



COMPANY SECRETARIAL AND CORPORATE GOVERNANCE

Have you Made an Error on your Accounts?

by

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Having filed your accounts with the CRO have you ever subsequently realised that they contain an error? There was previously no way to correct those errors.

New provisions have been introduced under the Companies Act 2014 (the Act) which provide for the revision of financial statements. Directors may now voluntarily correct defective financial statements even though they have already been presented to the members and filed with the Companies Registration Office (CRO).

The Act offers two options for revision of the financial statements and director's report depending on the type of error.

Supplementary Note

A supplementary note may be used where amounts and the presentation of the profit and loss account and balance sheet or other statements are not affected by the revision.

Revised Financial Statements or Director's Report.

In any instance where the primary statements or the director's report are impacted, then the revised financial statements or director's report must be filed with the CRO. The revised statements or report will replace the original and become the company's statutory financial statements or director's report. In addition, a statement from the directors, must be included, in a prominent position, stating that they replace the original statements or report and that they are correct to the date of the original report and do not deal with events since that date.

The revised financial statements or director's report must be submitted to the CRO within 28 days of the date of revision. The next set of financial statements must refer to the revision and must also provide the particulars of the revision and an explanation as to why the revision was necessary.

This change is a welcome development. Revisions of the director's report or statutory financial statements to correct errors were not previously permitted. Practical changes such as these are an example how the Companies Act 2014 has made it easier and more cost effective to operate a company in Ireland.

If your company becomes aware of an error in its financial statements and/or director's report after they've been submitted to the CRO, you may want to consider one of the options outlined above.

If you require assistance with filing the revised financial statements and/or director's report, our experienced Company Secretarial team will be happy to assist you.

Please contact us at cosec@lkshields.ie.

About the Authors