



This Guidance Note is designed to help you understand the requirements in relation to the administration of a company and specifically the legal requirements for filing the accounts and audit 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's statutory filings are up-to-date. Information about the company's statutory filings can be found in the [Company Secretary – Appointment & Removal](#). Responsibility rests with the directors and the company secretary. The documents to be filed, together with the time limits for filing, are set out in the table below.

Information in relation to the administration of a company and specifically the legal requirements for filing the accounts and audit requirements as well as the time limits for statutory filings.

Information that Companies House has up-to-date information about the company's statutory filings has been appointed (see: [Company Secretary – Appointment & Removal](#)) delegated to that individual (though ultimate responsibility rests with the directors and the company secretary). The table below sets out the main documents that need to be filed, together with the time limits for filing.

Document / Event	Time limit	Form
Annual Return	10 months after the end of the financial year	Companies House Form – Annual Return (CH-AR01)
Report and accounts	9 months after the end of the financial year	n/a
Appointment of director	14 days	Companies House Form – Appointment of Director (CH-AP01)
Removal and resignation of director	14 days	Companies House Form – Termination of Appointment of Director (CH-TM01)
Removal and resignation of company secretary	14 days	Companies House Form – Notice of Resolution Removing Auditors From Office (CH-AA03)
Removal or resignation of auditor	14 days of resolution to remove auditor	Companies House Form – Notice of Resolution Removing Auditors From Office (CH-AA03)



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

S A M P L E

within 1 month from the date	Companies House Form – Return of Allotment of Shares (CH-SH01)
on the date of passing the	n/a
within 14 days of the Board passing 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'). The online fee is lower than a postal submission). Further information is available on the Companies House website.

Alternatively the forms can be purchased from Companies House or available on the Simply-docs site.

Failure to send the required documents to Companies House can result in penalties and a criminal record.

Companies House provides a range of standard forms, some of which can be completed online (known as 'WebFiling'). The online fee is lower than a postal submission). Further information is available on the Companies House website.

Alternatively the forms can be purchased from Companies House or available on the Simply-docs site.

Failure to send the required documents to Companies House can result in civil and criminal offence, which can lead to penalties and a criminal record.

How to prepare and file an annual return

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

Every registered company must file an annual return each year, no later than the anniversary of the company's incorporation. For pre-2006 Companies Act companies, this date is known as the **Legal Return Date**. For post-2006 Companies Act companies, this date is known as the **Legal Return Date**. The return must be submitted to Companies House within 28 days of the legal return date.

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

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

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

Every registered company must file an annual return each year, made up to a date not later than the anniversary of the company's last anniversary (for pre-2006 Companies Act companies). This return must be submitted to Companies House within 28 days of the legal return date.

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

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

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 the period for which the accounts are prepared. For all new companies, the first accounting reference date will automatically be on the same date each year. For example, if a company is 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 prepare the accounts (See: [Board Minutes - Approval of Statutory Accounts](#)). The balance sheet of the company must be approved by the shareholders, there is no statutory requirement for shareholder approval.

If a private company's articles of association require the accounts to be approved by the 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 full set of report and accounts must be distributed, regardless of the size of the company. Copies must be sent to every shareholder, debenture holder and person entitled to notice of general meetings. If the accounts are sent by post, they can be sent to the registered office of each member and debenture holder.

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 for its financial year. However, a small or medium-sized company can file abbreviated accounts, known as 'abbreviated accounts' with Companies House.

S

A

M

P

L

F

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.

and creates a context for the figures.

Accounting Reference Date. For all new companies, the first accounting reference date will automatically be on the same date each year. For example, if a company is 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 prepare the accounts (See: [Board Minutes - Approval of Statutory Accounts](#)). The balance sheet of the company must be approved by the shareholders, there is no statutory requirement for shareholder approval.

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

Before they are filed with the registrar, the full set of report and accounts must be distributed, regardless of the size of the company. Copies must be sent to every shareholder, debenture holder and person entitled to notice of general meetings. If the accounts are sent by post, they can be sent to the registered office of each member and debenture holder.

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.

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 for its financial year. However, a small or medium-sized company can file abbreviated accounts, known as 'abbreviated accounts' with Companies House.

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

<i>Small company</i>	<i>Medium-sized company</i>
Turnover must not exceed £6.5 million	Turnover must not exceed £25.9 million
Balance sheet total* must not exceed £3.26 million	Balance sheet total must not exceed £10 million
Average number of employees less than 50	Average number of employees less than 250

* Balance sheet total

plus the current assets

The requirements for companies under the small companies' regime and 16 of the Companies Act 2006 are set out in Schedule 1 (Small Companies and Groups (Accounts and Directors' Report) Regulations 2008).

The requirements for companies under the small 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) Regulations 2008.

The 2006 Act and the Regulations 2008 require a directors' report of a small company must contain a business review or a statement as to the reasons why the company has not done so.

The 2006 Act and the Regulations 2008 require a directors' report of a small company must contain a business review or a statement as to the reasons why the company has not done so.

If the accounts are abbreviated, the auditor's report must state that in the auditor's opinion the accounts are in accordance with the Companies Act 2006 and the Regulations 2008 if the company is exempt from a full audit.

Small companies must require a special auditor's report which is entitled to deliver abbreviated accounts in accordance with the Regulations 2008 if a special auditors report is not necessary.

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 under the small companies regime. Only companies formed and registered under the Companies Act 2006 have the benefit of the micro-entities exemption. A micro-entity is defined as meeting two of the following criteria:

The Small Companies (Micro-entities) Regulations 2013 (SI 2013/3008) (SCMEA 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 under the small companies regime. Only companies formed and registered under the Companies Act 2006 have the benefit of the micro-entities exemption. A micro-entity is defined as meeting two of the following criteria:

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

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 £1 million.
- (iii) have a balance sheet total of not more than £500,000.

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

An audit-exempt company *still* needs to have its accounts audited. Unaudited accounts will still need to be distributed to members of 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 date of the accounts and reports, or if earlier, the date the accounts and reports 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 entitled to vote on a resolution that the auditor should not be reappointed (unless the Articles of Association provide 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 at a general meeting (by way of ordinary resolution) at the end of each year after year.

In practice, the first set of audited accounts is prepared by the directors during the first financial year. If the members do not appoint an auditor for the subsequent financial year

the 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.

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.

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

million.

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

An audit-exempt company *still* needs to have its accounts audited. Unaudited accounts will still need to be distributed to members of the company.

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

The normal regime is that auditors are appointed by the members each year, unless

- 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 entitled to vote on a resolution that the auditor should not be reappointed (unless the Articles of Association provide 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 at a general meeting (by way of ordinary resolution) at the end of each year after year.

In practice, the first set of audited accounts is prepared by the directors during the first financial year. If the members do not appoint an auditor for the subsequent financial year

(during the period for appointing auditors being circulated), the 'deemed reappointment'.

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 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 from office. The process is very similar to that required for the appointment of an auditor.

- the removal can only be done by ordinary resolution (See: [Shareholders' Ordinary Resolutions \(CO.ARA.02\)](#)) to that effect passed at a meeting of the shareholders;
- the meeting must be called in accordance with the company's articles of association;
- a copy of the intended resolution must be sent to the auditor affected immediately upon receipt by the company;
- the auditor may make representations to the company of a reasonable length, and request that they be read out at the meeting. Unless the representations are read out, a copy of the representations is not required to be read out at the meeting because of the company's articles of association (which may require them to be read orally).

Form AA03 (See: [Companies Act 2006 \(CH-AA03\)](#)) must be filed with Companies House within 14 days of the general meeting removing the auditor.

Resignation of the auditor

If the auditor wishes to resign, he must give notice to the company, accompanied by a statement of his reasons for resigning, unless he considers that there are circumstances which require the attention of shareholders or creditors. In such cases, he must deposit a statement to that effect with Companies House. The resignation of auditors will trigger the need for a new auditor to be appointed (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 \(CO.ARA.03\)](#)).

days of the annual accounts being prepared and put into place.

The directors may appoint the first auditor of the company at any time before the company's first 'period for appointing auditors' (See: [Appointment of Auditors \(CO.CA.MM.03\)](#)).

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

Removal of the auditor by the general meeting

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

- the removal can only be done by ordinary resolution (See: [Shareholders' Ordinary Resolutions \(CO.ARA.02\)](#)) to that effect passed at a meeting of the shareholders;
- the meeting must be called in accordance with the company's articles of association (which may require them to be read orally);
- a copy of the intended resolution must be sent to the auditor affected immediately upon receipt by the company;
- the auditor may make representations to the company of a reasonable length, and request that they be read out at the meeting. Unless the representations are read out, a copy of the representations is not required to be read out at the meeting because of the company's articles of association (which may require them to be read orally).

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

If the auditor wishes to resign, he must give notice to the company. The notice must be accompanied by a statement of his reasons for resigning, unless he considers that there are circumstances which require the attention of shareholders or creditors. In such cases, he must deposit a statement to that effect with Companies House. The resignation of auditors will trigger the need for a new auditor to be appointed (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 \(CO.ARA.03\)](#)).

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 copy of a reasonable length of the company's records of the meeting convened on his request. If his term of office would have expired (had he not resigned) or if he proposed to fill the vacancy caused by his resignation, he must also provide a copy of his resignation.

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 before the meeting. If a copy of the statement is not received 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 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 date of the court's decision.

If the court does not decide that the statement is defamatory matter, then the court 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 auditor is connected with his resignation, he must give notice, calling on the directors of the company to convene a general meeting of the shareholders of the company 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 proposed to fill the vacancy caused by his resignation.

The statement must be received by the company for a day not more than 28 days before the date on which the statement is received by it. If the statement is received by the shareholders when they give notice of a general meeting because it is received too late or after the meeting without affecting his right to be heard at the next general meeting.

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

The court may order the auditor to secure needless publicity for a defamatory statement to every person entitled to be sent a copy of the statement within 14 days of the court's decision.

S

A

M

P

L

F