

Details of Penalties

HMRC - Automatic flat-rate penalties for late Company Tax Returns

If you file your Company Tax Return late, your company or organisation will be charged a flat-rate penalty of £100. HMRC will charge a further £100 penalty if you file your return more than three months late.

If your Company Tax Return is late for three or more accounting periods in a row, the initial flat-rate penalty increases to £500 with a further £500 charged if you file your return more than three months late.

Companies House - Late Annual Accounts Penalties (Companies House):

How late are the accounts delivered	Penalty – Private Company
Not more than one month	£ 150
More than one month but not more than three months	£375
More than three months but not more than six months	£750
More than six months	£1500

The importance of having a good bookkeeper: There are penalties if you don't keep sufficient records for Corporation Tax

Your company or organisation must keep sufficient business records to allow you to file a complete and accurate Company Tax Return. Without proper records, it will also be very difficult to get your Company Tax Return right. So your company may also risk being charged penalties for filing an incorrect return.

If your company or organisation does not keep these records, it may be charged a penalty of up to £3,000. Generally HMRC only charges this type of penalty in serious cases - for example, where no records have been kept, records have been deliberately destroyed or your company or organisation has a history of failing to keep certain records.

We can help avoid penalties by monitoring the deadline and making sure the accounts are prepared in time, which means you will potentially save at least £2,000 on penalties.

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