



This Guidance Note is designed to help you understand the requirements for filing the accounts and audit requirements for a company and specifically the legal requirements as well as the time limits for statutory filings.

Statutory filings time limits

The company's directors are responsible for ensuring that the company has up-to-date information about the company's affairs. The company's directors are responsible for ensuring that the company's affairs are kept up-to-date and that the company's accounts are filed on time. The company's directors are responsible for ensuring that the company's accounts are filed on time.

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Document / Event	Form
Annual Return	Companies House Form – Annual Return (CH-AR01)
Report and accounts	n/a
Appointment of director	Companies House Form – Appointment of Director (CH-AP01)
Removal and resignation of director	Companies House Form – Termination of Appointment of Director (CH-TM01)
Removal and resignation of company secretary	Companies House Form – Notice of Resolution Removing Auditors From Office (CH-AA03)
Removal or resignation of auditor	Companies House Form – Notice of Resolution Removing Auditors From Office (CH-AA03)

Returns of allotments
Shareholders' resolutions that amend the company's constitution, such as a special resolution of change of company name
Change of registered office

Month from the date	Companies House Form – Return of Allotment of Shares (CH-SH01)
Days of passing the	n/a
Days of the Board in the resolution authorising the	Companies House Form – Change of Registered Address (CH-AD01)

How to deal with Companies House

Information can be sent to Companies House either by post or completed online (known as 'Webfiling'). Further information is available on the Companies House website.

Alternatively the forms can be purchased from Companies House and returned by post. Most of the forms are available on the Simply-docs site.

Failure to send the required documents can be a civil and criminal offence, which can lead to penalties and a criminal record.

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How to prepare and file an annual return

An annual return is a snapshot of the company's current position as at the date of the return. It is filed by the company secretary (where one has been appointed) or a director or shareholder.

Every registered company must file an annual return no later than the anniversary of the company's formation or the anniversary of the company's last change of registered office (for pre-2006 Companies Act companies). This date is known as the **Legal Return Date**. The annual return must be submitted to Companies House within 28 days of the legal return date.

It is a criminal offence not to deliver the annual return within 28 days of the legal return date. Companies House may prosecute if the return is not filed on time.

If the company's registers are up to date, it is a relatively simple task to complete the annual return.

The annual return provides information about the company's directors, company secretary, registered office address, share capital and other key information.

The annual return must be submitted to Companies House each year, made up to a date not later than the anniversary of the company's last change of registered office (for pre-2006 Companies Act companies). This date is known as the **Legal Return Date**. The annual return must be submitted to Companies House within 28 days of the legal return date.

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Preparation and distribution of accounts

Preparing the annual accounts

The preparation of accounts for a company is the duty of the directors. There is no requirement for companies to use auditors, but if directors are uncertain about the requirements, they may consider seeking professional advice.

The directors' report provides a context for the accounts and creates a context for the figures.

A company's financial year is its accounting reference date. For all new companies, the first accounting reference date will be the last day in the month in which its first anniversary falls. The subsequent accounting reference dates will automatically be on the same day in the month as the first. For example, if a company was incorporated on 1 June 2008 its first accounting reference date would be 30 June 2009.

The accounting reference date of a company is set out in Form AA01 (See: [Companies House Form – Change of Accounting Reference Date](#)) for filing of the accounts.

The board of directors must pass a resolution approving the accounts (See: [Board Minutes - Approval of Statutory Accounts](#)). The balance sheet of the company must also be approved by shareholder approval.

If a private company's articles of association require the accounts to be approved by members at a general meeting, the company may remove that provision (See: [Articles of Association \(CO.AA.02\)](#)).

Distributing the report and accounts

Before they are filed with the registrar, the accounts must be distributed, regardless of the size of the company. Copies must be sent to every shareholder, debenture holders and persons entitled to notice of general meetings. If the accounts are sent by post, they can be sent by first class post.

A company may pass a resolution to allow it to send or supply documents to its members via a website. In any event, members always have the right to request a copy of the accounts.

Filing the report and accounts

Private companies must file the accounts with Companies House within 9 months of the accounting reference date. Failure to do so is a criminal offence. In addition, the law imposes a civil penalty on companies for late filing of accounts.

Small and Medium Sized companies

Every company needs to prepare accounts. However, a small or medium-sized company can file abbreviated accounts with Companies House.

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In order to qualify for an exemption from the table below.

Small company
Turnover must not exceed £6.5 million
Balance sheet total* must not exceed £3.26 million
Average number of employees must be less than 50

* Balance sheet total

The requirements for companies and 16 of the Companies Act 2006. The requirements for small companies are set out in Schedule 2 (Directors' Report) Regulations 2013.

The 2006 Act and the Regulations must contain. Such a report does not amount that the directors recommend.

If the accounts are abbreviated, must state that in the auditor's opinion, in accordance with the Companies Act 2006, if the company is exempt from a

Micro-entities

The Small Companies (Micro-Entities) Regulations 2013 came into force on 1 October 2013 and have effect in respect of financial years ending on or after 30 September 2013. The Regulations provide the smallest companies with the opportunity to prepare and publish simplified financial statements (profit and loss account and balance sheet) if they wish. The micro-entities exemption applies to companies that are formed and registered under the Companies Act 2006 and have the benefit of the micro-entities exemption. The following criteria:

- Balance sheet total: £316,000
- Net turnover: £632,000
- Average number of employees: 10 (or fewer).

meet two out of the three size criteria in

Medium-sized company
Turnover must not exceed £25.9 million
Balance sheet total must not exceed £12.7 million
Average number of employees less than 250

plus the current assets

Companies' regime are set out in Parts 15 and 16 of the Companies Act 2006. The format and content of accounts for small companies and Groups (Accounts and

directors' report of a small company must contain a business review or a statement as to the dividend.

Companies must require a special auditor's report which is not entitled to deliver abbreviated accounts in the absence of a special auditors report is not necessary

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10 (or fewer).

Micro-entities will be able to draw up a balance sheet and profit and loss account. They will also continue to be exempt from filing the profit and loss account with Companies House. Further details are available on the Companies House website.

Is an audit required?

In a private company, an auditor must be appointed for each financial year, unless the directors resolve otherwise on the basis that the accounts are unlikely to be required to be audited. This decision must be reasonable.

Audit exemption for small companies

There is exemption from audit for small companies but only if they are eligible and wish to take advantage of the exemption. A company must

- (i) qualify as 'small' (see above)
- (ii) have a turnover of not more than £10 million.
- (iii) have a balance sheet total of not more than £5 million.

Even if a small company meets the criteria, it must still have the accounts audited if a member or members holding at least 10% of any class of shares are holding 10% of any class of shares.

An audit-exempt company *still* needs to have its accounts audited. The accounts will still need to be drawn up in accordance with the Companies Act 2006, and full unaudited accounts must be sent to Companies House, and full unaudited accounts must be sent to the company.

Appointment of an auditor

The 'period for appointing auditor' is the period during which the members (the 28 day period starting from the end of the financial year, or if earlier, the date on which the annual accounts and reports, or if earlier, the date on which the annual accounts and report were actually sent out).

The normal regime is that auditors are appointed by the members each year, unless any of the following apply:-

- the auditor was appointed by the members, or
- the company's Articles of Association provide for automatic re-appointment from year to year, or
- the company receives a resolution from the shareholders representing at least 90% of the total voting rights of all shareholders that the auditor should not be reappointed (unless the resolution provides otherwise), or
- the shareholders have passed a resolution that the auditor should not be re-appointed, or
- the directors have passed a resolution that no auditor or auditors should be appointed for the financial year.

The simplest way of dealing with the appointment of an auditor is by a general meeting (by way of ordinary resolution) at the first annual general meeting of the year after year.

In practice, the first set of audited accounts is usually prepared by the directors during the first financial year. If the members

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Appointment of auditors by directors

In private companies, the directors may appoint an auditor at any time, or, where a company has not appointed an auditor, at any time before the next 'period for appointing auditors'.

Appointment of auditors by shareholders

The shareholders may appoint an auditor by an ordinary resolution (See: [Shareholders' Ordinary Resolutions \(CO.ARA.01\)](#)) during a 'period for appointing auditors' or where the directors have failed to make an appointment.

Removal of the auditor by the shareholders

The shareholders of a company may remove an auditor at any time. The process is very similar to that required for the appointment of an auditor.

- the removal can only be done by an ordinary resolution (See: [Shareholders' Ordinary Resolutions \(CO.ARA.02\)](#)) to that effect;
- the meeting must be called by the directors (See: [Notice of Meeting \(CO.ARA.03\)](#));
- a copy of the intended resolution must be sent to the auditor upon receipt by the company;
- the auditor may make representations to the company in writing, and request that they be read out at the meeting. Unless the representations are received too late, the company must send a copy of the representations to the auditor. If a copy of the representations is not received, the auditor may (without affecting his right to be heard orally) require that his representations be read out at the meeting.

Form AA03 (See: [Companies Act 2006 \(CH-AA03\)](#)) must be filed with the Registrar of Companies within fourteen days of the general meeting removing the auditor.

Resignation of the auditor

If the auditor wishes to resign, he must send a written notice to the company, accompanied by a statement of the reasons for his resignation, unless he considers that there are no circumstances that need to be brought to the attention of shareholders or creditors. In which case, the auditor must deposit a statement to that effect with the Registrar of Companies. The resignation of the auditor will trigger the need for the appointment of a new auditor (See: [Appointment of Auditors \(CO.ARA.01\)](#)).

The company must send a copy of the resignation notice to Companies House within 14 days of receipt (See: [Companies Act 2006 \(CH-AA03\)](#)).

days of the annual accounts being laid before the company into place.

The first auditor of the company must be appointed by the directors (See: [Appointment of Auditors \(CO.CA.MM.03\)](#)). The directors must appoint an auditor at the company's first 'period for appointing auditors' or, where the directors have failed to do so, at any time before the next 'period for appointing auditors'.

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If the auditor supplies a statement, he has the right to deposit a signed copy with the company to convene a general meeting.

The auditor can request the company to provide a reasonable length of the company's accounts meeting convened on his request. If his term of office would have expired (had he not been proposed to fill the vacancy caused by his resignation), he may also request the company to convene a general meeting.

The directors must proceed to convene a general meeting after the date on which the auditor's resignation is received. If too late, the company must convene a general meeting. If a copy of the statement is received too late because of the company's default, the directors (orally) require that the statement be read out at the meeting.

Alternatively, the company may apply to the court (by application). If the court decides that the statement is a defamatory matter, they may order the auditor to pay the costs of the proceedings. The court is entitled to be sent copies of the statement and the order within 14 days of the court's decision.

If the court does not decide that the statement is a defamatory matter, then the company must send copies of the statement to every person who is entitled to be sent copies of the company's accounts.

If the auditor is connected with his resignation, he may also request the company to convene a general meeting, calling on the directors of the company to do so at once.

The auditor must provide the shareholders a statement in writing with his resignation either before the general meeting at which his term of office expires or at a general meeting at which it is renewed.

The statement must be received by the company for a day not more than 28 days before the general meeting. If the statement is received too late, the company must still send it to the shareholders when they give notice of the meeting, because it is received too late or because of the company's default, without affecting his right to be heard at the general meeting.

The company must notify the auditor of the court's decision to secure needless publicity for a defamatory statement. The statement need not be sent out and the company may pay all or in part. Every person who is entitled to be sent a statement setting out the effect of the court's decision.

The company must secure needless publicity for a defamatory statement by sending copies of the statement to every person who is entitled to be sent copies of the company's accounts within 14 days of the court's decision.