

1st February 2009

Late Filing Penalties

Section 441 of the Companies Act 2006 requires all companies to deliver annual accounts to the Registrar of Companies by the due date. Section 453 specifies that a civil administration penalty shall be payable if the accounts are delivered late, and provides for the Secretary of State to specify the level of this penalty through regulations.

To increase the effectiveness of the late filing penalties, when section 453 comes into force Companies House will change the current schedule of late filing penalties as contained in section 242A of the Companies Act 1985. In parallel, the Government will amend section 242A of the 1985 Act so that these changes also apply to accounts prepared under the 1985 Act but delivered late on or after 1st February 2009 when the updated penalties come into force.

What are late filing penalties?

Late filing penalties were introduced in 1992 to encourage directors of limited companies to file their accounts on time because they must provide this statutory information for the public record.

What are the changes being introduced?

- All penalties to be increased to take account of inflation between 1992 and 2007
- A faster rate of increase in penalties for companies who file more than one month late.
- A doubling of the penalty for any company which files late having also filed late in the previous year.

What are the new late filing penalties?

The new table of penalties is as follows: *

How late are the accounts delivered	Penalty – Private Company	Penalty - PLC
Not more than one month	£ 150	£750
More than one month but not more than three months	£375	£1500
More than three months but not more than six months	£750	£3000
More than six months	£1500	£7500

In addition where there was a failure to comply with filing requirements in relation to the previous financial year (and that the previous financial year had begun on or after 6th April 2008), the penalty will be double that shown in the table.

When do these new penalties apply?

The new penalties will apply from 1st February 2009.

If my accounts are/were already overdue before the 1 February 2009 will the new penalties apply to me?

Regardless of when your accounts became overdue, from the 1st February 2009 the new penalties apply to **all** accounts delivered late.

How will I know when a penalty is levied?

If accounts are delivered late, an invoice is issued automatically to your registered office address.

Do the penalties apply to flat management and dormant companies?

Yes.

How can I avoid penalties?

Read the filing reminders that Companies House send to your registered office address.

Allow enough time to ensure that your accounts reach the Registrar within the period allowed in the Companies Act. First-class post is not guaranteed so if the filing deadline is looming, then please consider guaranteed methods of delivery that will ensure that your accounts arrive on time. Remember: the Registrar will not waive a penalty if your accounts are delayed in the post.

You can now file certain categories of accounts using our Software Filing or WebFiling services using the Companies House website. If you file your accounts electronically you will benefit from an email acknowledging receipt of your accounts.

What will happen if the penalty is not paid?

The penalty will be referred to collection agents. If it remains unpaid, legal action may be taken which could result in a County Court judgement or a Sheriff Court decree against your company.

Did the Late Filing Penalty changes go for public consultation?

Yes the original proposals went for public consultation on 20th July 2007, and all responses were required by 12th October 2007

Where can I find a copy of the consultation document and the response?

The consultation document and the response are both available on the publications pages

of the Companies House website at:

<http://www.companieshouse.gov.uk/companiesAct/publications.shtml>

Copies of the regulations are available on the OPSI website at:

http://www.opsi.gov.uk/si/si2008/uksi_20080497_en_1

14 day concession

Section 706 of the Companies Act 1985 required companies to deliver documents in a legible form and allowed 14 days from the date of any rejection letter to re-file them. There is no replacement in the Companies Act 2006 for this section and so it will cease to exist from 1st October 2009. A company will therefore no longer have 14 days from the date of the rejection letter in which to amend and return accounts in an acceptable format.

Do late filing penalties apply to other documents?

Where a company amends its articles of association, a copy of the amended articles must be sent to Companies House within 15 days. Failure to comply is a criminal offence.

From the 1st October 2009, the Companies Act 2006 introduces a new civil penalty of £200 for failure to comply. The penalty will only trigger if a company receives notice from the Registrar requiring it to deliver a copy of its amended articles and it does not comply within 28 days.

The company would remain liable to criminal proceedings in addition to the £200 civil penalty.

For more information please visit Companies House website at www.companieshouse.co.uk

Provided by Companies House