



COMPANY SECRETARIAL AND COMPLIANCE

Annual Compliance –
Developments under the

Annual Compliance – Developments under the Companies Act 2014

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The Companies Act 2014 (the Act) introduced a number of changes to annual filing requirements.

For example, your company can no longer file two annual returns with the same set of financial statements, but there are a number of ways in which your company can change its annual return reference date (ARD). If your company is part of a group, it can align its ARD with its holding company or other subsidiaries. Furthermore, your company may also alter its financial year end (FYE) under the Act.

Filing two annual returns with the same set of accounts now disallowed

Prior to the commencement of the Act, companies could change their ARD to the maximum nine months from the FYE by filing the same set of financial statements twice in the same year. Since 31 March 2016 however, this is not possible as each set of financial statements must now start on the first day after the period covered by the last set of financial statements filed with the Companies Registration Office (CRO).

Change of ARD

Despite the limitation outlined above, companies can still change their ARD in one of the following ways.

1. Under section 346(1) of the Act, your company may file its annual return early and tick a box on the Form B1 to change its ARD to the date that the B1 is made up to.
2. Under section 346(2) of the Act, your company may, once in every five years, extend its ARD by up to six months by filing a Form B73 together with a Form B1 within twenty-eight days of the company's existing ARD.
3. A new provision, under section 356(5) of the Act provides that if your company is a member of a group, it may align its ARD with its holding company or other subsidiaries by filing a Form B78A with the CRO, with no five year restriction.

Change of FYE

The Act has introduced new parameters for financial periods. Now, under the Act, FYEs must not exceed eighteen months for the first financial year and twelve months (give or take seven days) for subsequent financial years. Under section 288(4) of the Act however, there is now an option for a company to, once in every five years, alter its FYE by filing a Form B83 with the CRO, as long as the new financial year does not exceed eighteen months.

If your company is a subsidiary or holding undertaking of another EEA undertaking, the five year rule in relation to this change to your FYE does not apply.

Impact

While the Act now provides flexibility for your company in providing ways to alter your ARD and/or FYE, your company should bear in mind that it must strictly adhere to the Act. Our experienced team will be happy to assist you to ensure that your company complies with these obligations.

Please contact a member of our team at cosec@lkshields.ie.

About the Author