

## **Plan ahead to file accounts on time and avoid penalties**

All limited companies, whether they trade or not, must deliver annual accounts to Companies House each year. Directors are advised to file early, rather than leaving it until the 11th hour, when unforeseen circumstances could prevent you from being on time with the risk of financial penalties.

Directors have lots of responsibilities, including keeping company records up-to-date and making sure they're filed on time. Late filing could affect your credit score or access to finance. It can affect how others view your company and whether they want to do business with you. There are also financial penalties and legal consequences – you could get a criminal record, a fine or disqualification.

Even if an accountant files your company's accounts on your behalf, it's still your responsibility, as director, to make sure they're filed on time.

### ***Software filing***

Over 65 per cent of companies use software filing as their preferred method.

There are a variety of software providers that offer a range of accounting packages to prepare and file accounts. Most types of accounts can be filed using software, depending on the functionality of the software package you're using.

In the future, as part of new legislation brought about by the Economic Crime and Corporate Transparency Bill, you'll only be able to file your accounts using software. This means you'll no longer be able to file accounts on paper or using online services.

After the Bill achieves Royal Assent and becomes an Act, you'll be notified about the timetable for the phased roll-out of the change to software-only filing. If you don't already file using software, you will have time to make the change before it's a legal requirement.



### ***Avoid rejections***

You should only send paper accounts if your company cannot file online or by software. Accounts filed on paper need to be manually checked which can take over a week to process. You should send them well before the deadline to give you plenty of time to correct your accounts and resend them if they are rejected.

If you need any advice, please speak to your accountant.

***Published in the Wigan Observer 12<sup>th</sup> Sept 2023.***