



COMPANY SECRETARIAL AND CORPORATE GOVERNANCE

The Importance of Filing Annual Returns Accurately

by

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29th August 2018 | by

Can you afford to pay late filing penalties and lose your audit exemption due to incorrect information in your annual return?

In the past, when an annual return (Form B1) was filed in the CRO containing errors or omissions, the CRO sent this back for correction or amendment. Section 898 Companies Act 2014 required that all the errors/omissions in question must be corrected, with a fully compliant annual return delivered to the CRO within 14 days of the annual return being returned to the company.

As of 1 April 2018, Annual Returns will now automatically be rejected where the Annual Return has been submitted containing an error or requires correction. The Registrar of Companies will no longer use her discretion under Section 898 of the Companies Act 2014 in these cases and will not allow 14 days for the amendment required. Common errors occur when the signature page or overall certificate is not signed or where financial statements are not uploaded electronically.

New CRO rules now stipulate that in such circumstances, a new annual return must be submitted, financial statements uploaded and a new signed signature page be delivered to the CRO. Should this new annual return be submitted more than 28 days after the company's Annual Return Date, the Annual Return will be deemed late. This will have the usual negative results arising from the late filing of an annual return including:

1. Late filing penalties;
2. Loss of audit exemption and the future requirement to have audited financial statements filed; and
3. Conveying poor corporate compliance.

What can LK Shields do for you?

If you require assistance or more information on your company's statutory obligations, please contact a member of our Company Secretarial department who will be happy to assist in reviewing the annual compliance procedures of your company to ensure that it manages its CRO filing obligations efficiently.

About the Author