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LIMITED COMPANIES

ZMARTLY FACTSHEET SERIES

Behind on Your Accounts and Corporation Tax? The Recovery Guide

A calm recovery guide for directors who have fallen behind on their annual accounts to Companies House or their Company Tax Return to HMRC. The reassuring truth first, then exactly what late filing costs, then a clear three-step plan to put it right.

Tax year **2026/27** · Prepared by **Harvey Dhillon** · Last reviewed **26 February 2026** · Sources: gov.uk

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

01 You are behind, and it is fixable

If a letter from Companies House or HMRC made your stomach drop, take a breath. Being late with your accounts or your Corporation Tax return is one of the most common positions a busy director ends up in, and one of the most recoverable. The penalties are fixed and knowable, they stop climbing the moment you file, and no director goes to prison for a late return. Late filing is a civil penalty matter, not a criminal one.

GOOD TO KNOW
Hold on to three things: this is fixable, the penalties stop climbing the day you file, and no director goes to prison for a late return.

02 The two filings you are behind on

A limited company has two regular obligations, owed to two different bodies with two different deadlines. It is common to be behind on one and on time with the other. Your annual accounts go to Companies House. Your Company Tax Return (the CT600), and the Corporation Tax that goes with it, goes to HMRC.

- Annual accounts to Companies House: due 9 months after the year end, or 21 months after registration for your first set
- Pay the Corporation Tax to HMRC: due 9 months and 1 day after the accounting period ends
- File the Company Tax Return (CT600) to HMRC: due 12 months after the accounting period ends

GOOD TO KNOW
The quirk that catches directors out is that the tax is due before the return. If the 9 months and 1 day date has passed, HMRC interest may already be running.

03 The penalties, month by month

These figures are fixed by Companies House and HMRC and escalate the longer you wait, which is exactly why filing now is the cheapest move. For a private company filing its annual accounts late, the Companies House penalty rises with each band, and it doubles if you are late two financial years running.

- Companies House: £150 up to 1 month late, £375 over 1 to 3 months, £750 over 3 to 6 months, £1,500 more than 6 months (doubled if late two years running)
- HMRC: £200 at 1 day late, another £200 at 3 months, 10% of the unpaid tax at 6 months, a further 10% at 12 months, plus interest on tax paid late
- HMRC fixed £200 penalties rise to £1,000 each if you file late three times in a row

GOOD TO KNOW

Every band above is reached by waiting. Filing a single month earlier can halve the accounts penalty, and the tax-based penalties at 6 and 12 months never trigger if the return is in first.

04 What happens if you keep ignoring it

Doing nothing is the one option with a real downside. A company does not quietly disappear when its filings are ignored. Keep ignoring the letters and Companies House can compulsorily strike the company off the register against your wishes, which triggers a chain of consequences that is difficult to unwind.

- The company bank account is frozen, so money in it can no longer be moved
- Anything the company still owns, including cash and future HMRC refunds, passes to the Crown as ownerless property (bona vacantia)
- Persistent failure to file is one of the things that can lead to director disqualification

GOOD TO KNOW

Every outcome here is avoided by the same single action: getting the outstanding accounts and return filed.

05 What to do now, and what to gather

The fastest way to put this right is to hand a complete bundle to an accountant in one go. The slow part is never the filing itself, it is gathering the documents and logins. You do not need a perfect, tidy set of books to start; a pile of statements and receipts is enough to work from.

- Bank statements and sales invoices and expense receipts for the period not yet filed
- Your 10-digit company UTR, found on HMRC Corporation Tax letters or in your HMRC online account
- Your Companies House authentication code (request a new one if lost, about 5 days by post) and your Government Gateway login

GOOD TO KNOW

A missing authentication code or Gateway login is never a dead end. Both can be recovered, and we do this for clients as a matter of routine.

06 The recovery plan: Stop, Fix, Prevent

This is how we take a director from behind to filed, and keep them there. Three steps, in order: the first stops the escalation, the second tries to recover what it cost, and the third makes sure it never happens again.

- Stop: the sooner the accounts are filed, the sooner the penalties stop climbing. Our fast-track team files your outstanding accounts within 5 business days of receiving your data
- Fix: we appeal the penalty on your behalf where there is a reasonable excuse. It is not guaranteed to succeed, but it is worth the admin time to try rather than simply paying it
- Prevent: we onboard you onto our system and keep an eye on your filing deadlines for you, if you wish, so this is the last time you open one of those letters with that feeling

GOOD TO KNOW

You file first because that stops the penalties and removes every risk, you appeal second because an appeal is stronger once the filing is in, and you prevent last because the cheapest penalty is the one that never arises.

Common questions

Can I go to prison for filing my accounts or Corporation Tax return late?

No. Late filing of your annual accounts or Company Tax Return is a civil penalty matter, not a criminal one. You will face fixed penalties and interest on any tax paid late, but no director goes to prison simply for a late return. The penalties stop climbing the moment you file.

Do the penalties keep growing forever?

No. 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.

I do not have my Companies House authentication code or Government Gateway login. Am I stuck?

No. A new Companies House authentication code is posted to your registered office in around 5 days, and Government Gateway credentials can be recovered. These are the two items directors most often get stuck on, and neither is a dead end. We handle both for clients routinely.

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. It is not guaranteed to succeed, and being too busy is not enough, but an appeal is far stronger once the filing is actually in, so file first and appeal second.

What happens if I just ignore it and let the company lapse?

That is the one approach that goes wrong. The company can be compulsorily struck off against your wishes, its bank account frozen, and any remaining assets, including future HMRC refunds, pass to the Crown. Persistent non-filing can also risk director disqualification. Getting it back means restoring the company, which is far more work than simply filing.

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.

What to send your accountant to get filed

Work through this in order: confirm what is outstanding, gather your records and logins, then get it filed and any penalty appealed. This is the bundle that lets an accountant put it right fast.

- [ ] Find your company number and check the public register for overdue accounts
- [ ] Note which annual accounts year is outstanding
- [ ] Check whether the CT600 tax return is also due or late
- [ ] Check whether any Corporation Tax is unpaid for the period
- [ ] Note whether the 9 months and 1 day payment date has passed, so interest may be running
- [ ] Download bank statements for the full period not yet filed
- [ ] Collect sales invoices for the period
- [ ] Collect expense receipts and supplier invoices for the period
- [ ] Locate your company UTR, the 10-digit number on HMRC letters
- [ ] Find your Companies House authentication code, or request a new one (about 5 days by post)
- [ ] Recover your Government Gateway user ID and password
- [ ] Confirm your registered office address is current for post
- [ ] Have the accounts prepared and filed at Companies House to stop the penalty
- [ ] Prepare and file the CT600, and pay any Corporation Tax due
- [ ] If there was a reasonable excuse, appeal the penalty in writing
- [ ] Set up deadline monitoring so next year is filed well ahead
- [ ] Keep proof of filing and the confirmation receipts

If any line makes you pause, that is the normal place a director hands it over. Our fast-track team files outstanding accounts within 5 business days of receiving your data.

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 26 February 2026.

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