of companies copies of documents required to be comprised in the accounts of the company in respect of any accounting reference period if—

- (a) at no time during that accounting reference period has the company been, to its knowledge, the subsidiary of a company that was then limited and at no such time, to its knowledge, have there been held or been exercisable, by or on behalf of two or more companies that were then limited, shares or powers which, if they had been held or been exercisable by one of them, would have made the company its subsidiary; and
- (b) at no such time has the company been the holding company of a company which was then limited; and
- (c) at no such time has the company been carrying on business as the promoter of a trading stamp scheme within the meaning of the Trading Stamps Act (Northern Ireland) 1965 (a).

(9) References in paragraph (8) to a company that was limited at a particular time shall be taken as referring to a body corporate (whether incorporated under the law in force in Northern Ireland or the law in force elsewhere) the liability of whose members was at that time limited.

(10) Sections 122 and 142 of the principal Act (which are superseded by this Article) shall cease to have effect.

Accounting reference period of a company

4.—(1) Any company may give notice in the prescribed form to the registrar of companies specifying a date in the calendar year as being the date on which in each successive calendar year an accounting reference period of the company is to be treated as coming to an end; but no such notice shall have effect unless it is given before the date on which Article 3 comes into operation or before the end of the period of six months beginning with the date of the incorporation of the company, whichever last occurs.

(2) Subject to Article 5 and paragraph (3)—

- (a) in the case of a company which has given notice in accordance with paragraph (1), the date specified in that notice; and
- (b) in any other case, 31st March;

shall be the company's accounting reference date.

(3) In the case of a company which has not given notice in accordance with paragraph (1), the registrar of companies may during the period of two years beginning with the date on which Article 3 comes into operation determine, with the consent of the company, that some date other than 31st March shall be the date on which in each successive calendar year an accounting reference period of the company is to be treated as coming to an end; and, subject to Article 5, the date so determined shall be and, in relation to any occurrence of that date before it was so determined, shall be treated as having been the company's accounting reference date instead of 31st March.

(4) Subject to Article 5, the first accounting reference period of a company shall be such period ending with the company's accounting reference date as—

- (a) begins or began on the day after the date to which the profit and loss account of the company last laid before the company in general meeting before the coming into operation of Article 3 (whether laid in the year

(a) 1965 c. 6 (N.I.).

immediately before the coming into operation of that Article or earlier) is or was made up; or

- (b) if no profit and loss account of the company is or was so laid before the coming into operation of that Article, begins or began on the date of the incorporation of the company, whether that date is or was a date after or a date before the coming into operation of that Article;

and (in either case) is or was a period exceeding six months and not exceeding eighteen months.

(5) Subject to Article 5, in the case of any company each successive period of twelve months beginning after the end of the company's first accounting reference period and ending with the company's accounting reference date shall also be an accounting reference period of the company.

(6) The requirements of Article 3 apply in relation to every period which is or was an accounting reference period of a company by virtue of this Article or Article 5, whether or not that period falls wholly or partly after the date on which Article 3 comes into operation.

Alteration of accounting reference period

5.—(1) At any time during the course of a period which is an accounting reference period of a company by virtue of Article 4 or this Article the company may give notice in the prescribed form to the registrar of companies specifying a date in the calendar year ("the new accounting reference date") on which that accounting reference period ("the current accounting reference period") and each subsequent accounting reference period of the company is to be treated as coming or (as the case may require) as having come to an end.

(2) Subject to paragraph (3), at any time after the end of a period which was an accounting reference period of a company by virtue of Article 4 or this Article the company may give notice in the prescribed form to the registrar of companies specifying a date in the calendar year ("the new accounting reference date") on which that accounting reference period ("the previous accounting reference period") and each subsequent accounting reference period of the company is to be treated as coming or (as the case may require) as having come to an end.

(3) A notice under paragraph (2)—

- (a) shall not have effect unless the company is a subsidiary or holding company of another company and the new accounting reference date coincides with the accounting reference date of that other company; and
- (b) shall not have effect if the period allowed for laying and delivering accounts in relation to the previous accounting reference period has already expired at the time when the notice is given.

(4) A notice under this Article shall state whether the current or previous accounting reference period of the company—

- (a) is to be treated as shortened, so as to come to an end, or (as the case may require) to be treated as having come to an end, on the new accounting reference date on the first occasion on which that date falls or fell after the beginning of that accounting reference period; or
- (b) is to be treated as extended, so as to come to an end, or (as the case may require) to be treated as having come to an end, on the new accounting reference date on the second occasion on which that date falls or fell after the beginning of that accounting reference period.

(5) A notice under this Article which states that the current or previous accounting reference period of the company is to be extended shall not have effect if the current or previous accounting reference period as extended in accordance with the notice would exceed eighteen months.

(6) Subject to any direction given under paragraph (7), a notice under this Article which states that the current or previous accounting reference period of the company is to be extended shall not have effect unless—

- (a) no earlier accounting reference period of the company has been extended by virtue of a previous notice given by the company under this Article; or
- (b) the notice is given not less than five years after the date on which any earlier accounting reference period of the company which was so extended came to an end; or
- (c) the company is a subsidiary or holding company of another company and the new accounting reference date coincides with the accounting reference date of that other company.

(7) The Department may, if it thinks fit, direct that paragraph (6) shall not apply in relation to any notice already given by a company under this Article or (as the case may be) in relation to any notice which may be so given.

(8) Where a company has given a notice which has effect in accordance with the preceding provisions of this Article, and that notice has not been superseded by a subsequent notice given by the company which has effect in accordance with those provisions, the new accounting reference date specified in the notice shall be the company's accounting reference date, in substitution for the date which, by virtue of Article 4 or this Article, was the company's accounting reference date at the time when the notice was given.

(9) Where by virtue of a notice under this Article one date is substituted for another as the accounting reference date of a company—

- (a) the current or previous accounting reference period of the company, shortened or extended (as the case may be) in accordance with the notice as mentioned in paragraph (4); and
- (b) each successive period of twelve months beginning after the end of that accounting reference period, as so shortened or extended, and ending with the new accounting reference date;

shall be or (as the case may require) shall be treated as having been an accounting reference period of the company, instead of any period which would be an accounting reference period of the company if the notice had not been given.

(10) Nothing in this Article shall affect any accounting reference period of the company which—

- (a) in the case of a notice under paragraph (1), is earlier than the current accounting reference period, or
- (b) in the case of a notice under paragraph (2), is earlier than the previous accounting reference period.

Penalties for not complying with Article 3 within the period allowed for laying and delivering accounts

6.—(1) If in respect of any accounting reference period of a company any of the requirements of paragraph (6) or of paragraph (7) of Article 3 is not complied with before the end of the period allowed for laying and delivering accounts, then, subject to paragraph (2), every person who immediately before

the end of the last-mentioned period was a director of the company shall, in respect of each of those paragraphs which is not so complied with, be guilty of an offence and liable on summary conviction to a fine not exceeding the aggregate of £400 and £40 for each day which falls—

- (a) after the end of the period allowed for laying and delivering accounts, and
- (b) before the earliest day by which all the requirements of paragraph (6) or (as the case may be) of paragraph (7) have been complied with.

(2) Where a person is charged with an offence under paragraph (1) in respect of any requirements of paragraph (6) or of paragraph (7) of Article 3, it shall be a defence for him to prove that he took all reasonable steps for securing that those requirements would be complied with before the end of the period allowed for laying and delivering accounts.

(3) If, in respect of any accounting reference period of a company, any of the requirements of Article 3 (7) is not complied with before the end of the period allowed for laying and delivering accounts, the company shall be liable to a penalty (recoverable in civil proceedings by the Department) of an amount determined in accordance with paragraph (4) by reference to the length of the period between the end of the period allowed for laying and delivering accounts and the earliest day by which all those requirements have been complied with.

(4) The amount of the penalty in paragraph (3) is—

- (a) £20 where the period is a period of not more than one month;
- (b) £50 where the period is a period of more than one month but not more than three months;
- (c) £100 where the period is a period of more than three months but not more than six months;
- (d) £200 where the period is a period of more than six months but not more than twelve months; and
- (e) £450 where the period is a period of more than twelve months.

(5) For the purposes of any proceedings under this Article with respect to any requirement to lay a copy of a document before a company in general meeting, or to deliver a copy of a document to the registrar of companies, it shall not be a defence to prove that the document in question was not in fact prepared as required by paragraph (1) or paragraph (4) of Article 3.

Default order in case of continued failure to comply with Article 3 (7) after the end of the period allowed for laying and delivering accounts

7.—(1) If—

- (a) in respect of any accounting reference period of a company any of the requirements of Article 3 (7) has not been complied with before the end of the period allowed for laying and delivering accounts; and
- (b) the directors of the company fail to make good the default within fourteen days after the service of a notice on them requiring them to do so;

the court may, on an application made to the court by any member or creditor of the company or by the registrar of companies, make an order directing the directors of the company or any of them to make good the default within such time as may be specified in the order.

(2) Any order made under paragraph (1) may provide that all costs of and incidental to the application shall be borne by the directors of the company.

(3) Nothing in this Article shall be taken to prejudice the operation of Article 6.

The period allowed for laying and delivering accounts

8.—(1) Subject to Article 9, the period allowed for laying and delivering accounts in relation to any accounting reference period of a company shall be determined for the purposes of Articles 6 and 7 in accordance with the following provisions of this Article.

(2) Subject to the following provisions of this Article, the period allowed for laying and delivering accounts in relation to any accounting reference period of a company—

- (a) if it is a private company, shall be the period of ten months after the end of the accounting reference period; or
- (b) if it is a company other than a private company, shall be the period of seven months after the end of the accounting reference period.

(3) Where a company carries on business, or has interests, outside the United Kingdom, the Channel Islands and the Isle of Man and, in respect of any accounting reference period of the company, the directors, before the end of the period allowed in relation to that accounting reference period by virtue of paragraph (2), give to the registrar of companies a notice in the prescribed form—

- (a) stating that the company so carries on business or has such interests; and
- (b) claiming an extension of the period so allowed by a further period of three months;

the period allowed for laying and delivering accounts in relation to that accounting reference period of the company shall be three months longer than would otherwise be allowed by virtue of that paragraph.

(4) Subject to the following provisions of this Article, where the first accounting reference period of a company—

- (a) begins or began on the date of the incorporation of the company; and
- (b) is or was a period exceeding twelve months;

the period which would otherwise be the period allowed for laying and delivering accounts in relation to that accounting reference period in accordance with the preceding provisions of this Article shall be treated as reduced by the number of days by which that accounting reference period is or was longer than twelve months.

(5) The period allowed for laying and delivering accounts in relation to the first accounting reference period of a company shall not by virtue of paragraph (4) be treated as reduced to a period of less than three months after the end of that accounting reference period.

(6) Subject to paragraph (7), in relation to the accounting reference period of a company as respects which notice is given by the company under Article 5, and which by virtue of that Article is to be treated as shortened in accordance with that notice, the period allowed for laying and delivering accounts shall be—

- (a) the period allowed in relation to that accounting reference period of the company in accordance with the preceding provisions of this Article; or
 - (b) the period of three months beginning with the date of the notice;
- whichever of those periods last expires.

(7) If for any special reason the Department thinks fit to do so, it may by notice in writing to a company extend, by such further period as may be specified in the notice, the period which in accordance with the preceding provisions of this Article is the period allowed for laying and delivering accounts in relation to any accounting reference period of the company.

Transitional provisions and savings

9.—(1) In relation to any accounting reference period of a company ending before the date on which Article 3 comes into operation, if the period allowed for laying and delivering accounts in relation to that accounting reference period determined in accordance with Article 8 (2) to (4) would expire before the end of the period of three months beginning with that date, the period allowed for laying and delivering accounts in relation to that accounting reference period shall instead, subject to paragraph (2), be treated for the purposes of Articles 6 and 7 as expiring at (and not before) the end of those three months.

(2) If for any special reason the Department thinks fit to do so, it may by notice in writing to a company extend, by such further period as may be specified in the notice, the period which in accordance with paragraph (1) is the period allowed for laying and delivering accounts in relation to any accounting reference period of the company.

(3) The repeal by this Order of section 122 of the principal Act (which is superseded by Article 3) shall not affect any duty imposed by section 122 to annex to an annual return of a company made after the coming into operation of Article 3 a copy of any balance sheet laid before the company in general meeting before the coming into operation of that Article and of any related document.

(4) The substitution by Article 2 (4) (d) of a new definition for the definition of "financial year" in section 399 (1) of the principal Act shall not affect the operation of the original definition in relation to a period before the beginning of a company's first accounting reference period.

(5) For the purposes of determining, in any proceedings under Article 6 or 7, the date on which the first accounting reference period of a company incorporated before the coming into operation of Article 3 began—

(a) where a copy of any profit and loss account of the company which was laid before the company in general meeting before the coming into operation of Article 3 has been annexed to any annual return made by the company, it shall be presumed that no such account has been laid before the company in general meeting since the last such account so annexed was so laid and before the coming into operation of that Article; and

(b) in any other case it shall be presumed that no such account has been laid before the company in general meeting since the date of the incorporation of the company and before the coming into operation of that Article;

unless, in either case, the contrary is proved.

(6) No proceedings shall be instituted after the coming into operation of Article 3 for an offence under section 142 of the principal Act.

(7) For the purposes of paragraph (3) the following are documents related to any balance sheet laid before a company in general meeting—

- (a) any such other document as is mentioned in paragraph (a) of subsection (1) of section 122 of the principal Act; and
- (b) any such report as is mentioned in paragraph (b) of that subsection.

Group accounts

Group accounts

10.—(1) For subsection (1) of section 144 of the principal Act (obligations of holding company with respect to group accounts) there shall be substituted—

“(1) Where at the end of its financial year a company has subsidiaries, the documents required in accordance with paragraphs (1) and (4) of Article 3 of the Companies (Northern Ireland) Order 1978 to be prepared in respect of the accounting reference period by reference to which, in accordance with that Article, that financial year was determined shall, subject to subsection (2), include accounts or statements (in this Act referred to as “group accounts”) dealing with the state of affairs and profit or loss of the company and the subsidiaries; and any such group accounts shall accordingly be included among the documents required to be comprised in the accounts of the company in respect of that accounting reference period for the purposes of paragraphs (6) to (8) of that Article.”

(2) For subsection (4) of that section there shall be substituted—

“(4) If any group accounts of which a copy is laid before a company in general meeting or delivered to the registrar of companies do not comply with the requirements of section 145 or 146, every person who, at the time when the copy was so laid or delivered, was a director of the company shall be guilty of an offence and liable—

(a) on conviction on indictment, to a fine;

(b) on summary conviction, to a fine not exceeding £400,

so, however, that in any proceedings against a person for an offence under this section it shall be a defence for him to prove that he took all reasonable steps for securing compliance with the requirements in question.”

Duty to prepare and deliver accounts in the case of companies incorporated outside Northern Ireland carrying on business within Northern Ireland

Duty to prepare and deliver accounts in the case of Part X companies

11.—(1) Every company to which Part X of the principal Act applies (hereafter referred to as a “Part X company”) shall in respect of each accounting reference period of the company prepare a balance sheet and profit and loss account and, if the company is a holding company, group accounts made up by reference to such date or dates, and (subject to any prescribed exceptions or modifications) in such form, containing such particulars and having annexed or attached thereto such documents, as would have been required in accordance with the provisions of the Companies Acts if it had been a company within the meaning of those Acts.

(2) In respect of each accounting reference period of the company, a Part X company shall deliver to the registrar of companies a copy of every balance sheet, account or other document required by virtue of paragraph (1) to be prepared in respect of that accounting reference period and, if any such balance sheet, account or document is in a language other than English, shall annex to the copy so delivered to the registrar a certified translation of it into English.

(3) Where in relation to any accounting reference period of a Part X company the directors of the company would be exempt by virtue of Article 3 (8) from the requirements of Article 3 (7) if the company were a company within the meaning of the Companies Acts, nothing in paragraph (1) shall require the company to prepare any balance sheet or other document in respect of that accounting reference period.

(4) Section 359 of the principal Act (which is superseded by this Article) shall cease to have effect.

Accounting reference period of Part X company

12.—(1) Articles 4 and 5 shall apply in relation to a Part X company subject to the following modifications.

(2) The reference in Article 4 (1) to the date of the incorporation of the company shall be construed in relation to a Part X company as referring to the date on which a place of business in Northern Ireland is or was established by the company.

(3) Subject to Article 5, the first accounting reference period of a Part X company shall be, instead of the period mentioned in Article 4 (4), such period ending with the company's accounting reference date as—

- (a) begins or began on the day after the date to which the last profit and loss account of the company of which a copy was delivered to the registrar of companies before the coming into operation of Article 3 (whether delivered in the year immediately before the coming into operation of that Article or earlier) is or was made up; or
- (b) if no profit and loss account of the company was so delivered before the coming into operation of that Article, begins or began on a date determined by the company in accordance with paragraph (4), whether that date is or was a date after or a date before the coming into operation of that Article;

and (in either case) is or was a period exceeding six months and not exceeding eighteen months.

(4) The date determined by a Part X company for the purposes of paragraph (3) (b) shall be a date not later than the date on which a place of business in Northern Ireland is or was established by the company.

(5) The reference in Article 4 (6) to the requirements of Article 3 shall be construed in relation to a Part X company as a reference to the requirements of Article 11.

(6) References in Articles 4 and 5 to a period which is or was an accounting reference period of a company by virtue of Article 4 shall be construed as including references to a period which is or was an accounting reference period of a Part X company by virtue of paragraph (3).

(7) Paragraphs (6) and (7) of Article 5 shall be omitted in the application of that Article in relation to a Part X company.

Penalty for not complying with Article 11 within the period allowed for delivering accounts

13.—(1) If in respect of any accounting reference period of a Part X company any of the requirements of Article 11 (2) is not complied with before the end of the period allowed for delivering accounts, the company and every officer or

agent of the company who knowingly and wilfully authorises or permits the default shall in respect of the company's failure to comply with the requirement or requirements in question be guilty of an offence and liable on summary conviction to a fine not exceeding the aggregate of £400 and £40 for each day which falls—

- (a) after the end of the period allowed for delivering accounts; and
- (b) before the earliest day by which all the requirements of Article 11 (2) have been complied with.

(2) Subject to paragraph (3), the period allowed for delivering accounts in relation to any accounting reference period of a Part X company shall be the period which would be the period allowed for laying and delivering accounts in relation to that accounting reference period determined in accordance with Article 8 and Article 9 (1) and (2) if the company were a company within the meaning of the Companies Acts and the following paragraph were substituted for paragraphs (2) and (3) of Article 8—

“(2) Subject to the following provisions of this Article, the period allowed for laying and delivering accounts in relation to any accounting reference period of a company shall be the period of thirteen months after the end of the accounting reference period.”.

(3) In the application of Article 8 (4) for the purposes of this Article, the reference to the date of the incorporation of the company shall be construed as referring to the date determined by the company for the purposes of Article 12 (3) (b).

(4) For the purposes of any proceedings under this Article with respect to any requirement to deliver a copy of a document to the registrar of companies, it shall not be a defence to prove that the document in question was not in fact prepared as required by Article 11 (1).

Accounts

Statement in holding company's accounts of identities and places of incorporation of subsidiaries, and particulars of shareholdings therein

14.—(1) Subject to the provisions of this Article, where, at the end of its financial year, a company has subsidiaries, there shall, in the case of each subsidiary, be stated in, or in a note on, or statement annexed to, the company's accounts laid before it in general meeting—

- (a) the subsidiary's name;
- (b) if it be incorporated outside Northern Ireland, the country in which it is incorporated; and
- (c) in relation to shares of each class of the subsidiary held by the company, the identity of the class and the proportion of the nominal value of the issued shares of that class represented by the shares held.

(2) For the purposes of paragraph (1), shares of a body corporate shall be treated as being held, or as not being held, by another such body if they would, by virtue of section 148 (3) of the principal Act, be treated as being held or, as the case may be, as not being held by that other body for the purpose of determining whether the first-mentioned body is its subsidiary; and the particulars required by paragraph (1) shall include, with reference to the proportion of the nominal value of the issued shares of a class represented by shares held by a company, a statement of the extent (if any) to which it consists in shares held by, or by a nominee for, a subsidiary of the company and the extent (if any) to which it consists in shares held by, or by a nominee for, the company itself.

(3) Paragraph (1) shall not require the disclosure of information with respect to a body corporate which is the subsidiary of another and is incorporated outside the United Kingdom or, being incorporated in the United Kingdom, carries on business outside the United Kingdom if the disclosure would, in the opinion of the directors of that other, be harmful to the business of that other or of any of its subsidiaries and the Department agrees that the information need not be disclosed.

(4) If, in the opinion of the directors of a company having, at the end of its financial year, subsidiaries, the number of them is such that compliance with paragraph (1) would result in particulars of excessive length being given, compliance with that paragraph shall not be requisite except in the case of the subsidiaries carrying on the businesses the results of the carrying on of which, in the opinion of the directors, principally affected the amount of the profit or loss of the company and its subsidiaries or the amount of the assets of the company and its subsidiaries.

(5) Where, in the case of a company, advantage is taken of paragraph (4),—

(a) there must be included in the statement required by this Article the information that it deals only with the subsidiaries carrying on such businesses as are referred to in that paragraph; and

(b) the particulars given in compliance with paragraph (1), together with those which, but for the fact that advantage is so taken, would have to be so given, shall be annexed to the annual return first made by the company after its accounts have been laid before it in general meeting.

(6) If a company fails to satisfy an obligation imposed on it by paragraph (5) to annex particulars to a return, the company and every officer of the company who is in default shall be liable to a default fine.

Statement in company's accounts of identities and places of incorporation of companies not subsidiaries whose shares it holds, and particulars of those shares

15.—(1) Subject to the provisions of this Article, if, at the end of its financial year, a company holds shares of any class comprised in the equity share capital of another body corporate (not being its subsidiary) exceeding in nominal value one tenth of the nominal value of the issued shares of that class, there shall be stated in, or in a note on, or statement annexed to, the accounts of the company laid before it in general meeting—

(a) the name of that other body corporate and if it be incorporated outside Northern Ireland, the country in which it is incorporated;

(b) the identity of the class and the proportion of the nominal value of the issued shares of that class represented by the shares held; and

(c) if the company also holds shares in that other body corporate of another class (whether or not comprised in its equity share capital), or of other classes (whether or not so comprised), the like particulars as respects that other class or, as the case may be, each of those other classes.

(2) If, at the end of its financial year, a company holds shares in another body corporate (not being its subsidiary) and the amount of all the shares therein which it holds (as stated or included in its accounts laid before it in general meeting) exceeds one tenth of the amount of its assets (as so stated), there shall be stated in, or in a note on, or statement annexed to, those accounts—

(a) the name of that other body corporate and if it be incorporated outside Northern Ireland, the country in which it is incorporated; and

(b) in relation to shares in that other body corporate of each class held, the identity of the class and the proportion of the nominal value of the issued shares of that class represented by the shares held.

(3) Neither paragraph (1) nor (2) shall require the disclosure by a company of information with respect to another body corporate if that other body is incorporated outside the United Kingdom or, being incorporated in the United Kingdom, carries on business outside the United Kingdom if the disclosure would, in the opinion of the directors of the company, be harmful to the business of the company or of that other body and the Department agrees that the information need not be disclosed.

(4) If, at the end of its financial year a company falls within paragraph (1) in relation to more bodies corporate than one, and the number of them is such that, in the opinion of the directors, compliance with that paragraph would result in particulars of excessive length being given, compliance with that paragraph shall not be requisite except in the case of the bodies carrying on the businesses the results of the carrying on of which, in the opinion of the directors, principally affected the amount of the profit or loss of the company or the amount of its assets.

(5) Where, in the case of a company, advantage is taken of paragraph (4),—

(a) there must be included in the statement dealing with the bodies last mentioned in that paragraph the information that it deals only with them; and

(b) the particulars given in compliance with paragraph (1), together with those which, but for the fact that advantage is so taken, would have to be so given, shall be annexed to the annual return first made by the company after its accounts have been laid before it in general meeting.

(6) If a company fails to satisfy an obligation imposed on it by paragraph (5) to annex particulars to a return, the company and every officer of the company who is in default shall be liable to a default fine.

(7) For the purposes of this Article, shares of a body corporate shall be treated as being held, or as not being held, by another such body if they would, by virtue of section 148 (3) of the principal Act (but on the assumption that paragraph (b) (ii) had been omitted therefrom), be treated as being held or, as the case may be, as not being held by that other body for the purpose of determining whether the first-mentioned body is its subsidiary.

(8) In this Article "equity share capital" has the meaning assigned to it by section 148 (5) of the principal Act.

Statement in subsidiary company's accounts of name and place of incorporation of its ultimate holding company

16.—(1) Subject to paragraph (2), where, at the end of its financial year, a company is the subsidiary of another body corporate, there shall be stated in, or in a note on, or statement annexed to, the company's accounts laid before it in general meeting the name of the body corporate regarded by the directors as being the company's ultimate holding company and, if known to them, the country in which it is incorporated.

(2) Paragraph (1) shall not require the disclosure by a company which carries on business outside the United Kingdom of information with respect to the body corporate regarded by the directors as being its ultimate holding company if the disclosure would, in their opinion, be harmful to the business of that holding company or of the first-mentioned company or any other of that holding company's subsidiaries and the Department agrees that the information need not be disclosed.

Particulars in accounts of directors' salaries, pensions, etc.

17. For section 187 of the principal Act there shall be substituted the following section:—

“Particulars in accounts of directors' salaries, pensions, etc.

187.—(1) In any accounts of a company laid before it in general meeting, or in a statement annexed thereto, there shall, subject to and in accordance with the provisions of this section, be shown so far as the information is contained in the company's books and papers or the company has the right to obtain it from the persons concerned—

- (a) the aggregate amount of the directors' emoluments;
 - (b) the aggregate amount of directors' or past directors' pensions; and
 - (c) the aggregate amount of any compensation to directors or past directors in respect of loss of office.
- (2) The amount to be shown under paragraph (a) of subsection (1)—
- (a) shall include any emoluments paid to or receivable by any person in respect of his services as director of the company or in respect of his services, while director of the company, as director of any subsidiary thereof or otherwise in connection with the management of the affairs of the company or any subsidiary thereof; and
 - (b) shall distinguish between emoluments in respect of services as director, whether of the company or its subsidiary, and other emoluments;

and for the purposes of this section “emoluments”, in relation to a director, includes fees and percentages, any sums paid by way of expenses allowance in so far as those sums are charged to United Kingdom income tax, any contribution paid in respect of him under any pension scheme and the estimated money value of any other benefits received by him otherwise than in cash.

(3) The amount to be shown under paragraph (b) of subsection (1)—

- (a) shall not include any pension paid or receivable under a pension scheme if the scheme is such that the contributions thereunder are substantially adequate for the maintenance of the scheme, but save as aforesaid shall include any pension paid or receivable in respect of any such services of a director or past director of the company as are mentioned in subsection (2), whether to or by him or, on his nomination or by virtue of dependence on or other connection with him, to or by any other person; and
- (b) shall distinguish between pensions in respect of services as director, whether of the company or its subsidiary, and other pensions;

and for the purposes of this section “pension” includes any superannuation allowance, superannuation gratuity or similar payment, and “pension scheme” means a scheme for the provision of pensions in respect of services as director or otherwise which is maintained in whole or in part by means of contributions, and “contribution” in relation to a pension scheme means any payment

(including an insurance premium) paid for the purposes of the scheme by or in respect of persons rendering services in respect of which pensions will or may become payable under the scheme, except that it does not include any payment in respect of two or more persons if the amount paid in respect of each of them is not ascertainable.

(4) The amount to be shown under paragraph (c) of subsection (1)—

- (a) shall include any sums paid to or receivable by a director or past director by way of compensation for the loss of office as director of the company or for the loss, while director of the company or on or in connection with his ceasing to be a director of the company, of any other office in connection with the management of the company's affairs or of any office as director or otherwise in connection with the management of the affairs of any subsidiary thereof; and
- (b) shall distinguish between compensation in respect of the office of director, whether of the company or its subsidiary, and compensation in respect of other offices;

and for the purposes of this section references to compensation for loss of office shall include sums paid as consideration for or in connection with a person's retirement from office.

(5) The amounts to be shown under each paragraph of subsection (1)—

- (a) shall include all relevant sums paid by or receivable from—
 - (i) the company; and
 - (ii) the company's subsidiaries; and
 - (iii) any other person;except sums to be accounted for to the company or any of its subsidiaries or, by virtue of section 184, to past or present members of the company or any of its subsidiaries or any class of those members; and
- (b) shall distinguish, in the case of the amount to be shown under paragraph (c) of subsection (1), between the sums respectively paid by or receivable from the company, the company's subsidiaries and persons other than the company and its subsidiaries.

(6) The amounts to be shown under this section for any financial year shall be the sums receivable in respect of that year, whenever paid, or, in the case of sums not receivable in respect of a period, the sums paid during that year, so, however, that where—

- (a) any sums are not shown in the accounts for the relevant financial year on the ground that the person receiving them is liable to account therefor as mentioned in paragraph (a) of subsection (5), but the liability is thereafter wholly or partly released or is not enforced within a period of two years; or
- (b) any sums paid by way of expenses allowance are charged to United Kingdom income tax after the end of the relevant financial year;

those sums shall, to the extent to which the liability is released or not enforced or they are charged as aforesaid, as the case may be,

be shown in the first accounts in which it is practicable to show them or in a statement annexed thereto, and shall be distinguished from the amounts to be shown therein apart from this provision.

(7) Where it is necessary so to do for the purpose of making any distinction required by this section in any amount to be shown thereunder, the directors may apportion any payments between the matters in respect of which they have been paid or are receivable in such manner as they think appropriate.

(8) If in the case of any accounts the requirements of this section are not complied with, it shall be the duty of the auditors of the company by whom the accounts are examined to include in their report thereon, so far as they are reasonably able to do so, a statement giving the required particulars.

(9) In this section any reference to a company's subsidiary—

(a) in relation to a person who is or was, while a director of the company, a director also, by virtue of the company's nomination, direct or indirect, of any other body corporate, shall, subject to paragraph (b), include that body corporate, whether or not it is or was in fact the company's subsidiary; and

(b) shall for the purposes of subsections (2) and (3) be taken as referring to a subsidiary at the time the services were rendered, and for the purposes of subsection (4) be taken as referring to a subsidiary immediately before the loss of office as director of the company."

Particulars in accounts of directors' emoluments

18.—(1) In any accounts of a company laid before it in general meeting, or in a statement annexed thereto, there shall, so far as the information is contained in the company's books and papers or the company has the right to obtain it from the persons concerned,—

(a) if one person has been chairman throughout the financial year, be shown his emoluments (unless his duties as chairman were wholly or mainly discharged outside the United Kingdom), and if not, be shown with respect to each person who has been chairman during the year, his emoluments so far as attributable to the period during which he was chairman (unless his duties as chairman were wholly or mainly so discharged);

(b) with respect to all the directors (other than any who discharged their duties as such wholly or mainly outside the United Kingdom), be shown the number (if any) who had no emoluments or whose several emoluments amounted to not more than £2,500 and, by reference to each pair of adjacent points on a scale whereon the lowest point is £2,500 and the succeeding ones are successive integral multiples of £2,500, the number (if any) whose several emoluments exceeded the lower point but did not exceed the higher.

(2) If, of the directors of a company (other than any who discharged their duties as such wholly or mainly outside the United Kingdom), the emoluments of one only (so far as ascertainable from information contained in the company's books and papers or obtainable by right by the company from him) exceed the relevant amount, his emoluments (so far as so ascertainable) shall also be shown in the said accounts or in a statement annexed thereto; and if, of the

directors of a company (other than any who discharged their duties as such wholly or mainly outside the United Kingdom), the emoluments (so far as so ascertainable) of each of two or more exceed the relevant amount, the emoluments (so far as so ascertainable) of him (or them, in the case of equality) who had the greater or, as the case may be, the greatest shall also be shown in the said accounts or in a statement annexed thereto.

(3) For the purposes of this Article there shall be brought into account as emoluments of any person all such amounts (other than contributions paid in respect of him under any pension scheme) as in his case are, by virtue of section 187 of the principal Act (disclosure of aggregates of directors' salaries, pensions, etc.), required to be included in the amount shown under subsection (1) (a) of that section.

(4) If, in the case of any accounts, the requirements of this Article are not complied with, it shall be the duty of the auditors of the company by whom the accounts are examined to include in their report thereon, so far as they are reasonably able to do so, a statement giving the required particulars.

(5) In section 189 of the principal Act (general duty to make disclosure for the purposes of sections 186 to 188), the reference in subsections (1) and (3) to section 187 of that Act shall be construed as including a reference to this Article.

(6) A company which is neither a holding company nor a subsidiary of another body corporate shall not be subject to the requirements of this Article as respects a financial year in the case of which the amount shown in its accounts under section 187 (1) (a) of the principal Act does not exceed £15,000.

(7) In this Article—

(a) "chairman", in relation to a company, means the person elected by the directors of the company to be chairman of their meetings and includes a person who, though not so elected, holds any office (however designated) which, in accordance with the constitution of the company, carries with it functions substantially similar to those discharged by a person so elected; and

(b) "the relevant amount"—

(i) if one person has been chairman throughout the year, means the amount of his emoluments;

(ii) if not, means an amount equal to the aggregate of the emoluments, so far as attributable to the period during which he was chairman, of each person who has been chairman during the year.

Particulars in accounts of directors' emoluments the rights to receive which have been waived

19.—(1) In any accounts of a company laid before it in general meeting, or in a statement annexed thereto, there shall be shown, so far as the information is contained in the company's books and papers or the company has the right to obtain it from the persons concerned,—

(a) the number of directors who have waived rights to receive emoluments which, but for the waiver, would have fallen to be included in the amount shown in those accounts under section 187 (1) (a) of the principal Act;

(b) the aggregate amount of the said emoluments.

(2) For the purposes of this Article—

(a) it shall be assumed that a sum not receivable in respect of a period would have been paid at the time at which it was due to be paid;

(b) a sum not so receivable that was payable only on demand, being a sum the right to receive which has been waived, shall be deemed to have been due for payment at the time of the waiver.

(3) Paragraphs (4), (5) and (6) of Article 18 shall, with the substitution, for references to that Article, of references to this Article, apply for the purposes of this Article as they apply for the purposes of that Article.

Particulars in accounts of salaries of employees receiving more than £10,000 a year

20.—(1) In any accounts of a company laid before it in general meeting, or in a statement annexed thereto, there shall be shown by reference to each pair of adjacent points on a scale whereon the lowest point is £10,000 and the succeeding ones are successive integral multiples of £2,500 beginning with that in the case of which the multiplier is five, the number (if any) of persons in the company's employment whose several emoluments exceeded the lower point but did not exceed the higher, other than,—

(a) directors of the company; and

(b) persons, other than directors of the company, being persons who,—

(i) if employed by the company throughout the financial year to which the accounts relate, worked wholly or mainly during that year outside the United Kingdom; or

(ii) if employed by the company for part only of that year, worked wholly or mainly during that part outside the United Kingdom.

(2) For the purposes of this Article, a person's emoluments shall include any paid to or receivable by him from the company, the company's subsidiaries and any other person in respect of his services as a person in the employment of the company or a subsidiary thereof or as a director of a subsidiary thereof (except sums to be accounted for to the company or any of its subsidiaries) and "emoluments", in relation to a person, includes fees and percentages, any sums paid by way of expenses allowance in so far as those sums are charged to United Kingdom income tax, and the estimated money value of any other benefits received by him otherwise than in cash.

(3) The amounts to be brought into account for the purpose of complying with paragraph (1) as respects a financial year shall be the sums receivable in respect of that year, whenever paid, or, in the case of sums not receivable in respect of a period, the sums paid during that year, so, however, that where—

(a) any sums are not brought into account for the relevant financial year on the ground that the person receiving them is liable to account therefor as mentioned in paragraph (2), but the liability is wholly or partly released or is not enforced within a period of two years; or

(b) any sums paid to a person by way of expenses allowance are charged to United Kingdom income tax after the end of the relevant financial year;

those sums shall, to the extent to which the liability is released or not enforced or they are charged as aforesaid, as the case may be, be brought into account for the purpose of complying with paragraph (1) on the first occasion on which it is practicable to do so.

(4) If, in the case of any accounts, the requirements of this Article are not complied with, it shall be the duty of the auditors of the company by whom the accounts are examined to include in their report thereon, so far as they are reasonably able to do so, a statement giving the required particulars.

(5) References in paragraph (2) to a company's subsidiary—

- (a) in relation to a person who is or was, while employed by the company a director, by virtue of the company's nomination, direct or indirect, of any other body corporate, shall, subject to sub-paragraph (b), include that body corporate, whether or not it is or was in fact the company's subsidiary; and
- (b) shall be taken as referring to a subsidiary at the time the services were rendered.

Miscellaneous amendments as to contents of accounts

21. Schedule 6 to the principal Act shall be amended in accordance with the provisions of Schedule 1 and shall, accordingly, have effect as set out in Schedule 2.

Limitation of operation of new requirements as to accounts

22.—(1) None of the following provisions of this Order, namely, Articles 14 to 21 and Schedule 1, shall apply to a balance sheet, profit and loss account or group accounts of a company laid before it in general meeting in respect of a financial year ending before that provision comes into operation.

(2) In relation to the first balance sheet of a company laid before it in general meeting in respect of a financial year ending after the coming into operation of Article 21 and Schedule 1, paragraph 11 (11) of Schedule 6 to the principal Act shall not have effect so as to require there to be shown corresponding amounts at the end of the immediately preceding financial year of items which, but for this Order, would not have had to be shown in the balance sheet.

(3) In relation to the first profit and loss account of a company laid before it in general meeting in respect of a financial year ending after the coming into operation of Article 21 and Schedule 1, paragraph 14 (5) of the said Schedule 6 shall not have effect so as to require there to be shown corresponding amounts for the immediately preceding financial year of items which, but for this Order, would not have had to be shown in the profit and loss account.

(4) A company which, immediately before Article 21 and Schedule 1 come into operation, is entitled to the benefit of paragraph 25 of the said Schedule 6 shall, notwithstanding that, by reason of the amendment by this Order of that paragraph, it ceases to be one to which that paragraph applies, be entitled to the benefit of that paragraph as respects any balance sheet and profit and loss account laid before it in general meeting in respect of a financial year ending before Article 21 and Schedule 1 come into operation.

Statements annexed to accounts showing certain items to include corresponding amounts for preceding financial year

23.—(1) Where an item required by section 187 of the principal Act or Article 18, 19 or 20 to be shown in a company's accounts or in a statement annexed is, in the case of a financial year, shown in such a statement, the corresponding amount for the immediately preceding financial year shall be included in that statement.

(2) Subject to paragraphs (3) and (4), if any person being a director of a company fails to take all reasonable steps to secure compliance with the provisions of paragraph (1), he shall, in respect of each offence, be liable on summary

conviction to imprisonment for a term not exceeding six months or to a fine not exceeding £200.

(3) In any proceedings against a person in respect of an offence under this Article, it shall be a defence to prove that he had reasonable ground to believe and did believe that a competent and reliable person was charged with the duty of seeing that the provisions of paragraph (1) were complied with and was in a position to discharge that duty.

(4) A person shall not be sentenced to imprisonment for an offence under this Article unless, in the opinion of the court dealing with the case, the offence was committed wilfully.

Power of Department to revoke, in part or in whole, exception from Schedule 6 to the principal Act for banking and discount companies

24.—(1) The power of the Department under section 398 (1) of the principal Act by regulations to alter or add to the requirements of the Companies Acts as to the matters to be stated in a company's balance sheet, profit and loss account and group accounts, and in particular those of Schedule 6 to that Act, shall include power, by regulations—

(a) so to amend paragraph 23 of that Schedule (exception of banking and discount companies from certain provisions of Part I thereof) as to render a banking or discount company subject to a requirement of that Part to which, apart from the regulations, it would not be subject;

(b) to repeal that paragraph.

(2) Regulations may be made by virtue of paragraph (1) with respect to banking and discount companies generally or to any class of such companies; and—

(a) a definition of a class of companies for the purposes of regulations so made may be framed by reference to any circumstances whatsoever; and

(b) if a question arises whether a company does or does not fall within a class specified in regulations so made, it shall be decided by the Department whose decision shall be final.

(3) For the purposes of section 398 (3) of the principal Act (which precludes the making, under subsection (1) of that section, of regulations rendering more onerous the requirements referred to in paragraph (1) unless a draft of the regulations has been subjected to affirmative resolution), regulations made by virtue of paragraph (1) shall be deemed to render the said requirements more onerous.

Accounting records

Accounting records

25.—(1) Every company shall cause accounting records to be kept in accordance with the provisions of this Article.

(2) The accounting records shall be sufficient to show and explain the company's transactions.

(3) The accounting records 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 or profit and loss account prepared by them under Article 3 complies with the requirements

of section 143 of the principal Act (balance sheet to give a true and fair view of the company's state of affairs and profit and loss account to give a true and fair view of the company's profit or loss, etc.).

(4) 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 take place;
- (b) a record of the assets and liabilities of the company; and
- (c) where the company's business involves dealing in goods, the statements mentioned in paragraph (5).

(5) The statements referred to in paragraph (4) (c) are—

- (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 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 the goods and the buyers and sellers to be identified.

(6) Subject to paragraph (7), the accounting records shall be kept at the registered office of the company or at such other place as the directors of the company think fit and shall at all times be open to inspection by the officers of the company.

(7) 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 inspection by the officers of the company.

(8) The accounts and returns to be sent to Northern Ireland in accordance with paragraph (7) shall be such as to—

- (a) disclose with reasonable accuracy the financial position of the business in question at intervals not exceeding six months; and
- (b) enable the directors to ensure that any balance sheet or profit and loss account prepared by them under Article 3 complies with the requirements of the said section 143 of the principal Act.

(9) Subject to any direction with respect to the disposal of any records kept by a company given under winding-up rules any accounting records which a company is required by this Article to keep shall be preserved by it—

- (a) in the case of a private company, for three years from the date on which they are made; and
- (b) in any other case, for six years from the date on which they are made.

(10) If a company fails to comply with any provision of paragraphs (1) to (7), every officer of the company who is in default shall be guilty of an offence unless he shows that he acted honestly and that in the circumstances in which the business of the company was carried on the default was excusable; and if any officer of the company fails to take all reasonable steps for securing compliance by the company with paragraph (9) or has intentionally caused any default by the company thereunder he shall be guilty of an offence.

- (11) Any person guilty of an offence under this Article shall be liable—
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both; or
 - (b) on summary conviction, to imprisonment for a term not exceeding six months, or to a fine not exceeding £400, or to both.

(12) Section 141 of the principal Act (which is superseded by this Article) and section 297 of that Act (liability where proper books of account not kept in period preceding winding up) shall cease to have effect.

Auditors

Qualifications of auditors

26.—(1) A person shall not be qualified for appointment as auditor of any company unless—

- (a) he is a member of one of the following bodies of accountants, namely—
 - the Institute of Chartered Accountants in Ireland;
 - the Institute of Chartered Accountants in England and Wales;
 - the Institute of Chartered Accountants of Scotland;
 - the Association of Certified Accountants; or
- (b) he is for the time being authorised by the Department to be so appointed as having similar qualifications obtained outside the United Kingdom; or
- (c) he is for the time being authorised by the Department to be so appointed as having obtained adequate knowledge and experience in the course of his employment by a member of a body of accountants listed in sub-paragraph (a) or as having before 27th October 1959 practised in Northern Ireland as an accountant.

(2) None of the following persons shall be qualified for appointment as auditor of a company—

- (a) an officer or servant of the company;
- (b) a person who is a partner of, or in the employment of, an officer or servant of the company;
- (c) a body corporate;
- (d) a person who is, by virtue of sub-paragraph (a) or (b) disqualified for appointment as auditor of any other body corporate which is that company's subsidiary or holding company or a subsidiary of that company's holding company, or would be so disqualified if the body corporate were a company.

References in this paragraph to an officer or servant shall be construed as not including references to an auditor.

(3) Notwithstanding anything in paragraphs (1) and (2), a Scottish firm shall be qualified for appointment as auditor of a company if, but only if, all the partners are qualified for appointment as auditor thereof.

(4) The Department may by regulations amend paragraph (1) (a) by adding or deleting any body, but shall not make any regulations—

- (a) adding any body; or
- (b) deleting any body which has not consented in writing to its deletion;

unless the Department has published notice of its intention to do so in the Belfast Gazette at least four months before making the regulations.

(5) The Department may refuse an authorisation under paragraph (1) (b) if it appears to the Department that the country in which the qualifications were obtained does not confer on persons qualified in the United Kingdom privileges corresponding to those conferred by that paragraph.

(6) A person shall not be authorised under paragraph (1) (c) by the Department unless he has made an application in that behalf to the Department before the expiration of the period of twelve months beginning with the day on which this Article comes into operation.

(7) A person shall not, by virtue of this Article, be disqualified for appointment as auditor of a company at any time during the period of three years beginning with the day on which this Article comes into operation if, on that day, he is a duly appointed auditor thereof and, if this Order had not been made, section 155 of the principal Act would not have operated to disqualify him for appointment.

(8) In paragraph (7) "company" does not include a company that carries on business as a promoter of a trading stamp scheme within the meaning of the Trading Stamps Act (Northern Ireland) 1965.

(9) No person shall act as auditor of a company at a time when he knows that he is disqualified for appointment to that office; and if an auditor of a company to his knowledge becomes so disqualified during his term of office he shall thereupon vacate his office and give notice in writing to the company that he has vacated it by reason of such disqualification.

(10) Any person who acts as auditor in contravention of paragraph (9) or fails without reasonable excuse to give notice of vacating his office as required by that paragraph shall be guilty of an offence and liable on conviction on indictment to a fine and on summary conviction to a fine not exceeding £40 for every day during which the contravention continues.

(11) Section 155 of the principal Act (which is superseded by this Article) shall cease to have effect.

Appointment and removal of auditors

27.—(1) Every company shall at each general meeting of the company at which there are complied with—

(a) the requirements of Article 3 (6), or

(b) in relation to any time before the coming into operation of that Article, the requirements of section 142 of the principal Act (profit and loss account and balance sheet to be laid before company in general meeting),

appoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next general meeting of the company at which those requirements are complied with.

(2) Where at any general meeting of a company at which the requirements mentioned in paragraph (1) are complied with no auditors are appointed or reappointed, the Department may appoint a person to fill the vacancy; and the company shall, within one week of the Department's power under this paragraph becoming exercisable, give the Department notice of that fact.

(3) The first auditors of a company may be appointed by the directors at any time before the first general meeting of the company at which the requirements mentioned in paragraph (1) are complied with, and auditors so appointed shall hold office until the conclusion of that meeting.

(4) If the directors fail to exercise their powers under paragraph (3), those powers may be exercised by the company in general meeting.

(5) The directors, or the company in general meeting, may fill any casual vacancy in the office of auditor, but while any such vacancy continues, the surviving or continuing auditor or auditors, if any, may act.

(6) A company may by ordinary resolution remove an auditor before the expiration of his term of office, notwithstanding anything in any agreement between it and him; and where a resolution removing an auditor is passed at a general meeting of a company, the company shall within fourteen days give notice of that fact in the prescribed form to the registrar of companies.

(7) If a company fails to give any such notice as is mentioned in paragraph (2) or (6), the company and every officer of the company who is in default shall be guilty of an offence and liable, on summary conviction, to a default fine.

(8) The remuneration of the auditor of a company—

(a) in the case of an auditor appointed by the directors or by the Department, may be fixed by the directors or by the Department, as the case may be;

(b) subject to sub-paragraph (a), shall be fixed by the company in general meeting or in such manner as the company in general meeting may determine.

For the purpose of this paragraph “remuneration” includes any sums paid by the company in respect of the auditor’s expenses.

(9) Where a company’s auditor or auditors are holding office at the date of the coming into operation of this Article, nothing in paragraph (1) shall be taken as terminating their appointment, or as requiring either their reappointment or the appointment of other auditors, before the conclusion of the annual general meeting of the company held next after that date; and paragraphs (1) and (2) shall apply in relation to that meeting as if it were a general meeting of the company at which the requirements mentioned in paragraph (1) were complied with (whether it is such a meeting or not).

(10) Nothing in paragraph (6) shall be taken as depriving a person removed thereunder of compensation or damages payable to him in respect of the termination of his appointment as auditor or of any appointment terminating with that as auditor.

(11) Section 153 of the principal Act (which is superseded by this Article) shall cease to have effect.

(12) The repeal by this Order of subsection (2) of the said section 153 (existing auditors of company normally to be treated as reappointed without the passing of any resolution) shall not affect its operation in relation to any meeting of a company commencing within two months of the coming into operation of this Article; and in relation to any such meeting Article 28 (1) shall apply also to a resolution providing expressly that a retiring auditor shall not be reappointed.

Supplementary provisions relating to appointment and removal of auditors

28.—(1) Special notice shall be required for a resolution at a general meeting of a company—

(a) appointing as auditor a person other than a retiring auditor; or

(b) filling a casual vacancy in the office of auditor; or

(c) reappointing as auditor a retiring auditor who was appointed by the directors to fill a casual vacancy; or

(d) removing an auditor before the expiration of his term of office.

(2) On receipt of notice of such an intended resolution as aforesaid the company shall forthwith send a copy thereof—

(a) to the person proposed to be appointed or removed, as the case may be;

(b) in a case within paragraph (1) (a), to the retiring auditor; and

(c) where, in a case within paragraph (1) (b) or (c), the casual vacancy was caused by the resignation of an auditor, to the auditor who resigned.

(3) Where notice is given of such a resolution as is mentioned in paragraph (1) (a) or (d) and the retiring auditor or, as the case may be, the auditor proposed to be removed makes with respect to the intended resolution representations in writing to the company (not exceeding a reasonable length) and requests their notification to members of the company, the company shall (unless the representations are received by it too late for it to do so)—

(a) in any notice of the resolution given to members of the company state the fact of the representations having been made, and

(b) send a copy of the representations to every member of the company to whom notice of the meeting is or has been sent.

(4) If a copy of any such representations as are mentioned in paragraph (3) is not sent out as required by that paragraph because received too late or because of the company's default, the auditor may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting.

(5) Copies of the representations need not be sent out and the representations need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter; and the court may order the company's costs on an application under this paragraph to be paid in whole or in part by the auditor, notwithstanding that he is not a party to the application.

(6) An auditor of a company who has been removed shall be entitled to attend—

(a) the general meeting at which his term of office would otherwise have expired, and

(b) any general meeting at which it is proposed to fill the vacancy caused by his removal,

and to receive all notices of, and other communications relating to, any such meeting which any member of the company is entitled to receive, and to be heard at any such meeting which he attends on any part of the business of the meeting which concerns him as former auditor of the company.

(7) Section 154 of the principal Act (which is superseded by this Article) shall cease to have effect.

Resignation of auditors

29.—(1) An auditor of a company may resign his office by depositing a notice in writing to that effect at the registered office of the company; and any such notice shall operate to bring his term of office to an end on the date on which the notice is deposited or on such later date as may be specified therein.

(2) An auditor's notice of resignation shall not be effective unless it contains either—

- (a) a statement to the effect that there are no circumstances connected with his resignation which he considers should be brought to the notice of the members or creditors of the company; or
- (b) a statement of any such circumstances as aforesaid.

(3) Where a notice having effect under this Article is deposited at a company's registered office the company shall within fourteen days send a copy of the notice—

- (a) to the registrar of companies; and
- (b) if the notice contains a statement under paragraph (2) (b), to every person who under section 152 (1) of the principal Act is entitled to be sent copies of the documents there mentioned.

(4) The company or any person who claims to be aggrieved may, within fourteen days of the receipt by the company of a notice containing a statement under paragraph (2) (b), apply to the court for an order under paragraph (5).

(5) If the court, on an application under paragraph (4), is satisfied that the auditor is using the notice to secure needless publicity for defamatory matter, it may by order direct that copies of the notice need not be sent out; and the court may further order the company's costs on the application to be paid in whole or in part by the auditor, notwithstanding that he is not a party to the application.

(6) The company shall, within fourteen days of the court's decision, send to the persons mentioned in paragraph (3)—

- (a) if the court makes an order under paragraph (5), a statement setting out the effect of the order;
- (b) if the court does not make an order under that paragraph, a copy of the notice containing the statement under paragraph (2) (b).

(7) If default is made in complying with paragraph (3) or (6), the company and every officer of the company who is in default shall be guilty of an offence and liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a default fine of £40.

(8) Section 376 of the principal Act (enforcement of duty of company to make returns to registrar) shall have effect as if paragraphs (3) and (6) were provisions of that Act.

Right of auditor who resigns to requisition meeting of company, etc.

30.—(1) Where an auditor's notice of resignation contains a statement under Article 29 (2) (b) there may be deposited with the notice a requisition signed by the auditor calling on the directors of the company forthwith duly to convene an extraordinary general meeting of the company for the purpose of receiving and considering such explanation of the circumstances connected with his resignation as he may wish to place before the meeting.

(2) Where an auditor's notice of resignation contains any such statement as aforesaid and the auditor requests the company to circulate to its members—

- (a) before the general meeting at which his term of office would otherwise have expired; or

(b) before any general meeting at which it is proposed to fill the vacancy caused by his resignation or convened on his requisition;

a statement in writing (not exceeding a reasonable length) of the circumstances connected with his resignation, the company shall (unless the statement is received by it too late for it to do so)—

- (i) in any notice of the meeting given to members of the company state the fact of the statement having been made, and
- (ii) send a copy of the statement to every member of the company to whom notice of the meeting is or has been sent.

(3) If the directors do not within twenty-one days from the date of the deposit of a requisition under this Article proceed duly to convene a meeting for a day not more than twenty-eight days after the date on which the notice convening the meeting is given, every director who failed to take all reasonable steps to secure that a meeting was convened as mentioned above shall be guilty of an offence and liable—

(a) on conviction on indictment, to a fine;

(b) on summary conviction, to a fine not exceeding £400;

and if a copy of any such statement as is mentioned in paragraph (2) is not sent out as required by that paragraph because received too late or because of the company's default, the auditor may (without prejudice to his right to be heard orally) require that the statement shall be read out at the meeting.

(4) Copies of a statement need not be sent out and the statement need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter and the court may order the company's costs on an application under this paragraph to be paid in whole or in part by the auditor, notwithstanding that he is not a party to the application.

(5) An auditor of a company who has resigned his office shall be entitled to attend any such meeting as is mentioned in paragraph (2) (a) or (b) and to receive all notices of, and other communications relating to, any such meeting which any member of the company is entitled to receive, and to be heard at any such meeting which he attends on any part of the business of the meeting which concerns him as former auditor of the company.

Powers of auditors in relation to subsidiaries

31.—(1) Where a company ("the holding company") has a subsidiary, then—

- (a) if the subsidiary is a body corporate incorporated in Northern Ireland, it shall be the duty of the subsidiary and its auditors to give to the auditors of the holding company such information and explanation as those auditors may reasonably require for the purposes of their duties as auditors of the holding company;
- (b) in any other case, it shall be the duty of the holding company, if required by its auditors to do so, to take all such steps as are reasonably open to it to obtain from the subsidiary such information and explanation as aforesaid.

(2) If a subsidiary or holding company fails to comply with paragraph (1) the subsidiary or holding company and every officer thereof who is in default shall be guilty of an offence; and if an auditor fails without reasonable excuse to comply with paragraph (1) (a) he shall be guilty of an offence.

(3) A person guilty of an offence under this Article shall be liable on summary conviction to a fine not exceeding £200.

False statements etc. to auditors

32.—(1) An officer of a company who knowingly or recklessly makes a statement which—

- (a) is misleading, false or deceptive in a material particular, and
 - (b) is a statement to which this Article applies,
- shall be guilty of an offence.

(2) This Article applies to any statement made to the auditors of the company (whether orally or in writing) which conveys, or purports to convey, any information or explanation which they require, or are entitled to require, as auditors of the company.

(3) Any person guilty of an offence under this Article shall be liable—

- (a) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both; or
- (b) on summary conviction, to imprisonment for a term not exceeding six months, or to a fine not exceeding £400, or to both.

Auditors' report

Auditors' report and right of access to books and to attend and be heard at meetings

33.—(1) The auditors of a company shall make a report to the members on the accounts examined by them, and on every balance sheet, every profit and loss account and all group accounts prepared under Article 3 (or under that Article taken with section 144 of the principal Act), of which, in accordance with Article 3 (6), a copy is laid before the company in general meeting during their tenure of office.

(2) The auditors' report shall be read before the company in general meeting and shall be open to inspection by any member.

(3) The report shall—

- (a) except in the case of a company that is entitled to avail itself, and has availed itself, of the benefit of any of the provisions of Part III of Schedule 6 to the principal Act, state whether in the auditors' opinion the company's balance sheet and profit and loss account and (if it is a holding company submitting group accounts) the group accounts have been properly prepared in accordance with the provisions of the Companies Acts and whether in their opinion a true and fair view is given—
 - (i) in the case of the balance sheet, of the state of the company's affairs as at the end of its financial year;
 - (ii) in the case of the profit and loss account (if it be not framed as a consolidated profit and loss account), of the company's profit or loss for its financial year;
 - (iii) in the case of group accounts submitted by a holding company, of the state of affairs and profit or loss of the company and its subsidiaries dealt with thereby, so far as concerns members of the company;

(b) in the said excepted case, state whether in the auditors' opinion the company's balance sheet and profit and loss account and (if it is a holding company submitting group accounts) the group accounts have been properly prepared in accordance with the provisions of the Companies Acts.

(4) It shall be the duty of the auditors of a company, in preparing their report under this Article, to carry out such investigations as will enable them to form an opinion as to the following matters, that is to say,—

(a) whether proper accounting records have been kept by the company and proper returns adequate for their audit have been received from branches not visited by them; and

(b) whether the company's balance sheet and (unless it is framed as a consolidated profit and loss account) profit and loss account are in agreement with the accounting records and returns;

and if the auditors are of opinion that proper accounting records have not been kept by the company or that proper returns adequate for their audit have not been received from branches not visited by them, or if the balance sheet and (unless it is framed as a consolidated profit and loss account) profit and loss account are not in agreement with the accounting records and returns, the auditors shall state that fact in their report.

(5) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the officers of the company such information and explanation as he thinks necessary for the performance of the duties of the auditors.

(6) If the auditors fail to obtain all the information and explanations which, to the best of their knowledge and belief, are necessary for the purposes of their audit, they shall state that fact in their report.

(7) The auditors of a company shall be entitled to attend any general meeting of the company and to receive all notices of, and other communications relating to, any general meeting which any member of the company is entitled to receive, and to be heard at any general meeting which they attend on any part of the business of the meeting which concerns them as auditors.

(8) The foregoing provisions of this Article shall have effect in place of section 156 of, and Schedule 7 to, the principal Act, and, accordingly,—

(a) that section and that Schedule shall cease to have effect;

(b) section 386 of the principal Act shall have effect as if the provisions of paragraphs (1) and (5) were provisions of that Act specified in Schedule 11 thereto.

Miscellaneous amendments

Miscellaneous amendments of principal Act concerning accounts and audit

34.—(1) In section 148 of the principal Act (which defines "holding company" and "subsidiary"), in subsection (1) (a) (ii) for the words "at least" there shall be substituted the words "more than" and at the end of subsection (2) there shall be added the following paragraph:—

" ; or

(c) that the directorship is held by that other company itself or by a subsidiary of it."

(2) In section 152 of the principal Act (right to receive copies of balance sheets and auditors' report)—

- (a) in subsection (1), the words "in the case of a company not being a private company" shall be omitted, for the word "which" there shall be substituted the words "of which a copy" and for the words "on the balance sheet" there shall be substituted the words "and of the directors' report";
- (b) subsection (2) shall be omitted;
- (c) at the end of subsection (3) there shall be added the words "and of the directors' report";
- (d) in subsections (4) and (5) for the words "subsections (1) and (2)" there shall be substituted the words "subsection (1)" and for the words "those subsections" there shall be substituted the words "that subsection";
- (e) in subsection (7) the words "or subsection (2)" shall be omitted;
- (f) subsection (8) (b) shall be omitted; and
- (g) after subsection (8) there shall be added the following subsection:—

"(9) This section shall not have effect in relation to the balance sheet of a private company, including every document required by law to be annexed thereto, laid before the company in general meeting before the coming into operation of Article 34 of the Companies (Northern Ireland) Order 1978, or to the auditors' report or directors' report attached thereto, and the right of any person to be furnished with copies of those documents, and the liability of the company and any officer thereof in respect of a failure to satisfy that right shall be the same as they would have been if the said Article had not come into operation."

PART III

DIRECTORS AND OTHER OFFICERS

Penalization of dealing by directors, their spouses or children in certain options and provisions for securing disclosure of certain material facts concerning them

Penalization of dealing by director of a company in options to buy or sell listed shares in, or listed debentures of, the company or associated companies

35.—(1) A director of a company who buys—

- (a) a right to call for delivery at a specified price and within a specified time of a specified number of relevant shares or a specified amount of relevant debentures; or
- (b) a right to make delivery at a specified price and within a specified time of a specified number of relevant shares or a specified amount of relevant debentures; or
- (c) a right (as he may elect) to call for delivery at a specified price and within a specified time or to make delivery at a specified price and within a specified time of a specified number of relevant shares or a specified amount of relevant debentures;

shall be guilty of an offence and liable—

- (i) on summary conviction, to imprisonment for a term not exceeding three months, or to a fine not exceeding £200, or to both;
- (ii) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both.

(2) In paragraph (1)—

- (a) "relevant shares", in relation to a director of a company, means shares in the company or in any other body corporate, being the company's

subsidiary or holding company or a subsidiary of the company's holding company, being shares as respects which there has been granted a listing on a stock exchange (whether within the United Kingdom or elsewhere); and

(b) "relevant debentures", in relation to a director of a company, means debentures of the company or of any other body corporate, being the company's subsidiary or holding company or a subsidiary of the company's holding company, being debentures as respects which there has been granted such a listing as is mentioned in sub-paragraph (a).

(3) For the purposes of this Article, a person in accordance with whose directions or instructions the directors of a company are accustomed to act shall be deemed to be a director of the company.

(4) Nothing in this Article shall be taken to penalize a person who buys a right to subscribe for shares in, or debentures of, a body corporate or buys debentures of a body corporate that confer upon the holder thereof a right to subscribe for, or to convert the debentures (in whole or in part) into, shares of the body.

Directors' service contracts, or memorandums thereof, to be open to inspection by company's members

36.—(1) Subject to the provisions of this Article, every company shall keep at an appropriate place—

- (a) in the case of each director whose contract of service with the company is in writing, a copy of that contract;
- (b) in the case of each director whose contract of service with the company is not in writing, a written memorandum setting out the terms of that contract;

and all copies and memorandums kept by a company in pursuance of this paragraph shall be kept at the same place.

(2) The following shall, as regards a company, be appropriate places for the purposes of paragraph (1), namely,—

- (a) its registered office;
- (b) the place where its register of members is kept (if other than its registered office);
- (c) its principal place of business, provided that that is situate in Northern Ireland.

(3) Every company shall send notice in the prescribed form to the registrar of companies of the place where copies and memorandums required by paragraph (1) to be kept by it are kept and of any change in that place, save in a case in which they have at all times been kept at its registered office.

(4) Every copy and memorandum required to be kept by paragraph (1) shall, during business hours (subject to such reasonable restrictions as the company may in general meeting impose, so that not less than two hours in each day be allowed for inspection), be open to the inspection of any member of the company without charge.

(5) If default is made in complying with paragraph (1) or if an inspection required under paragraph (4) is refused, the company and every officer of the company who is in default shall be liable to a fine not exceeding £500 and further to a default fine.

(6) If default is made for fourteen days in complying with paragraph (3), the company and every officer of the company who is in default shall be liable to a default fine.

(7) In the case of a refusal of an inspection required under paragraph (4) of a copy or memorandum, the court may by order compel an immediate inspection thereof.

(8) Paragraph (1) shall apply to a variation of a director's contract of service with a company as it applies to the contract.

(9) This Article shall not require there to be kept—

- (a) a copy of, or memorandum setting out the terms of, a director's contract or a copy of, or memorandum setting out the terms of, a variation of such a contract, so long as the contract (as made or varied) requires him to work wholly or mainly outside the United Kingdom; or
- (b) a copy of, or memorandum setting out the terms of, a contract or a copy of, or memorandum setting out the terms of a variation of, a contract at a time at which the unexpired portion of the term for which the contract is to be in force is less than twelve months or at a time at which the contract can, within the next ensuing twelve months, be terminated by the company without payment of compensation.

Obligation of director of a company to notify it of interests of his in shares in, or debentures of, the company or associated companies

37.—(1) Subject to the provisions of this Article and to any exceptions for which provision may be made by regulations made by the Department,—

- (a) a person who, at the time when this Article comes into operation, is a director of a company and is then interested in shares in, or debentures of, the company or any other body corporate, being the company's subsidiary or holding company or a subsidiary of the company's holding company or thereafter becomes a director of a company and, at the time when he becomes a director, is so interested, shall be under obligation to notify the company in writing of the subsistence of his interests at the time in question and of the number of shares of each class in, and the amount of debentures of each class of, the company or any such other body corporate as aforesaid in which each interest of his subsists at that time;
- (b) a director of a company shall be under obligation to notify the company in writing of the occurrence, while he is a director, of any of the following events, namely,—
 - (i) any event in consequence of whose occurrence he becomes, or ceases to be, interested in shares in, or debentures of, the company or any other body corporate, being the company's subsidiary or holding company or a subsidiary of the company's holding company;
 - (ii) the entering into by him of a contract to sell any such shares or debentures;
 - (iii) the assignment by him of a right granted to him by the company to subscribe for shares in, or debentures of, the company; and
 - (iv) the grant to him by another body corporate, being the company's subsidiary or holding company or a subsidiary of the company's holding company, of a right to subscribe for shares in, or debentures of, that other body corporate, the exercise of such a right granted to him as aforesaid and the assignment by him of such a right so granted;

stating the number or amount, and class, of shares or debentures involved.

(2) The rules set out in Article 38 shall have effect for the interpretation of, and otherwise in relation to, paragraph (1).

(3) The following provisions shall have effect with respect to the periods within which obligations imposed by paragraph (1) on persons must be fulfilled by them, that is to say,—

(a) an obligation imposed on a person by sub-paragraph (a) to notify an interest must, if he knows of the existence of the interest on the relevant day (that is to say, in a case in which he is a director at the beginning of the day on which this Article comes into operation, the last previous day, and, in a case in which he thereafter becomes a director, the day on which he becomes it), be fulfilled before the expiration of the period of five days beginning with the day next following the relevant day; otherwise it must be fulfilled before the expiration of the period of five days beginning with the day next following that on which the existence of the interest comes to his knowledge;

(b) an obligation imposed on a person by sub-paragraph (b) to notify the occurrence of an event must, if at the time at which the event occurs he knows of its occurrence and of the fact that its occurrence gives rise to the obligation, be fulfilled before the expiration of the period of five days beginning with the day next following that on which it occurs; otherwise, it must be fulfilled before the expiration of the period of five days beginning with the day next following that on which the fact that the occurrence of the event gives rise to the obligation comes to his knowledge.

(4) In the case of a person who is a director of a company at the time when this Article comes into operation, paragraph (1) (b) shall not require the notification by him of the occurrence of an event before that time; and that sub-paragraph shall not require the notification by a person of the occurrence of an event whose occurrence comes to his knowledge after he has ceased to be a director.

(5) Where an event of whose occurrence a director is, by virtue of paragraph (1) (b) (i) under obligation to notify a company consists in his entering into a contract for the purchase by him of shares or debentures, the obligation shall be taken not to be discharged in the absence of inclusion in the notice of a statement of the price to be paid by him under the contract, and an obligation imposed on a director by virtue of paragraph (1) (b) (ii) shall be taken not to be discharged in the absence of inclusion in the notice of the price to be received by him under the contract.

(6) An obligation imposed on a director by virtue of paragraph (1) (b) (iii) to notify a company shall be taken not to be discharged in the absence of inclusion in the notice of a statement of the consideration for the assignment (or, if it be the case that there is no consideration, that fact), and where an event of whose occurrence a director is, by virtue of paragraph (1) (b) (iv) under obligation to notify a company consists in his assigning a right, the obligation shall be taken not to be discharged in the absence of inclusion in the notice of a similar statement.

(7) Where an event of whose occurrence a director is, by virtue of paragraph (1) (b) (iv), under obligation to notify a company consists in the grant to him of a right to subscribe for shares or debentures, the obligation shall not be taken to be discharged in the absence of inclusion in the notice of a statement of the date on which the right was granted, the period during which or time at

which the right is exercisable, the consideration for the grant (or, if it be the case that there is no consideration, that fact) and the price to be paid for the shares or debentures.

(8) Where an event of whose occurrence a director is, by virtue of paragraph (1) (b) (iv), under obligation to notify a company consists in the exercise of a right granted to him to subscribe for shares or debentures, the obligation shall be taken not to be discharged in the absence of inclusion in the notice of a statement of the number of shares or amount of debentures in respect of which the right was exercised and, if it be the case that they were registered in his name, that fact, and, if not, the name or names of the person or persons in whose name or names they were registered, together (if they were registered in the names of two persons or more) with the number or amount thereof registered in the name of each of them.

(9) A person who fails to fulfil, within the proper period, an obligation to which he is subject by virtue of paragraph (1), or who, in purported fulfilment of an obligation to which he is so subject, makes to a company a statement which he knows to be false or recklessly makes to a company a statement which is false, shall be guilty of an offence and liable—

(a) on summary conviction, to imprisonment for a term not exceeding three months, or to a fine not exceeding £200, or to both;

(b) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both.

(10) An obligation imposed by this Article shall be treated as not being fulfilled unless the notice by means of which it purports to be fulfilled is expressed to be given in fulfilment of that obligation.

(11) Proceedings in respect of an offence under this Article shall not be instituted except by, or with the consent of, the Department or the Director of Public Prosecutions for Northern Ireland.

(12) For the purposes of this Article, a person in accordance with whose directions or instructions the directors of a company are accustomed to act shall be deemed to be a director of the company.

(13) In reckoning, for the purposes of paragraph (3), any period of five days, a day that is a Saturday or Sunday or a bank holiday shall be disregarded.

(14) Nothing in this Article shall operate so as to impose an obligation with respect to shares in a body corporate which is the wholly owned subsidiary of another body corporate; and for this purpose a body corporate shall be deemed to be the wholly owned subsidiary of another if it has no members but that other and that other's wholly owned subsidiaries and its or their nominees.

(15) This Article and Articles 38 and 39 shall have effect in place of section 186 (register of directors' shareholdings, etc.) of the principal Act and of so much of section 189 (general duty to make disclosure for the purposes of sections 186 to 188) of that Act as relates to section 186, and that section and so much of section 189 as relates thereto shall, accordingly, cease to have effect.

Rules for giving effect to Article 37 (1)

38.—(1) References to a person's being interested in shares in, or debentures of, a company shall, subject to the following rules, be construed so as not to

exclude an interest on the ground of its remoteness or the manner in which it arises or by reason of the fact that the exercise of a right conferred by ownership thereof is, or is capable of being made, in any way subject to restraint or restriction.

(2) A person who has an interest under a trust whereof the property comprises shares or debentures (other than a discretionary interest) shall be deemed to be interested in the shares or debentures.

(3) A person shall be deemed to be interested in shares or debentures if a body corporate is interested in them and—

(a) that body corporate or its directors are accustomed to act in accordance with his directions or instructions; or

(b) he is entitled to exercise or control the exercise of one third or more of the voting power at any general meeting of that body corporate.

(4) A person shall be deemed to be interested in shares in, or debentures of, a company if—

(a) he enters into a contract for the purchase thereof by him; or

(b) he has a right, otherwise than by virtue of having an interest under a trust, to call for delivery thereof to himself or to his order (whether the right is exercisable presently or in the future); or

(c) not being a registered holder thereof, he is entitled (otherwise than by virtue of his having been appointed a proxy to vote at a specified meeting of the company, or of any class of its members, and at any adjournment of that meeting, or of his having been appointed by a corporation to act as its representative at any meeting of the company or of any class of its members) to exercise any right conferred by the holding thereof or is entitled to control the exercise of any right so conferred.

(5) Persons having a joint interest shall be deemed each of them to have that interest.

(6) It is immaterial that shares or debentures in which a person has an interest are unidentifiable.

(7) So long as a person is entitled to receive, during the lifetime of himself or another, income from trust property comprising shares or debentures, an interest in the shares or debentures in reversion or remainder, or (as regards Scotland) in fee, shall be disregarded.

(8) A person shall be treated as uninterested in shares or debentures if, and so long as, he holds them under the law in force in any part of the United Kingdom as a bare trustee or as a custodian trustee or under the law in force in Scotland as a simple trustee.

(9) There shall be disregarded an interest of a person subsisting by virtue of an authorised unit trust scheme within the meaning of the Prevention of Fraud (Investments) Act (Northern Ireland) 1940 (a) or the Prevention of Fraud (Investments) Act 1958 (b) or a scheme made under section 25 of the Charities Act (Northern Ireland) 1964 (c), section 22 of the Charities Act 1960 (d), section 11 of the Trustee Investments Act 1961 (e) or section 1 of the Administration of Justice Act 1965 (f).

(10) Delivery to a person's order of shares or debentures in fulfilment of a contract for the purchase thereof by him or in satisfaction of a right of his to

(a) 1940 c. 9 (N.I.).
(d) 1960 c. 58.

(b) 1958 c. 45.
(e) 1961 c. 62.

(c) 1964 c. 33 (N.I.).
(f) 1965 c. 2.

call for delivery thereof, or failure to deliver shares or debentures in accordance with the terms of such a contract or on which such a right falls to be satisfied, shall be deemed to constitute an event in consequence of the occurrence of which he ceases to be interested in them, and so shall the lapse of a person's right to call for delivery of shares or debentures.

Provisions for securing that information furnished under Article 37, and certain other information about directors' interests, is recorded and made available

39.—(1) Every company shall keep a register for the purposes of Article 37 and, whenever the company receives information from a director in consequence of the fulfilment of an obligation imposed on him by that Article, it shall be under obligation to inscribe in the register, against the name of that person, that information and the date of the inscription.

(2) Every company shall also be under obligation—

(a) whenever it grants to a director a right to subscribe for shares in, or debentures of, the company, to inscribe in the said register against his name the date on which the right is granted, the period during which or time at which it is exercisable, the consideration for the grant (or, if it be the case that there is no consideration, that fact), the description of shares or debentures involved and the number or amount thereof, and the price to be paid therefor;

(b) whenever such a right as aforesaid is exercised by a director, to inscribe in the said register against his name that fact (identifying the right), the number or amount of shares or debentures in respect of which it is exercised and, if it be the case that they were registered in his name, that fact, and, if not, the name or names of the person or persons in whose name or names they were registered, together (if they were registered in the names of two persons or more) with the number or amount thereof registered in the name of each of them.

(3) The said register must be so made up that the entries therein against the several names inscribed therein appear in chronological order.

(4) An obligation imposed by paragraph (1) as to inscription, and an obligation imposed by paragraph (2), must be fulfilled before the expiration of the period of three days beginning with the day next following that on which it arises.

(5) In reckoning any such period as is mentioned in paragraph (4), a day which is a Saturday or Sunday or a bank holiday shall be disregarded.

(6) The nature and extent of an interest recorded in the said register of a director in any shares or debentures shall, if he so requires, be recorded in the said register.

(7) The company shall not, by virtue of anything done for the purposes of this Article, be affected with notice of, or put upon inquiry as to, the rights of any person in relation to any shares or debentures.

(8) The said register shall—

(a) if the company's register of members is kept at its registered office, be kept there;

(b) if the company's register of members is not so kept, be kept at the company's registered office or at the place where its register of members is kept;

and shall during business hours (subject to such reasonable restrictions as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member of the company without charge and of any other person on payment of five new pence, or such less sum as the company may prescribe, for each inspection.

(9) The company shall send notice in the prescribed form to the registrar of companies of the place where the said register is kept and of any change in that place, save in a case in which it has at all times been kept at its registered office.

(10) Unless the said register is in such a form as to constitute in itself an index, the company shall keep an index of the names inscribed therein which shall—

(a) in respect of each name, contain a sufficient indication to enable the information inscribed against it to be readily found; and

(b) be kept at the same place as the said register;

and the company shall, within fourteen days after the date on which a name is inscribed in the said register, make any necessary alteration in the index.

(11) Any member of the company or other person may require a copy of the said register, or of any part thereof, on payment of ten new pence, or such less sum as the company may prescribe, for every hundred words or fractional part thereof required to be copied.

(12) The company shall cause any copy required by any person by virtue of paragraph (11) to be sent to that person within the period of ten days beginning with the day next following that on which the requirement is received by the company.

(13) The said register shall also be produced at the commencement of the company's annual general meeting and remain open and accessible during the continuance of the meeting to any person attending the meeting.

(14) If default is made in compliance with paragraph (13), the company and every officer of the company who is in default shall be liable to a fine not exceeding £50.

(15) If default is made for fourteen days in complying with paragraph (9), the company and every officer of the company who is in default shall be liable to a default fine.

(16) If default is made in complying with paragraph (1), (2), (3), (4) or (10), or if an inspection required under this Article is refused or any copy required thereunder is not sent within the proper period, the company and every officer of the company who is in default shall be liable to a fine not exceeding £500 and further to a default fine.

(17) In the case of a refusal of an inspection required under this Article of the said register, the court may by order compel an immediate inspection thereof.

(18) In the case of a failure to send within the proper period a copy required under this Article, the court may by order direct that the copy required shall be sent to the person requiring it.

(19) For the purposes of this Article, a person in accordance with whose directions or instructions the directors of a company are accustomed to act shall be deemed to be a director of the company.

Extension of Article 35 to spouses and children

40.—(1) Article 35 shall apply to—

- (a) the wife or husband of a director of a company, not being herself or himself a director of that company; and
- (b) an infant son or infant daughter of a director of a company, not being himself or herself a director of that company;

as it applies to the director.

(2) It shall be a defence for a person charged, by virtue of paragraph (1), with an offence under Article 35, to prove that he had no reason to believe that his spouse or, as the case may be, parent, was a director of the company in question.

(3) In this Article, “son” includes step-son and adopted son, “daughter” includes step-daughter and adopted daughter and “parent” shall be construed accordingly.

(4) A person deemed for the purposes of Article 35 to be a director of a company shall be deemed also for the purposes of this Article to be a director of the company.

Extension of Article 37 to spouses and children

41.—(1) For the purposes of Article 37—

- (a) an interest of the wife or husband of a director of a company (not being herself or himself a director thereof) in shares or debentures shall be treated as being the director’s interest, and so shall an interest of an infant son or infant daughter of a director of a company (not being himself or herself a director thereof) in shares or debentures; and
- (b) a contract, assignment or right of subscription entered into, exercised or made by, or grant made to, the wife or husband of a director of a company (not being herself or himself a director thereof) shall be treated as having been entered into, exercised or made by, or, as the case may be, as having been made to, the director, and so shall a contract, assignment or right of subscription entered into, exercised or made by, or grant made to, an infant son or infant daughter of a director of a company (not being himself or herself a director thereof).

(2) A director of a company shall be under obligation to notify the company in writing of the occurrence, while he or she is director, of either of the following events, namely,—

- (a) the grant to his wife or her husband or to his or her infant son or infant daughter, by the company, of a right to subscribe for shares in, or debentures of, the company; and
- (b) the exercise by his wife or her husband or by his or her infant son or infant daughter of such a right as aforesaid granted by the company to the wife, husband, son or daughter;

stating, in the case of the grant of a right, the like information as is required by Article 37 to be stated by the director on the grant to him by another body corporate of a right to subscribe for shares in, or debentures of, that other body corporate and, in the case of the exercise of a right, the like information as is required by that Article to be stated by the director on the exercise of a right granted to him by another body corporate to subscribe for shares in, or debentures of, that other body corporate.

(3) An obligation imposed by paragraph (2) on a director must be fulfilled by him before the expiration of the period of five days beginning with the day next following that on which the occurrence of the event that gives rise to it comes to his knowledge.

(4) A person who fails to fulfil, within the proper period, an obligation to which he is subject by virtue of paragraph (2), or who, in purported fulfilment of an obligation to which he is so subject, makes to a company a statement which he knows to be false or recklessly makes to a company a statement which is false, shall be guilty of an offence and liable—

(a) on summary conviction, to imprisonment for a term not exceeding three months, or to a fine not exceeding £200, or to both;

(b) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both.

(5) The rules set out in Article 38 shall have effect for the interpretation of, and otherwise in relation to, paragraph (1), and paragraphs (10) to (14) of Article 37 shall, with any requisite modification, have effect for the purposes of this Article as they have effect for the purposes of that Article.

(6) In this Article, "son" includes step-son and adopted son and "daughter" includes step-daughter and adopted daughter.

(7) For the purposes of Article 39 (1), an obligation imposed on a director by this Article shall be treated as if imposed by Article 37.

*Duty of company to notify recognised stock exchange of acquisition, etc.
of its securities by director*

42.—(1) Whenever a company in the case of which shares or debentures are listed on a recognised stock exchange is notified of any matter by a director in consequence of the fulfilment of an obligation imposed on him by Article 37 or 41, and that matter relates to shares or debentures listed on a recognised stock exchange, the company shall be under an obligation to notify that stock exchange of that matter; and the stock exchange may publish, in such manner as it may determine, any information received by it under this paragraph.

(2) An obligation imposed by paragraph (1) must be fulfilled before the end of the day next following that on which it arises; but for this purpose, a day which is a Saturday or Sunday or a bank holiday shall be disregarded.

(3) If default is made in complying with this Article, the company and every officer of the company who is in default shall be guilty of an offence and liable, on summary conviction, to a fine not exceeding £500 and further to a default fine.

(4) Proceedings in respect of an offence under this Article shall not be instituted except by, or with the consent of, the Department or the Director of Public Prosecutions for Northern Ireland.

Investigation of share dealings

43.—(1) If it appears to the Department that there are circumstances suggesting that contraventions may have occurred, in relation to shares in, or debentures of, a company, of Article 35 or 37 or of Article 41 (2), the Department may appoint one or more competent inspectors to carry out such investigations as are requisite to establish whether or not contraventions have occurred as aforesaid and to report the result of their investigations to the Department.

(2) The appointment under this Article of an inspector may limit the period to which his investigation is to extend or confine it to shares or debentures of a particular class or both.

(3) For the purposes of any investigation under this Article, section 161 of the principal Act (which imposes on officers and agents of bodies being investigated the duty to assist inspectors) shall apply, but with the substitution, for references to any other body corporate whose affairs are investigated by virtue of section 160, of a reference to any other body corporate which is, or has at any relevant time been, the company's subsidiary or holding company or a subsidiary of its holding company and with the necessary modification of the reference, in subsection (3), to the affairs of the company or other body corporate, so, however, that it shall apply—

- (a) to members of a recognised stock exchange or of a recognised association of dealers in securities who are individuals and to officers (past as well as present) of members of such an exchange or association who are bodies corporate;
- (b) to holders of licences granted under section 3 of the Prevention of Fraud (Investments) Act (Northern Ireland) 1940 or section 3 of the Prevention of Fraud (Investments) Act 1958 who are individuals and to officers (past as well as present) of holders of licences so granted who are bodies corporate; and
- (c) to any individual declared by an order for the time being in force to be an exempted dealer for the purposes of either of these Acts and to officers (past as well as present) of any body corporate declared by an order for the time being in force to be such a dealer;

as it applies to officers of the company or of the other body corporate.

(4) The inspectors may, and, if so directed by the Department, shall, make interim reports to the Department, and, on the conclusion of the investigation, shall make a final report to the Department.

(5) Any such report shall be written or printed, as the Department may direct, and the Department may cause it to be published.

(6) Section 166 of the principal Act (saving for solicitors and bankers) shall have effect as if the reference to the foregoing provisions of Part IV of that Act included a reference to this Article.

(7) In this Article, "recognised association of dealers in securities" means any body of persons which is for the time being a recognised association of dealers in securities for the purposes of the Prevention of Fraud (Investments) Act (Northern Ireland) 1940 or the Prevention of Fraud (Investments) Act 1958.

Directors' report

Meaning of "the directors' report" for purposes of Articles 45 to 52

44. In Articles 45 to 52, "the directors' report" means the report by the directors of a company which, by section 151 (1) of the principal Act, is required to be attached to every balance sheet of the company prepared under Article 3 (or under that Article taken with section 144 of the principal Act).

Additional matters of general nature to be dealt with in directors' report

45.—(1) The directors' report shall state the names of the persons who, at any time during the financial year, were directors of the company and the

principal activities of the company and of its subsidiaries in the course of that year and any significant change in those activities in that year, and shall also—

- (a) if significant changes in the fixed assets of the company or of any of its subsidiaries have occurred in that year, contain particulars of the changes, and, if, in the case of such of those assets as consist in interests in land, the market value thereof (as at the end of that year) differs substantially from the amount at which they are included in the balance sheet and the difference is, in the opinion of the directors, of such significance as to require that the attention of members of the company or of holders of debentures thereof should be drawn thereto, indicate the difference with such degree of precision as is practicable;
- (b) if, in that year, the company has issued any shares, state the reason for making the issue, the classes of shares issued and, as respects each class of shares, the number issued and the consideration received by the company for the issue, and if, in that year, it has issued any debentures, state the reason for making the issue, the classes of debentures issued and, as respects each class of debentures, the amount issued and the consideration received by the company for the issue;
- (c) if, at the end of that year, there subsists a contract with the company in which a director of the company has, or at any time in that year had, in any way, whether directly or indirectly, an interest, or there has, at any time in that year, subsisted a contract with the company in which a director of the company had, at any time in that year, in any way, whether directly or indirectly, an interest (being, in either case, in the opinion of the directors, a contract of significance in relation to the company's business and in which the director's interest is or was material), contain—
 - (i) a statement of the fact of the contract's subsisting or, as the case may be, having subsisted;
 - (ii) the names of the parties to the contract (other than the company);
 - (iii) the name of the director (if not a party to the contract);
 - (iv) an indication of the nature of the contract; and
 - (v) an indication of the nature of the director's interest in the contract;
- (d) if, at the end of that year, there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate, or there have, at any time in that year, subsisted such arrangements as aforesaid to which the company was a party, contain a statement explaining the effect of the arrangements and giving the names of the persons who at any time in that year were directors of the company and held, or whose nominees held, shares or debentures acquired in pursuance of the arrangements;
- (e) as respects each person who, at the end of that year, was a director of the company, state whether or not, according to the register kept by the company for the purposes of the preceding provisions of this Part relating to the obligation of a director of a company to notify it of interests of his in shares in, or debentures of, the company and of every other body corporate, being the company's subsidiary or holding company or a subsidiary of the company's holding company, he was, at the end of that year, interested in shares in, or debentures of, the company or any other such body corporate and, if he was, the number and amount

of shares in, and debentures of, each body (specifying it) in which, according to that register, he was then interested and whether or not, according to that register, he was, at the beginning of that year (or, if he was not then a director, when he became a director), interested in shares in, or debentures of, the company or any other such body corporate and, if he was, the number and amount of shares in, and debentures of, each body (specifying it) in which, according to that register, he was interested at the beginning of that year or, as the case may be, when he became a director;

- (f) contain particulars of any matters (other than those required to be dealt with by sub-paragraphs (a) to (d) in the circumstances therein mentioned, that required to be dealt with by sub-paragraph (e) or those required to be dealt with by the following provisions of this Part) so far as they are material for the appreciation of the state of the company's affairs by its members, being matters the disclosure of which will not, in the opinion of the directors, be harmful to the business of the company or of any of its subsidiaries;
- (g) in the case of companies of such classes as may be prescribed in regulations made by the Department of Manpower Services contain such information as may be so prescribed about the arrangements in force in that year for securing the health, safety and welfare at work of employees of the company and its subsidiaries and for protecting other persons against risks to health or safety arising out of or in connection with the activities at work of those employees.

(2) As respects a company entitled to the benefit of any provision contained in Part III (exceptions for special classes of company) of Schedule 6 to the principal Act, paragraph (1) shall have effect as if sub-paragraph (a) were omitted.

(3) The references, in paragraph (1) (c), to a contract do not include references to a director's contract of service or to a contract between the company and another body corporate, being a contract in which a director of the company has or had an interest by virtue only of his being a director of that other body.

(4) An interest in shares or debentures which, under the provisions of this Part referred to in paragraph (1) (e), falls to be treated as being the interest of a director shall be so treated for the purposes of that sub-paragraph, and the references in that sub-paragraph to the time when a person became a director shall, in the case of a person who became a director on more than one occasion, be construed as referring to the time when he first became a director.

(5) Regulations made under paragraph (1) (g) by the Department of Manpower Services may—

- (a) enable any requirements of the regulations to be dispensed with or modified in particular cases by any specified person or by any person authorised in that behalf by a specified authority;
- (b) contain such transitional provisions as the Department of Manpower Services thinks necessary or expedient in connection with any provision made by the regulations.

(6) Any expression used in paragraph (1) (g) and in Part II of the Health and Safety at Work (Northern Ireland) Order 1978 (a) shall have the same meaning in that paragraph as it has in that Part of that Order and Article 3 (3) of that

Order shall apply for interpreting that paragraph as it applies for interpreting that Part of that Order; and in paragraph (5) "specified" means specified in regulations made under paragraph (1) (g).

Directors' report to state, where business of certain different classes carried on, attribution of turnover to, and profitability (or otherwise) of, business of each class

46.—(1) If, in the course of a financial year, a company (being one subject to the requirements of paragraph 13A of Schedule 6 to the principal Act but not being one that has subsidiaries at the end of that year and submits in respect of that year group accounts prepared as consolidated accounts) has carried on business of two or more classes (other than banking or discounting or a class prescribed for the purposes of sub-paragraph (2) of that paragraph) that, in the opinion of the directors, differ substantially from each other, there shall be contained in the directors' report relating to that year a statement of—

- (a) the proportions in which the turnover for that year (so far as stated in the accounts in respect of that year in pursuance of that Schedule) is divided amongst those classes (describing them); and
- (b) as regards business of each class, the extent or approximate extent (expressed, in either case, in monetary terms) to which, in the opinion of the directors, the carrying on of business of that class contributed to, or restricted, the profit or loss of the company for that year before taxation.

(2) If—

- (a) a company has subsidiaries at the end of its financial year and submits in respect of that year group accounts prepared as consolidated accounts; and
- (b) the company and the subsidiaries dealt with by the accounts carried on between them in the course of the year business of two or more classes (other than banking or discounting or a class prescribed for the purposes of paragraph 13A (2) of Schedule 6 to the principal Act) that, in the opinion of the directors, differ substantially from each other;

there shall be contained in the directors' report relating to that year a statement of—

- (i) the proportions in which the turnover for that year (so far as stated in the accounts in respect of that year in pursuance of that Schedule) is divided amongst those classes (describing them); and
- (ii) as regards business of each class, the extent or approximate extent (expressed, in either case, in monetary terms) to which, in the opinion of the directors of the company, the carrying on of business of that class contributed to, or restricted, the profit or loss for that year (before taxation) of the company and the subsidiaries dealt with by the accounts.

(3) For the purposes of this Article, classes of business which, in the opinion of the directors, do not differ substantially from each other shall be treated as one class.

Directors' report to state average number, by the week, of employees and amount, by the year, of their wages

47.—(1) If, at the end of a financial year, a company does not have subsidiaries, there shall be contained in the directors' report relating to that year a statement of—

- (a) the average number of persons employed by it in each week in that year; and

- (b) the aggregate remuneration paid or payable in respect of that year to the persons by reference to whom the number stated under sub-paragraph (a) is ascertained.
- (2) If, at the end of a financial year, a company has subsidiaries, there shall be contained in the directors' report relating to that year a statement of—
- (a) the average number of persons employed between them in each week in that year by the company and the subsidiaries; and
- (b) the aggregate remuneration paid or payable in respect of that year to the persons by reference to whom the number stated under sub-paragraph (a) is ascertained.
- (3) The number to be stated under paragraph (1) (a) shall be the quotient derived by dividing, by the number of weeks in the financial year, the number derived by ascertaining, in relation to each of those weeks, the number of persons who, under contracts of service, were employed in the week (whether throughout it or not) by the company and adding up the numbers ascertained, and the number to be stated under paragraph (2) (a) shall be the quotient derived by dividing, by the number of weeks in the financial year, the number derived by ascertaining, in relation to each of those weeks, the number of persons who, under contracts of service, were employed between them in the week (whether throughout it or not) by the company and its subsidiaries and adding up the numbers ascertained.

(4) The remuneration to be taken into account for the purposes of paragraphs (1) (b) and (2) (b) is the gross remuneration paid or payable in respect of the financial year; and for this purpose "remuneration" shall include bonuses (whether payable under contract or not).

(5) This Article shall not apply to a company if the number that, but for this paragraph, would fall to be stated under paragraph (1) (a) or (2) (a) is less than 100, nor shall it apply to a company that is a wholly owned subsidiary of a company incorporated in Northern Ireland.

(6) For the purposes of this Article, no regard shall be had to a person who worked wholly or mainly outside the United Kingdom.

(7) In this Article, "wholly owned subsidiary" shall be construed in accordance with section 144 (5) of the principal Act.

Directors' report to include certain particulars of contributions for political or charitable purposes

48.—(1) If a company (not being the wholly owned subsidiary of a company incorporated in Northern Ireland) has, in a financial year, given money for political purposes or charitable purposes or both, there shall (if it exceeded £50 in amount) be contained in the directors' report relating to that year, in the case of each of the purposes for which money has been given, a statement of the amount of money given therefor and, in the case of political purposes for which money has been given, the following particulars, so far as applicable, namely—

- (a) the name of each person to whom money has been given for those purposes exceeding £50 in amount and the amount of money given;
- (b) if money exceeding £50 in amount has been given by way of donation or subscription to a political party, the identity of the party and the amount of money given.

(2) Paragraph (1) shall not have effect in the case of a company which, at the end of a financial year, has subsidiaries which have, in that year, given money

as mentioned in paragraph (1), but is not itself the wholly owned subsidiary of a company incorporated in Northern Ireland; but in such a case there shall (if the amount of money so given in that year by the company and the subsidiaries between them exceeds £50) be contained in the directors' report relating to that year, in the case of each of the purposes for which money has been given by the company and the subsidiaries between them, a statement of the amount of money given therefor and, in the case of political purposes for which money has been given, the like particulars, so far as applicable, as are required by paragraph (1).

(3) For the purposes of this Article a company shall be treated as giving money for political purposes if, directly or indirectly,—

- (a) it gives a donation or subscription to a political party of the United Kingdom or of any part thereof; or
- (b) it gives a donation or subscription to a person who, to its knowledge, is carrying on, or proposing to carry on, any activities which can, at the time at which the donation or subscription was given, reasonably be regarded as likely to affect public support for such a political party as is mentioned in sub-paragraph (a).

(4) For the purposes of this Article, money given for charitable purposes to a person who, when it was given, was ordinarily resident outside the United Kingdom shall be left out of account.

(5) In this Article, "charitable purposes" means purposes which are exclusively charitable and "wholly owned subsidiary" shall be construed in accordance with section 144 (5) of the principal Act.

Directors' report to include, in case of certain companies, particulars of exports

49.—(1) If, at the end of a financial year, a company subject to the requirements of paragraph 13A of Schedule 6 to the principal Act whose business consists in, or includes, the supplying of goods does not have subsidiaries, then, unless the turnover for that year (so far as stated in the accounts in respect of that year in pursuance of that paragraph) does not exceed £50,000, there shall be contained in the directors' report relating to that year—

- (a) if, in that year, goods have been exported by the company from the United Kingdom, a statement of the value of the goods that have been so exported from the United Kingdom during that year;
- (b) if, in that year, no goods have been so exported from the United Kingdom, a statement of that fact.

(2) If, at the end of a financial year, a company has subsidiaries, then, except in a case in which neither the business of the company nor that of any of the subsidiaries consists in, or includes, the supplying of goods, or a case in which the company submits in respect of that year group accounts prepared as consolidated accounts in respect of itself and all its subsidiaries and the turnover (so far as stated therein in pursuance of the said paragraph 13A) does not exceed £50,000, there shall be included in the directors' report relating to that year—

- (a) unless, in the case of the company and of each of its subsidiaries, no goods have been exported by it in that year from the United Kingdom, a statement of the aggregate of the values of the goods which, in the case of the company and of each of the subsidiaries, have been exported by it in that year from the United Kingdom;

(b) if, in the case of the company and of each of its subsidiaries, no goods have been exported by it in that year from the United Kingdom, a statement of that fact.

(3) For the purposes of this Article, goods exported by a company as the agent of another person shall be disregarded.

(4) Paragraphs (1) to (3) shall not require the disclosure of information in the directors' report of a company if the directors thereof satisfy the Department that it is in the national interest that the information should not be disclosed.

Limitation of operation of Articles 45 to 49

50. None of Articles 45 to 49 shall apply to a report attached to a balance sheet of a company in respect of a financial year ending before that Article comes into operation.

Directors' report to show, for items included under authority of section 157 (2) of the principal Act, corresponding amounts for, or as at the end of, preceding financial year

51. Where advantage is taken of section 157 (2) of the principal Act to show an item in the directors' report instead of in the accounts, the report shall also show the corresponding amount for (or, as the case may require, as at the end of) the immediately preceding financial year of that item, except where that amount would not have had to be shown had the item been shown in the accounts.

Penalization of failure by directors to secure compliance with requirements of section 151 (1) of the principal Act or Articles 45 to 51 as to directors' reports

52.—(1) Subject to paragraph (2), in respect of any failure, in the case of a company, to comply with the requirements of section 151 (1) of the principal Act or of Articles 45 to 51, every person who was a director of the company immediately before the end of the relevant period shall be guilty of an offence and liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding £400.

(2) In any proceedings against a person for an offence under paragraph (1) it shall be a defence for him to prove that he took all reasonable steps for securing compliance with the requirements in question.

(3) In paragraph (1) "the relevant period" means the period which, in relation to the accounting reference period by reference to which, in accordance with Article 3, the financial year in question was determined, is the period allowed for laying and delivering accounts determined in accordance with Articles 8 and 9.

Disqualification orders

Disqualification for persistent default in relation to delivery of documents to registrar

53.—(1) Where, on the application of the Department, it appears to the High Court that a person has been persistently in default in relation to relevant requirements of the Companies Acts, the court may make an order that that person shall not, without the leave of the court, be a director of or in any way, whether directly or indirectly, be concerned or take part in the management of a company for such period beginning with the date of the order and not exceeding five years as may be specified in the order.

(2) Any provision of the Companies Acts which requires any return, account or other document to be filed with, delivered or sent, or notice of any matter to be given, to the registrar of companies is a relevant requirement for the purposes of this Article.

(3) For the purposes of this Article, the fact that a person has been persistently in default in relation to relevant requirements of the Companies Acts may, subject to paragraph (5), and without prejudice to its proof in any other manner, be conclusively proved by showing that in the five years ending with the date of the application he has been adjudged guilty, whether or not on the same occasion, of three or more defaults in relation to any such requirements.

(4) A person shall be treated as being adjudged guilty of a default in relation to a relevant requirement of the Companies Acts for the purposes of paragraph (3) if—

- (a) he is convicted of any offence by virtue of any contravention of any such requirement, whether on his own part or on the part of any company; or
- (b) an order is made against him under section 376 of the principal Act (enforcement of duty of company to make returns to the registrar) or under Article 7 (1).

(5) No account shall be taken for the purposes of this Article of any offence which was committed or, in the case of a continuing offence, began before the date on which this Article comes into operation.

Disqualification of directors of insolvent companies

54.—(1) Where on an application under this Article it appears to the High Court—

(a) that a person—

- (i) is or has been a director of a company which has at any time gone into liquidation (whether while he was a director or subsequently) and was insolvent at that time; and
- (ii) is or has been a director of another such company which has gone into liquidation within five years of the date on which the first-mentioned company went into liquidation; and

(b) that his conduct as director of any of those companies makes him unfit to be concerned in the management of a company,

the court may make an order that that person shall not, without the leave of the court, be a director of or in any way, whether directly or indirectly, be concerned or take part in the management of a company for such period beginning with the date of the order and not exceeding five years as may be specified in the order.

(2) In the case of a person who is or has been a director of a company which has gone into liquidation as aforesaid and is being wound up by the court any application under this Article shall be made by the Official Assignee and in any other case any application under this Article shall be made by the Department.

(3) The Department may require the liquidator or former liquidator of any company—

- (a) to furnish it with such information with respect to the company's affairs; and

(b) to produce and permit inspection of such books or documents of or relevant to the company,

as the Department may reasonably require for the purpose of determining whether to make an application under this Article in respect of any person who is or has been a director of that company; and if a person makes default in complying with any such requirement the court may, on the application of the Department, make an order requiring that person to make good the default within such time as may be specified.

(4) Paragraph (1) does not apply unless at least one of the companies there mentioned has gone into liquidation after the date of the coming into operation of this Article; and the conduct to which regard may be had under paragraph (1) (b) does not include conduct as director of a company that has gone into liquidation before that date.

Provisions supplementary to Articles 53 and 54

55.—(1) The Official Assignee or the Department (as the case may be) shall give not less than ten days' notice of the intention to apply for an order under Article 53 or 54 to the person against whom the order is sought, and on the hearing of the application that person may appear and himself give evidence or call witnesses.

(2) On the hearing of an application for an order under Article 53 or 54, or of an application for leave under either Article by a person in respect of whom such an order has been made, the Official Assignee or the Department shall appear and call the attention of the court to any matters which seem to him or it to be relevant and may give evidence or call witnesses.

(3) If any person acts in contravention of an order made under Article 53 or 54 he shall in respect of each offence be liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both; or

(b) on summary conviction, to imprisonment for a term not exceeding six months, or to a fine not exceeding £400, or to both.

(4) In Articles 53 and 54—

“company” includes an unregistered company (wherever incorporated) within the meaning of Part IX of the principal Act;

“director”, in relation to a company, includes any person in accordance with whose directions or instructions the directors of the company have been accustomed to act;

and for the purposes of Article 54 a company goes into liquidation if it is wound up by the court, on the date of the winding-up order and, in any other case, on the date of the passing of the resolution for voluntary winding up.

Register of disqualification orders

56.—(1) Where the High Court—

(a) makes an order, after the coming into operation of this Article, that a person shall not, without the leave of the court, be a director of or in any way, whether directly or indirectly, be concerned or take part in the management of a company for such period as may be specified in the order; or

(b) grants leave in relation to any such order which is so made,

the prescribed officer of the High Court shall, at such time and in such manner and form as may be prescribed, furnish the Department with the prescribed particulars of the order or the grant of leave.

(2) Paragraph (1) applies whether the order is made under section 179 of the principal Act or Article 53 or 54.

(3) The Department shall, from the particulars with which it is furnished under paragraph (1), maintain a register of such orders and of cases in which the court has granted leave.

(4) On the expiration of an order of which particulars are entered on the register, the Department shall delete from the register—

(a) those particulars; and

(b) any particulars of cases in which the court has granted leave in relation to that order.

(5) The register shall be open to inspection on payment of such fee as may be prescribed.

Returns as to directors and other officers

Statement of first directors and secretary to be delivered on application for registration of company

57.—(1) With every memorandum delivered for registration under section 12 of the principal Act there shall be delivered a statement in the prescribed form containing the names and relevant particulars of—

(a) the person who is, or the persons who are, to be the first director or directors of the company; and

(b) the person who is, or the persons who are, to be the first secretary or joint secretaries of the company.

(2) The relevant particulars mentioned in paragraph (1) are—

(a) with respect to a person named as director, the particulars which by section 191 (2) of the principal Act are required to be contained in the register kept under that section with respect to a director; and

(b) with respect to a person named as secretary or as one of joint secretaries, the particulars which by section 191 (4) of that Act are required to be contained in that register with respect to the secretary or, where there are joint secretaries, with respect to each of them.

(3) The statement required by this Article shall be signed by or on behalf of the subscribers of the memorandum and shall contain a consent signed by each of the persons named in it as a director, as secretary or as one of joint secretaries to act in the relevant capacity.

(4) Where the memorandum is delivered by a person as agent for the subscribers of the memorandum, the statement required by this Article shall specify that fact and the name and address of that person.

(5) The persons named in the statement required by this Article as the director or directors, secretary or joint secretaries of a company shall, on the incorporation of the company, be deemed to have been respectively appointed as the first director or directors, secretary or joint secretaries of the company; and any appointment by any articles delivered with the memorandum of a person as director or secretary of the company shall be void unless he is named as a director or as secretary in the statement.

(6) If a statement complying with the requirements of this Article is not delivered as required by paragraph (1) with any memorandum delivered for registration under section 12 of the principal Act the registrar of companies shall not register the memorandum or any articles delivered with it.

Notification of changes in directors and secretary, etc.

58.—(1) For subsections (6) to (8) of section 191 of the principal Act (which require a company to make a return of its first directors and secretary and to notify any change) there shall be substituted the following subsection:—

“(6) The company shall within the period of fourteen days from the occurrence of—

- (a) any change among its directors or in its secretary; or
- (b) any change in the particulars contained in the register,

send to the registrar of companies a notification in the prescribed form of the change and of the date on which it occurred; and any notification of a person having become a director or secretary or one of joint secretaries of the company shall contain a consent signed by that person to act in the relevant capacity.”

(2) Notwithstanding paragraph (1)—

- (a) where the memorandum of a company has been delivered for registration under section 12 of the principal Act before the coming into operation of Article 57 subsections (6) and (7) of section 191 of that Act, as originally enacted, shall continue to apply so as to require that company to send to the registrar of companies a return containing the particulars of its first directors and secretaries specified in the register required to be kept under the said section 191; and
- (b) those subsections, as originally enacted, shall continue to apply in relation to any change among a company's directors or in its secretary or in any of the particulars contained in that register which occurred before the coming into operation of this Article.

Miscellaneous amendments concerning directors

Removal of prohibition on body corporate being director of a company

59. In section 169 (1) of the principal Act (prohibition on body corporate being director of a company) for paragraph (b) there shall be substituted the following paragraph:—

“(b) have as sole director of the company a body corporate the sole director of which is secretary to the company.”

Abolition of requirement that appointment of directors of private company must be voted on individually

60. In section 174 (1) of the principal Act (which provides that the appointment of directors must be voted on individually) after the word “company” where it first occurs there shall be inserted the words “other than a private company”.

Removal of director of private company holding office for life

61. In section 175 of the principal Act (removal of directors) in subsection (1) for the words “who holds office for life” there shall be substituted the words “holding office for life on the date of the coming into operation of Article 61 of the Companies (Northern Ireland) Order 1978”.

Role of Official Assignee under section 178 of principal Act

62. In section 178 of the principal Act (undischarged bankrupts may not act as director without leave of court) after subsection (2) there shall be inserted the following subsection:—

“(2A) The leave of the court for the purposes of this section shall not be given unless notice of intention to apply therefor has been served on the Official Assignee, and it shall be the duty of the Official Assignee, if he is of opinion that it is contrary to the public interest that any such application should be granted, to attend on the hearing of and oppose the granting of the application.”.

Role of Official Assignee under section 179 of principal Act

63. In section 179 of the principal Act (power to restrain fraudulent persons from managing companies) in subsection (4) after the words “the liquidator of the company” and “the liquidator” wherever they occur there shall be inserted the words “, or the Official Assignee”.

Prohibition of loans to directors to apply to private companies but not to subsidiaries where director is holding company

64. In section 181 (1) of the principal Act (prohibition of loans to directors)—

(a) paragraph (a) (which exempts private companies) shall cease to have effect; and

(b) after paragraph (c) there shall be inserted the following paragraph—

“(d) to anything done by a subsidiary, where the director is its holding company.”.

PART IV

WINDING UP

(i) WINDING UP BY THE COURT

Official Assignee for company liquidations

Official Assignee and Assistant Official Assignee

65.—(1) The Department shall appoint an officer as Official Assignee for company liquidations for Northern Ireland and such officer is in the Companies Acts referred to as “the Official Assignee”.

(2) The Department may appoint one or more than one officer as Assistant Official Assignee for company liquidations for Northern Ireland and anything which is required or authorised to be done by or to the Official Assignee under the Companies Acts may be done by or to any officer appointed under this paragraph.

(3) The Official Assignee and any Assistant Official Assignee shall act under the general authority and direction of the Department but shall also be officers of the court.

Statement of company's affairs to be submitted to Official Assignee

66.—(1) Where the court has made a winding-up order or appointed a provisional liquidator, there shall, unless the court thinks fit to order otherwise

and so orders, be made out and submitted to the Official Assignee a statement as to the affairs of the company in the prescribed form, verified by affidavit, and showing the particulars of its assets, debts and liabilities, the names, residences and occupations of its creditors, the securities held by them respectively, the dates when the securities were respectively given, and such further or other information as may be prescribed or as the Official Assignee may require.

(2) The statement shall be submitted and verified by one or more of the persons who are at the relevant date the directors and by the person who is at that date the secretary of the company, or by such of the persons hereinafter mentioned as the Official Assignee, subject to the direction of the court, may require to submit and verify the statement, that is to say, persons—

- (a) who are or have been officers of the company;
- (b) who have taken part in the formation of the company at any time within one year before the relevant date;
- (c) who are in the employment of the company, or have been in the employment of the company within the said year, and are in the opinion of the Official Assignee capable of giving the information required;
- (d) who are or have been within the said year officers of or in the employment of a company which is, or within the said year was, an officer of the company to which the statement relates.

(3) The statement shall be submitted within fourteen days from the relevant date or within such extended time as the Official Assignee or the court may for special reasons appoint.

(4) Any person making or concurring in making the statement and affidavit required by this Article shall be allowed, and shall be paid by the Official Assignee or provisional liquidator, as the case may be, out of the assets of the company such costs and expenses incurred in and about the preparation and making of the statement and affidavit as the Official Assignee may consider reasonable, subject to an appeal to the court.

(5) If any person, without reasonable excuse, makes default in complying with the requirements of this Article, he shall be guilty of an offence and liable to a fine not exceeding £10 for every day during which the default continues.

(6) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled by himself or by his agent at all reasonable times, on payment of the prescribed fee, to inspect the statement submitted in pursuance of this Article, and to a copy thereof or extract therefrom.

(7) Any person untruthfully so stating himself to be a creditor or contributory shall be guilty of a contempt of court and shall, on the application of the liquidator or of the Official Assignee, be punishable accordingly.

(8) In this Article “the relevant date” means, in a case where a provisional liquidator is appointed, the date of his appointment, and, in a case where no such appointment is made, the date of the winding-up order.

Report by Official Assignee

67.—(1) In a case where a winding-up order is made, the Official Assignee shall, as soon as practicable after receipt of the statement to be submitted under Article 66, or, in a case where the court orders that no statement shall be submitted, as soon as practicable after the date of the order, submit a report to the court—

- (a) as to the amount of capital issued, subscribed and paid up, and the estimated amount of assets and liabilities; and
- (b) if the company has failed, as to the causes of the failure; and
- (c) as to whether in his opinion further inquiry is desirable as to any matter relating to the promotion, formation or failure of the company or the conduct of the business thereof.

(2) The Official Assignee may also, if he thinks fit, make a further report, or further reports, stating any matters which in his opinion it is desirable to bring to the notice of the court.

(3) If the Official Assignee states in any such further report as is mentioned in paragraph (2) that in his opinion a fraud has been committed by any person in the promotion or formation of the company or by an officer of the company in relation to the company since its formation, the court shall have the further powers provided in section 242 of the principal Act.

Further provision as to applications for winding up

Further provision as to applications for winding up

68. In section 212 of the principal Act, after subsection (1) there shall be inserted the following subsection:—

“(1A) Where a company is being wound up voluntarily or subject to supervision, a winding-up petition may be presented by the Official Assignee as well as by any other person authorised in that behalf under this section, but the court shall not make a winding-up order on the petition unless it is satisfied that the voluntary winding up or winding up subject to supervision cannot be continued with due regard to the interests of the creditors or contributories.”.

Liquidators

Amendment to section 222 of the principal Act

69. In section 222 of the principal Act (appointment and powers of provisional liquidator) in subsection (1) for the words “before the first appointment of liquidators” there shall be substituted the words “before the making of a winding-up order, and either the Official Assignee or any other fit person may be appointed.”.

Appointment, style, etc. of liquidators

70. After section 222 of the principal Act there shall be inserted the following section:—

“Appoint-
ment, style,
etc. of
liquidators. 222A. The following provisions with respect to liquidators shall have effect on a winding-up order being made—

- (a) the Official Assignee shall by virtue of his office become the provisional liquidator and shall continue to act as such until he or another person becomes liquidator and is capable of acting as such;
- (b) subject to paragraph (c), the Official Assignee shall summon separate meetings of the creditors and contributories of the company for the purpose of determining whether or not an application is to be made to the court for appointing a liquidator in the place of the Official Assignee;

- (c) where the winding-up order has been made on the ground that the company is unable to pay its debts, it shall not be necessary for the Official Assignee to summon a meeting of the contributories unless the court, on the application of a contributory, otherwise directs;
- (d) the court may make any appointment and order required to give effect to a determination under paragraph (b) and, if there is a difference between the determinations of the meetings of the creditors and contributories in respect of the matter aforesaid, the court shall decide the difference and make such order thereon as the court may think fit;
- (e) in a case where a liquidator is not appointed by the court, the Official Assignee shall be the liquidator of the company;
- (f) the Official Assignee shall by virtue of his office be the liquidator during any vacancy;
- (g) a liquidator shall be described, where a person other than the Official Assignee is liquidator, by the style of "the liquidator", and, where the Official Assignee is liquidator, by the style of "the Official Assignee and liquidator", of the particular company in respect of which he is appointed and not by his individual name."

Provisions where person other than Official Assignee is appointed liquidator

71. For section 223 of the principal Act there shall be substituted the following section:—

- 223.** Where, in the winding up of a company by the court, a person other than the Official Assignee is appointed liquidator, that person—
- (a) shall not be capable of acting as liquidator until he has notified his appointment to the registrar of companies and given security in the prescribed manner to the satisfaction of the Department;
 - (b) shall give the Official Assignee such information and such access to and facilities for inspecting the books and documents of the company and generally such aid as may be requisite for enabling him to perform his duties under the Companies Acts."

Amendments to section 224 of the principal Act

72.—(1) Section 224 of the principal Act (which contains general provisions as to liquidators) shall have effect subject to the amendments specified in the following provisions of this Article.

- (2) Paragraphs (a), (b) and (c) shall be omitted.
- (3) In paragraph (e) after the word "person" there shall be inserted the words "other than the Official Assignee,".
- (4) In paragraph (g) for the words "this Act" there shall be substituted the words "the Companies Acts".

Exercise and control of liquidator's powers

73.—(1) Subject to the provisions of the Companies Acts, the liquidator of a company which is being wound up by the court shall, in the administration

of the assets of the company and in the distribution thereof among its creditors, have regard to any directions that may be given by resolution of the creditors or contributories at any general meeting or by the committee of inspection, and any directions given by the creditors or contributories at any general meeting shall in case of conflict be deemed to override any directions given by the committee of inspection.

(2) The liquidator may summon general meetings of the creditors or contributories for the purpose of ascertaining their wishes, and it shall be his duty to summon meetings at such times as the creditors or contributories, by resolution, either at the meeting appointing the liquidator or otherwise, may direct, or whenever requested in writing to do so by one tenth in value of the creditors or contributories, as the case may be.

(3) The liquidator may apply to the court in manner prescribed for directions in relation to any particular matter arising under the winding up.

(4) Subject to the provisions of the Companies Acts, the liquidator shall use his own discretion in the management of the estate and its distribution among the creditors.

(5) If any person is aggrieved by any act or decision of the liquidator, that person may apply to the court, and the court may confirm, reverse or modify the act or decision complained of, and make such order as it thinks just.

Books to be kept by liquidator

74. Every liquidator of a company which is being wound up by the court shall keep, in such manner as may be prescribed, proper books in which he shall cause to be made entries or minutes of proceedings at meetings, and of such other matters as may be prescribed, and any creditor or contributory may, subject to the control of the court, personally or by his agent inspect any such books.

Payments of liquidator into Insolvency Account

75.—(1) Subject to paragraph (2), every liquidator of a company which is being wound up by the court shall, in such manner and at such times as may be prescribed, pay the money received by him as liquidator to the Department which shall lodge that money into the Insolvency Account kept by the Department under Article 93.

(2) If the committee of inspection satisfy the Department that for the purpose of carrying on the business of the company or of obtaining advances, or for any other reason, it is for the advantage of the creditors or contributories that the liquidator should pay the money received by him as liquidator or part of that money into a bank account other than the Insolvency Account, the Department shall, on the application of the committee of inspection, authorise the liquidator to make payments into and out of such other account as the committee may select, and thereupon those payments shall be made in such manner and at such times as the Department may direct.

(3) If any such liquidator at any time retains for more than ten days a sum exceeding £100 or such other amount as the Department in any particular case authorises him to retain, then, unless he explains the retention to the satisfaction of the Department, he shall pay interest on the amount so retained in excess at the rate of twenty per cent. per annum, and shall be liable to disallowance of all or such part of his remuneration as the Department may think just, and to be removed from his office by the court on the application of the Department and shall be liable to pay any expenses occasioned by reason of his default.

(4) A liquidator of a company which is being wound up by the court shall not pay any sums received by him as liquidator into his private banking account.

Audit of liquidator's accounts

76.—(1) Every liquidator of a company which is being wound up by the court shall, at such times as may be prescribed, send to the Department, or as it directs, an account in a prescribed form and made in triplicate of his receipts and payments as liquidator.

(2) Subject to paragraph (3), the liquidator shall verify by a statutory declaration in the prescribed form the account mentioned in paragraph (1).

(3) Where the Official Assignee is liquidator he shall certify the account in the prescribed manner.

(4) The liquidator shall furnish the Department with such vouchers and information as the Department may require, and the Department may at any time, whether at the premises of the liquidator or elsewhere, require the production of and inspect any books or accounts kept by the liquidator.

(5) The Department may cause any account sent to it under this Article to be audited.

(6) When the audit of an account has been completed, one copy of the account shall be filed and kept by the Department, one copy shall be delivered to the registrar of companies for filing and the third copy shall be delivered to the court for filing.

(7) Where the Department determines not to cause an account to be audited, paragraph (6) shall apply as if it required copies of the accounts to be filed or delivered for filing forthwith.

(8) Subject to paragraph (9), the liquidator shall, either when the account has been audited or when he has been notified by the Department of its determination not to cause the account to be audited, send a copy of the account or a summary thereof by post to every creditor and contributory.

(9) The Department may in any case dispense with compliance with paragraph (8).

Control of Department over liquidators

77.—(1) The Department shall take cognizance of the conduct of liquidators of companies which are being wound up by the court, and, if a liquidator does not faithfully perform his duties and duly observe all the requirements imposed on him by any statutory provision or otherwise with respect to the performance of his duties or if any complaint is made to the Department by any creditor or contributory in regard thereto, the Department shall inquire into the matter, and take such action thereon as the Department may think expedient.

(2) The Department may at any time require any liquidator of a company which is being wound up by the court to answer any inquiry in relation to any winding up in which he is engaged, and may, if the Department thinks fit, apply to the court to examine him or any other person on oath concerning the winding up.

(3) The Department may also direct a local investigation to be made of the books and vouchers of the liquidator.

Release of liquidators

78.—(1) When the liquidator of a company which is being wound up by the court has realised all the property of the company, or so much thereof as can, in his opinion, be realised without needlessly protracting the liquidation, and has distributed a final dividend, if any, to the creditors, and adjusted the rights of the contributories among themselves, and made a final return, if any, to the contributories, or has resigned, or has been removed from his office, the Department shall, on his application, cause a report on his accounts to be prepared, and, on his complying with all the requirements of the Department, shall take into consideration the report and any objection which may be urged by any creditor or contributory or person interested against the release of the liquidator, and shall either grant or withhold the release accordingly, subject nevertheless to an appeal to the court.

(2) Where the release of a liquidator is withheld, the court may, on the application of any creditor or contributory or person interested, make such order as it thinks just, charging the liquidator with the consequences of any act or default which he may have done or made contrary to his duty.

(3) An order of the Department releasing the liquidator shall discharge him from all liability in respect of any act done or default made by him in the administration of the affairs of the company or otherwise in relation to his conduct as liquidator, but any such order may be revoked on proof that it was obtained by fraud or by suppression or concealment of any material fact.

(4) Where the liquidator has not previously resigned or been removed, his release shall operate as a removal of him from his office.

Committees of Inspection

Amendment to section 228 of the principal Act

79. In section 228 of the principal Act (which provides for meetings of creditors and contributories to determine whether committee of inspection shall be appointed) for subsection (1) there shall be substituted the following subsection:—

“(1) When a winding-up order has been made by the court, it shall be the business of the separate meetings of creditors and contributories summoned in accordance with the provisions of section 222A (b) and (c) for the purpose of determining whether or not an application should be made to the court for appointing a liquidator in place of the Official Assignee, to determine further whether or not an application is to be made to the court for the appointment of a committee of inspection to act with the liquidator and who are to be members of the committee if appointed.”.

Powers of Department where no committee of inspection

80. After section 229 of the principal Act there shall be inserted the following section:—

“Powers of Department where no committee of inspection.

229A. Where in the case of a winding up there is no committee of inspection, the Department may, on the application of the liquidator, do any act or thing or give any direction or permission which is by the Companies Acts authorised or required to be done or given by the committee.”.

General powers of court in case of winding up by court

Amendments to section 230 of the principal Act

81.—(1) Section 230 of the principal Act (power to stay winding up) shall have effect subject to the amendments specified in the following provisions of this Article.

(2) In subsection (1) for the words “of the liquidator” there shall be substituted the words “either of the liquidator or the Official Assignee”.

(3) In subsection (2) for the words “the liquidator” there shall be substituted the words “the Official Assignee”.

Appointment of special manager

82. After section 236 of the principal Act there shall be inserted the following section:—

“Appoint-
ment of
special
manager.

236A.—(1) Where the Official Assignee becomes the liquidator of a company, whether provisionally or otherwise, he may, if satisfied that the nature of the estate or business of the company, or the interests of the creditors or contributories generally, require the appointment of a special manager of the estate or business of the company other than himself, apply to the court, and the court may on such application appoint a special manager of the said estate or business to act during such time as the court may direct, with such powers, including any of the powers of a receiver or manager, as may be entrusted to him by the court.

(2) The special manager shall give such security and account in such manner as the Department may direct.

(3) The special manager shall receive such remuneration as may be fixed by the court.”.

Power to order public examination of promoters and officers

83. For section 242 of the principal Act there shall be substituted the following section:—

“Power to
order public
examination
of promoters
and officers.

242.—(1) Where an order has been made for winding up a company by the court, and the Official Assignee has made a further report under Article 67 (2) of the Companies (Northern Ireland) Order 1978 stating that in his opinion a fraud has been committed by any person in the promotion or formation of the company or by any officer of the company in relation to the company since its formation, the court may, after consideration of the report, direct that that person or officer shall attend before the court on a day appointed by the court for that purpose and be publicly examined as to the promotion or formation or the conduct of the business of the company or as to his conduct and dealings as officer thereof.

(2) The Official Assignee shall take part in the examination, and for that purpose may, if specially authorised by the Department in that behalf, employ a solicitor with or without counsel.

(3) The liquidator, where the Official Assignee is not the liquidator, and any creditor or contributory may also take part in the examination either personally or by solicitor or counsel.

(4) The court may put such questions to the person examined as the court thinks fit.

(5) The person examined shall be examined on oath and shall answer all such questions as the court may put or allow to be put to him.

(6) Subject to subsection (7), a person ordered to be examined under this section shall at his own cost, before his examination, be furnished with a copy of the Official Assignee's report, and may at his own cost employ a solicitor with or without counsel, who shall be at liberty to put to him such questions as the court may deem just for the purpose of enabling him to explain or qualify any answers given by him.

(7) If any such person applies to the court to be exculpated from any charges made or suggested against him, it shall be the duty of the Official Assignee to appear on the hearing of the application and call the attention of the court to any matters which appear to the Official Assignee to be relevant, and if the court, after hearing any evidence given or witnesses called by the Official Assignee, grants the application, the court may allow the applicant such costs as in its discretion it may think fit.

(8) Notes of the examination shall be taken down in writing, and shall be read over to or by, and signed by, the person examined, and may thereafter be used in evidence against him, and shall be open to the inspection of any creditor or contributory at all reasonable times.

(9) The court may, if it thinks fit, adjourn the examination from time to time."

Delegation to liquidator of certain powers of court

84. After section 244 of the principal Act there shall be inserted the following section:—

"Delegation to liquidator of certain powers of court.

244A.—(1) Subject to subsection (2), provision may be made by winding-up rules for enabling or requiring all or any of the powers and duties conferred and imposed on the court by the Companies Acts in respect of the following matters—

- (a) the holding and conducting of meetings to ascertain the wishes of creditors and contributories;
- (b) the settling of lists of contributories and the rectifying of the register of members where required, and the collecting and applying of the assets;
- (c) the paying, delivery, conveyance, surrender or transfer of money, property, books or papers to the liquidator;
- (d) the making of calls;
- (e) the fixing of a time within which debts and claims must be proved;

to be exercised or performed by the liquidator as an officer of the court, and subject to the control of the court.

(2) The liquidator shall not, without the special leave of the court, rectify the register of members, and shall not make any call without either the special leave of the court or the sanction of the committee of inspection."

(ii) PROVISIONS APPLICABLE TO EVERY MODE OF WINDING UP

Preferential payments

85. For section 287 of the principal Act there shall be substituted the following section:—

“Preferential payments.

287.—(1) In a winding up there shall be paid in priority to all other debts—

- (a) the following rates and taxes—
 - (i) all local rates, regional rate and district rate due from the company at the relevant date, and having become due and payable within twelve months next before that date;
 - (ii) all income tax, profits tax, excess profits tax, excess profits levy or other assessed taxes assessed on the company up to the fifth day of April next before that date, and not exceeding in the whole one year's assessment;
 - (iii) any sums due at the relevant date from the company on account of tax deductions, as defined in subsection (4) of section 30 of the Finance Act 1952 for the twelve months next before that date;
 - (iv) any amount due by way of the general betting duty under section 16 of the Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972 or by virtue of section 24 (1) of that Act from the company at the relevant date which became due within twelve months next before that date;
 - (v) the amount of any value added tax or car tax due at the relevant date from the company which became due within the twelve months next before that date;
- (b) all wages or salary (whether or not earned wholly or in part by way of commission) of any clerk or servant in respect of services rendered to the company during four months next before the relevant date;
- (c) all wages (whether payable for time or for piece work) of any workman or labourer in respect of services rendered to the company during four months next before the relevant date;
- (d) any sum ordered under the Reinstatement in Civil Employment Act 1944, Part II of the National Service Act 1948 or the Reinstatement in Civil Employment Act 1950 to be paid by way of compensation where the default by reason of which the order for compensation was made occurred before the relevant date, whether or not the order was made before that date;
- (e) unless the company is being wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company, all the debts specified in section 144 (2) of the Social Security (Northern Ireland) Act 1975, Schedule 4 to the Social Security Pensions (Northern Ireland) Order 1975 and any corresponding provisions in force in Great Britain;
- (f) all accrued holiday remuneration becoming payable to any clerk, servant, workman or labourer (or in the case of his death to any other person in his right) on the termination of his employment with the company before or by the effect of the winding-up order or resolution.

(2) Notwithstanding anything in paragraphs (b), (c) and (d) of subsection (1), but subject to subsection (3), the sum to which priority is to be given under those paragraphs respectively shall not, in the case of any one claimant, exceed £800.

(3) Where a claimant under paragraph (c) of subsection (1) is a labourer in husbandry who has entered into a contract for the payment of a portion of his wages in a lump sum at the end of the year of hiring, he shall have priority in respect of the whole of such sum, or a part thereof, as the court may decide to be due under the contract, proportionate to the time of service up to the relevant date.

(4) Where any payment has been made—

(a) to any clerk, servant, workman or labourer in the employment of a company, on account of wages or salary; or

(b) to any such clerk, servant, workman or labourer or, in the case of his death, to any other person in his right, on account of accrued holiday remuneration;

out of money advanced by some person for that purpose, the person by whom the money was advanced shall in a winding up have a right of priority in respect of the money so advanced and paid up to the amount by which the sum in respect of which the clerk, servant, workman or labourer, or other person in his right, would have been entitled to priority in the winding up has been diminished by reason of the payment having been made.

(5) The foregoing debts shall—

(a) rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportions; and

(b) so far as the assets of the company available for payment of general creditors are insufficient to meet them, have priority over the claims of holders of debentures under any floating charge created by the company, and be paid accordingly out of any property comprised in or subject to that charge.

(6) Subject to the retention of such sums as may be necessary for the costs and expenses of the winding up, the foregoing debts shall be discharged forthwith so far as the assets are sufficient to meet them, and in the case of debts to which priority is given by paragraph (e) of subsection (1) formal proof thereof shall not be required except in so far as is otherwise prescribed.

(7) For the purposes of this section—

(a) any remuneration in respect of a period of holiday or of absence from work through sickness or other good cause shall be deemed to be wages in respect of services rendered to the company during that period;

(b) "accrued holiday remuneration" includes, in relation to any person, all sums which, by virtue either of his contract of employment or of any enactment (including any order made or direction given under any Act) are payable on account of the remuneration which would, in the ordinary course, have

become payable to him in respect of a period of holiday had his employment with the company continued until he became entitled to be allowed the holiday;

(c) references to remuneration in respect of a period of holiday include any sums which, if they had been paid, would have been treated for the purposes of the Social Security (Northern Ireland) Act 1975 or the Social Security Act 1975 as earnings paid in that period;

(d) any amount owed by an employer to an employee in respect of—

- (i) a guarantee payment under Article 3 of the Industrial Relations (No. 2) (Northern Ireland) Order 1976;
- (ii) remuneration on suspension on medical grounds under Article 9 of the said Order of 1976;
- (iii) any payment for time off under Article 37 (4) or 41 (3) of the said Order of 1976;
- (iv) remuneration under a protective award made under Article 51 of the Industrial Relations (Northern Ireland) Order 1976;

shall be treated as if it were wages payable by the employer to the employee in respect of the period for which it is payable;

(e) “the relevant date” means—

- (i) where a company is ordered to be wound up compulsorily, the date of the appointment (or first appointment) of a provisional liquidator, or, if no such appointment was made, the date of the winding-up order, unless in either case the company had commenced to be wound up voluntarily before that date; and
- (ii) where sub-paragraph (i) does not apply, the date of the passing of the resolution for the winding up of the company;

(f) the value added tax which became due within the twelve months mentioned in subsection (1) (a) (v) in respect of any prescribed accounting period (within the meaning of section 30 (1) of the Finance Act 1972) falling partly within and partly outside those twelve months shall be taken to be such part of the tax due for the whole of that accounting period as is proportionate to the part of that period falling within those twelve months.

(8) For the purposes of section 92, paragraph (f) of subsection (1) shall have effect as if for the reference to a winding-up order or resolution there were substituted a reference to the appointment of a receiver or possession being taken, by or on behalf of the debenture holders, of the company’s property.

(9) Where the relevant date or, where section 92 has effect, the corresponding date referred to in subsection (2) of that section, occurred before the coming into operation of Article 85 of the Companies (Northern Ireland) Order 1978, the provisions relating to preferential payments which would have applied if that Order had not been made shall be deemed to remain in full force.”

Liability for rentcharge on company's land after disclaimer

86. After section 291 of the principal Act there shall be inserted the following section:—

“Liability for rentcharge on company's land after disclaimer.

291A.—(1) Where on a disclaimer under section 291 land vests subject to a rentcharge in the Crown or any other person that shall not, subject to subsection (2), impose on the Crown or the said other person or its or his successors in title any personal liability in respect of the rentcharge.

(2) This section shall not affect any liability in respect of sums accruing due after the Crown or the said other person, or some person claiming through or under the Crown or the said other person, has taken possession or control of the land or has entered into occupation thereof.

(3) This section shall apply to land vesting and sums accruing due before, as well as after, the 15th October 1963.”.

Amendments to section 298 of the principal Act

87.—(1) Section 298 of the principal Act (responsibility for fraudulent trading of persons concerned) shall have effect subject to the amendments specified in the following provisions of this Article.

(2) In subsection (1) before the words “the liquidator”, in the first place where they occur, there shall be inserted the words “the Official Assignee or”.

(3) In subsection (1) for the words “the liquidator”, in the second place where they occur there shall be substituted the words “the Official Assignee or the liquidator, as the case may be,”.

(4) After subsection (2) there shall be inserted the following subsection:—

“(2A) Where, on making a declaration under subsection (1), the court so directs, the liability of any person under the declaration shall be deemed to be a debt payable to the liquidator or to a creditor, as the court may determine.”.

Amendment to section 299 of the principal Act

88. In section 299 (1) of the principal Act (power of court to assess damages against delinquent directors, etc.) before the words “of the liquidator” there shall be inserted the words “of the Official Assignee or”.

Exemption of certain documents from stamp duty on winding up of companies

89. After section 304 of the principal Act there shall be inserted the following section:—

“Exemption of certain documents from stamp duty on winding up of companies.

304A.—(1) In the case of a winding up of a company by the court or of a creditors' voluntary winding up of a company—

(a) every assurance relating solely to freehold or leasehold property, or to any estate, right or interest in any real or personal property, which forms part of the assets of the company and which, after the execution of the assurance, either at law or in equity, is or remains part of the assets of the company; and

(b) every power of attorney, proxy paper, writ, order, certificate, or other instrument or writing relating solely to the property of any company which is being so wound up, or to any proceeding under any such winding up, shall be exempt from duties chargeable under the statutory provisions relating to stamp duties.

(2) In subsection (1) "assurance" includes deed, conveyance, assignment and surrender."

Amendments to section 306 of the principal Act

90. At the end of section 306 of the principal Act (disposal of books and papers of company) there shall be added the following subsections:—

"(3) Provision may be made by winding-up rules for enabling the Department to prevent, for such period (not exceeding five years from the dissolution of the company) as the Department thinks proper, the destruction of the books and papers of a company which has been wound up, and for enabling any creditor or contributory of the company to make representations to the Department and to appeal to the court from any direction which may be given by the Department in the matter.

(4) If any person acts in contravention of any winding-up rules made for the purposes of this section or of any direction of the Department thereunder, he shall be guilty of an offence and be liable to a fine not exceeding £100."

Unclaimed dividends, etc. to be lodged in Insolvency Account

91. For section 308 of the principal Act there shall be substituted the following section:—

"Unclaimed dividends, etc. to be lodged in Insolvency Account.

308.—(1) Where a company has been wound up voluntarily or by the court and is about to be dissolved, the liquidator shall, in such manner as may be prescribed, pay the whole unclaimed dividends and unapplied or undistributed balances to the Department which shall lodge that money into the Insolvency Account kept by the Department under Article 93 of the Companies (Northern Ireland) Order 1978.

(2) Any person claiming to be entitled to any dividend or payment out of a lodgment made in pursuance of subsection (1) may apply to the Department for payment thereof and the Department may, on a certificate by the liquidator that the person claiming is entitled, or on other evidence of entitlement, make an order for the payment to that person of the sum due.

(3) On or before 31st March in each year the Department shall pay into the Consolidated Fund the amount of any lodgment made in pursuance of subsection (1) which has remained unclaimed for a period of at least two years from the date of lodgment, but where the Department is satisfied that any person claiming is entitled to any dividend or payment of the money paid into the Consolidated Fund it may order payment of the same and the Department of Finance shall issue out of the Consolidated Fund such sum as may appear to that Department to be necessary to provide for that payment.

(4) Any person dissatisfied with a decision of the Department in respect of a claim made under subsection (2) or (3) may appeal to the court against that decision."

Property of dissolved company

92. After section 316 of the principal Act there shall be inserted the following sections:—

“Property of dissolved company to be bona vacantia.

316A. Where a company is dissolved, all property and rights whatsoever vested in or held on trust for the company immediately before its dissolution (including leasehold property but not including property held by the company on trust for any other person) shall, subject and without prejudice to any order which may at any time be made by the court under sections 315 and 316, be deemed to be bona vacantia, and shall accordingly belong to the Crown and shall vest and may be dealt with in the same manner as other bona vacantia accruing to the Crown.

Power of Crown to disclaim title to property vesting under s. 316A.

316B.—(1) Where any property vests in the Crown under section 316A the Crown's title thereto under that section may be disclaimed by a notice signed by the Treasury Solicitor.

(2) Where a notice of disclaimer under this section is executed as respects any property, that property shall be deemed not to have vested in the Crown under section 316A, and subsections (3), (7) and (8) of section 291 and section 291A shall apply in relation to the property as if it had been disclaimed under section 291 (1) immediately before the dissolution of the company.

(3) The right to execute a notice of disclaimer under this section may be waived by or on behalf of the Crown either expressly or by taking possession or other act evincing that intention.

(4) A notice of disclaimer under this section shall be of no effect unless it is executed within twelve months of the date on which the vesting of the property as aforesaid came to the notice of the Treasury Solicitor, or, if an application in writing is made to the Treasury Solicitor by any person interested in the property requiring him to decide whether he will or will not disclaim, within a period of three months after the receipt of the application or such further period as may be allowed by the court.

(5) A statement in a notice of disclaimer of any property under this section that the vesting of the property came to the notice of the Treasury Solicitor on a specified date or that no such application as aforesaid was received by him with respect to the property before a specified date shall, until the contrary is proved, be sufficient evidence of the fact stated.

(6) A notice of disclaimer under this section shall be delivered to the registrar of companies for registration, and copies thereof shall be published in the Belfast Gazette and sent to any persons who have given the Treasury Solicitor notice that they claim to be interested in the property.

Liability for rentcharge on company's land after dissolution.

316C.—(1) Section 291A shall apply to land which by operation of law vests subject to a rentcharge in the Crown or any other person on the dissolution of a company as it applies to land so vesting on a disclaimer under section 291.

(2) In this section “company” includes any body corporate.”

Insolvency Account

93.—(1) An account, to be called the Insolvency Account, shall be kept by the Department with such bank as may be agreed with the Department of Finance.

(2) All sums standing to the credit of the Companies Liquidation Account and the Companies Voluntary Liquidation Account immediately before the date on which this Article comes into operation shall on that date be transferred to the Insolvency Account.

(3) The Department may, with the agreement of the Department of Finance, invest any money from time to time standing to the credit of the Insolvency Account.

(4) All payments out of money standing to the credit of the Department in the Insolvency Account shall be made in such manner as may be prescribed.

(5) The Department shall in respect of each year ending on 31st March prepare an account, in such form and manner as the Department of Finance may direct, of the sums credited and debited to the Insolvency Account during that year.

(6) On or before 31st August in each year the Department shall transmit to the Comptroller and Auditor General for Northern Ireland the account prepared under paragraph (5) in respect of the year ending on the preceding 31st March and the Comptroller and Auditor General shall examine and certify such account and the Department shall lay copies thereof, together with the report of the Comptroller and Auditor General thereon, before the Assembly.

Separate accounts of particular companies

94.—(1) The Department shall maintain an account of the sums credited and debited to the Insolvency Account in respect of every company for which money has been received.

(2) Subject to paragraph (3), whenever the cash balance standing to the credit of the account of any company is in excess of £2,000 or such other sum as may be prescribed, the Department shall credit to the account of the company interest on the excess at such rate as the Department of Finance may determine.

(3) On or before 31st March in each year all sums standing to the credit of the account of a company which has been dissolved for a period of at least two years (other than sums falling to be dealt with under section 308 of the principal Act) shall be paid to the Department and applied as the Department of Finance may direct.

Returns by Officers of the High Court

95. Officers of the High Court shall make to the Department such returns of that part of the business of the High Court which relates to the winding up of companies, at such times, and in such manner and form, as may be prescribed, and from those returns the Department shall cause records to be prepared which shall be kept by the registrar of companies.

Winding-up rules and fees

96.—(1) For section 317 of the principal Act there shall be substituted the following section:—

“Winding-up rules and fees.

317.—(1) The Lord Chancellor may, with the concurrence of the Department and after consultation with the committee appointed under subsection (3), make rules (to be known as winding-up rules) for carrying into effect the objects of the Companies Acts so far as relates to the winding up of companies.

(2) Without prejudice to the generality of subsection (1), winding-up rules may, in relation to the exercise by the High Court of its jurisdiction under the Companies Acts, make such provision as has been made or might lawfully be made by rules of court in relation to the exercise by the High Court of any other jurisdiction.

(3) There shall be a committee appointed by the Lord Chancellor to keep under review the winding-up rules for the time being in force under this section and to make recommendations to the Lord Chancellor as to any changes in the rules that may from time to time appear to the committee to be desirable.

(4) The committee shall consist of—

(a) the Chancery Judge;

(b) the Master (Bankruptcy);

(c) a practising barrister-at-law;

(d) a practising solicitor of the Supreme Court;

(e) a practising accountant; and

(f) such additional persons, if any, as appear to the Lord Chancellor to have qualifications or experience that would be of value to the committee in considering any matter with which it is concerned.

(5) There shall be paid to the Department in respect of proceedings under the Companies Acts in relation to the winding up of companies such fees as the Department may, with the concurrence of the Department of Finance, prescribe and the Department may direct in what manner such fees are to be accounted for and applied.

(6) Rules under subsection (1) shall be subject to annulment in pursuance of a resolution of either House of Parliament in like manner as a statutory instrument and section 5 of the Statutory Instruments Act 1946 (a) shall apply accordingly.

(7) Regulations under subsection (5) shall be subject to negative resolution.”.

(2) In Article 62 of the Insurance Companies (Northern Ireland) Order 1976 (b)—

(a) for paragraph (1) there shall be substituted the following paragraph—

“(1) Winding-up rules made under section 317 of the Companies Act (Northern Ireland) 1960 may include provision for determining the amount of the liabilities of an insurance company to policy holders of any class or description for the purpose of proof in a winding up and generally for carrying into effect the provisions of this Part with respect to the winding up of insurance companies.”.

(b) in paragraph (2) for the words from “section 21” to “rules of court” there shall be substituted the words “the said section 317, winding-up rules”.

Part X companies may be wound up although dissolved

97. After section 349 of the principal Act there shall be inserted the following section:—

“Part X
companies
may be
wound up
although
dissolved.

349A. Where a company incorporated outside Northern Ireland which has been carrying on business in Northern Ireland ceases to carry on business in Northern Ireland, it may be wound up as an unregistered company under this Part, notwithstanding that it has been dissolved or otherwise ceased to exist as a company

(a) 1946 c.36.

(b) S.I. 1976/59 (N.I. 3).

under or by virtue of the laws of the country under which it was incorporated.”.

Increase of monetary limits relating to winding up

98.—(1) In each of the provisions of the principal Act listed in column 1 of Part I of Schedule 3 (being provisions which relate to the winding up of companies and are concerned with the matters described in column 2 of that Part) for the sum specified in column 3 of that Part in relation to that provision there shall be substituted the sum so specified in column 4 of that Part.

(2) The Department may by regulations increase or reduce any of the sums for the time being specified—

(a) in the provisions amended by paragraph (1); or

(b) in section 287 (2) of the principal Act or Article 75 (3) of this Order.

(3) The transitional provisions set out in Part II of Schedule 3 shall have effect in relation to any increase or reduction by or under this Article.

(4) No regulations shall be made under this Article unless a draft of them has been approved by resolution of the Assembly.

Transitional provisions relating to winding up

99.—(1) Articles 66 to 74, 77 to 84, 87 (1) to (3), 88 and 89 shall not apply to a winding up which commenced before the date on which those provisions come into operation.

(2) The references in section 308 (2) and (3) of the principal Act (as inserted by Article 91) to a lodgment made in pursuance of subsection (1) of that section shall be construed as including a reference to a lodgment made to the Companies Liquidation Account or to the Companies Voluntary Liquidation Account.

(3) Where the period between the coming into operation of Article 93 and 31st March next following is a period of less than a year any reference in that Article to a year ending on 31st March shall be construed as including a reference to that period.

PART V

INSPECTION OF COMPANIES AND OF BOOKS AND PAPERS

Inspection of companies

Extension of Department's power of investigation under section 159 of the principal Act

100. In section 159 of the principal Act—

(a) in paragraph (b) (i) (by virtue of which the Department is empowered to appoint one or more competent inspectors to investigate the affairs of a company if it appears to the Department that there are circumstances suggesting, inter alia, that the business of the company is being conducted with intent to defraud its creditors or the creditors of any other person or otherwise for a fraudulent or unlawful purpose or in a manner oppressive of any part of its members) after the words “is being” there shall be inserted the words “or has been”; and

(b) at the end there shall be added the words—

“; and the power of the Department under paragraph (b) shall be exercisable with respect to a body corporate notwithstanding that it is in the course of being voluntarily wound up.”.

Power of inspectors to secure attendance of persons for purposes of investigation

101.—(1) Section 161 of the principal Act (which imposes on officers and agents of bodies being investigated the duty to assist inspectors) shall have effect subject to the amendments specified in the following provisions of this Article.

(2) In subsection (1), after the words “to produce to the inspectors all books and documents of or relating to the company or, as the case may be, the other body corporate which are in their custody or power” there shall be inserted the words “, to attend before the inspectors when required so to do”.

(3) In subsection (3), after the words “refuses to produce to the inspectors any book or document which it is his duty under this section so to produce” there shall be inserted the words “refuses to attend before the inspectors when required so to do” and for the words “the officer or agent” onwards there shall be substituted the words “the alleged offender and after hearing any statement which may be offered in defence, punish the offender in like manner as if he had been guilty of contempt of the court.”.

Power of inspectors to inform Department of matters tending to show commission of offence

102. In section 162 of the principal Act (inspectors' report) after subsection (1) there shall be inserted the following subsection:—

“(1A) The inspectors may, at any time in the course of the investigation, without the necessity of making an interim report, inform the Department of matters coming to their knowledge as a result of the investigation tending to show that an offence has been committed.”.

Proceedings on inspectors' report

103.—(1) For section 163 of the principal Act there shall be substituted the following section:—

“Proceedings on inspectors' report.

163.—(1) If, from any report made under section 162 or from any information or document obtained under Article 107 or 108 of the Companies (Northern Ireland) Order 1978 it appears to the Department that any civil proceedings ought in the public interest to be brought by any body corporate, the Department may itself bring such proceedings in the name and on behalf of the body corporate.

(2) The Department shall indemnify the body corporate against any costs or expenses incurred by it in or in connection with any proceedings brought by virtue of subsection (1).

(3) If, in the case of any body corporate liable to be wound up under this Act, it appears to the Department from any report made under section 162 or from any information or document obtained under Article 107 or 108 of the Companies (Northern Ireland) Order 1978 that it is expedient in the public interest that the body should be wound up, the Department may, unless the body is already being wound up by the court, present a petition for it to be so wound up if the court thinks it just and equitable for it to be so wound up.

(4) If, in the case of any such body corporate as is mentioned in subsection (3), it appears to the Department from any report made or information or document obtained as aforesaid that its

business is being conducted, or that the powers of its directors are being exercised, in a manner oppressive to any part of its members, the Department may (in addition to, or instead of, presenting a petition under subsection (3)) present a petition for an order under section 201."

(2) In section 201 (2) of the principal Act for the words "subsection (3) of section one hundred and sixty three" there shall be substituted the words "section 163 (4)".

Expenses of investigation of company's affairs

104. For section 164 of the principal Act there shall be substituted the following section:—

"Expenses of investigation of company's affairs.

164.—(1) The expenses of and incidental to an investigation by an inspector appointed by the Department under the foregoing provisions of this Act shall be defrayed in the first instance by the Department but the following persons shall, to the extent mentioned, be liable to repay the Department—

- (a) any person who is convicted on a prosecution instituted as a result of the investigation or who is ordered to pay the whole or any part of the costs of proceedings brought by virtue of section 163 (1), may in the same proceedings be ordered to pay the said expenses to such extent as may be specified in the order; and
- (b) any body corporate in whose name proceedings are brought as aforesaid shall be liable to the amount or value of any sums or property recovered by it as a result of those proceedings; and
- (c) any body corporate dealt with by the report, where the inspector was appointed otherwise than of the Department's own motion, shall be liable, except so far as the Department otherwise directs; and
- (d) the applicants for the investigation, where the inspector was appointed under section 158, shall be liable to such extent, if any, as the Department may direct;

and any amount for which a body corporate is liable by virtue of paragraph (b) shall be a first charge on the sums or property mentioned in that paragraph.

(2) The report of an inspector appointed otherwise than of the Department's own motion may, if he thinks fit, and shall, if the Department so directs, include a recommendation as to the directions, if any, which he thinks appropriate, in the light of his investigation, to be given under subsection (1) (c) and (d).

(3) For the purposes of this section, any costs or expenses incurred by the Department in or in connection with proceedings brought by virtue of section 163 (1) (including expenses incurred by virtue of subsection (2) thereof) shall be treated as expenses of the investigation giving rise to the proceedings.

(4) Any liability to repay the Department imposed by subsection (1) (a) and (b) shall, subject to satisfaction of the Department's right to repayment, be a liability also to indemnify all persons

against liability under subsection (1) (c) and (d) and any such liability imposed by subsection (1) (a) shall, subject as aforesaid, be a liability also to indemnify all persons against liability under subsection (1) (b); and any person liable under any paragraph of subsection (1) shall be entitled to contribution from any other person liable under the same paragraph according to the amount of their respective liabilities thereunder.”.

Investigation into ownership of company

105. After section 165 of the principal Act there shall be inserted the following sections:—

“Appoint-
ment and
powers of
inspectors to
investigate
ownership of
company.

165A.—(1) Where it appears to the Department that there is good reason so to do, the Department may appoint one or more competent inspectors to investigate and report on the membership of any company and otherwise with respect to the company for the purpose of determining the true persons who are or have been financially interested in the success or failure (real or apparent) of the company or able to control or materially to influence the policy of the company.

(2) The appointment of an inspector under this section may define the scope of his investigation, whether as respects the matters or the period to which it is to extend or otherwise, and in particular may limit the investigation to matters connected with particular shares or debentures.

(3) Where an application for an investigation under this section with respect to particular shares or debentures of a company is made to the Department by members of the company, and the number of applicants or the amount of the shares held by them is not less than that required for an application for the appointment of an inspector under section 158, the Department shall appoint an inspector to conduct the investigation unless the Department is satisfied that the application is vexatious, and the inspector's appointment shall not exclude from the scope of his investigation any matter which the application seeks to have included therein, except in so far as the Department is satisfied that it is unreasonable for that matter to be investigated.

(4) Subject to the terms of an inspector's appointment his powers shall extend to the investigation of any circumstances suggesting the existence of an arrangement or understanding which, though not legally binding, is or was observed or likely to be observed in practice and which is relevant to the purposes of his investigation.

(5) For the purposes of any investigation under this section, sections 160 to 162 shall apply, with the necessary modifications of references to the affairs of the company or to those of any other body corporate, so, however, that—

(a) the said sections shall apply in relation to all persons who are or have been, or whom the inspector has reasonable cause to believe to be or have been, financially interested in the success or failure or the apparent success or failure of the company or any other body corporate whose member-

ship is investigated with that of the company, or able to control or materially to influence the policy thereof, including persons concerned only on behalf of others, as they apply in relation to officers and agents of the company or of the other body corporate, as the case may be; and

- (b) the Department shall not be bound to furnish the company or any other person with a copy of any report by an inspector appointed under this section or with a complete copy thereof if the Department is of opinion that there is good reason for not divulging the contents of the report or of parts thereof, but shall cause to be kept by the registrar a copy of any such report or, as the case may be, the parts of any such report, as respects which they are not of that opinion.

Power to require information as to persons interested in shares or debentures.

165B.—(1) Where it appears to the Department that there is good reason to investigate the ownership of any shares in or debentures of a company and that it is unnecessary to appoint an inspector for the purpose, the Department may require any person whom the Department has reasonable cause to believe—

(a) to be or to have been interested in those shares or debentures; or

(b) to act or to have acted in relation to those shares or debentures as the solicitor or agent of someone interested therein;

to give the Department any information which he has or can reasonably be expected to obtain as to the present and past interests in those shares or debentures and the names and addresses of the persons interested and of any persons who act or have acted on their behalf in relation to the shares or debentures.

(2) For the purposes of this section, a person shall be deemed to have an interest in a share or debenture if he has any right to acquire or dispose of the share or debenture or any interest therein or to vote in respect thereof, or if his consent is necessary for the exercise of any of the rights of other persons interested therein, or if other persons interested therein can be required or are accustomed to exercise their rights in accordance with his instructions.

(3) Any person who fails to give any information required of him under this section, or who in giving any such information makes any statement which he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular, shall be guilty of an offence and be liable on summary conviction to imprisonment for a term not exceeding six months, or to a fine not exceeding £500, or to both.

Power to impose restrictions on shares or debentures.

165C.—(1) Where in connection with an investigation under either section 165A or section 165B it appears to the Department that there is difficulty in finding out the relevant facts about any shares (whether issued or to be issued), and that the difficulty is due wholly or mainly to the unwillingness of the persons concerned or any of them to assist the investigation as required by this Act, the Department may by order direct that the shares shall until further order be subject to the restrictions imposed by this section.

(2) So long as any shares are directed to be subject to the restrictions imposed by this section—

- (a) any transfer of those shares, or in the case of unissued shares any transfer of the right to be issued therewith and any issue thereof, shall be void;
- (b) no voting rights shall be exercisable in respect of those shares;
- (c) no further shares shall be issued in right of those shares or in pursuance of any offer made to the holder thereof;
- (d) except in a liquidation, no payment shall be made of any sums due from the company on those shares, whether in respect of capital or otherwise.

(3) Where the Department makes an order directing that shares shall be subject to the said restrictions, or refuses to make an order directing that shares shall cease to be subject thereto, any person aggrieved thereby may apply to the court, and the court may, if it sees fit, direct that the shares shall cease to be subject to the said restrictions.

(4) Any order (whether of the Department or of the court) directing that shares shall cease to be subject to the said restrictions which is expressed to be made with a view to permitting a transfer of those shares may continue the restrictions mentioned in paragraphs (c) and (d) of subsection (2), either in whole or in part, so far as they relate to any right acquired or offer made before the transfer.

(5) Any person who—

- (a) exercises or purports to exercise any right to dispose of any shares which, to his knowledge, are for the time being subject to the said restrictions or of any right to be issued with any such shares; or
- (b) votes in respect of any such shares, whether as holder or proxy, or appoints a proxy to vote in respect thereof; or
- (c) being the holder of any such shares, fails to notify of their being subject to the said restrictions any person whom he does not know to be aware of that fact but does know to be entitled, apart from the said restrictions, to vote in respect of those shares whether as holder or proxy;

shall be guilty of an offence and be liable on summary conviction to imprisonment for a term not exceeding six months, or to a fine not exceeding £500, or to both.

(6) Where shares in any company are issued in contravention of the said restrictions, the company and every officer of the company who is in default shall be guilty of an offence and be liable to a fine not exceeding £500.

(7) A prosecution shall not be instituted under this section except by or with the consent of the Department.

(8) This section shall apply in relation to debentures as it applies in relation to shares.”

Extension of Department's powers of investigation to certain bodies incorporated outside Northern Ireland

106. After section 166 of the principal Act there shall be inserted the following section:—

“Extension of powers of investigation to certain bodies incorporated outside Northern Ireland. 166A. Sections 159 to 162, 164, 165 and 166 shall apply to all bodies corporate incorporated outside Northern Ireland which are carrying on business in Northern Ireland or have at any time carried on business therein as if they were companies registered under this Act, but subject to such, if any, adaptations and modifications as may be prescribed.”

Inspection of books and papers

Power of Department to require production of documents

107.—(1) The Department may, at any time, if it thinks there is good reason so to do, give directions to any such body as follows, namely,—

- (a) a company formed and registered under the principal Act;
- (b) an existing company within the meaning of that Act;
- (c) a company to which the principal Act applies by virtue of section 329 of that Act or which is registered under that Act by virtue of Part VIII thereof;
- (d) a body corporate incorporated in, and having a principal place of business in, Northern Ireland, being a body to which any of the provisions of the principal Act with respect to prospectuses and allotments apply by virtue of section 383 of that Act;
- (e) a body corporate incorporated outside Northern Ireland which is carrying on business in Northern Ireland or has at any time carried on business therein;

requiring the body, at such time and place as may be specified in the directions, to produce such books or papers as may be so specified, or may at any time, if it thinks there is good reason to do so, authorise any officer of the Department, on producing (if so required) evidence of his authority, to require any such body as aforesaid to produce to him forthwith any books or papers which the officer may specify.

(2) Where, by virtue of paragraph (1), the Department, or an officer of the Department, has power to require the production of any books or papers from any body, the Department or officer shall have the like power to require production of those books or papers from any person who appears to the Department or officer to be in possession of them; but where any such person claims a lien on books or papers produced by him, the production shall be without prejudice to the lien.

(3) Any power conferred by or by virtue of this Article to require a body or other person to produce books or papers shall include power—

- (a) if the books or papers are produced—
 - (i) to take copies of them or extracts from them; and
 - (ii) to require that person, or any other person who is a present or past officer of, or is or was at any time employed by, the body in question, to provide an explanation of any of them;
- (b) if the books or papers are not produced, to require the person who was required to produce them to state, to the best of his knowledge and belief, where they are.

(4) If any requirement to produce books or papers or provide an explanation or make a statement which is imposed by virtue of this Article is not complied with, the body or other person on whom the requirement was so imposed shall, subject to paragraph (5), be guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding three months, or to a fine not exceeding £200, or to both.

(5) Where a person is charged with an offence under paragraph (4) in respect of a requirement to produce any books or papers, it shall be a defence to prove that they were not in his possession or under his control and that it was not reasonably practicable for him to comply with the requirement.

(6) A statement made by a person in compliance with a requirement imposed by virtue of this Article may be used in evidence against him.

Entry and search of premises

108.—(1) If a justice of the peace is satisfied on information on oath laid by an officer of the Department, or laid under the authority of the Department, that there are reasonable grounds for suspecting that there are on any premises any books or papers of which production has been required by virtue of the last foregoing Article or Article 40 of the Insurance Companies (Northern Ireland) Order 1976, and which have not been produced in compliance with that requirement, the justice may issue a warrant authorising any constable, together with any other persons named in the warrant and any other constables, to enter the premises specified in the information (using such force as is reasonably necessary for the purpose) and to search the premises and take possession of any books or papers appearing to be such books or papers as aforesaid, or to take, in relation to any books or papers so appearing any other steps which may appear necessary for preserving them and preventing interference with them.

(2) Every warrant issued under this Article shall continue in force until the end of the period of one month after the date on which it is issued.

(3) Any books or papers of which possession is taken under this Article may be retained for a period of three months or, if within that period there are commenced any such criminal proceedings as are mentioned in Article 109 (1) (a) or (b) (being proceedings to which the books or papers are relevant) until the conclusion of those proceedings.

(4) Any person who obstructs the exercise of a right of entry or search conferred by virtue of a warrant issued under this Article, or who obstructs the exercise of a right so conferred to take possession of any books or papers, shall be guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding three months, or to a fine not exceeding £200, or to both.

Provision for security of information

109.—(1) No information or document relating to a body which has been obtained under Article 107 or the last foregoing Article or Article 40 of the Insurance Companies (Northern Ireland) Order 1976 shall, without the previous consent in writing of that body, be published or disclosed, except to a competent authority, unless the publication or disclosure is required—

(a) with a view to the institution of, or otherwise for the purposes of, any criminal proceedings pursuant to, or arising out of, the Companies Acts or the Protection of Depositors Act (Northern Ireland) 1964 (a) or the Insurance Companies (Northern Ireland) Order 1976 or any criminal

(a) 1964 c. 22 (N.I.).

proceedings for an offence entailing misconduct in connection with the management of the body's affairs or misapplication or wrongful retainer of property of its;

- (b) with a view to the institution of, or otherwise for the purposes of, any criminal proceedings pursuant to, or arising out of, the Exchange Control Act 1947 (a);
 - (c) for the purpose of enabling the Department to exercise a power conferred on it by the Insurance Companies (Northern Ireland) Order 1976;
 - (d) for the purpose of complying with any requirement, or exercising any power, imposed or conferred by the principal Act with respect to reports made by inspectors appointed thereunder by the Department;
 - (e) with a view to the institution by the Department under section 163 (1) of the principal Act of proceedings with reference to the body or otherwise for the purposes of such proceedings instituted by the Department under that section;
 - (f) with a view to the institution by the Department of proceedings for the winding up under the Companies Acts of the body or otherwise for the purposes of proceedings instituted by the Department for that purpose; or
 - (g) for the purposes of proceedings under Article 108.
- (2) Any person who publishes or discloses any information or document in contravention of this Article shall be guilty of an offence and liable—
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine, or to both;
 - (b) on summary conviction, to imprisonment for a term not exceeding three months or to a fine not exceeding £200, or to both.
- (3) For the purposes of this Article—
- (a) in relation to information or a document relating to a body other than one carrying on industrial assurance business (as defined by section 1 (2) of the Industrial Assurance Act (Northern Ireland) 1924 (b)), each of the following shall be a competent authority, namely, the Department, an officer of the Department, an inspector appointed under the principal Act by the Department, the Department of Finance and an officer of the Department of Finance;
 - (b) in relation to information or a document relating to a body carrying on industrial assurance business (as so defined), each of the following shall be a competent authority, namely, the Department, an officer of the Department, an inspector appointed as aforesaid, the Industrial Assurance Commissioner for Northern Ireland, an officer of the said Commissioner, the Department of Finance and an officer of the Department of Finance.

Penalization of destruction, mutilation, etc., of company documents

110.—(1) A person, being an officer of any such body as is mentioned in Article 107 (1) of this Order or Article 40 (1) of the Insurance Companies (Northern Ireland) Order 1976, who destroys, mutilates or falsifies, or is privy to the destruction, mutilation or falsification of a document affecting or relating to the property or affairs of the body, or makes or is privy to the making of a false entry in such a document, shall, unless he proves that he had no intention to conceal the state of affairs of the body or to defeat the law, be guilty of an offence.

(a) 1947 c. 14. (b) 14 & 15 Geo. 5 c. 21 (N.I.).

(2) Such a person as is mentioned in paragraph (1) who fraudulently either parts with, alters or makes an omission in any such document, or who is privy to fraudulent parting with, fraudulent altering or fraudulent making of an omission in, any such document, shall be guilty of an offence.

(3) A person guilty of an offence under this Article shall be liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both;

(b) on summary conviction, to imprisonment for a term not exceeding three months, or to a fine not exceeding £200, or to both.

Penalization of furnishing false information under Article 107

111.—(1) A person who, in purported compliance with a requirement imposed under Article 107 to provide an explanation or make a statement, provides or makes an explanation or statement which he knows to be false in a material particular or recklessly provides or makes an explanation or statement which is so false shall be guilty of an offence.

(2) A person guilty of an offence under this Article shall be liable—

(a) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both;

(b) on summary conviction, to imprisonment for a term not exceeding three months, or to a fine not exceeding £200, or to both.

Saving for solicitors and bankers

112.—(1) Nothing in this Part shall compel the production by a solicitor of a document containing a privileged communication made by or to him in that capacity or authorise the taking of possession of any such document which is in his possession.

(2) The Department shall not under Article 107 require, or authorise an officer of the Department to require, the production by a person carrying on the business of banking of a document relating to the affairs of a customer of his unless either it appears to the Department that it is necessary so to do for the purpose of investigating the affairs of the first-mentioned person or the customer is a person on whom a requirement has been imposed by virtue of that Article.

Restriction of institution of proceedings in respect of offences under Articles 107 to 111

113. Proceedings in respect of any offence under Articles 107 to 111 shall not be instituted except by, or with the consent of, the Department or the Director of Public Prosecutions for Northern Ireland.

PART VI

MISCELLANEOUS AND SUPPLEMENTARY

Provisions for securing disclosure of substantial individual interests in share capital carrying unrestricted voting rights

Obligation of persons to notify company of acquisition, changes in amounts of, and disposal of shares in the company carrying unrestricted voting rights

114.—(1) Every such person as follows, namely,—

(a) a person who, being immediately before the occurrence of an event uninterested in shares comprised in relevant share capital of a company

to which this Article applies, becomes, in consequence of the occurrence of that event, interested in shares so comprised of a nominal value equal to 5 per cent. or more of the nominal value of that share capital, or, being immediately before the occurrence of an event, interested in shares comprised in relevant share capital of such a company of a nominal value less than 5 per cent. of the nominal value of that share capital, acquires, in consequence of the occurrence of the event, such interests in shares comprised in that share capital as to increase the nominal value of all shares so comprised in which he is interested to 5 per cent. or more of the nominal value of that share capital;

- (b) a person who, being immediately before the occurrence of an event interested in shares comprised in relevant share capital of such a company of a nominal value not less than 5 per cent. of the nominal value of that share capital,—
- (i) acquires, in consequence of the occurrence of the event, such interests in shares comprised in that share capital as to increase the nominal value of all shares so comprised in which he is interested; or
 - (ii) suffers, in consequence of the happening of the event, a decrease in the nominal value of shares so comprised in which he is interested, but remains interested in shares so comprised of a nominal value equal to 5 per cent. or more of the nominal value of that share capital;
- (c) a person who, being immediately before the occurrence of an event interested in shares comprised in relevant share capital of a company of a nominal value equal to 5 per cent. or more of the nominal value of that share capital, suffers, in consequence of the occurrence of the event, a decrease in the nominal value of shares comprised in that share capital in which he is interested such that the nominal value of all shares so comprised in which he is interested is equal to less than 5 per cent. of the nominal value of that share capital or becomes, in consequence of the occurrence of that event, uninterested in shares so comprised;

shall, subject to paragraphs (2) and (3), be under obligation to notify the company in writing of the occurrence of the event (specifying it) and the date on which it occurred and, according to the circumstances of the case, the number of shares comprised in that share capital (specifying it) in which, immediately after the occurrence of the event, he is interested or the fact that, immediately thereafter, he is not interested in that share capital (specifying it).

(2) In the case of a company which, at the time when this Article comes into operation, is one to which this Article applies, every person who at that time is interested in shares comprised in relevant share capital of the company of a nominal value equal to 5 per cent. or more of the nominal value of that share capital shall be under obligation to notify the company of the subsistence of his interests at that time and the number of shares comprised in that share capital (specifying it) in which each interest subsists at that time, and paragraph (1) shall not require the notification by any such person of the occurrence of an event before that time.

(3) A person who would, apart from this paragraph be under an obligation, by virtue of paragraph (1) (b), to notify a company of the occurrence of an event shall not be under that obligation if—

- (a) the nominal value of shares comprised in relevant share capital of the company in which he was interested immediately before the event, and

(b) the nominal value of shares so comprised in which he is interested immediately after the event, produce, when each of them is expressed as a percentage of the nominal value of that share capital and (as so expressed) is rounded down, if not a whole number, to the nearest such number, the same result.

(4) In the event of—

(a) a company's becoming one to which this Article applies; or

(b) a company's share capital of any class becoming relevant share capital; paragraph (2) shall apply as in the case therein mentioned but with the substitution, for references to the time when this Article comes into operation, of references to the time at which the event occurs.

(5) The rules set out in Article 38 shall (with the omission of references to debentures) apply for the interpretation of, and otherwise in relation to, the foregoing provisions of this Article; but in addition to such interests as, by virtue of paragraphs (7) and (9) of that Article, are to be disregarded, there shall be disregarded for the purposes of this Article—

(a) an interest, for the life of himself or another, of a person under a settlement in the case of which the property comprised therein consists of, or includes, shares, being a settlement with respect to which the following conditions are satisfied, namely,—

(i) that the settlement is irrevocable; and

(ii) that the settlor has no interest in any income arising under, or property comprised in, the settlement;

(b) an interest as holder of shares of a member of The Stock Exchange who—

(i) is recognised by the Council thereof as carrying on the business of a jobber,

(ii) carries on that business in the United Kingdom, and

(iii) holds the shares for the purposes of that business;

(c) an interest as holder of shares of a person whose ordinary business includes the lending of money and who holds them by way of security only for the purposes of a transaction entered into in the ordinary course of that business;

(d) an interest of the Probate Judge subsisting by virtue of section 3 of the Administration of Estates Act (Northern Ireland) 1955 (a);

(e) an interest of the Accountant General of the Supreme Court in shares held by him;

(f) any such interests, or interests of such class, as may be prescribed for the purposes of this sub-paragraph;

and a definition of a class of interests for the purposes of regulations made under sub-paragraph (f) may be framed by reference to any circumstances whatsoever.

(6) The following provisions shall have effect with respect to the periods within which obligations imposed by the foregoing provisions of this Article on persons must be fulfilled, that is to say,—

(a) 1955 c. 24 (N.I.).

(a) in the case of an obligation imposed by paragraph (1)—

- (i) if, at the time of the occurrence of the event giving rise to the obligation, the person under obligation knows of its occurrence and of the fact that its occurrence gives rise to the obligation, it must be fulfilled before the expiration of the period of five days beginning with the day next following that on which the event occurs;
- (ii) otherwise, it must be fulfilled before the expiration of the period of five days beginning with the day next following that on which the fact that the occurrence of the event gives rise to the obligation comes to his knowledge;

(b) in the case of an obligation imposed by paragraph (2)—

- (i) if, at the time when the obligation arises, the person under obligation does not know of the subsistence of his interests, or knows only of the subsistence of interests in shares comprised in relevant share capital of a nominal value less than 5 per cent. of the nominal value of that share capital, the obligation must, upon there coming to his knowledge the matter of the subsistence of interests in shares so comprised of a nominal value not less than 5 per cent. of the nominal value of that share capital, be, so far as regards those interests, fulfilled before the expiration of the period of five days beginning with the day next following that on which that matter comes to his knowledge, and must, so far as regards an interest whose subsistence comes to his knowledge after that matter comes to his knowledge, be fulfilled before the expiration of the period of five days beginning with the day next following that on which the subsistence of the interest comes to his knowledge;
- (ii) if, at the time when the obligation arises, the person under obligation knows of the subsistence of interests in shares comprised in relevant share capital of a nominal value not less than 5 per cent. of the nominal value of that share capital, the obligation must, so far as regards those interests, be fulfilled before the expiration of the period of five days beginning with the day next following that on which the obligation arises and must, so far as regards an interest whose subsistence comes to his knowledge after the obligation arises, be fulfilled before the expiration of the period of five days beginning with the day next following that on which the subsistence of the interest comes to his knowledge.

(7) A person who fails to fulfil, within the proper period, an obligation to which he is subject by virtue of paragraph (1) or (2), or who, in purported fulfilment of an obligation to which he is so subject, makes to a company a statement which he knows to be false or recklessly makes to a company a statement which is false, shall be guilty of an offence and liable—

- (a) on summary conviction, to imprisonment for a term not exceeding three months, or to a fine not exceeding £200, or to both;
- (b) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both.

(8) An obligation imposed by this Article on any person shall be treated as not being fulfilled unless the notice by means of which it purports to be fulfilled identifies him and gives his address and, in a case in which he is a director of the company, is expressed to be given in fulfilment of that obligation.

(9) Proceedings in respect of an offence under this Article shall not be instituted except by, or with the consent of, the Department or the Director of Public Prosecutions for Northern Ireland.

(10) In reckoning, for the purposes of paragraph (6), any period of five days, a day which is a Saturday or Sunday or a bank holiday shall be disregarded.

(11) A company to which this Article applies is one in the case of which there has, as respects the whole or any proportion of its share capital, been granted a listing on a recognised stock exchange.

(12) For the purposes of this Article—

(a) “relevant share capital”, in relation to a company to which this Article applies, means issued share capital thereof of a class carrying rights to vote in all circumstances at general meetings of the company and where the relevant share capital of a company to which this Article applies is divided into different classes of shares, references to a percentage of the nominal value of its relevant share capital are references to a percentage of the nominal value of the issued shares comprised in each of those classes taken separately;

(b) “settlor” has the meaning assigned to it by section 444 of the Income and Corporation Taxes Act 1970 (a).

Power to amend percentage referred to in Article 114

115.—(1) The Department may from time to time by order amend paragraphs (1), (2) and (6) of Article 114 by increasing or reducing the percentage for the time being mentioned in those paragraphs.

(2) An order under this Article—

(a) shall not be made unless a draft of the order has been laid before and approved by a resolution of the Assembly;

(b) shall not be construed as requiring the notification by any person of the occurrence of an event before the time when the order comes into operation.

(3) If an order under this Article comes into operation whereby the said percentage is reduced then, in the case of a company in relation to which the order has effect, every person who at that time is interested in shares comprised in relevant share capital of the company of a nominal value equal to the reduced percentage or more but less than the percentage prior to the reduction of the nominal value of that share capital shall be under an obligation to notify the company of the subsistence of his interests at that time and the number of shares comprised in that share capital (specifying it) in which each interest subsists at that time.

(4) Paragraphs (5) to (12) of Article 114 shall have effect in relation to paragraph (3) as they have effect in relation to paragraph (2) of that Article but as if in paragraphs (6) and (10) for references to five days there were substituted references to fourteen days and as if in paragraph (6) for references to the percentage there specified there were substituted references to the reduced percentage.

Power of company to require disclosure of beneficial interests in its voting shares

116.—(1) Any company to which Article 114 applies may by notice in writing require any member of the company within such reasonable time as is specified in the notice—

- (a) to indicate in writing the capacity in which he holds any shares comprised in relevant share capital of the company; and
- (b) if he holds them otherwise than as beneficial owner, to indicate in writing so far as it lies within his knowledge the persons who have an interest in them (either by name and address or by other particulars sufficient to enable those persons to be identified) and the nature of their interest.

(2) Where a company is informed in pursuance of a notice given to any person under paragraph (1) or under this paragraph that any other person has an interest in any shares comprised in relevant share capital of the company, the company may by notice in writing require that other person within such reasonable time as is specified in the notice—

- (a) to indicate in writing the capacity in which he holds that interest; and
- (b) if he holds it otherwise than as beneficial owner, to indicate in writing so far as it lies within his knowledge the persons who have an interest in it (either by name and address or by other particulars sufficient to enable them to be identified) and the nature of their interest.

(3) Any company to which Article 114 applies may by notice in writing require any member of the company to indicate in writing, within such reasonable time as is specified in the notice, whether any of the voting rights carried by any shares comprised in relevant share capital of the company held by him are the subject of an agreement or arrangement under which another person is entitled to control his exercise of those rights and, if so, to give so far as it lies within his knowledge written particulars of the agreement or arrangement and the parties to it.

(4) Where a company is informed in pursuance of a notice given to any person under paragraph (3) or under this paragraph that any other person is a party to any such agreement or arrangement as is mentioned in paragraph (3), the company may by notice in writing require that other person within such reasonable time as is specified in the notice to give so far as it lies within his knowledge written particulars of the agreement or arrangement and the parties to it.

(5) Subject to paragraphs (6) and (7), any person who—

- (a) fails to comply with a notice under this Article; or
- (b) in purported compliance with such a notice makes any statement which he knows to be false in a material particular or recklessly makes any statement which is false in a material particular,

shall be guilty of an offence and liable—

- (i) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both; or
- (ii) on summary conviction, to imprisonment for a term not exceeding six months, or to a fine not exceeding £400, or to both.

(6) A person shall not be guilty of an offence under paragraph 5 (a) if he proves that the information in question was already in the possession of the company or that the requirement to give it was for any other reason frivolous or vexatious.

(7) A person shall not be obliged to comply with a notice under this Article if he is for the time being exempted by the Department from the operation of this Article; but the Department shall not grant any such exemption except after consultation with the Governor of the Bank of England and unless satisfied

that, having regard to any undertaking given by the person in question with respect to the shares held or to be held by him, there are special reasons why that person should not be subject to the obligations imposed by this Article.

(8) In this Article "relevant share capital" has the same meaning as in Article 114.

Provision for securing that information furnished under Articles 114 to 116 is recorded and made available

117.—(1) Every company to which Article 114 applies shall keep a register for the purposes of Articles 114 to 116 (in this Article referred to as "the register").

(2) Whenever the company receives information from a person in consequence of the fulfilment of an obligation imposed on him by Article 114 or 115 it shall be under obligation to inscribe in the register, against the name of that person, that information and the date of the inscription.

(3) Whenever the company receives information from a person in pursuance of a requirement imposed on him under Article 116 with respect to shares held by a member of the company, it shall be under an obligation to inscribe against the name of that member in a separate part of the register—

(a) the fact that the requirement was imposed and the date on which it was imposed; and

(b) the information received in pursuance of the requirement.

(4) The register must be so made up that the entries therein against the several names inscribed therein appear in chronological order.

(5) An obligation imposed by paragraph (2) or (3) as to inscription must be fulfilled before the expiration of the period of three days beginning with the day next following that on which it arises.

(6) In reckoning any such period as is mentioned in paragraph (5) a day which is a Saturday or Sunday or a bank holiday shall be disregarded.

(7) The company shall not, by virtue of anything done for the purposes of this Article, be affected with notice of, or put upon inquiry as to, the rights of any person in relation to any shares.

(8) The register shall be kept at the place at which the register required to be kept by the company by Article 39 is kept, and shall, during business hours (subject to such reasonable restrictions as the company may in general meeting impose, so that not less than two hours in each day be allowed for inspection) but save insofar as it contains information with respect to a company for the time being entitled to avail itself of the benefit conferred by Article 14 (3) or 15 (3), be open to the inspection of any member of the company without charge and of any other person on payment of five new pence, or such less sum as the company may direct, for each inspection; but insofar as it contains such information shall not be open to inspection.

(9) Unless the register is in such form as to constitute in itself an index, the company shall keep an index of the names inscribed therein which shall—

(a) in respect of each name, contain a sufficient indication to enable the information inscribed against it to be readily found; and

(b) be kept at the same place as the said register;

and the company shall, within fourteen days after the date on which a name is inscribed in the register, make any necessary alteration in the index.

(10) As regards so much of the register as is required to be open to inspection any member of the company or other person may require a copy of it, or of any part of it, on payment of ten new pence, or such less sum as the company may direct, for every hundred words or fractional part thereof required to be copied.

(11) The company shall cause any copy required by a person by virtue of paragraph (10) to be sent to him before the expiration of the period of ten days beginning with the day next following that on which the requirement is received by the company.

(12) If default is made in complying with paragraphs (1) to (5) or (9), or if an inspection required under this Article is refused or a copy required thereunder is not sent within the proper period, the company and every officer of the company who is in default shall be guilty of an offence and be liable to a fine not exceeding £500 and further to a default fine.

(13) In the case of a refusal of an inspection required under this Article of the register, the court may by order compel an immediate inspection thereof.

(14) In the case of a failure to send a copy required under this Article, the court may by order direct that the copy required shall be sent to the person requiring it.

Re-registration of companies

Limited companies may be re-registered as unlimited

118.—(1) A company which, at the coming into operation of this Article, is registered as limited or thereafter is so registered (otherwise than in pursuance of Article 119) may be re-registered under the principal Act as unlimited in pursuance of an application in that behalf complying with the requirement of paragraph (2), framed in the prescribed form and signed by a director or by the secretary of the company and lodged with the registrar of companies together with the documents mentioned in paragraph (3).

(2) The said requirement is that the application must—

(a) set out such alterations in the company's memorandum as,—

(i) if it is to have a share capital, are requisite to bring it, both in substance and in form, into conformity with the requirements imposed by the principal Act with respect to the substance and form of the memorandum of a company to be formed under that Act as an unlimited company having a share capital; or

(ii) if it is not to have a share capital, are requisite in the circumstances; and

(b) if articles have been registered, set out such alterations therein and additions thereto as,—

(i) if it is to have a share capital, are requisite to bring them, both in substance and in form, into conformity with the requirements imposed by the principal Act with respect to the substance and form of the articles of a company to be formed thereunder as an unlimited company having a share capital; or

(ii) if it is not to have a share capital, are requisite in the circumstances; and

if articles have not been registered, have annexed thereto, and request the registration of, printed articles, being, if the company is to have a share capital, articles complying with the said requirements and, if not, articles appropriate to the circumstances.

(3) The documents referred to in paragraph (1) are—

- (a) the prescribed form of assent to the company's being registered as unlimited subscribed by or on behalf of all the members of the company;
- (b) a statutory declaration made by the directors of the company that the persons by whom or on whose behalf the form of assent is subscribed constitute the whole membership of the company and, if any of the members have not subscribed that form themselves, that the directors have taken all reasonable steps to satisfy themselves that each person who subscribed it on behalf of a member was lawfully empowered so to do;
- (c) a printed copy of the memorandum incorporating the alterations therein set out in the application; and
- (d) if articles have been registered, a printed copy thereof incorporating the alterations therein and additions thereto set out in the application.

(4) The registrar shall retain the application and other documents lodged with him under paragraph (1), shall, if articles are annexed to the application, register them and shall issue to the company a certificate of incorporation appropriate to the status to be assumed by the company by virtue of this Article; and upon the issue of the certificate—

- (a) the status of the company shall, by virtue of the issue, be changed from limited to unlimited; and
- (b) the alterations in the memorandum set out in the application and (if articles have been previously registered) any alterations and additions to the articles so set out shall, notwithstanding anything in the principal Act, take effect as if duly made by resolution of the company and the provisions of the principal Act shall apply to the memorandum and articles as altered or added to by virtue of this Article accordingly.

(5) A certificate of incorporation issued by virtue of this Article shall be conclusive evidence that the requirements of this Article with respect to re-registration and of matters precedent and incidental thereto have been complied with, and that the company was authorised to be re-registered under the principal Act in pursuance of this Article and was duly so re-registered.

(6) Where a company is re-registered in pursuance of this Article, a person who, at the time when the application for it to be re-registered was lodged, was a past member of the company and did not thereafter again become a member thereof shall not, in the event of the company's being wound up, be liable to contribute to the assets of the company more than he would have been liable to contribute thereto had it not been so re-registered.

(7) For the purposes of this Article—

- (a) subscription to a form of assent by the legal personal representative of a deceased member of a company shall be deemed to be subscription by him;
- (b) the assignees or trustee in bankruptcy of a person who is a member of a company shall, to the exclusion of that person, be deemed to be a member of the company.

Unlimited companies may be re-registered as limited

119.—(1) A company which, at the coming into operation of this Article, is registered as unlimited or thereafter is so registered (otherwise than by virtue of Article 118) may be re-registered under the principal Act as limited if a special resolution that it should be so re-registered (complying with the requirement of

paragraph (2)) is passed and an application in that behalf, framed in the prescribed form and signed by a director or by the secretary of the company, is lodged with the registrar of companies together with the documents mentioned in paragraph (3) not earlier than the day on which the copy of the resolution forwarded to him in pursuance of section 137 of the principal Act is received by him.

(2) The said requirement is that the resolution—

(a) must state the manner in which the liability of the members of the company is to be limited and, if the company is to have a share capital, what that capital is to be; and

(b) must—

(i) if the company is to be limited by guarantee, provide for the making of such alterations in its memorandum and such alterations in and additions to its articles as are requisite to bring the memorandum and articles, both in substance and in form, into conformity with the requirements of the principal Act with respect to the substance and form of the memorandum and articles of a company to be formed thereunder whose condition as to mode of limitation of liability and possession of a share capital, or want of it, will be similar to the condition of the company as to those matters which will obtain upon its re-registration;

(ii) if the company is to be limited by shares, provide for the making of such alterations in its memorandum as are requisite to bring it, both in substance and in form, into conformity with the requirements of the principal Act with respect to the substance and form of the memorandum of a company to be formed thereunder as a company so limited, and such alterations in and additions to its articles as are requisite in the circumstances.

(3) The documents referred to in paragraph (1) are a printed copy of the memorandum as altered in pursuance of the resolution and a printed copy of the articles as so altered.

(4) The registrar shall retain the application and other documents lodged with him under paragraph (1) and shall issue to the company a certificate of incorporation appropriate to the status to be assumed by the company by virtue of this Article; and upon the issue of the certificate—

(a) the status of the company shall, by virtue of the issue, be changed from unlimited to limited; and

(b) the alterations in the memorandum specified in the resolution and the alterations in, and additions to, the articles so specified shall, notwithstanding anything in the principal Act, take effect.

(5) A certificate of incorporation issued by virtue of this Article shall be conclusive evidence that the requirements of this Article with respect to re-registration and of matters precedent and incidental thereto have been complied with, and that the company was authorised to be re-registered under the principal Act in pursuance of this Article and was duly so re-registered.

(6) In section 64 of the principal Act (power of unlimited company by resolution for registration as a limited company to provide for reserve share capital) after the words "its resolution for registration as a limited company in pursuance of this Act" there shall be inserted the words "or re-registration as a limited company in pursuance of Article 119 of the Companies (Northern Ireland) Order 1978."

(7) In the event of the winding up of a company re-registered in pursuance of this Article, the following provisions shall have effect:—

- (a) notwithstanding paragraph (a) of subsection (1) of section 203 of the principal Act (which section relates to the liability as contributories of past and present members), a past member of the company who was a member thereof at the time of re-registration shall, if the winding up commences within the period of three years beginning with the day on which the company is re-registered, be liable to contribute to the assets of the company in respect of debts and liabilities of its contracted before that time;
- (b) where no persons who were members of the company at that time are existing members of the company, a person who, at that time, was a present or past member thereof shall, subject to the said paragraph (a) and to the foregoing sub-paragraph, but notwithstanding paragraph (c) of the said subsection (1), be liable to contribute as aforesaid notwithstanding that the existing members have satisfied the contributions required to be made by them in pursuance of the principal Act;
- (c) notwithstanding paragraphs (d) and (e) of the said subsection (1), there shall be no limit on the amount which a person who, at that time, was a past or present member of the company is liable to contribute as aforesaid.

Cesser of section 16 of the principal Act

120. No company shall register or re-register in pursuance of section 16 (1) of the principal Act after the time at which this Article comes into operation except upon an application in that behalf made before that time.

Regulation of names used by Part X companies for business purposes

Regulation of name under which Part X company may carry on business in Northern Ireland

121.—(1) Subject to paragraph (2), the Department may, if it is of opinion that it is or would be undesirable for a Part X company to carry on business in Northern Ireland under its corporate name, cause a notice to that effect to be served on the company by the registrar of companies.

(2) No notice shall be served on a company under paragraph (1) later than six months after the relevant date or, if that date is before the coming into operation of this Article, later than six months after the coming into operation of this Article; and in this paragraph “relevant date” means the date on which the company has complied with—

- (a) section 356 of the principal Act (documents to be delivered for registration by Part X company when establishing a place of business in Northern Ireland); or
- (b) if there has been a change in its corporate name, section 358 (2) of that Act (return to be delivered for registration by Part X company where corporate name is changed).

(3) A Part X company on which a notice is served under paragraph (1) may deliver to the registrar of companies for registration a statement in the prescribed form specifying a name approved by the Department other than its corporate name under which it proposes to carry on business in Northern Ireland and may, after that name has been registered, at any time deliver to the registrar for registration a statement in the prescribed form specifying a name approved by the Department other than its corporate name in substitution for the name previously registered.

(4) The name by which a Part X company is for the time being registered under paragraph (3) shall for all purposes of the law applying in Northern Ireland (including the Registration of Business Names Act 1916 (a)) be deemed to be the corporate name of the company.

(5) Paragraph (4) shall not affect references to the corporate name of the company in this Article or any rights or obligations of the company, or render defective any legal proceedings by or against the company, and any legal proceedings that might have been continued or commenced against it by its corporate name or its name previously registered under this Article may be continued or commenced against it by its name for the time being so registered.

(6) A Part X company on which a notice is served under paragraph (1) shall not at any time after the expiration of two months from the service of that notice carry on business in Northern Ireland under its corporate name.

(7) If paragraph (6) is contravened, the company and every officer or agent of the company who knowingly and wilfully authorises or permits the contravention shall be guilty of an offence and liable on conviction on indictment to a fine and on summary conviction to a fine not exceeding £40 for every day during which the contravention continues.

(8) Nothing in paragraph (6) shall invalidate any transaction entered into by the company.

Amendments of Registration of Business Names Act 1916

122.—(1) In section 1 of the Registration of Business Names Act 1916 (which requires registration under that Act of persons carrying on business under a business name) after paragraph (d) there shall be inserted—

“(e) every corporation incorporated outside Northern Ireland having a place of business in Northern Ireland and carrying on business under a business name which does not consist of its corporate name without any addition;”.

(2) In relation to any such corporation as is mentioned in paragraph (1) the said Act of 1916 shall have effect—

- (a) as if references in sections 3 (1) and 11 to its principal place of business were references to its principal place of business in Northern Ireland;
- (b) as if the reference in section 4 to a director or secretary of the corporation and in section 10 (1) to the secretary or any other officer of the corporation performing the duties of secretary included a reference to any person responsible for the management of the business carried on by the corporation in Northern Ireland or any other officer of the corporation, and the reference in section 19 to every director, secretary and officer of the corporation included a reference to any such person as aforesaid.

(3) Section 13 of the said Act of 1916 (removal of name from register where person ceases to carry on business) shall apply in relation to any such corporation as is mentioned in paragraph (1) on its ceasing to carry on business in Northern Ireland as it applies in relation to a company as defined in the principal Act on its ceasing altogether to carry on business, except that the person whose duty it is to give the notice required by subsection (1) of that section shall be every person who, when the corporation ceases to carry on business in Northern Ireland, is responsible for the management of the business of the corporation carried on in Northern Ireland or who is then an officer or liquidator of the corporation.

(a) 1916 c. 58.

(4) Section 3 (1) of the said Act of 1916 (particulars to be registered) and the proviso to section 5 of that Act (time for registration) shall apply in relation to registration by virtue of the preceding provisions of this Article as if references to the passing of that Act were references to the coming into operation of those provisions.

Documents, forms, etc.

Publication of registered documents

123.—(1) The registrar of companies shall cause to be published in the Belfast Gazette notice of the issue or receipt by him of documents of any of the following descriptions, stating in the notice the name of the company, the description of the document and the date of issue or receipt, namely—

- (a) any certificate of incorporation of a company;
- (b) any document making or evidencing an alteration in the memorandum or articles of association of a company;
- (c) any notification of a change among the directors of a company;
- (d) any document delivered by a company in pursuance of Article 3 (7);
- (e) any notice of a change in the situation of a company's registered office;
- (f) any copy of a winding-up order in respect of a company;
- (g) any order for the dissolution of a company on a winding up;
- (h) any return by a liquidator of the final meeting of a company on a winding up;

and in the following provisions of this Article "official notification" means, in relation to anything stated in a document of any of those descriptions, the notification of that document in the Belfast Gazette under this Article and, in relation to the appointment of a liquidator in a voluntary winding up, the notification thereof in the Belfast Gazette under section 275 of the principal Act.

(2) A company shall not be entitled to rely against other persons on the happening of any of the following events,—

- (a) the making of a winding-up order in respect of the company, or the appointment of a liquidator in a voluntary winding up of the company; or
- (b) any alteration of the company's memorandum or articles of association; or
- (c) any change among the company's directors; or
- (d) (as regards service of any document on the company) any change in the situation of the company's registered office;

if the event had not been officially notified at the material time and is not shown by the company to have been known at that time to the person concerned, or if the material time fell on or before the fifteenth day after the date of official notification, or, where the fifteenth day was a non-business day, on or before the next day that was not, and it is shown that the person concerned was unavoidably prevented from knowing of the event at that time.

(3) For the purpose of paragraph (2) "non-business day" means a Saturday or Sunday or a bank holiday.

(4) Article 5 of the Companies (European Communities) Order (Northern Ireland) 1972 (a) (which is superseded by this Article) is hereby revoked but nothing in this Article shall affect the operation of that Article in relation to—

(a) S.R. & O. (N.I.) 1972 No. 277.

- (a) any return mentioned in paragraph (1) (c) of that Article sent to the registrar of companies under section 191 (6) of the principal Act as originally enacted after the coming into operation of this Article;
- (b) any return mentioned in paragraph (1) (d) of that Article to which a copy of any balance sheet or related document (within the meaning of Article 9 (7)) is annexed in pursuance of section 122 of the principal Act;
- (c) any notice mentioned in paragraph (1) (e) of that Article given to the registrar of companies under section 104 (2) of the principal Act after the coming into operation of this Article.

Alteration of memorandum or articles of association

124.—(1) Where any alteration is made in a company's memorandum or articles of association by any statutory provision, a printed copy of the statutory provision shall not later than fifteen days after that provision comes into force be forwarded to the registrar of companies and recorded by him; and where a company is required by this Order or otherwise to send to the registrar any document making or evidencing an alteration in the company's memorandum or articles of association, other than a special resolution under section 5 of the principal Act, the company shall send with it a printed copy of the memorandum or articles as altered.

(2) If a company fails to comply with paragraph (1), the company and any officer of the company who is in default shall be liable to a default fine.

Use of prescribed forms for notices, etc. under the principal Act

125.—(1) The provisions of the principal Act specified in Schedule 4 shall have effect subject to the amendments there specified, being amendments requiring the use of prescribed forms for the purposes of those provisions.

(2) In so far as any of the forms set out in the Schedule to the Companies (Forms) Regulations (Northern Ireland) 1961 (a) are forms provided for the purposes of any of the provisions specified in Schedule 4, they shall be treated as from the coming into operation of this Article as being prescribed by those Regulations in pursuance of those provisions as amended by Schedule 4.

Size, durability and legibility of documents delivered to registrar

126.—(1) For the purpose of securing that documents delivered to the registrar of companies under the provisions of the Companies Acts are of standard size, durable and easily legible, the Department may make regulations prescribing such requirements, whether as to size, weight, quality or colour of paper, size, type or colouring of lettering, or otherwise, as the Department may consider appropriate.

(2) If under any such provision there is delivered to the registrar of companies a document, whether being an original document or a copy, which in the opinion of the registrar does not comply with such requirements prescribed under this Article as are applicable to it, the registrar may serve on any person by whom under that provision the document was required to be delivered, or, if there are two or more such persons, may serve on any of them, a notice stating his opinion to that effect and indicating the requirements so prescribed with which in his opinion the document does not comply.

(a) 1961 S.R. & O. No. 83 (N.I.).

(3) Where the registrar of companies serves a notice under paragraph (2) with respect to a document delivered under any such provision, then, for the purposes of any enactment which enables a penalty to be imposed in respect of any omission to deliver to the registrar of companies a document required to be delivered under that provision, and, in particular, for the purposes of any such enactment whereby such a penalty may be imposed by reference to each day during which the omission continues,—

(a) any duty imposed by that provision to deliver such a document to the registrar shall be treated as not having been discharged by the delivery of that document; but

(b) no account shall be taken of any days falling within the period mentioned in paragraph (4).

(4) The period referred to in paragraph (3) (b) is the period beginning with the day on which the document was delivered to the registrar as mentioned in paragraph (2) and ending with the fourteenth day after the date of service of the notice under paragraph (2) by virtue of which paragraph (3) applies.

(5) In this Article any reference to delivering a document shall be construed as including a reference to sending, forwarding, producing or, in the case of a notice, giving it.

Power of registrar to accept information on microfilm, etc.

127.—(1) The registrar of companies may, if he thinks fit, accept under any provision of the Companies Acts requiring a document to be delivered to him any material other than a document which contains the information in question and is of a kind approved by him.

(2) The delivery to the registrar of material accepted by him as aforesaid shall be a sufficient compliance with the provision in question.

(3) Section 374 of the principal Act (inspection, production and evidence of documents kept by the registrar) shall have effect as if any material so accepted were a document kept by the registrar.

(4) In this Article any reference to delivering a document shall be construed as including a reference to sending, forwarding, producing or, in the case of a notice, giving it.

Business letters and order forms

128.—(1) Every company shall have the following particulars mentioned in legible characters in all business letters and order forms of the company, namely—

(a) the place of registration of the company, and the number with which it is registered;

(b) the address of its registered office; and

(c) in the case of a limited company exempt from the obligation to use the word "limited" as part of its name, the fact that it is a limited company; and, if in the case of a company having a share capital there is on the stationery used for any such letters or on the order forms a reference to the amount of the share capital, the reference shall be to paid-up share capital.

(2) If a company fails to comply with this Article, the company shall be guilty of an offence and be liable to a fine not exceeding £50; and if an officer of a company or any person on its behalf issues or authorises the issue of any business letter or order form not complying with this Article, he shall be guilty of an offence and be liable to a fine not exceeding £50.

Company transactions

Directors' power to bind company

129. In favour of a person dealing with a company in good faith, any transaction decided on by the directors shall be deemed to be one which it is within the capacity of the company to enter into, and the power of the directors to bind the company shall be deemed to be free of any limitation under the memorandum or articles of association; and a party to a transaction so decided on shall not be bound to enquire as to the capacity of the company to enter into it or as to any such limitation on the powers of the directors, and shall be presumed to have acted in good faith unless the contrary is proved.

Pre-incorporation contracts

130. Where a contract purports to be made by a company, or by a person as agent for a company, at a time when the company has not been formed, then, subject to any agreement to the contrary, the contract shall have effect as a contract entered into by the person purporting to act for the company or as agent for it, and he shall be personally liable on the contract accordingly.

Registered office

Registered office of company

131.—(1) A company shall at all times have a registered office to which all communications and notices may be addressed.

(2) The intended situation of a company's registered office on incorporation shall be specified in the statement delivered prior to incorporation of the company under Article 57.

(3) Notice in the prescribed form of any change in the situation of a company's registered office shall be given within fourteen days of the change to the registrar of companies, who shall record the new situation.

(4) If default is made in complying with paragraph (1) or (3), the company and every officer of the company who is in default shall be liable to a default fine.

(5) Section 104 of the principal Act (which is superseded by this Article) shall cease to have effect, but notwithstanding its repeal by this Order—

(a) where the memorandum of a company has been delivered for registration under section 12 of that Act before the coming into operation of Article 57, section 104 shall continue to apply so as to require that company to send notice of the situation of its registered office to the registrar of companies within the time there mentioned; and

(b) section 104 shall continue to apply in relation to any change in the situation of a company's registered office which occurred before the coming into operation of this Article.

(6) Article 57 (6) shall apply as if the requirements of paragraph (2) were included among the requirements of that Article.

Official seals

Official seals for sealing certificates, etc.

132.—(1) A company may have, for use for sealing securities issued by the company and for sealing documents creating or evidencing securities so issued, an official seal which is a facsimile of the common seal of the company with the addition on its face of the word "Securities".

(2) A company which was incorporated before the day of the coming into operation of this Article and which has such an official seal as is mentioned in the preceding paragraph may use the seal for sealing such securities and documents as are there mentioned notwithstanding anything in any instrument constituting or regulating the company or in any instrument made before that day which relates to any securities issued by the company; and any provision of such an instrument which requires any such securities or documents to be signed shall not apply to the securities or documents if they are sealed with that seal.

Partnerships

Exemption from prohibition imposed by section 377 of the principal Act of formation of banking partnerships with more than ten members

133. Section 377 of the principal Act (which prohibits the formation of a company, association or partnership consisting of more than ten persons for the purpose of carrying on the business of banking unless it is registered as a company under the principal Act, or is formed in pursuance of some other Act, or of letters patent) shall not prohibit the formation of a partnership consisting of not more than twenty persons each of whom is for the time being authorised by the Department to be a member of a partnership formed for that purpose and consisting of not more than twenty persons.

Exemptions from prohibition imposed by section 382 of the principal Act of the formation of other partnerships with more than twenty members

134.—(1) Section 382 of the principal Act (which prohibits the formation of a company, association or partnership consisting of more than twenty persons for the purpose of carrying on a business (other than the business of banking) for gain as therein mentioned unless it is registered as a company under the principal Act, or is formed in pursuance of some other Act or of letters patent) shall not prohibit the formation—

- (a) for the purpose of carrying on practice as solicitors, of a partnership consisting of persons each of whom is a solicitor;
- (b) for the purpose of carrying on practice as accountants, of a partnership consisting of persons each of whom falls within Article 26 (1);
- (c) for the purpose of carrying on business as members of a recognised stock exchange, of a partnership consisting of persons each of whom is a member of that exchange.

(2) The Department may by regulations provide that the said section 382 shall not apply to the formation (otherwise than as permitted by virtue of paragraph (1)), for a purpose specified in the regulations, of a partnership of a description so specified.

Exemptions from prohibition imposed by section 4 of the Limited Partnerships Act 1907 of limited partnerships with more than twenty members

135.—(1) So much of section 4 (2) of the Limited Partnerships Act 1907 (a) as provides that a limited partnership (other than a partnership carrying on the business of banking) shall not consist of more than twenty persons shall not apply—

- (a) to a partnership carrying on practice as solicitors and consisting of persons each of whom is a solicitor;

(a) 1907 c. 24.

- (b) to a partnership carrying on practice as accountants and consisting of persons each of whom falls within Article 26 (1);
- (c) to a partnership carrying on business as members of a recognised stock exchange and consisting of persons each of whom is a member of that exchange.

(2) The Department may by regulations provide that so much of section 4 (2) of the said Act of 1907 as provides that a limited partnership (other than a partnership carrying on the business of banking) shall not consist of more than twenty persons shall not apply to a partnership (other than one permitted by virtue of paragraph (1)) carrying on business of a description specified in the regulations, being a partnership of a description so specified.

Miscellaneous amendments to the principal Act

Power of Department to require company to abandon misleading name

136. In section 18 of the principal Act (change of name) in subsection (2) the words from "If a company" to the end of the subsection shall cease to have effect and after that subsection there shall be inserted the following subsections:—

"(2A) If, in the opinion of the Department, the name by which a company is registered gives so misleading an indication of the nature of its activities as to be likely to cause harm to the public, the Department may direct it to change its name.

(2B) A direction given under subsection (2A) to a company must, if not duly made the subject of an application under subsection (2C) to the court, be complied with within a period of six weeks from the date of the direction or such longer period as the Department may think fit to allow.

(2C) A company to which a direction is given under subsection (2A) may, within a period of three weeks from the date of the direction, apply to the court to set the direction aside, and the court may set it aside or confirm it; and, if it confirms it, it shall specify a period within which it must be complied with.

(2D) If a company makes default in complying with a direction under subsection (2) or (2A) it shall be liable to a fine not exceeding £5 for every day during which the default continues."

Exemption from obligation to print certain resolutions

137. At the end of section 63 (2) of the principal Act (company to forward to the registrar of companies a printed copy of a resolution authorising an increase of its share capital) there shall be added the words "or a copy in some other form approved by the registrar."

Exemption from obligation to prepare share certificates, etc.

138. In section 80 (1) of the principal Act (company to complete and have ready for delivery certificates of shares, debentures, and certificates of debenture stock allotted or transferred)—

- (a) after the words "otherwise provide" there shall be inserted the words "or unless the allotment or transfer is to a stock exchange nominee"; and
- (b) at the end there shall be added the words "and 'stock exchange nominee' means any person whom the Department designates by order as a nominee of The Stock Exchange for the purposes of this section".

Increase of maximum charges for copies of registers of debenture holders, debenture trust deeds and registers of members

139.—(1) In section 86 of the principal Act—

(a) in subsection (2) (which entitles any person to a copy of the register of holders of debentures of a company or any part thereof on payment of two and a half new pence for every hundred words required to be copied), for the words “on payment of sixpence for every hundred words required to be copied” there shall be substituted the words “on payment of ten new pence, or such less sum as may be prescribed by the company, for every hundred words or fractional part thereof required to be copied”; and

(b) in subsection (3) (which entitles a holder of debentures of a company to a copy of the trust deed for securing the issue thereof on payment in the case of a printed deed of the sum of five new pence or such less sum as may be prescribed by the company or, where the trust deed has not been printed, on payment of two and a half new pence for every hundred words required to be copied), for the words “one shilling” there shall be substituted the words “twenty new pence” and for the words “on payment of sixpence for every hundred words required to be copied” there shall be substituted the words “on payment of ten new pence, or such less sum as may be prescribed by the company, for every hundred words or fractional part thereof required to be copied”.

(2) In section 110 (2) of the principal Act (which entitles any person to a copy of, or of any part of, the register of members of a company on payment of two and a half new pence, or such less sum as the company may prescribe, for every hundred words or fractional part thereof required to be copied), for the word “sixpence” there shall be substituted the words “ten new pence”.

Application of Part III of the principal Act to companies incorporated outside Northern Ireland

140. After section 103 of the principal Act there shall be inserted the following section:—

“Application of Part III to companies incorporated outside Northern Ireland

Application of Part III to charges created, and property subject to charge acquired, by company incorporated outside Northern Ireland.

103A. The provisions of this Part shall extend to charges on property in Northern Ireland which are created, and to charges on property in Northern Ireland which is acquired, by a company (whether a company within the meaning of this Act or not) incorporated outside Northern Ireland which has an established place of business in Northern Ireland.”.

Amendments to length of notice for calling meetings

141.—(1) Section 127 of the principal Act (length of notice for calling meetings) shall have effect subject to the amendments specified in the following provisions of this Article.

(2) In paragraph (a) of subsection (1) the words "where the company is neither a private company nor an unlimited company and ten days' notice in writing where it is a private company or an unlimited company" shall be omitted.

(3) In paragraph (b) of subsection (1) for the words "where the company is neither a private company nor an unlimited company and ten days' notice in writing where it is a private company or an unlimited company" there shall be substituted the words "in the case of a company other than an unlimited company and seven days' notice in writing in the case of an unlimited company".

(4) In paragraph (a) of subsection (2) the words "where the company is neither a private company nor an unlimited company and by ten days' notice in writing where it is a private company or an unlimited company" shall be omitted.

(5) In paragraph (b) of subsection (2) for the words "where the company is neither a private company nor an unlimited company and by ten days' notice in writing where it is a private company or an unlimited company" there shall be substituted the words "in the case of a company other than an unlimited company and by seven days' notice in writing in the case of an unlimited company".

(6) In subsection (3) the words "by the auditors of the company, and" shall be omitted.

Amendments concerning proxies

142.—(1) Section 130 of the principal Act (proxies) shall have effect subject to the amendments specified in the following provisions of this Article.

(2) In subsection (2) for paragraph (b) there shall be substituted the following paragraph:—

"(b) a member of a private company shall not be entitled to appoint more than one proxy to attend on the same occasion; and".

(3) In subsection (3) the words "(other than a private company)" shall cease to have effect.

(4) In subsection (4) the words "Subject to subsection (5)," and the words "or, in the case of a private company, more than twenty-four hours," shall cease to have effect.

(5) Subsection (5) shall cease to have effect.

Amendments to section 137 of the principal Act

143.—(1) Section 137 of the principal Act (registration and copies of certain resolutions and agreements) shall have effect subject to the amendments specified in the following provisions of this Article.

(2) In subsection (2) the word "private" shall cease to have effect.

(3) Paragraph (e) of subsection (5) shall cease to have effect.

Power to appoint Official Assignee as receiver for debenture holders or creditors

144. After section 319 of the principal Act there shall be inserted the following section:—

"Official
Assignee
as receiver.

319A. Where an application is made to the court to appoint a receiver on behalf of the debenture holders or other creditors of a company which is being wound up by the court, the Official Assignee may be so appointed."

Application of this Order to certain companies not formed under the principal Act

145.—(1) Part VII of the principal Act (which relates to companies formed or registered under the former Acts therein mentioned) and section 344 of that Act (which relates to companies not formed under that Act but registering under it) shall apply for the purpose of the application of the provisions of this Order to such companies as aforesaid as they apply for the purpose of the application thereto of the provisions of the principal Act.

(2) In section 330 (1) of the principal Act (which is included in the said Part VII), for the reference to an unlimited company registered in pursuance of that Act as a limited company there shall be substituted a reference to an unlimited company registered in pursuance of that Act as a limited company or re-registered in pursuance of this Order as a limited company.

Fees payable to registrar

146. For section 373 of the principal Act there shall be substituted the following section:—

“Fees.

373.—(1) The Department shall have power to make regulations requiring the payment to the registrar of companies of such fees as may be specified in the regulations in respect of—

(a) the performance by the registrar of such functions under the Companies Acts as may be so specified, including the receipt by him of any notice or other document which under those Acts is required to be given, delivered, sent or forwarded to him;

(b) the inspection of documents kept by him under those Acts.

(2) Regulations made under subsection (1) (a) requiring the payment of a fee in respect of a matter for which no fee was previously payable or increasing a fee shall be subject to affirmative resolution and any other regulations made under subsection (1) shall be subject to negative resolution.

(3) All fees paid to the registrar in pursuance of the Companies Acts shall be applied as the Department of Finance may direct.

(4) It is hereby declared that the registrar may charge a fee for any services provided by him otherwise than in pursuance of an obligation imposed on him by law.”.

Application of the Companies Acts to unregistered companies

147.—(1) In section 383 of the principal Act (application of provisions of principal Act specified in Schedule 10 to unregistered companies) in subsection (1) for the words “this Act” there shall be substituted the words “the Companies Acts”.

(2) After subsection (1) of that section there shall be inserted the following subsection:—

“(1A) The modifications of Articles 123 and 124 of the Companies (Northern Ireland) Order 1978 that may be made by regulations under subsection (1) shall include the extension of those Articles to additional matters (and in particular to the instruments constituting or regulating a company as well as to alterations thereof).”.

(3) For Schedule 10 to the principal Act there shall be substituted the Schedule set out in Schedule 5 to this Order.

Use of computers, etc. for certain company records

148.—(1) It is hereby declared that the power conferred on a company by section 384 (1) of the principal Act to keep a register or other record by recording the matters in question otherwise than by making entries in bound books includes power to keep the register or other record by recording the matters in question otherwise than in a legible form so long as the recording is capable of being reproduced in a legible form.

(2) Any provision of an instrument made by a company before the day of the coming into operation of this Article which requires a register of holders of debentures of the company to be kept in a legible form shall be construed as requiring the register to be kept in a legible or non-legible form.

(3) If any such register or other record of a company as is mentioned in the said section 384 (1) or a register of holders of debentures of a company is kept by the company by recording the matters in question otherwise than in a legible form, any duty imposed on the company by virtue of the Companies Acts to allow inspection of, or to furnish a copy of, the register or other record or any part of it shall be treated as a duty to allow inspection of, or to furnish, a reproduction of the recording or of the relevant part of it in a legible form.

(4) The Department may by regulations make such provision in addition to the preceding paragraph as it considers appropriate in connection with such registers or other records as are mentioned in that paragraph and are kept as there mentioned, and the regulations may make modifications of provisions of the Companies Acts relating to such registers or other records as are mentioned in that paragraph.

Supplementary

Summary proceedings

149.—(1) All offences under the Companies Acts made punishable by fine alone shall be triable summarily.

(2) Summary proceedings for any offence under the Companies Acts may (without prejudice to any jurisdiction exercisable apart from this paragraph) be taken against a body corporate at any place at which the body has a place of business, and against any other person at any place at which he is for the time being.

(3) Notwithstanding anything in section 34 (a) of the Magistrates' Courts Act (Northern Ireland) 1964 (a) (time limit for summary proceedings), a magistrates' court shall have jurisdiction to hear and determine a complaint charging the commission of a summary offence under the Companies Acts provided that the complaint is made within three years from the time when the offence was committed and within twelve months from the date on which evidence, sufficient in the opinion of the Director of Public Prosecutions for Northern Ireland or the Department, as the case may be, to justify the proceedings comes to his or the Department's knowledge.

(4) For the purposes of paragraph (3), a certificate of the Director of Public Prosecutions for Northern Ireland or the Department, as the case may be, as to the date on which such evidence as is mentioned in that paragraph came to his or the Department's knowledge shall be conclusive evidence thereof.

(5) Paragraphs (1) to (4) shall have effect in place of section 390 of the principal Act and that section shall, accordingly, cease to have effect.

(6) In relation to offences committed before the coming into operation of this Article, paragraph (3) shall not apply if the time allowed for taking proceedings under the Magistrates' Courts Act (Northern Ireland) 1964 had already expired before this Article comes into operation.

Admissibility in evidence of certain matter

150. An answer given by a person to a question put to him in exercise of powers conferred by—

- (a) section 161 of the principal Act (as originally enacted or as applied by section 165A of that Act or Article 43); or
- (b) winding-up rules made under section 317 of the principal Act for carrying into effect the objects of the Companies Acts so far as relates to the winding up of companies;

may be used in evidence against him, and a statement required by Article 66 may be used in evidence against any person making or concurring in making it.

Application of certain supplementary provisions of the principal Act to this Order

151.—(1) The provisions of the principal Act mentioned in paragraph (2) shall apply in relation to this Order as they apply in relation to that Act and accordingly in each of those provisions for the words "this Act" wherever they occur there shall be substituted the words "the Companies Acts".

(2) The provisions of the principal Act referred to in paragraph (1) are the following, namely—

- (a) section 157 (construction of references in Act to documents annexed to accounts);
- (b) section 372 (registration office for purposes of Act);
- (c) section 384 (form of registers, etc. required by Act);
- (d) section 388 (default fines under Act);
- (e) section 391 (nothing in Act precludes private prosecution);
- (f) section 392 (proceedings under Act by Attorney General);
- (g) section 395 (enforcement of court orders under Act);
- (h) section 396 (annual report of matters within Act);
- (i) section 397 (authentication of documents issued under Act);
- (j) section 398 (power to alter requirements of Act as to balance sheet, etc.).

Regulations and orders

152.—(1) Regulations and orders made under this Order by the Department, other than orders under Articles 1, 98 and 115, shall be subject to negative resolution.

(2) Regulations and orders made under this Order may contain incidental, supplementary and transitional provisions.

Minor and consequential amendments and repeals

153.—(1) The provisions of the principal Act specified in Part I of Schedule 6 and the statutory provisions specified in Part II of that Schedule shall have effect subject to the amendments so specified respectively, being minor amendments and amendments consequential on the provisions of this Order.

(2) Subject to Articles 9 (3), 27 (12) and 131 (5) and to paragraph (4), the statutory provisions specified in Schedule 7 (which include spent provisions) are hereby repealed to the extent specified in the third column of that Schedule.

(3) The Companies (European Communities) Order (Northern Ireland) 1972 is hereby revoked.

(4) Nothing in the repeals or revocations made by this Order shall affect the operation of any statutory provision in relation to any offence—

- (a) for which a penalty was before the date on which the repeal or revocation comes into operation provided by reference to the days during which the offence had continued; and
- (b) which is continuing at, but began before, that date.

N. E. Leigh,
Clerk of the Privy Council.

SCHEDULES

Article 21.

SCHEDULE 1

AMENDMENTS OF SCHEDULE 6 TO THE PRINCIPAL ACT

Amendment of preliminary matter

1. In paragraph 1, after the word "holding", there shall be inserted the words "or subsidiary" and for the words "section one hundred and eighty-eight" there shall be substituted the words "sections 187 and 188".

Amendments of Balance Sheet Provisions

2. In paragraph 2 (a), for the words "and the earliest date on which the company has power to redeem those shares", there shall be substituted the words "the earliest and latest dates on which the company has power to redeem those shares, whether those shares must be redeemed in any event or are liable to be redeemed at the option of the company and whether any (and, if so, what) premium is payable on redemption".

3. In paragraph 4, in sub-paragraph (1), for the words "fixed and current assets", there shall be substituted the word "assets", and for sub-paragraph (4) there shall be substituted the following sub-paragraph:—

"(4) Fixed assets, current assets and assets that are neither fixed nor current shall be separately identified".

4. In paragraph 5 (2), for head (c), there shall be substituted the following:—

"(c) to any listed investments or to any unlisted investments of which the value as estimated by the directors is shown either as the amount of the investments or by way of note; or".

5. After paragraph 5, there shall be inserted the following paragraph:—

"5A. In the case of unlisted investments consisting in equity share capital (as defined by section 148 (5)) of other bodies corporate (other than any whose values as estimated by the directors are separately shown, either individually or collectively or as to some individually and as to the rest collectively, and are so shown either as the amount thereof, or by way of note), the matters referred to in the following heads shall, if not otherwise shown, be stated by way of note or in a statement or report annexed:—

(a) the aggregate amount of the company's income for the financial year that is ascribable to the investments;

(b) the amount of the company's share before taxation, and the amount of that share after taxation, of the net aggregate amount of the profits of the bodies in which the investments are held, being profits for the several periods to which accounts sent by them during the financial year to the company related, after deducting those bodies' losses for those periods (or vice versa);

(c) the amount of the company's share of the net aggregate amount of the undistributed profits accumulated by the bodies in which the investments are held since the time when the investments were acquired, after deducting the losses accumulated by them since that time (or vice versa);

(d) the manner in which any losses incurred by the said bodies have been dealt with in the company's accounts."

6. In paragraph 6 (1), for the words "the aggregate amounts respectively of capital reserves, revenue reserves and provisions", there shall be substituted the words "the aggregate amounts respectively of reserves and provisions"; and in paragraph 6 (2), for the words "any of the three amounts", there shall be substituted the words "either of the amounts".

7.—(1) In paragraph 7 (1), in head (a), for the words "the amount of the capital reserves, of the revenue reserves or of the provisions", there shall be substituted the words "the amount of the reserves or of the provisions", and in head (b) (i), for the words "the amount of the capital reserves or of the revenue reserves", there shall be substituted the words "the amount of the reserves".

(2) In paragraph 7 (2), for the words "any of the reserves or provisions aforesaid", there shall be substituted the words "the reserves or any of the provisions aforesaid".

8. After paragraph 7, there shall be inserted the following paragraph:—

"7A. If an amount is set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation, it shall be stated."

9.—(1) Paragraph 8 shall be amended as follows.

(2) For head (a) of sub-paragraph (1), there shall be substituted the following:—

"(a) the aggregate amounts respectively of the company's listed investments and unlisted investments".

(3) For head (d) of sub-paragraph (1), there shall be substituted the following:—

"(d) the aggregate amount of bank loans and overdrafts and the aggregate amount of loans made to the company which—

(i) are repayable otherwise than by instalments and fall due for repayment after the expiration of the period of five years beginning with the day next following the expiration of the financial year; or

(ii) are repayable by instalments any of which fall due for payment after the expiration of that period;

not being, in either case, bank loans or overdrafts".

(4) In head (e) of sub-paragraph (1), for the words "net aggregate amount (after deduction of income tax)", there shall be substituted the words "aggregate amount (before deduction of income tax)".

(5) For sub-paragraph (3) there shall be substituted the following sub-paragraph—

"(3) The heading showing the amount of the listed investments shall be subdivided where necessary to distinguish the investments as respects which there has, and those as respects which there has not, been granted a listing on a recognised stock exchange."

(6) At the end of the paragraph, there shall be added the following sub-paragraphs:—

"(4) Subject to sub-paragraph (5), in relation to each loan falling within head (d) of sub-paragraph (1) (other than a bank loan or overdraft), there shall be stated by way of note (if not otherwise stated) the terms on which it is repayable and the rate at which interest is payable thereon.

(5) If the number of loans is such that, in the opinion of the directors, compliance with sub-paragraph (4) would result in a statement of excessive length, it shall be sufficient to give a general indication of the terms on which the loans are repayable and the rates at which interest is payable thereon."

10.—(1) Paragraph 11 shall be amended as follows.

(2) At the end of sub-paragraph (6), there shall be added the words "and, where practicable, the aggregate amount or estimated amount, if it is material, of capital expenditure authorised by the directors which has not been contracted for".

(3) After sub-paragraph (6) there shall be inserted the following sub-paragraphs:—

“(6A) In the case of fixed assets under any heading whose amount is required to be arrived at in accordance with paragraph 5 (1) (other than unlisted investments) and is so arrived at by reference to a valuation, the years (so far as they are known to the directors) in which the assets were severally valued and the several values, and, in the case of assets that have been valued during the financial year, the names of the persons who valued them or particulars of their qualifications for doing so and (whichever is stated) the bases of valuation used by them.

(6B) If there are included amongst fixed assets under any heading (other than investments) assets that have been acquired during the financial year, the aggregate amount of the assets acquired as determined for the purpose of making up the balance sheet, and if during that year any fixed assets included under a heading in the balance sheet made up with respect to the immediately preceding financial year (other than investments) have been disposed of or destroyed, the aggregate amount thereof as determined for the purpose of making up that balance sheet.

(6C) Of the amount of fixed assets consisting of land, how much is ascribable to land of freehold tenure and how much to land of leasehold tenure, and, of the latter, how much is ascribable to land held on long lease and how much to land held on short lease.”

(4) In sub-paragraph (8), for the words “quoted investments other than trade investments” there shall be substituted the words “listed investments”.

(5) After sub-paragraph (8), there shall be inserted the following sub-paragraphs:—

“(8A) If a sum set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation has been used during the financial year for another purpose, the amount thereof and the fact that it has been so used.

(8B) If the amount carried forward for stock in trade or work in progress is material for the appreciation by its members of the company’s state of affairs or of its profit or loss for the financial year, the manner in which that amount has been computed.”

(6) In sub-paragraph (10), for the words “income tax”, there shall be substituted the words “corporation tax”.

(7) At the end of sub-paragraph (11) there shall be added the words “other than any item the amount for which is shown—

(a) in pursuance of sub-paragraph (6B); or

(b) as an amount the source or application of which is required by paragraph 7 to be shown”.

Amendments of Profit and Loss Account Provisions

11.—(1) Paragraph 12 shall be amended as follows.

(2) In sub-paragraph (1), for heads (b) and (c), there shall be substituted the following:—

“(b) the amount of the interest on loans of the following kinds made to the company (whether on the security of debentures or not), namely, bank loans, overdrafts and loans which, not being bank loans or overdrafts,—

(i) are repayable otherwise than by instalments and fall due for repayment before the expiration of the period of five years beginning with the day next following the expiration of the financial year; or

(ii) are repayable by instalments the last of which falls due for payment before the expiration of that period;

and the amount of the interest on loans of other kinds so made (whether on the security of debentures or not);

(c) the amount of the charge to revenue for United Kingdom corporation tax and, if that amount would have been greater but for relief from double taxation, the amount which it would have been but for such relief, the amount of the charge for United Kingdom income tax and the amount of the charge for taxation imposed outside the United Kingdom of profits, income and (so far as charged to revenue) capital gains”.

- (3) In sub-paragraph (1), for head (g), there shall be substituted the following:—
 “(g) the amounts respectively of income from listed investments and income from unlisted investments;
 (ga) if a substantial part of the company’s revenue for the financial year consists in rents from land, the amount thereof (after deduction of ground-rents, rates and other outgoings);
 (gb) the amount, if material, charged to revenue in respect of sums payable in respect of the hire of plant and machinery”.
- (4) In sub-paragraph (1) (h), after the word “amount”, there shall be inserted the words “(before deduction of income tax)”.
- (5) At the end of the paragraph, there shall be added the following sub-paragraphs:—
 “(3) If, in the case of any assets in whose case an amount is charged to revenue by way of provision for depreciation or diminution in value, an amount is also so charged by way of provision for renewal thereof, the last-mentioned amount shall be shown separately.
 (4) If the amount charged to revenue by way of provision for depreciation or diminution in value of any fixed assets (other than investments) has been determined otherwise than by reference to the amount of those assets as determined for the purpose of making up the balance sheet, that fact shall be stated.”
12. After paragraph 12, there shall be inserted the following paragraph:—
 “12A. The amount of any charge arising in consequence of the occurrence of an event in a preceding financial year and of any credit so arising shall, if not included in a heading relating to other matters, be stated under a separate heading.”
13. In paragraph 13, for the words “If the remuneration of the auditors is not fixed by the company in general meeting, the amount thereof”, there shall be substituted the words “The amount of the remuneration of the auditors”.
14. After paragraph 13, there shall be inserted the following paragraph:—
 “13A.—(1) The matters referred to in sub-paragraphs (2) to (4) shall be stated by way of note, if not otherwise shown.
 (2) The turnover for the financial year, except in so far as it is attributable to the business of banking or discounting or to business of such other class as may be prescribed for the purposes of this sub-paragraph.
 (3) If some or all of the turnover is omitted by reason of its being attributable as aforesaid, the fact that it is so omitted.
 (4) The method by which turnover stated is arrived at.
 (5) A company shall not be subject to the requirements of this paragraph if it is neither a holding company nor a subsidiary of another body corporate and the turnover which, apart from this sub-paragraph, would be required to be stated does not exceed £250,000.”

- 15.—(1) Paragraph 14 shall be amended as follows.
 (2) In sub-paragraph (3), after the words “charge for”, there shall be inserted the words “United Kingdom corporation tax and”.
- (3) After sub-paragraph (3), there shall be inserted the following sub-paragraph:—
 “(3A) Any special circumstances which affect liability in respect of taxation of profits, income or capital gains for the financial year or liability in respect of taxation of profits, income or capital gains for succeeding financial years.”
- (4) Sub-paragraph (4) shall be omitted.

Amendments of Provisions as to Modifications of and Additions to Requirements as to Company’s Accounts where it is a holding or subsidiary Company

- 16.—(1) Paragraph 15 shall be amended as follows.
 (2) In sub-paragraph (2) (a), after the words “company’s investments”, there shall be inserted the words “(except those in paragraphs 11 (6B) and 12 (4))”.

(3) After sub-paragraph (5) there shall be inserted the following sub-paragraph:—

“(5A) Paragraphs (b) and (c) of sub-paragraph (4) shall not apply where the company is a wholly-owned subsidiary of another body corporate incorporated in Northern Ireland if there is annexed to the balance sheet a statement that in the opinion of the directors of the company the aggregate value of the assets of the company consisting of shares in, or amounts owing (whether on account of a loan or otherwise) from, the company’s subsidiaries is not less than the aggregate of the amounts at which those assets are stated or included in the balance sheet.”.

17. At the end of paragraph 16 (1), there shall be added the words “and the aggregate amount of assets consisting of shares in fellow subsidiaries”.

18. In paragraph 18, after the words “this Act” there shall be inserted the words “and the Companies (Northern Ireland) Order 1978”.

19. In paragraph 19, for the words “Section one hundred and eighty-eight” there shall be substituted the words “Sections 187 and 188 and Articles 15 and 18 to 20 of the Companies (Northern Ireland) Order 1978”.

Amendments of exceptive Provisions

20. In paragraph 23, in sub-paragraph (1), for heads (a) and (b) there shall be substituted the following:—

“(a) as respects its balance sheet, those of paragraphs 2 and 3, paragraph 4 (so far as it relates to assets), paragraph 8 (except sub-paragraphs (1) (d) and (4)), paragraphs 9 and 10 and paragraph 11 (except sub-paragraphs (6A), (6B), (6C), (8) and (8A)); and

(b) as respects its profit and loss account, those of sub-paragraph (1) (ga) and (h) of paragraph 12, paragraphs 12A and 13 and sub-paragraphs (1) and (5) of paragraph 14”;

and for the words “capital reserves, revenue reserves” and the words “such a reserve or provision”, there shall be substituted respectively the word “reserves” and the words “a reserve or such a provision”.

21.—(1) Paragraph 24 shall be amended as follows.

(2) For sub-paragraph (1) there shall be substituted the following:—

“(1) Subject to sub-paragraph (2), an insurance company to which the Insurance Companies (Northern Ireland) Order 1976 applies shall not be subject to the following requirements of Part I,—

(a) as respects its balance sheet, those of paragraphs 4 to 7, sub-paragraphs (1) (a) and (3) of paragraph 8 and sub-paragraphs (4), (5) and (6A) to (8) of paragraph 11;

(b) as respects its profit and loss account, those of paragraph 12 (except sub-paragraph (1) (b), (c), (d) and (h)) and paragraph 14 (2);

but, where in its balance sheet reserves or provisions (other than provisions for depreciation, renewals or diminution in value of assets) are not stated separately, any heading stating an amount arrived at after taking into account a reserve or such a provision shall be so framed or marked as to indicate that fact, and its profit and loss account shall indicate by appropriate words the manner in which the amount stated for the company’s profit or loss has been arrived at.”.

(3) After sub-paragraph (3) there shall be inserted the following sub-paragraph:—

“(3A) The accounts of a company shall not be deemed, by reason only of the fact that they do not comply with any requirement of Part I from which the company is exempt by virtue of this paragraph, not to give the true and fair view required by this Act.”.

(4) In sub-paragraph (2) and in sub-paragraphs (3) and (4), for the word “assurance” (wherever occurring) there shall be substituted the word “insurance”.

22.—(1) Paragraph 25 shall be amended as follows.

(2) For sub-paragraph (1) there shall be substituted the following sub-paragraph:—

“(1) A shipping company shall not be subject to the following requirements of Part I,—

(a) as respects its balance sheet, those of paragraph 4 (except so far as it relates to assets), paragraphs 5, 6 and 7 and sub-paragraphs (6A) and (6B) of paragraph 11;

(b) as respects its profit and loss account, those of sub-paragraph (1) (a), (e) and (f) and sub-paragraphs (3) and (4) of paragraph 12 and paragraph 13A.”.

(3) For sub-paragraphs (3) and (4) there shall be substituted the following sub-paragraph:—

“(3) In this paragraph the expression ‘shipping company’ means a company which, or a subsidiary of which, owns ships or includes amongst its activities the management or operation of ships, being a company which satisfies the Department that, in the national interest, it ought to be treated for the purposes of this paragraph as a shipping company.”.

Amendments of interpretative provisions

23. In paragraph 27 (1), at the end of head (b) there shall be added the words “or any sum set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation”, and head (c) shall be omitted.

24. In paragraph 28, for the word “quoted” there shall be substituted the word “listed”, for the words “quotation or permission to deal” there shall be substituted the word “listing” and for the word “unquoted” there shall be substituted the word “unlisted”.

25. At the end of the Schedule, there shall be added the following paragraphs:—

“29. For the purposes aforesaid, ‘long lease’ means a lease in the case of which the portion of the term for which it was granted remaining unexpired at the end of the financial year is not less than fifty years, ‘short lease’ means a lease which is not a long lease and ‘lease’ includes an agreement for a lease.

30. For the purposes aforesaid, a loan shall be deemed to fall due for repayment, and an instalment of a loan shall be deemed to fall due for payment, on the earliest date on which the lender could require repayment or, as the case may be, payment if he exercised all options and rights available to him.”.

SCHEDULE 2

Article 21.

FORM OF SCHEDULE 6 TO THE PRINCIPAL ACT, AS AMENDED

ACCOUNTS

Preliminary

1. Paragraphs 2 to 11 apply to the balance sheet and 12 to 14 to the profit and loss account, and are subject to the exceptions and modifications provided for by Part II in the case of a holding or subsidiary company and by Part III in the case of companies of the classes there mentioned; and this Schedule has effect in addition to sections 187 and 188.

PART I

GENERAL PROVISIONS AS TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Balance Sheet

2. The authorised share capital, issued share capital, liabilities and assets shall be summarised, with such particulars as are necessary to disclose the general nature of the assets and liabilities, and there shall be specified—

- (a) any part of the issued capital that consists of redeemable preference shares, the earliest and latest dates on which the company has power to redeem those shares, whether those shares must be redeemed in any event or are liable to be redeemed at the option of the company and whether any (and, if so, what) premium is payable on redemption;
- (b) so far as the information is not given in the profit and loss account, any share capital on which interest has been paid out of capital during the financial year, and the rate at which interest has been so paid;
- (c) the amount of the share premium account;
- (d) particulars of any redeemed debentures which the company has power to re-issue.

3. There shall be stated under separate headings, so far as they are not written off—

- (a) the preliminary expenses;
- (b) any expenses incurred in connection with any issue of share capital or debentures;
- (c) any sums paid by way of commission in respect of any shares or debentures;
- (d) any sums allowed by way of discount in respect of any debentures; and
- (e) the amount of the discount allowed on any issue of shares at a discount.

4.—(1) Subject to sub-paragraphs (2) and (3), the reserves, provisions, liabilities and assets shall be classified under headings appropriate to the company's business.

(2) Where the amount of any class is not material, it may be included under the same heading as some other class.

(3) Where any assets of one class are not separable from assets of another class, those assets may be included under the same heading.

(4) Fixed assets, current assets and assets that are neither fixed nor current shall be separately identified.

(5) The method or methods used to arrive at the amount of the fixed assets under each heading shall be stated.

5.—(1) The method of arriving at the amount of any fixed asset shall, subject to sub-paragraph (2), be to take the difference between—

- (a) its cost or, if it stands in the company's books at a valuation, the amount of the valuation; and
- (b) the aggregate amount provided or written off since the date of acquisition or valuation, as the case may be, for depreciation or diminution in value;

and for the purposes of this paragraph the net amount at which any assets stand in the company's books at the commencement of this Act (after deduction of the amounts previously provided or written off for depreciation or diminution in value) shall, if the figures relating to the period before the commencement of this Act cannot be obtained without unreasonable expense or delay, be treated as if it were the amount of a valuation of those assets made at the commencement of this Act and, where any of those assets are sold, the said net amount less the amount of the sales shall be treated as if it were the amount of a valuation so made of the remaining assets.

(2) Sub-paragraph (1) shall not apply—

- (a) to assets for which the figures relating to the period beginning with the commencement of this Act cannot be obtained without unreasonable expense or delay; or
- (b) to assets the replacement of which is provided for wholly or partly—
 - (i) by making provision for renewals and charging the cost of replacement against the provision so made; or
 - (ii) by charging the cost of replacement direct to revenue; or
- (c) to any listed investments or to any unlisted investments of which the value as estimated by the directors is shown either as the amount of the investments or by way of note; or
- (d) to goodwill, patents or trade marks.

(3) For the assets under each heading whose amount is arrived at in accordance with sub-paragraph (1), there shall be shown—

(a) the aggregate of the amounts referred to in paragraph (a) of that sub-paragraph; and

(b) the aggregate of the amounts referred to in paragraph (b) thereof.

(4) As respects the assets under each heading whose amount is not arrived at in accordance with sub-paragraph (1) because their replacement is provided for as mentioned in sub-paragraph (2) (b), there shall be stated—

(a) the means by which their replacement is provided for; and

(b) the aggregate amount of the provision, if any, made for renewals and not used.

5A. In the case of unlisted investments consisting in equity share capital (as defined by section 148 (5)) of other bodies corporate (other than any whose values as estimated by the directors are separately shown, either individually or collectively or as to some individually and as to the rest collectively, and are so shown either as the amount thereof, or by way of note), the matters referred to in the following heads shall, if not otherwise shown, be stated by way of note or in a statement or report annexed:—

(a) the aggregate amount of the company's income for the financial year that is ascribable to the investments;

(b) the amount of the company's share before taxation, and the amount of that share after taxation, of the net aggregate amount of the profits of the bodies in which the investments are held, being profits for the several periods to which accounts sent by them during the financial year to the company related, after deducting those bodies' losses for those periods (or vice versa);

(c) the amount of the company's share of the net aggregate amount of the undistributed profits accumulated by the bodies in which the investments are held since the time when the investments were acquired, after deducting the losses accumulated by them since that time (or vice versa);

(d) the manner in which any losses incurred by the said bodies have been dealt with in the company's accounts.

6.—(1) Subject to sub-paragraphs (2) and (3), the aggregate amounts respectively of reserves and provisions (other than provisions for depreciation, renewals or diminution in value of assets) shall be stated under separate headings.

(2) Sub-paragraph (1) shall not require a separate statement of either of the amounts referred to in that sub-paragraph which is not material.

(3) The Department may direct that sub-paragraph (1) shall not require a separate statement of the amount of provisions where the Department is satisfied that that is not required in the public interest and would prejudice the company, but subject to the condition that any heading stating an amount arrived at after taking into account a provision (other than as aforesaid) shall be so framed or marked as to indicate that fact.

7.—(1) There shall also be shown (unless it is shown in the profit and loss account or a statement or report annexed thereto, or the amount involved is not material)—

(a) where the amount of the reserves or of the provisions (other than provisions for depreciation, renewals or diminution in value of assets) shows an increase as compared with the amount at the end of the immediately preceding financial year, the source from which the amount of the increase has been derived; and

(b) where—

(i) the amount of the reserves shows a decrease as compared with the amount at the end of the immediately preceding financial year; or

(ii) the amount at the end of the immediately preceding financial year of the provisions (other than provisions for depreciation, renewals or diminution in value of assets) exceeded the aggregate of the sums since applied and amounts still retained for the purposes thereof;

the application of the amounts derived from the difference.

(2) Where the heading showing the reserves or any of the provisions aforesaid is divided into sub-headings, this paragraph shall apply to each of the separate amounts shown in the sub-headings instead of applying to the aggregate amount thereof.

7A. If an amount is set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation, it shall be stated.

8.—(1) There shall be shown under separate headings—

- (a) the aggregate amounts respectively of the company's listed investments and unlisted investments;
- (b) if the amount of the goodwill and of any patents and trade marks or part of that amount is shown as a separate item in or is otherwise ascertainable from the books of the company, or from any contract for the sale or purchase of any property to be acquired by the company, or from any documents in the possession of the company relating to the stamp duty payable in respect of any such contract or the conveyance of any such property, the said amount so shown or ascertained so far as not written off or, as the case may be, the said amount so far as it is so shown or ascertainable and as so shown or ascertained, as the case may be;
- (c) the aggregate amount of any outstanding loans made under the authority of paragraphs (b) and (c) of subsection (2) of section fifty-four;
- (d) the aggregate amount of bank loans and overdrafts and the aggregate amount of loans made to the company which—
 - (i) are repayable otherwise than by instalments and fall due for repayment after the expiration of the period of five years beginning with the day next following the expiration of the financial year; or
 - (ii) are repayable by instalments any of which fall due for payment after the expiration of that period;not being, in either case, bank loans or overdrafts;
- (e) the aggregate amount (before deduction of income tax) which is recommended for distribution by way of dividend.

(2) Nothing in head (b) of sub-paragraph (1) shall be taken as requiring the amount of the goodwill, patents and trade marks to be stated otherwise than as a single item.

(3) The heading showing the amount of the listed investments shall be subdivided, where necessary, to distinguish the investments as respects which there has, and those as respects which there has not, been granted a listing on a recognised stock exchange.

(4) Subject to sub-paragraph (5), in relation to each loan falling within head (d) of sub-paragraph (1) (other than a bank loan or overdraft), there shall be stated by way of note (if not otherwise stated) the terms on which it is repayable and the rate at which interest is payable thereon.

(5) If the number of loans is such that, in the opinion of the directors, compliance with sub-paragraph (4) would result in a statement of excessive length, it shall be sufficient to give a general indication of the terms on which the loans are repayable and the rates at which interest is payable thereon.

9. Where any liability of the company is secured otherwise than by operation of law on any assets of the company, the fact that that liability is so secured shall be stated, but it shall not be necessary to specify the assets on which the liability is secured.

10. Where any of the company's debentures are held by a nominee of or a trustee for the company, the nominal amount of the debentures and the amount at which they are stated in the books of the company shall be stated.

11.—(1) The matters referred to in sub-paragraphs (2) to (11) shall be stated by way of note, or in a statement or report annexed, if not otherwise shown.

(2) The number, description and amount of any shares in the company which any person has an option to subscribe for, together with the following particulars of the option—

- (a) the period during which it is exercisable;
- (b) the price to be paid for shares subscribed for under it.

(3) The amount of any arrears of fixed cumulative dividends on the company's shares and the period for which the dividends or, if there is more than one class, each class of them are in arrear, the amount to be stated before deduction of income tax, except that, in the case of tax free dividends, the amount shall be shown free of tax and the fact that it is so shown shall also be stated.

(4) Particulars of any charge on the assets of the company to secure the liabilities of any other person, including, where practicable, the amount secured.

(5) The general nature of any other contingent liabilities not provided for and, where practicable, the aggregate amount or estimated amount of those liabilities, if it is material.

(6) Where practicable the aggregate amount or estimated amount, if it is material, of contracts for capital expenditure, so far as not provided for and, where practicable, the aggregate amount or estimated amount, if it is material, of capital expenditure authorised by the directors which has not been contracted for.

(6A) In the case of fixed assets under any heading whose amount is required to be arrived at in accordance with paragraph 5 (1) (other than unlisted investments) and is so arrived at by reference to a valuation, the years (so far as they are known to the directors) in which the assets were severally valued and the several values, and, in the case of assets that have been valued during the financial year, the names of the persons who valued them or particulars of their qualifications for doing so and (whichever is stated) the bases of valuation used by them.

(6B) If there are included amongst fixed assets under any heading (other than investments) assets that have been acquired during the financial year, the aggregate amount of the assets acquired as determined for the purpose of making up the balance sheet, and if during that year any fixed assets included under a heading in the balance sheet made up with respect to the immediately preceding financial year (other than investments) have been disposed of or destroyed, the aggregate amount thereof as determined for the purpose of making up that balance sheet.

(6C) Of the amount of fixed assets consisting of land, how much is ascribable to land of freehold tenure and how much to land of leasehold tenure, and, of the latter, how much is ascribable to land held on long lease and how much to land held on short lease.

(7) If in the opinion of the directors any of the current assets have not a value, on realisation in the ordinary course of the company's business, at least equal to the amount at which they are stated, the fact that the directors are of that opinion.

(8) The aggregate market value of the company's listed investments where it differs from the amount of the investments as stated, and the stock exchange value of any investments of which the market value is shown (whether separately or not) and is taken as being higher than their stock exchange value.

(8A) If a sum set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation has been used during the financial year for another purpose, the amount thereof and the fact that it has been so used.

(8B) If the amount carried forward for stock in trade or work in progress is material for the appreciation by its members of the company's state of affairs or of its profit or loss for the financial year, the manner in which that amount has been computed.

(9) The basis on which foreign currencies have been converted into sterling, where the amount of the assets or liabilities affected is material.

(10) The basis on which the amount, if any, set aside for United Kingdom corporation tax is computed.

(11) Except in the case of the first balance sheet laid before the company after the commencement of this Act, the corresponding amounts at the end of the immediately preceding financial year for all items shown in the balance sheet other than any item the amount for which is shown—

(a) in pursuance of sub-paragraph (6B); or

(b) as an amount the source or application of which is required by paragraph 7 to be shown.

Profit and Loss Account

12.—(1) There shall be shown—

- (a) the amount charged to revenue by way of provision for depreciation, renewals or diminution in value of fixed assets;
- (b) the amount of the interest on loans of the following kinds made to the company (whether on the security of debentures or not), namely, bank loans, overdrafts and loans which, not being bank loans or overdrafts,—
 - (i) are repayable otherwise than by instalments and fall due for repayment before the expiration of the period of five years beginning with the day next following the expiration of the financial year; or
 - (ii) are repayable by instalments the last of which falls due for payment before the expiration of that period;and the amount of the interest on loans of other kinds so made (whether on the security of debentures or not);
- (c) the amount of the charge to revenue for United Kingdom corporation tax and, if that amount would have been greater but for relief from double taxation, the amount which it would have been but for such relief, the amount of the charge for United Kingdom income tax and the amount of the charge for taxation imposed outside the United Kingdom of profits, income and (so far as charged to revenue) capital gains;
- (d) the amounts respectively provided for redemption of share capital and for redemption of loans;
- (e) the amount, if material, set aside or proposed to be set aside to, or withdrawn from, reserves;
- (f) subject to sub-paragraph (2), the amount, if material, set aside to provisions other than provisions for depreciation, renewals or diminution in value of assets or, as the case may be, the amount, if material, withdrawn from such provisions and not applied for the purposes thereof;
- (g) the amounts respectively of income from listed investments and income from unlisted investments;
- (ga) if a substantial part of the company's revenue for the financial year consists in rents from land, the amount thereof (after deduction of ground-rents, rates and other outgoings);
- (gb) the amount, if material, charged to revenue in respect of sums payable in respect of the hire of plant and machinery;
- (h) the aggregate amount (before deduction of income tax) of the dividends paid and proposed.

(2) The Department may direct that a company shall not be obliged to show an amount set aside to provisions in accordance with sub-paragraph (1) (f), if the Department is satisfied that that is not required in the public interest and would prejudice the company, but subject to the condition that any heading stating an amount arrived at after taking into account the amount set aside as aforesaid shall be so framed or marked as to indicate that fact.

(3) If, in the case of any assets in whose case an amount is charged to revenue by way of provision for depreciation or diminution in value, an amount is also so charged by way of provision for renewal thereof, the last-mentioned amount shall be shown separately.

(4) If the amount charged to revenue by way of provision for depreciation or diminution in value of any fixed assets (other than investments) has been determined otherwise than by reference to the amount of those assets as determined for the purpose of making up the balance sheet, that fact shall be stated.

12A. The amount of any charge arising in consequence of the occurrence of an event in a preceding financial year and of any credit so arising shall, if not included in a heading relating to other matters, be stated under a separate heading.

13. The amount of the remuneration of the auditors shall be shown under a separate heading, and for the purposes of this paragraph, any sums paid by the company in respect of the auditors' expenses shall be deemed to be included in the expression "remuneration".

13A.—(1) The matters referred to in sub-paragraphs (2) to (4) shall be stated by way of note, if not otherwise shown.

(2) The turnover for the financial year, except in so far as it is attributable to the business of banking or discounting or to business of such other class as may be prescribed for the purposes of this sub-paragraph.

(3) If some or all of the turnover is omitted by reason of its being attributable as aforesaid, the fact that it is so omitted.

(4) The method by which turnover stated is arrived at.

(5) A company shall not be subject to the requirements of this paragraph if it is neither a holding company nor a subsidiary of another body corporate and the turnover which, apart from this sub-paragraph, would be required to be stated does not exceed £250,000.

14.—(1) The matters referred to in sub-paragraphs (2) to (6) shall be stated by way of note, if not otherwise shown.

(2) If depreciation or replacement of fixed assets is provided for by some method other than a depreciation charge or provision for renewals, or is not provided for, the method by which it is provided for or the fact that it is not provided for, as the case may be.

(3) The basis on which the charge for United Kingdom corporation tax and United Kingdom income tax is computed.

(3A) Any special circumstances which affect liability in respect of taxation of profits, income or capital gains for the financial year or liability in respect of taxation of profits, income or capital gains for succeeding financial years.

(5) Except in the case of the first profit and loss account laid before the company after the commencement of this Act the corresponding amounts for the immediately preceding financial year for all items shown in the profit and loss account.

(6) Any material respects in which any items shown in the profit and loss account are affected—

(a) by transactions of a sort not usually undertaken by the company or otherwise by circumstances of an exceptional or non-recurrent nature; or

(b) by any change in the basis of accounting.

PART II

SPECIAL PROVISIONS WHERE THE COMPANY IS A HOLDING OR SUBSIDIARY COMPANY

Modifications of and Additions to Requirements as to Company's own Accounts

15.—(1) This paragraph shall apply where the company is a holding company, whether or not it is itself a subsidiary of another body corporate.

(2) The aggregate amount of assets consisting of shares in, or amounts owing (whether on account of a loan or otherwise) from, the company's subsidiaries, distinguishing shares from indebtedness, shall be set out in the balance sheet separately from all the other assets of the company, and the aggregate amount of indebtedness (whether on account of a loan or otherwise) to the company's subsidiaries shall be so set out separately from all its other liabilities and—

(a) the references in Part I to the company's investments (except those in paragraphs 11 (6B) and 12 (4)) shall not include investments in its subsidiaries required by this paragraph to be separately set out; and

(b) paragraph 5, sub-paragraph (1) (a) of paragraph 12, and sub-paragraph (2) of paragraph 14 shall not apply in relation to fixed assets consisting of interests in the company's subsidiaries.

(3) There shall be shown by way of note on the balance sheet or in a statement or report annexed thereto the number, description and amount of the shares in and debentures of the company held by its subsidiaries or their nominees, but excluding any of those shares or debentures in the case of which the subsidiary is concerned as personal representative or in the case of which it is concerned as trustee and neither the company nor any subsidiary thereof is beneficially interested under the trust, otherwise than by way of security only for the purposes of a transaction entered into by it in the ordinary course of a business which includes the lending of money.

(4) Where group accounts are not submitted, there shall, subject to sub-paragraph (5), be annexed to the balance sheet a statement showing—

- (a) the reasons why subsidiaries are not dealt with in group accounts;
- (b) the net aggregate amount, so far as it concerns members of the holding company and is not dealt with in the company's accounts, of the subsidiaries' profits after deducting the subsidiaries' losses (or vice versa)—
 - (i) for the respective financial years of the subsidiaries ending with or during the financial year of the company; and
 - (ii) for their previous financial years since they respectively became the holding company's subsidiary;
- (c) the net aggregate amount of the subsidiaries' profits after deducting the subsidiaries' losses (or vice versa)—
 - (i) for the respective financial years of the subsidiaries ending with or during the financial year of the company; and
 - (ii) for their other financial years since they respectively became the holding company's subsidiary;so far as those profits are dealt with, or provision is made for those losses, in the company's accounts;
- (d) any qualifications contained in the report of the auditors of the subsidiaries on their accounts for their respective financial years ending as aforesaid, and any note or saving contained in those accounts to call attention to a matter which, apart from the note or saving, would properly have been referred to in such a qualification, in so far as the matter which is the subject of the qualification or note is not covered by the company's own accounts and is material from the point of view of its members;

or, in so far as the information required by this sub-paragraph is not obtainable, a statement that it is not obtainable.

(5) The Department may, on the application or with the consent of the company's directors, direct that in relation to any subsidiary sub-paragraph (4) shall not apply or shall apply only to such extent as may be provided by the direction.

(5A) Paragraphs (b) and (c) of sub-paragraph (4) shall not apply where the company is a wholly-owned subsidiary of another body corporate incorporated in Northern Ireland if there is annexed to the balance sheet a statement that in the opinion of the directors of the company the aggregate value of the assets of the company consisting of shares in, or amounts owing (whether on account of a loan or otherwise) from, the company's subsidiaries is not less than the aggregate of the amounts at which those assets are stated or included in the balance sheet.

(6) Paragraphs (b) and (c) of sub-paragraph (4) shall apply only to profits and losses of a subsidiary which may properly be treated in the holding company's accounts as revenue profits or losses, and the profits or losses attributable to any shares in a subsidiary for the time being held by the holding company or any other of its subsidiaries shall not (for that or any other purpose) be treated as aforesaid so far as they are profits or losses for the period before the date on or as from which the shares were acquired by the company or any of its subsidiaries, except that they may in a proper case be so treated where—

- (a) the company is itself the subsidiary of another body corporate; and
- (b) the shares were acquired from that body corporate or a subsidiary of it;

and for the purpose of determining whether any profits or losses are to be treated as profits or losses for the said period the profit or loss for any financial year of the sub-

subsidiary may, if it is not practicable to apportion it with reasonable accuracy by reference to the facts, be treated as accruing from day to day during that year and be apportioned accordingly.

(7) Where group accounts are not submitted, there shall be annexed to the balance sheet a statement showing, in relation to the subsidiaries, if any, whose financial years did not end with that of the company—

- (a) the reasons why the company's directors consider that the subsidiaries' financial years should not end with that of the company; and
- (b) the dates on which the subsidiaries' financial years ending last before that of the company respectively ended or the earliest and latest of those dates.

16.—(1) The balance sheet of a company which is a subsidiary of another body corporate, whether or not it is itself a holding company, shall show the aggregate amount of its indebtedness to all bodies corporate of which it is a subsidiary or a fellow subsidiary and the aggregate amount of the indebtedness of all such bodies corporate to it, distinguishing in each case between indebtedness in respect of debentures and otherwise, and the aggregate amount of assets consisting of shares in fellow subsidiaries.

(2) For the purposes of this paragraph a company shall be deemed to be a fellow subsidiary of another body corporate if both are subsidiaries of the same body corporate but neither is the other's.

Consolidated Accounts of Holding Company and Subsidiaries

17. Subject to paragraphs 18 to 22, the consolidated balance sheet and profit and loss account shall combine the information contained in the separate balance sheets and profit and loss accounts of the holding company and of the subsidiaries dealt with by the consolidated accounts, but with such adjustments, if any, as the directors of the holding company think necessary.

18. Subject as aforesaid and to Part III, the consolidated accounts shall, in giving the said information, comply so far as practicable, with the requirements of this Act and the Companies (Northern Ireland) Order 1978 as if they were the accounts of an actual company.

19. Sections 187 and 188 and Articles 15 and 18 to 20 of the Companies (Northern Ireland) Order 1978 shall not, by virtue of paragraphs 17 and 18, apply for the purpose of the consolidated accounts.

20. Paragraph 7 shall not apply for the purpose of any consolidated accounts laid before a company with the first balance sheet so laid after the commencement of this Act.

21. In relation to any subsidiaries of the holding company not dealt with by the consolidated accounts—

- (a) sub-paragraphs (2) and (3) of paragraph 15 shall apply for the purpose of those accounts as if those accounts were the accounts of an actual company of which they were subsidiaries; and
- (b) there shall be annexed the like statement as is required by sub-paragraph (4) of that paragraph where there are no group accounts, but as if references therein to the holding company's accounts were references to the consolidated accounts.

22. In relation to any subsidiaries (whether or not dealt with by the consolidated accounts), whose financial years did not end with that of the company, there shall be annexed the like statement as is required by sub-paragraph (7) of paragraph 15 where there are no group accounts.

PART III

EXCEPTIONS FOR SPECIAL CLASSES OF COMPANY

23.—(1) A banking or discount company shall not be subject to the requirements of Part I other than—

- (a) as respects its balance sheet, those of paragraphs 2 and 3, paragraph 4 (so far as it relates to assets), paragraph 8 (except sub-paragraphs (1) (d) and (4)),

paragraphs 9 and 10 and paragraph 11 (except sub-paragraphs (6A), (6B), (6C), (8) and (8A)); and

- (b) as respects its profit and loss account, those of sub-paragraph (1) (g) and (h) of paragraph 12, paragraphs 12A and 13 and sub-paragraphs (1) and (5) of paragraph 14;

but, where in its balance sheet reserves or provisions (other than provisions for depreciation, renewals or diminution in value of assets) are not stated separately, any heading stating an amount arrived at after taking into account a reserve or such a provision shall be so framed or marked as to indicate that fact, and its profit and loss account shall indicate by appropriate words the manner in which the amount stated for the company's profit or loss has been arrived at.

(2) The accounts of a banking or discount company shall not be deemed, by reason only of the fact that they do not comply with any requirements of Part I from which the company is exempt by virtue of this paragraph, not to give the true and fair view required by this Act.

(3) In this paragraph "banking or discount company" means any company which satisfies the Department that it ought to be treated for the purposes of this Schedule as a banking company or as a discount company.

24.—(1) Subject to sub-paragraph (2), an insurance company to which the Insurance Companies (Northern Ireland) Order 1976 applies shall not be subject to the following requirements of Part I,—

- (a) as respects its balance sheet, those of paragraphs 4 to 7, sub-paragraphs (1) (a) and (3) of paragraph 8 and sub-paragraphs (4), (5) and (6A) to (8) of paragraph 11;

- (b) as respects its profit and loss account, those of paragraph 12 (except sub-paragraph (1) (b), (c), (d) and (h)) and paragraph 14 (2);

but, where in its balance sheet reserves or provisions (other than provisions for depreciation, renewals or diminution in value of assets) are not stated separately, any heading stating an amount arrived at after taking into account a reserve or such a provision shall be so framed or marked as to indicate that fact, and its profit and loss account shall indicate by appropriate words the manner in which the amount stated for the company's profit or loss has been arrived at.

(2) The Department may direct that any such insurance company whose business includes to a substantial extent business other than insurance business shall comply with all the requirements of Part I or such of them as may be specified in the direction and shall comply therewith as respects either the whole of its business or such part thereof as may be so specified.

(3) Where an insurance company is entitled to the benefit of this paragraph, then any wholly-owned subsidiary thereof shall also be so entitled if its business consists only of business which is complementary to insurance business of the classes carried on by the insurance company.

(3A) The accounts of a company shall not be deemed, by reason only of the fact that they do not comply with any requirement of Part I from which the company is exempt by virtue of this paragraph, not to give the true and fair view required by this Act.

(4) For the purposes of this paragraph a company shall be deemed to be the wholly-owned subsidiary of an insurance company if it has no members except the insurance company and the insurance company's wholly-owned subsidiaries and its or their nominees.

25.—(1) A shipping company shall not be subject to the following requirements of Part I,—

- (a) as respects its balance sheet, those of paragraph 4 (except so far as it relates to assets), paragraphs 5, 6 and 7 and sub-paragraphs (6A) and (6B) of paragraph 11;

- (b) as respects its profit and loss account, those of sub-paragraph (1) (a), (e) and (f) and sub-paragraphs (3) and (4) of paragraph 12 and paragraph 13A.

(2) The accounts of a company shall not be deemed, by reason only of the fact that they do not comply with any requirements of Part I from which the company is exempt by virtue of this paragraph, not to give the true and fair view required by this Act.

(3) In this paragraph "shipping company" means a company which, or a subsidiary of which, owns ships or includes amongst its activities the management or operation of ships, being a company which satisfies the Department that, in the national interest, it ought to be treated for the purposes of this paragraph as a shipping company.

26. Where a company entitled to the benefit of any provision contained in this Part is a holding company, the reference in Part II to consolidated accounts complying with the requirements of this Act shall, in relation to consolidated accounts of that company, be construed as referring to those requirements in so far only as they apply to the separate accounts of that company.

PART IV

INTERPRETATION OF SCHEDULE

27.—(1) For the purposes of this Schedule—

(a) "provision" shall, subject to sub-paragraph (2), mean any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability of which the amount cannot be determined with substantial accuracy;

(b) "reserve" shall not, subject as aforesaid, include any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability or any sum set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation;

and in this paragraph "liability" shall include all liabilities in respect of expenditure contracted for and all disputed or contingent liabilities.

(2) Where—

(a) any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, not being an amount written off in relation to fixed assets before the commencement of this Act; or

(b) any amount retained by way of providing for any known liability;

is in excess of that which in the opinion of the directors is reasonably necessary for the purpose, the excess shall be treated for the purposes of this Schedule as a reserve and not as a provision.

28. For the purposes aforesaid, "listed investment" means an investment as respects which there has been granted a listing on a recognised stock exchange, or on any stock exchange of repute outside Northern Ireland, and "unlisted investment" shall be construed accordingly.

29. For the purposes aforesaid, "long lease" means a lease in the case of which the portion of the term for which it was granted remaining unexpired at the end of the financial year is not less than fifty years, "short lease" means a lease which is not a long lease and "lease" includes an agreement for a lease.

30. For the purposes aforesaid, a loan shall be deemed to fall due for repayment, and an instalment of a loan shall be deemed to fall due for payment, on the earliest date on which the lender could require repayment or, as the case may be, payment if he exercised all options and rights available to him.

MONETARY LIMITS RELATING TO WINDING UP

PART I

INCREASES IN SUMS SPECIFIED IN PRINCIPAL ACT

Provision of principal Act	Subject-matter	Present sum	New sum
Section 211 (a).	Minimum debt for service of statutory demand.	Fifty pounds.	£200
Section 294 (1) (d) and (e).	Offence by past or present officer of company of concealing or removing property of company confined to cases where value of property exceeds a minimum amount.	Ten pounds.	£120
Section 349 (5) (a).	Minimum debt for service of statutory demand in case of unregistered company.	Fifty pounds.	£200

PART II

TRANSITIONAL PROVISIONS

1. No increase in any sum specified in section 211 (a) or 349 (5) (a) of the principal Act shall affect any case in which the winding-up petition was presented before the coming into force of the increase.
2. No increase or reduction in the sum specified in section 287 (2) of the principal Act shall affect any case where the relevant date within the meaning of that section (or where that section applies by virtue of section 92 of that Act, the date referred to in section 92 (2)) occurred before the coming into force of the increase or reduction.

PRESCRIBED FORMS FOR PRINCIPAL ACT

In section 5 (9) (b) (i) of the principal Act after the word "notice" there shall be inserted the words "in the prescribed form".

In section 7 (3) of the principal Act after the words "notice of the increase" there shall be inserted the words "in the prescribed form".

In section 15 (2) of the principal Act after the words "A statutory declaration" there shall be inserted the words "in the prescribed form".

In section 52 (1) (a) of the principal Act after the words "return of the allotments" there shall be inserted the words "in the prescribed form".

In section 62 (1) of the principal Act after the words "notice thereof" there shall be inserted the words "in the prescribed form".

In section 85 (2) of the principal Act after the word "notice" there shall be inserted the words "in the prescribed form".

In section 93 (8) of the principal Act after the word "particulars" in both places where it occurs there shall be inserted the words "in the prescribed form".

In section 98 of the principal Act for the words "on evidence being given to his satisfaction" there shall be substituted the words "on receipt of a statutory declaration in the prescribed form verifying".

In section 100 of the principal Act after subsection (3) there shall be inserted—
“(3A) Any notice under this section shall be in the prescribed form”.

In section 107 (5) of the principal Act after the word "notice" there shall be inserted the words "in the prescribed form".

In section 116 (2) of the principal Act after the word "notice" there shall be inserted the words "in the prescribed form".

In section 120 (1) of the principal Act after the word "return," in the first place where it occurs, there shall be inserted the words "in the prescribed form".

In section 172 (1) (a) of the principal Act for the words "in writing" there shall be substituted the words "in the prescribed form".

In section 200 (3) (b) of the principal Act for the word "require" there shall be substituted the words "himself give notice in the prescribed form requiring".

In section 323 (1) (a) of the principal Act for the words "send notice to the company of his appointment" there shall be substituted the words "send to the company notice of his appointment in the prescribed form".

In section 332 (1) of the principal Act after the words "at any time" there shall be inserted the words "on making application in the prescribed form".

In section 334 of the principal Act, in paragraph (a) after the word "list" in the first place where it occurs and in paragraph (c) after the word "statement" there shall be inserted the words "in the prescribed form".

In section 336 of the principal Act for the words "a statutory declaration of" there shall be substituted the words "a statutory declaration in the prescribed form made by".

In section 356 (1) of the principal Act, in paragraph (b) after the word "list" there shall be inserted the words "in the prescribed form"; in paragraph (c) immediately before the words "the names and addresses" there shall be inserted the words "a list in the prescribed form of"; and after that paragraph there shall be inserted—

“(d) a list in the prescribed form of the documents mentioned in paragraphs (a) to (c).”.

In section 380 (1) of the principal Act after the word "statement" there shall be inserted the words "in the prescribed form".

SCHEDULE 10 TO THE PRINCIPAL ACT, AS SUBSTITUTED
PROVISIONS OF COMPANIES ACTS APPLIED TO UNREGISTERED COMPANIES

Subject matter	Provisions applied	Limitations on Application
Prospectuses and allotments.	Sections 37 to 46, 50, 51 and 55 of and Schedule 3 to this Act.	To apply so far only as may be specified by regulations made by the Department and to such bodies corporate as may be so specified.
Annual return.	Sections 119 to 121, 123 and 380 of and Schedule 5 to this Act.	To apply so far only as may be specified as aforesaid and to such bodies corporate as may be so specified.
Accounts and audit.	Sections 143 to 157, 187, 188 and 381 of and Schedule 6 (except paragraphs 2 (a) to (d), 3 (c) to (e) and 8 (1) (c)) to this Act. Articles 3 to 9, 14 to 16, 18 to 20, 22, 23, 25 to 33 and 44 to 52 of the Companies (Northern Ireland) Order 1978.	To apply so far only as may be specified as aforesaid and to such bodies corporate as may be so specified.
Investigations.	Sections 158 to 166 of this Act.	—
Register of directors and secretaries.	Section 191 of this Act.	—
Miscellaneous matters.	Section 385 of this Act. Articles 123, 124, 128 to 132 and 148 of the Companies (Northern Ireland) Order 1978.	To apply so far only as may be specified as aforesaid and to such bodies corporate as may be so specified.
Registration of documents, enforcement and other supplemental matters.	Sections 189, 373 to 376, 384, 386, 388 to 392, 398 (1) and 399 of and Schedule 11 to this Act. Articles 24 (1), 126, 127 and 149 of the Companies (Northern Ireland) Order 1978.	To apply so far only as they have effect in relation to provisions applying by virtue of the foregoing entries in this Schedule.

MINOR AND CONSEQUENTIAL AMENDMENTS

PART I

The Principal Act

In section 15 (2) for the words "a person named in the articles as a director or secretary of the company" there shall be substituted the words "a person named as director or secretary of the company in the statement delivered under Article 57 of the Companies (Northern Ireland) Order 1978".

In sections 38 (7) (b) and 39 (1) (b) for the words "dealt in or quoted" there shall be substituted the word "listed".

In section 51 (1) for the words "dealt in" there shall be substituted the word "listed".

In section 52 (1) at the end of paragraph (a) there shall be inserted the words "whether on account of the nominal value of the share or by way of premium".

In section 81 after the word "company" there shall be inserted the words "or the seal kept by the company by virtue of Article 132 of the Companies (Northern Ireland) Order 1978".

In section 98 (a) for the word "given" there shall, notwithstanding the repeal by this Order of section 1 (4) of the Companies (Amendment) Act (Northern Ireland) 1963, continue to be substituted the word "created".

In section 101 after the word "Part" there shall, notwithstanding the repeal by this Order of section 1 (5) of the Companies (Amendment) Act (Northern Ireland) 1963, continue to be inserted the words "including every order or notice a copy of which has been delivered to the company under section 95A".

In section 103 (1) for the words from "The copies" to "companies" there shall, notwithstanding the repeal by this Order of section 1 (6) of the Companies (Amendment) Act (Northern Ireland) 1963, continue to be substituted the words "The copies of instruments referred to in section 101".

In section 143 for subsection (6) there shall be substituted—

"(6) If any balance sheet or profit and loss account of a company, of which a copy is laid before the company in general meeting or is delivered to the registrar of companies, does not comply with the requirements of this section, and with the other requirements of the Companies Acts as to the matters to be stated in accounts, every person who, at the time when the copy is so laid or delivered, is a director of the company shall be guilty of an offence and, in respect of each such offence, shall be liable—

(a) on conviction on indictment, to a fine;

(b) on summary conviction, to a fine not exceeding £400;

so, however, that in any proceedings against a person for an offence under this section it shall be a defence for him to prove that he took all reasonable steps for securing compliance with the requirements in question."

In section 145 (1) for the words "the group accounts laid before a holding company" there shall be substituted the words "the group accounts of a holding company prepared under Article 3 of the Companies (Northern Ireland) Order 1978 (taken with section 144)".

In section 146 (1) for the words "The group accounts laid before a company" there shall be substituted the words "The group accounts of a holding company prepared under Article 3 of the Companies (Northern Ireland) Order 1978 (taken with section 144)".

In section 149 in subsection (1) after the words "balance sheet of a company" there shall be inserted the words "and every copy of such a balance sheet which is laid before the company in general meeting or delivered to the registrar of companies in pursuance

of Article 3 of the Companies (Northern Ireland) Order 1978"; and in subsection (3) for the words from "which" to "published" there shall be substituted—

- "(a) is laid before the company or delivered to the registrar of companies as mentioned in subsection (1) and is not signed as required by that subsection, or
- (b) not being a copy so laid or delivered, is issued, circulated or published in a case where the balance sheet has not been signed as required by subsection (1) or where (the balance sheet having been so signed) the copy does not include a copy of the signatures or signature, as the case may be".

In section 150 (1) for the words from the beginning to the words "general meeting" there shall be substituted the words "The profit and loss account of a company prepared under Article 3 of the Companies (Northern Ireland) Order 1978 and, so far as not incorporated in the balance sheet or profit and loss account, any group accounts of a holding company prepared under that Article taken with section 144".

In section 151 (1) for the words "laid before a company in general meeting" there shall be substituted the words "prepared under Article 3 of the Companies (Northern Ireland) Order 1978 (or under that Article taken with section 144)".

In section 284 (3) for the words from "sections two hundred and twenty-one" to "two hundred and twenty-nine" there shall be substituted the words "sections 221 to 223, 224 (except paragraph (h)), 228 to 229A, 236A, 242, 244A and 319A of this Act and Articles 66, 67 and 73 to 78 of the Companies (Northern Ireland) Order 1978" and in section 284 (4) for the words "rules of court" there shall be substituted the words "winding-up rules".

In section 300 for the words "the Attorney General" wherever they occur, there shall be substituted the words "the Director of Public Prosecutions for Northern Ireland".

Section 358 shall be renumbered as subsection (1) of that section and after that subsection there shall be inserted the following subsection:—

"(2) If any change is made in the corporate name of a company to which this Part applies, the company shall, within the prescribed time, deliver to the registrar for registration a return containing the prescribed particulars of the change."

In section 364 after the words "the purposes of this Part" there shall be inserted the words "and Articles 11 to 13 of the Companies (Northern Ireland) Order 1978".

In sections 365 (8) (b) and 366 (1) (b) for the words "dealt in or quoted" there shall be substituted the word "listed".

In section 381 (6) for the words "the Assurance Companies Act 1909" there shall be substituted the words "the Insurance Companies (Northern Ireland) Order 1976".

In section 384 (1) and (2) for the words "book of account" there shall be substituted the words "accounting records".

In sections 389 (1), 391 and 392 for the words "the Attorney General" there shall be substituted the words "the Director of Public Prosecutions for Northern Ireland".

In Schedule 1 in regulation 8 in Part I of Table A after the word "seal" there shall be inserted the words "or under the official seal kept by the company by virtue of Article 132 of the Companies (Northern Ireland) Order 1978".

In Schedule 1 in regulation 90 in Part I of Table A and Article 38 of Table C after the words "section 179 of the Act" there shall be inserted the words "or under Articles 53 or 54 of the Companies (Northern Ireland) Order 1978".

In Schedule 1 in regulation 112 in Part I of Table A and Article 57 of Table C before the words "The secretary" there shall be inserted the words "Subject to Article 57 (5) of the Companies (Northern Ireland) Order 1978".

In Schedule 1 in regulation 125 in Part I of Table A and Article 60 of Table C for the words from "shall cause proper books of account to be kept" to the end there shall be substituted the words "shall cause accounting records to be kept in accordance with Article 25 of the Companies (Northern Ireland) Order 1978".

In Schedule 1 for regulation 126 in Part I of Table A and Article 61 of Table C there shall be substituted—

“The accounting records shall be kept at the registered office of the company or, subject to Article 25 (6) and (7) of the Companies (Northern Ireland) Order 1978, at such other place or places as the directors think fit, and shall always be open to the inspection of the officers of the company.”

In Schedule 1 in regulation 128 in Part I of Table A and Article 63 of Table C for the words “sections 142, 144 and 151 of the Act” there shall be substituted the words “sections 144 and 151 of the Act and Articles 3, 8 and 9 of the Companies (Northern Ireland) Order 1978” and for the word “sections” there shall be substituted the word “provisions”.

In Schedule 1 in regulation 129 in Part I of Table A and Article 64 of Table C after the words “auditors’ report” there shall be inserted the words “and directors’ report”.

In Schedule 1 in regulation 132 in Part I of Table A and Article 65 of Table C for the words from “section 153” to the end there shall be substituted the words “Articles 26 to 31 and 33 of the Companies (Northern Ireland) Order 1978”.

In Schedule 1 in regulation 7 in Part II of Table A after the words “holding office for life” there shall be inserted the words “on the date of the coming into operation of Article 61 of the Companies (Northern Ireland) Order 1978”.

In Schedule 3 in paragraph 6 after the words “on each share” there shall be inserted the words “including the amount, if any, payable by way of premium” and at the end of that paragraph there shall be added the words “including the amount, if any, paid by way of premium”.

In Schedule 11 after the entry relating to section 95 there shall be inserted the following entry—

“Section 103A. Application of Part III to charges created, and property subject to charge acquired, by company incorporated outside Northern Ireland.”

PART II

MISCELLANEOUS AMENDMENTS

The Industrial Training Act (Northern Ireland) 1964 (c. 18)

In section 8 (2) for the words from “established in the United Kingdom” to the end of the subsection there shall be substituted the words “for the time being listed in Article 26 (1) (a) of the Companies (Northern Ireland) Order 1978”.

The Protection of Depositors Act (Northern Ireland) 1964 (c. 22)

In sections 2 (2) and 25 (2) the words “within the meaning of paragraph 23 of Schedule 6 to the Companies Act (Northern Ireland) 1960” (which there qualify “banking or discount company”) shall cease to have effect.

In section 13 (4) for the words from “the Companies Act” to “required by Part IV of that Act” there shall be substituted the words “the Companies Acts (Northern Ireland) 1960 and 1978 with respect to the accounts of which a copy is required by Article 3 of the Companies (Northern Ireland) Order 1978” and for the words “that Act” there shall be substituted the words “those Acts”.

In section 16 (1) (d) for the words “section 141 of the Companies Act (Northern Ireland) 1960 (books of account)” there shall be substituted the words “Article 25 of the Companies (Northern Ireland) Order 1978 (accounting records)” and for the words “books kept pursuant to that section” there shall be substituted the words “records kept pursuant to that Article”.

In section 27 (1) for the definition of “audited accounts” there shall be substituted the following definitions:—

“‘audited accounts’, in relation to a company, means accounts audited by a person who is qualified for appointment as auditor of that company;
‘banking or discount company’ means a company which satisfies the Department that it ought to be treated for the purposes of this Act as a banking company or as a discount company”.

The Pig Production Development Act (Northern Ireland) 1964 (c. 25)

In section 10 (1) for the words from “established in the United Kingdom” to “1960” there shall be substituted the words “for the time being listed in Article 26 (1) (a) of the Companies (Northern Ireland) Order 1978”.

The Legal Aid and Advice Act (Northern Ireland) 1965 (c. 8)

In section 12 (3) for the words “established in the United Kingdom” to the end of the subsection there shall be substituted the words “for the time being listed in Article 26 (1) (a) of the Companies (Northern Ireland) Order 1978”.

The Fisheries Act (Northern Ireland) 1966 (c. 17)

In section 31 for the words from “recognised” to the end of the section there shall be substituted the words “listed in Article 26 (1) (a) of the Companies (Northern Ireland) Order 1978”.

The Livestock Marketing Commission Act (Northern Ireland) 1967 (c. 21)

In section 9 (2) for the words from “established in the United Kingdom” to the end of the subsection there shall be substituted the words “for the time being listed in Article 26 (1) (a) of the Companies (Northern Ireland) Order 1978”.

The Building Societies Act (Northern Ireland) 1967 (c. 31)

In section 86—

- (a) in subsection (1) (e) for the words from “established in the United Kingdom” to the end there shall be substituted the words “for the time being listed in Article 26 (1) (a) of the Companies (Northern Ireland) Order 1978”;
- (b) in subsection (2) for the words “under section 155 (1) (b) of the Companies Act (Northern Ireland) 1960” there shall be substituted the words “under Article 26 (1) (b) or (c) of the Companies (Northern Ireland) Order 1978”.

The Transport Act (Northern Ireland) 1967 (c. 37)

In section 53 (2) for the words “the Companies Act (Northern Ireland) 1960” there shall be substituted the words “the Companies Acts (Northern Ireland) 1960 and 1978”.

The Industrial and Provident Societies Act (Northern Ireland) 1969 (c. 24)

In section 41 (1) for the words in paragraph (e) from “established in the United Kingdom” to the end of the paragraph there shall be substituted the words “for the time being listed in Article 26 (1) (a) of the Companies (Northern Ireland) Order 1978” and for the words “under section 155 (1) (b) of that Act” there shall be substituted the words “under Article 26 (1) (b) of that Order”.

The Judgments (Enforcement) Act (Northern Ireland) 1969 (c. 30)

In section 79 (1) for the words “and 1963” there shall be substituted the words “and 1978”.

The Harbours Act (Northern Ireland) 1970 (c. 1)

In section 30 (3) for the words “the Companies Act (Northern Ireland) 1960” there shall be substituted the words “the Companies Acts (Northern Ireland) 1960 and 1978”.

The Friendly Societies Act (Northern Ireland) 1970 (c. 31)

In section 29 (1) for the words in paragraph (e) from “established in the United Kingdom” to the end of the paragraph there shall be substituted the words “for the time being listed in Article 26 (1) (a) of the Companies (Northern Ireland) Order 1978” and for the words “under section 155 (1) (b) of that Act” there shall be substituted the words “under Article 26 (1) (b) of that Order”.

The Electricity Supply (Northern Ireland) Order 1972
(S.I. 1972/1072 (N.I. 9))

In Article 24 for the words from “recognised” to the end of the Article there shall be substituted the words “listed in Article 26 (1) (a) of the Companies (Northern Ireland) Order 1978”.

The Finance (No. 2) Act 1975 (c. 45)

In Part IV of Schedule 12 in paragraph 6 (1) for the words “Companies Act (Northern Ireland) 1960” there shall be substituted the words “Companies Acts (Northern Ireland) 1960 and 1978” and for paragraph 6 (2) there shall be substituted the following—

“(2) In this paragraph “the corresponding provisions of the Companies Acts (Northern Ireland) 1960 and 1978” means Article 131 of the Companies (Northern Ireland) Order 1978, sections 119, 120 and 121 of the Companies Act (Northern Ireland) 1960, Article 3 of the Companies (Northern Ireland) Order 1978, sections 191 (6), 356 and 358 of the Companies Act (Northern Ireland) 1960, Article 11 of the Companies (Northern Ireland) Order 1978 and section 360 of the Companies Act (Northern Ireland) 1960.”.

The Industry Act 1975 (c. 68)

In paragraph 7 (2) of Schedule 2 for the words “section 155 (1) (a) of the Companies Act (Northern Ireland) 1960” there shall be substituted the words “for the time being listed in Article 26 (1) (a) of the Companies (Northern Ireland) Order 1978”.

The Insurance Companies (Northern Ireland) Order 1976
(S.I. 1976/59 (N.I. 3))

In Article 21 (1) for the words “the Companies Act (Northern Ireland) 1960” there shall be substituted the words “the Companies Acts (Northern Ireland) 1960 and 1978”.

In Article 47—

(a) for paragraph (1) there shall be substituted the following paragraph—

“(1) Section 163 (1) of the Companies Act (Northern Ireland) 1960 (power of Department to bring civil proceedings on behalf of body corporate) shall have effect in relation to an insurance company to which this Part applies (whether or not a body corporate) as if the reference to any information or document obtained under the provisions there mentioned included a reference to any information or document obtained under this Order or any enactment repealed thereby.”;

(b) in paragraph (2) for the words “paragraph (1)” there shall be substituted the words “the said section 163 (1)”;

(c) paragraphs (3) to (5) shall cease to have effect.

In Article 57—

(a) in paragraph (1) (c) for the words from “section 141” to “produce books” there shall be substituted the words “Article 25 of the Companies (Northern Ireland) Order 1978 with respect to the keeping of accounting records, has failed to satisfy that obligation or to produce records”;

(b) in paragraph (3) for the words from “from any report” to the end there shall be substituted the words “that it is expedient in the public interest that the company should be wound up, the Department may, unless the company is

already being wound up by the court, present a petition for it to be so wound up, if the court thinks it just and equitable for it to be so wound up”;

(c) paragraphs (5) and (6) shall cease to have effect.

In Article 58 after paragraph (4) there shall be inserted the following paragraph—

“(4A) In relation to the assets falling within either sub-paragraph of paragraph (3) the creditors mentioned in paragraphs (1) and (2) of Article 73 of the Companies (Northern Ireland) Order 1978 shall be only those who are creditors in respect of liabilities falling within that sub-paragraph; and any general meetings of creditors summoned for the purposes of that Article shall accordingly be separate general meetings of the creditors in respect of the liabilities falling within each sub-paragraph.”.

In Article 86 (2) after the words “and 373” there shall be inserted the words “and Articles 11 to 13 of the Companies (Northern Ireland) Order 1978”.

Article 153 (2).

SCHEDULE 7

REPEALS

Chapter or Number	Short Title	Extent of Repeal
1960 c. 22.	The Companies Act (Northern Ireland) 1960.	<p>Section 16.</p> <p>In section 18 (2) the words from “If a company” to the end of the subsection.</p> <p>In section 29 the words from “paragraph (a) of subsection (4)” to the words “section one hundred and fifty-two”.</p> <p>Section 65 (1) (g).</p> <p>In section 72 (2) the words “Subject to subsection (7)”.</p> <p>Section 72 (7).</p> <p>In section 96, in subsection (1) the words “on payment of such fee as may be specified by regulations made by the Ministry”, in subsection (3) the words from “on payment” to the end, and subsection (4).</p> <p>In section 100, in subsection (1) the words “on payment of such fee as may be specified by regulations made by the Ministry”, and subsection (4).</p> <p>Section 104.</p> <p>Section 122.</p> <p>In section 127 (1) (a) the words “where the company is neither a private company nor an unlimited company and ten days’ notice in writing where it is a private company or an unlimited company”.</p>

Chapter or Number	Short Title	Extent of Repeal
1960 c. 22. (<i>contd.</i>)	The Companies Act (Northern Ireland) 1960. (<i>contd.</i>)	<p>In section 127 (2) (a) the words "where the company is neither a private company nor an unlimited company and by ten days' notice in writing where it is a private company or an unlimited company".</p> <p>In section 127 (3) the words "by the auditors of the company, and".</p> <p>In section 130 (3) the words "(other than a private company)".</p> <p>In section 130 (4) the words "Subject to subsection (5)," and ", or, in the case of a private company, more than twenty-four hours,".</p> <p>Section 130 (5).</p> <p>In section 137 (2) the word "private".</p> <p>Section 137 (5) (e).</p> <p>Sections 141 and 142.</p> <p>Section 143 (7).</p> <p>Section 147 (2).</p> <p>Section 151 (2), except in relation to a report attached to a balance sheet of a body corporate laid before it in general meeting in respect of a financial year ending before the coming into operation of Article 45.</p> <p>Section 151 (3).</p> <p>In section 152 (1) the words "in the case of a company not being a private company".</p> <p>Section 152 (2).</p> <p>In section 152 (7) the words "or subsection (2)".</p> <p>Section 152 (8) (b).</p> <p>Sections 153 to 156.</p> <p>In section 169 (1) the words "after the expiration of three months from the commencement of this Act".</p> <p>Section 169 (2).</p> <p>In section 172 (1) the words from "shall not be capable" to "articles, and" and the words "the registration of the articles or".</p> <p>Section 172 (4).</p> <p>Section 176 (5).</p> <p>In section 181 (1) paragraph (a).</p> <p>Section 186.</p> <p>In section 189 (1), the words "one hundred and eighty-six and".</p>

Chapter or Number	Short Title	Extent of Repeal
1960 c. 22. (<i>contd.</i>)	The Companies Act (Northern Ireland) 1960. (<i>contd.</i>)	<p>Section 189 (2). Section 208. Section 224 (a), (b) and (c) Section 225 (2). Section 227 (4). Section 247. Section 297. In section 340 the words "and on payment of such fees, if any, as are payable under the following provisions of this Act". In section 350 (2) the words "or marriage of any female contributory" and "and to the liabilities of husbands and wives". Section 359. In section 374 (1) in paragraph (a) the words from "on payment" to the end and in paragraph (b) the words from "on payment" to the end. Section 390. In section 399 (4) the word "not". Section 403 (5). Section 403 (9) (d). In Schedule 2, in paragraph 6 the words "under this Act". In Schedule 3, in paragraph 30 the words "under this Act". In Schedule 4, in paragraph 6 the words "under this Act". In Schedule 5, in the forms of certificates and other documents accompanying the annual return, the words from "either a private company" to "1960, or". Schedules 7 and 8. In Schedule 11 the entries relating to sections 156 (1) and (3) and 359. Schedule 14.</p>
1963 c. 25.	The Companies (Amendment) Act (Northern Ireland) 1963.	The whole Act.
1964 c. 22.	The Protection of Depositors Act (Northern Ireland) 1964.	<p>In section 2 (2) the words "within the meaning of paragraph 23 of Schedule 6 to the Companies Act (Northern Ireland) 1960". In section 4 paragraphs (b), (c) and (e). Section 13 (7), except in relation to an annual return made after the coming into operation of Article 3 to which section 122 of the principal Act applies.</p>

Chapter or Number	Short Title	Extent of Repeal
1964 c. 22 (<i>contd.</i>).	The Protection of Depositors Act (Northern Ireland) 1964. (<i>contd.</i>)	In section 15, in subsection (1) the words "Subject to subsection (3)," and paragraphs (b), (c) and (d) and subsection (3). Sections 18, 19 and 20. In section 25 (2) the words "within the meaning of paragraph 23 of Schedule 6 to the Companies Act (Northern Ireland) 1960".
1965 c. 6.	The Trading Stamps Act (Northern Ireland) 1965.	Section 1 (2).
1969 c. 30.	The Judgments (Enforcement) Act (Northern Ireland) 1969.	In Schedule 4 the amendment to section 101 of the Companies Act (Northern Ireland) 1960.
1972 c. 11.	The Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972.	In Schedule 2 in paragraph 14 (1), paragraph (b), the word "or" immediately preceding that paragraph and the words "or company".
1972 c. 41.	The Finance Act 1972.	In Schedule 2 paragraph 14 (2) (b). In section 41, in subsection (1) (d) the words "or section 287 of the Companies Act (Northern Ireland) 1960" and "or section 92 of the Act of 1960", in subsection (2) (d) the words "or section 287 of the Act of 1960" and "or section 92 of the Act of 1960". In Schedule 7, in paragraph 18 (1) (d) the words "or section 287 of the Companies Act (Northern Ireland) 1960" and "or section 92 of the Act of 1960". In Schedule 7 in paragraph 18 (2) (d) the words "or section 287 of the Act of 1960" and "or section 92 of the Act of 1960".
S.I. 1973/ 414 (N.I. 5).	The Financial Provisions (Northern Ireland) Order 1973.	Article 1 (2). Article 7.
1975 c. 18.	The Social Security (Consequential Provisions) Act 1975.	In Schedule 2 paragraph 80.
S.I. 1975/ 1503 (N.I. 15).	The Social Security Pensions (Northern Ireland) Order 1975.	In Schedule 5 paragraph 5.

Chapter or Number	Short Title	Extent of Repeal
S.I. 1976/ 59 (N.I. 3).	The Insurance Companies (Northern Ireland) Order 1976.	Articles 42 and 43. Article 47 (3), (4) and (5). Articles 48 to 52. Articles 72 (4) to (6) and (10). In Schedule 1 the amendments to the Companies Act (Northern Ireland) 1960.
S.I. 1976/ 2147 (N.I. 28).	The Industrial Relations (No. 2) (Northern Ireland) Order 1976.	Article 43 (1) (a).
S.I. 1977/ 1253 (N.I. 20).	The Preferential Payments in Insolvency (Northern Ireland) Order 1977.	Article 1 (2). Article 3.
S.I. 1977/ 1254 (N.I. 21).	The Stock Exchange (Completion of Bargains) Order (Northern Ireland) 1977.	Article 2 (3). Articles 3 to 6.
S.I. 1977/ 2157 (N.I. 28).	The Rates (Northern Ireland) Order 1977.	In Part I of Schedule 15. paragraph 12.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order—

- (a)** makes new provision as to the period which constitutes a financial year of a company and provides for the preparation, laying and delivery of accounts for each financial year and for accounting records to be kept and preserved;
- (b)** makes new provision as to the contents of accounts and directors' and auditors' reports;
- (c)** amends the law relating to auditors and directors;
- (d)** provides for the appointment of an Official Assignee and generally amends the law relating to the winding up of companies;
- (e)** abolishes certain privileges attaching to private companies;
- (f)** penalizes dealings by directors, their spouses or children in certain options and makes provision requiring the disclosure to the company of certain facts concerning directors;
- (g)** gives the Department new powers to inspect the books and papers of companies and extends the powers of the Department and inspectors to investigate the affairs of companies;
- (h)** provides for the notification to listed companies of the acquisition or disposal of substantial interests in shares carrying unrestricted voting rights and provides also for making the notified information available for inspection;
- (i)** provides for the re-registration of limited companies as unlimited companies and vice versa;
- (j)** gives the Department additional powers of control over the names of companies;
- (k)** amends the law relating to the delivery of certain documents to the registrar of companies and provides additional sanctions for failure to deliver documents to him;
- (l)** relaxes the rules restricting banking partnerships to 10 persons and partnerships of persons carrying on other businesses to 20 persons;
- (m)** re-enacts the provisions of the Companies (Amendment) Act (Northern Ireland) 1963 and the Companies (European Communities) Order (Northern Ireland) 1972; and
- (n)** otherwise amends the Companies Act (Northern Ireland) 1960.