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LIMITED COMPANIES

ZMARTLY FACTSHEET SERIES

Your Filing Fines Are Adding Up

Right now, two penalties are climbing against your company, one on your accounts and one on your tax return. Every month you wait, they jump to the next band. The good news: both stop the day you file. Here is exactly what it is costing you, and how to stop the clock this week.

Tax year **2026/27** · Prepared by **Harvey Dhillon** · Last reviewed **12 February 2026** · Sources: gov.uk

CORPORATION TAX	MARGINAL RELIEF BAND
19% – 25%	**£50,000 – £250,000**

01 The longer you wait, the more it costs

Your company has two clocks running, and both are set by one thing only, how long you wait. One is the Companies House penalty on your annual accounts. The other is the HMRC penalty on your Company Tax Return. Both climb in fixed bands, neither is a surprise, and both stop the moment you file. That is why filing now is always the cheapest move.

GOOD TO KNOW
The meter starts at £150 and climbs to £1,500 on the accounts alone, and with HMRC on top a behind director can be staring at £1,700 or more before any tax-based penalty bites.

02 Companies House, late annual accounts

For a private limited company filing its annual accounts late, the Companies House penalty rises with each band, and it doubles if your accounts are filed late in two successive financial years. A dormant company gets exactly the same penalties. These figures are fixed by Companies House and escalate purely by the passage of time.

- Up to 1 month late: £150 (£300 if late two years running)
- Over 1 month, up to 3 months: £375 (£750 if late two years running)
- Over 3 months, up to 6 months: £750 (£1,500 if late two years running)
- More than 6 months late: £1,500 (£3,000 if late two years running)

GOOD TO KNOW
Wait from month 2 to month 4 and the penalty jumps from £375 to £750, the same return, just filed later. Every band above is reached by doing nothing.

03 HMRC, late Company Tax Return

Separately, HMRC charges its own escalating penalties for a late Company Tax Return (the CT600), on top of any interest on Corporation Tax paid late. The 6 and 12 month charges are a percentage of the Corporation Tax unpaid at the deadline, so they can dwarf the fixed amounts.

- 1 day late: £200
- 3 months late: another £200, so £400 in total
- 6 months late: 10% of the unpaid Corporation Tax on top
- 12 months late: a further 10% of the unpaid tax, plus interest throughout

GOOD TO KNOW
The £200 penalties rise to £1,000 each if you file late three times in a row, and the 6 and 12 month tax-based penalties never arise if the return is filed before then.

04 The clock stops the day you file

These penalties do not grow forever. They escalate in fixed bands while you wait, then freeze the moment your filing arrives, and your next band could land within weeks. You do not have to untangle months of paperwork yourself either. Send us what you have, even if it is a mess, and our fast-track team files your overdue accounts and Company Tax Return within 5 business days, then challenges the penalty for you where there is a reasonable excuse.

GOOD TO KNOW

You file first because that stops the penalties and removes the risk, then you appeal, because an appeal is far stronger once the filing is actually in. One call gets it moving today.

Common questions

How much is the penalty for filing my company accounts late?

For a private limited company, Companies House charges £150 if your accounts are up to 1 month late, £375 for 1 to 3 months, £750 for 3 to 6 months, and £1,500 if they are more than 6 months late. The penalty doubles if your accounts are filed late in two successive financial years, so the more than 6 months figure becomes £3,000. A dormant company faces exactly the same penalties.

What does HMRC charge for a late Company Tax Return?

HMRC charges £200 at 1 day late, another £200 at 3 months, then 10% of the unpaid Corporation Tax at 6 months and a further 10% at 12 months, plus interest on any tax paid late. The £200 penalties rise to £1,000 each if you file late three times in a row.

Do the penalties keep growing the longer I leave it?

They escalate in fixed bands the longer you wait, but they stop the moment you file. The Companies House penalty is set at the point your accounts arrive, and the HMRC tax-based penalties at 6 and 12 months never trigger if the return is in before then. Filing now is always the cheapest option, because your next band could be only weeks away.

Can a late filing penalty be appealed?

Yes, where there is a genuine reasonable excuse such as serious illness, a bereavement, or a software or postal failure outside your control. Reasonable excuse is the correct test for both Companies House and HMRC appeals. An appeal is not guaranteed to succeed and being too busy is not enough, but it is far stronger once the filing is in, so file first and appeal second. We challenge the penalty on your behalf as a matter of routine.

KEEPABLE WORKBOOK

Print this part and work through it

Everything below is built to keep. Print it, fill it in, and take it to any conversation, including ours.

Act now: stop the clock today

Four quick steps that stop the penalties climbing. The first three take minutes, the fourth hands it to someone who files fast, even if your records are a mess.

- [ ] Check the public register for the year of accounts that is overdue, and whether the CT600 is also due
- [ ] Gather bank statements, sales invoices and expense receipts for the period not yet filed
- [ ] Find your company UTR and Companies House authentication code, or request a new code now (about 5 days by post)
- [ ] Send the bundle to a fast-track accountant to file within 5 business days and challenge the penalty

If any line makes you pause, that is the normal place a director hands it over. The penalties freeze the day the filing arrives, so the single most valuable thing you can do today is get it moving.

NEXT STEP

Get expert eyes on your tax

Book a free 30-minute Tax Health Check — we review your situation, sense-check the figures and show you where you could save.

Scan to book a free call

For guidance only — this factsheet does not constitute professional advice and is not a substitute for advice based on your specific circumstances. Whilst every care has been taken in its preparation, it may contain errors for which we cannot be responsible. Figures are for the 2026/27 UK tax year (England, Wales & Northern Ireland) and may change. Scottish taxpayers face different income tax rates; dividend rates are UK-wide. Last reviewed 12 February 2026.

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