



# limited liability partnership late filing penalties

GPLL4 - May 2010



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## Is this guidance for you?

This guide will be relevant to you if:

- you are a member of a limited liability partnership
- you act as an adviser to a limited liability partnership

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**This guide answers many frequently asked questions and provides information on completing the most commonly used filings relating to this area. The guide is not drafted with unusual or complex transactions in mind. Specialist professional advice may be needed in those circumstances.**

## Introduction

This guide applies to all limited liability partnerships (LLPs) registered in the United Kingdom (UK) i.e. England, Wales, Scotland and Northern Ireland. It explains how a late filing penalty will be imposed against the LLP if its accounts are not filed by the filing deadline. It will also tell you how to appeal if a late filing penalty has been imposed.

For the purposes of this guide the main legislation that applies to LLPs is:

- The Companies (Late Filing Penalties) and Limited Liability Partnerships (Filing Periods and Late Filing Penalties) Regulations 2008 SI 2008/497;
- The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 SI 2008/1911; and
- The Limited Liability Partnerships (Application of the Companies Act 2006) Regulations 2009 SI 2009/1804

This guide includes a number of terms which have the following meanings:

**Accounting reference date** – this is the last day of the month in which the anniversary of incorporation falls, unless the LLP has changed the date.

**Accounting reference period** – every LLP must prepare annual accounts that report on the performance and activities of the LLP during the financial year. The period reported in the accounts is called the accounting reference period. For a new LLP this starts on the day of incorporation and ends on the accounting reference date. Subsequent accounting reference periods start on the day after the previous accounting reference period ended and end on the accounting reference date, unless the LLP changes the accounting reference date (ARD).

**Filing deadline** – this is the date by which your accounts must be delivered to Companies House to avoid a late filing penalty being imposed.

**Financial year** – the financial year is the period for which accounts and reports must be prepared. Financial years are determined by reference to the accounting reference period.

Further information on accounts and accounting reference dates is in our guide - Life of a Limited Liability Partnership.

## Chapter 1

### Late filing penalties explained

#### 1. What are late filing penalties?

Parliament introduced late filing penalties in 1992 to encourage the filing of accounts and reports on time, because this information is required for the public record. All LLPs, whether trading or not, must send their accounts and the auditor's report on those accounts (unless exempt from audit), to Companies House by the filing deadline. If the designated members submit the LLP's accounts late the law imposes an automatic penalty.

The period allowed for filing your LLP's accounts depends on whether you are filing your first accounts since incorporation or subsequent accounts:

##### First accounts

If your first accounts cover a period of more than 12 months, they must be delivered to Companies House within 21 months of the date of incorporation or 3 months from the end of the accounting reference period which ever is longer. If the first accounts cover a period of 12 months or less, they must be delivered within 9 months from the end of the accounting reference period.

##### Subsequent accounts

In subsequent years you have 9 months from the end of the accounting reference period to file the accounts. However if you change the accounting reference period the filing time may be reduced. Further information on accounting reference dates and the filing deadline is in our guide - Life of a Limited Liability Partnership.

If you are a designated member of an LLP, you are personally responsible for ensuring you deliver the LLP accounts before the time allowed runs out. Delivery means actual receipt at Companies House in the correct format. If they are late a penalty is automatically imposed.

#### 2. How much are late filing penalties?

The level of the penalty depends on when the accounts reach Companies House and is shown in the following table.

**Length of delay (measured from the date the accounts are due)**

Length of period	Penalty
Not more than 1 month	£150
More than 1 month but not more than 3 months	£375
More than 3 months but not more than 6	£750

months	
More than 6 months	£1,500

For example a set of acceptable accounts for the accounting period ending 30 September 09 would need to be delivered by 30 June 2010 to avoid a late filing penalty. If they were not delivered to Companies House until 15 July 2010 they would incur a late filing penalty of £150.

The penalties will be doubled for late filing in two successive financial years beginning on or after 1 October 2008.

This means if your LLP has an accounting reference date of 30 September and the accounts for the period ending 30 September 09 were delivered late, as in the example above, and you delivered accounts for the subsequent period ending 30 September 2010 late then you would incur a £300 late filing penalty.

### **3. Do late filing penalties apply to any other LLP documents?**

No, the penalty only applies to LLP accounts.

### **4. Are late filing penalties the same as fines imposed on designated members for non-filing of annual accounts?**

No they are entirely different.

Failure to file accounts is a criminal offence which can result in the designated members being fined personally in the criminal courts. In addition, the registrar may take steps to strike the LLP off the public record. Failure to pay a late filing penalty can result in enforcement proceedings.

**Please note:** Your LLP could receive a late filing penalty and the designated members could incur a fine for the same set of accounts if you do not file the accounts within the filing deadline.

## **Chapter 2 How to avoid late filing penalties**

### **1. How can I avoid a penalty?**

Allow enough time to ensure that your accounts reach Companies House within the period allowed (we cover this in Chapter 1 question 1). If a filing deadline expires on a Sunday or Bank Holiday the law still requires accounts to be filed by the due date.

**Please Note:** First-class post does not guarantee next day delivery, so please consider guaranteed methods of delivery to ensure your accounts arrive on time, especially if your filing deadline is near.

To help you file on time:

- mark your diary or calendar to remind you in good time of the filing deadlines;
- read the filing reminders we send to your registered office;
- if appropriate, instruct your accountants in good time and remind them of the need to prepare and deliver your accounts on time.

**Please note:** If you have any doubts about the filing deadline date you can check when your accounts are due using the WebCheck service on our website.

## **2. Can I extend the time allowed for delivering the accounts?**

You should take appropriate measures to ensure your accounts are filed on time. However, if, before the filing deadline, there is a special reason, such as an unforeseen event outside the control of the LLP and its auditors, why the accounts might be filed late, you may make an application to extend the period allowed for filing to Companies House.

**Please note:** An extension will only be granted if the reasons are exceptional. More information on this is in our guide - Life of a Limited Liability Partnership.

## **3. What if Companies House rejects my accounts as incorrect?**

We cannot accept accounts until they meet the requirements of the legislation. If, for example, the balance sheet is not signed, we will return them for amendment. If you deliver the corrected accounts late the LLP will receive a late filing penalty. To avoid problems, we recommend that you deliver accounts as soon as they are complete and as far as possible in advance of the last date for delivery.

## **Chapter 3**

### **Once a late filing penalty has been imposed.**

#### **1. How will I know when a penalty has been imposed?**

If you deliver your accounts late and the auditor's report (if any) on those accounts, we will automatically issue an invoice to the LLP's registered office address.

#### **2. What is a penalty notice?**

The penalty notice gives details of the penalty/penalties imposed on the LLP. It shows the last date for filing, the date of filing of the accounts and the level of the penalty imposed.

#### **3. How do I pay the penalty?**

Information on how to pay the penalty is enclosed with the penalty notice.

#### **4. What happens if I do not pay the penalty?**

If you do not pay the penalty, we will ask our debt collectors to take action. Ultimately the matter will be decided in the County Court or Sheriff Court. You may wish to consider seeking professional advice because we may seek to recover our legal costs if the court finds in favour of the registrar.

#### **5. What happens if I restore an LLP to the register?**

If you restore an LLP to the register after it has been struck off or dissolved it will not be required to pay penalties that became due during the period it was dissolved. However, it will need to pay:

- unpaid penalties outstanding on accounts delivered late before the LLP was dissolved; and
- penalties due for accounts delivered on restoration, if the accounts were overdue at the date the LLP was dissolved.

More information about restoration is in our guide on Limited Liability Partnerships Strike off, Dissolution and Restoration.

### **Chapter 4**

#### **Late filing penalty appeals**

##### **1. Can I appeal?**

You may appeal against a penalty but it will only be successful if you can show that the circumstances are exceptional.

##### **2. What is exceptional?**

The registrar has very limited discretion not to collect a penalty. It may be applied when an unforeseen catastrophe strikes an LLP at a critical time. This might include, for example, a fire destroying records a few days before the filing deadline.

##### **3. What is not exceptional?**

The registrar cannot consider an appeal in the following circumstances as they are outside his discretion:

- your LLP is dormant;
- you cannot afford to pay;
- your accountant was ill;
- you relied on your accountant;

- these are your first accounts;
- you are not familiar with the filing requirements;
- your LLP or its members have financial difficulties (including bankruptcy);
- your accounts were delayed or lost in the post;
- the members live or were travelling overseas;
- another member is responsible for preparing the accounts.

#### **4. Do I still want to appeal?**

If, after reading the above, you still wish to appeal, you must do so in writing and address your letter to the address shown on the front page of the penalty notice. We will normally reply within 10 working days and will suspend recovery action while we are considering your appeal.

#### **5. What happens if my appeal is rejected?**

If your appeal is rejected you can write to the Senior Appeals manager, Late Filing Penalties Department at the appropriate office in Cardiff, Edinburgh or Belfast.

If the senior appeals manager upholds the penalty, you can ask for the Independent Adjudicators to review your case. All communication with the adjudicators must be in writing. Please do not write to the adjudicators until you have heard from the senior appeals manager. Further information about the adjudicators can be found on our website.

**Please note:** Parliament decided that discretion resides solely with the registrar. The registrar's discretion is limited and the adjudicators cannot force him to reverse his decision to collect a penalty

#### **6. Can I pay the penalty by instalments?**

Yes. If you have difficulty in paying the penalty outright then we will normally accept payment by monthly instalments. These are usually over 5 months and exceptionally over 10 months, depending on the amount you have to pay. You must make any request to pay by instalments in writing and explain why you cannot pay the penalty immediately.

## **Chapter 5 Quality of documents**

### **1. What happens to the documents I send to Companies House?**

We scan the documents and forms you deliver to us to produce an electronic image. We then store the original, paper documents and use the electronic image as the working document.

When a customer searches the public record, they see the electronic image reproduced on-line. So it is important not only that the original is legible, but that it can also produce a clear copy.

When you file a document electronically, we automatically create an electronic image from the data you have provided us with.

This chapter sets out some guidelines to follow when preparing a document for filing at Companies House.

## **2. How should I set out documents?**

### **Documents filed electronically**

Documents filed electronically must comply with the specifications set out by the registrar in his rules on electronic filing. The formats for software filing are contained in the rules published on the website, and our website contains all the formats you will need to file via that method. This facility is not currently available for LLPs but we are working towards this being available in the near future.

### **Paper documents**

Generally, every paper document sent to Companies House must state in a prominent position the registered name and number of the LLP. There are a few exceptions to this rule, which are set out in the published registrar's rules.

Paper documents should be on A4 size, plain white paper with a matt finish. The text should be black, clear, legible, and of uniform density. Letters and numbers must be clear and legible so that we can make an acceptable copy of the document. The following guidelines may help:

#### **When you fill in a form please:**

- use black ink or black type;
- use bold lettering (some elegant thin typefaces and pens give poor quality copies);
- don't send a carbon copy;
- don't use a dot matrix printer; and
- remember - photocopies can result in a grey shade that will not scan well.

#### **When you complete other documents, please remember:**

- the points already made relating to completing forms;
- to use A4 size paper with a good margin;
- to supply them in portrait format (that is with the shorter edge across the top); and
- to include the LLP number and name.

### 3. Where can I find out more about this?

For further guidance on print requirements please see our website or telephone 0303 1234 500

## Chapter 6 Further Information

### 1. How do I deliver information to Companies House?

For full details of all the ways of delivering documents to Companies House, electronically or on paper, please refer to the registrar's rules which appear on our website. The safest and most secure way to deliver statutory information to Companies House is to use our online filing services. This facility is not currently available for LLPs but we are working towards this being available in the near future.

If you are delivering documents by post, courier, Document Exchange Service (DX) or Legal Post (in Scotland) and would like a receipt, Companies House will provide an acknowledgement if you enclose a copy of your covering letter with a pre-paid addressed return envelope. We will barcode your copy letter with the date of receipt and return it to you in the envelope provided.

**Please note:** an acknowledgement of receipt does not mean that a document has been accepted for registration at Companies House.

**Please note:** Companies House does not accept any statutory documents by fax, PDF or by email.

### 2. Do I have to pay to file documents at Companies House?

You do not have to pay a fee for many of the documents that you have to send to Companies House, **but some do require a fee and we will not accept them for registration without it.** For full details you should refer to our website.

### 3. Can I file documents in other languages?

As a general rule the law requires that you file documents sent to Companies House in English. There are exceptions as detailed below. You can draw up and deliver documents in Welsh if you are an LLP with its registered office situated in Wales.

LLPs can deliver the following documents in other languages if the document is accompanied by a certified translation into English:

- For LLPs included in accounts of larger EEA (European Economic Area) or non-EEA groups, the group accounts and where appropriate the parent undertakings annual report;
- Charge instruments (or copy charge instruments);and
- Court Orders.

In addition, LLPs may also file voluntary certified translations of any document specified in section 1078 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Application of the Companies Act 2006) Regulations 2009. These are:

- Constitutional documents i.e. the LLP's incorporation document; any notice under section 8(4) of the Limited Liability Partnerships Act 2000 or notice of change of LLP name;
- Notifications of change in the membership of the LLP or in particulars of members;
- Accounts and annual returns;
- Notification of any change in an LLP's registered office;
- Winding up documents;

The voluntary translation must relate to a document delivered to Companies House on or after 1 October 2009. Voluntary translations can only be filed in an official language of the European Union and must be accompanied by Form LL VT01, which will link the translation to the original document.

#### **4. Where do I get forms and guides?**

This is one in a series of Companies House publications which provides a simple guide to the Companies Act.

All statutory forms and guides are available, free of charge from Companies House. The quickest way to get them is on our website or by telephoning 0303 1234 500. You can also obtain forms from LLP law stationers, accountants, solicitors and LLP formation agents.

# how to contact us

Version 2.1 (05/10)

contact centre: **0303 1234 500**

(For training and quality purposes your call may be monitored)

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For the most up to date version of this booklet please visit our website at:

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