

# ACCOUNTING REFERENCE DATE



The accounting reference date (ARD) is the date to which a company's financial statements will be drawn up each year – the company's financial year end.

Once incorporated, the ARD for a new company automatically becomes the end of the month in which the anniversary of the incorporation date of the company lies. This date can be altered at any time at the discretion of the directors, although there are strict rules governing such changes. It is possible in effect to set any date of the year as a company's ARD although it is usual practice for the date to be a month end. The rules governing how and when changes can be made become quite complicated and it is advisable never to leave decisions until the last minute. One important note here is that unless under exceptional circumstances, the ARD can be extended only once in any 5 year period.

In general terms, accounts for private companies must be filed within 9 months of the ARD, but note that for new companies, the first accounts must be filed no later than 21 months from the date of incorporation. This rule applies from the exact date of incorporation – not the end of that month. The accounting period cannot exceed eighteen months from the incorporation date. For public companies the filing period is reduced to 6 months from the ARD.

There are automatic financial penalties imposed by Companies House for late filing of accounts, as well as the possibility of criminal action against the company's directors for persistent failure to file accounts. CRO provides a comprehensive Managed Company Secretarial Service that will assist in monitoring these dates and provide advice regarding how and when necessary changes can be made. We can also recommend a firm of accountants in your local area who will be happy to assist you.