

All private companies must file accounts with Companies House within 9 months of the accounting reference date, but it is important to note that the maximum period allowed for a company's first accounts is 21 months from the incorporation date. This may reduce the expected 9 month period if the first accounting period is extended beyond twelve months. Beware that the 21 month rule applies from the incorporation date itself, not the month end in which the incorporation lies. This rule often catches out uninformed directors who expect to file their accounts by the end of the 21st month.

Example:

- A company is incorporated on 12 July 2018 making its accounting reference date 31 July and its first accounts will cover the period from incorporation to 31 July 2019
- The first accounts must be filed by 12 April 2020 – 21 months from the date of incorporation
- The second financial year will end on 31 July 2020 and must be filed by 30 April 2021 - 9 months from the ARD
- Regardless of any changes to the ARD, the first accounts of the company must be filed no later than 12 April 2020

There are automatic financial penalties imposed by Companies House in respect of late filing of accounts. Such fines can be as high as £1500 for private companies, and our experience shows that it is virtually impossible to defend against these penalties once they have been imposed.

The majority of smaller private limited companies only need an audit if their articles of association say they must or the shareholders ask for one. At present, companies who satisfy two of the following criteria do not need a formal audit:

- an annual turnover of no more than £10.2 million
- assets worth no more than £5.1 million
- 50 or fewer employees on average