



**Companies  
Registration  
Office**

**An Oifig  
um Chlárú  
Cuideachtaí**



# Filing an Annual Return in the CRO

New Companies

Information Leaflet No. 22

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## 1. What is an annual return?

Every company, whether trading or not, is obliged to file an annual return (Form B1) with the CRO once at least in every calendar year.<sup>1</sup>

The annual return is a document setting out certain prescribed information in respect of the company. It may be downloaded from the forms page at [www.cro.ie](http://www.cro.ie).

Save in respect of the first annual return which a company delivers to the CRO after its incorporation, accounts (with an accounting period ending no earlier than nine months prior to the date to which the annual return is made up) must be delivered to the CRO with Form B1. The accounts must be audited, unless the company is entitled to, and claims, the audit exemption. (See 6 below for the requirements for accounts.)

## 2. What are a company's obligations in relation to the preparation and filing of an annual return?

A company is required to deliver an annual return to the CRO once at least in every calendar year. The annual return is required to be made up to a date which is not later than the company's **Annual Return Date** (ARD). (See 3 below for the ARD.)

## 3. How do I ascertain my company's ARD?

A company's ARD may be checked by logging on to [www.cro.ie](http://www.cro.ie) > Online Services > Company Search Facility, and searching against the company name or number.

A new company's ARD is the date which is six months after the date of incorporation of the company.<sup>2</sup> For instance, a company incorporated on 5 March in any year will have an ARD of 5 September, and its first ARD will be 5 September in the year of its incorporation.

No accounts are required to be annexed to the **first** annual return filed by a company incorporated on or after 1 March 2002.<sup>3</sup>

A company's ARD in future years is the date which is 12 months from its previous year's ARD, unless the company has altered its ARD. (See 7 below for the manner in which the ARD may be altered.)

## 4. What is the deadline for delivery of an annual return to the CRO?

The annual return must be delivered to the CRO not later than 28 days after the ARD, or where the return has been made up to an earlier date, not later than 28 days after that earlier date.

If the 28 day filing period expires on a Saturday, Sunday or public holiday, the 28 day period is extended to the next working day thereafter.<sup>4</sup>

Returns which are filed late with the CRO incur a substantial late filing penalty. (See 5 below as to the level of late filing penalty.)

If a company requires extra time to file its return, application may be made to the High Court by a company, on notice to the CRO, for an order extending the time for filing of a particular annual return.<sup>5</sup> If granted, this allows the company extra time to file that return before the late filing penalty is incurred.

## 5. What happens if an annual return is filed late?

A late filing penalty of €100 becomes due in respect of an annual return on the day after the expiry of the filing deadline. The annual return filing deadline is 28 days after the effective date of the return. A daily penalty amount of €3 accrues from day 30 onwards, up to a maximum penalty of €1,200 per return. This penalty is

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<sup>1</sup> Section 125 Companies Act 1963 (inserted by section 59 Company Law Enforcement Act 2001)

<sup>2</sup> Section 127(6) Companies Act 1963 (inserted by section 60 Company Law Enforcement Act 2001)

<sup>3</sup> Section 127(7)

<sup>4</sup> Section 4(1) Companies Act 1990

<sup>5</sup> Section 127(3)

in addition to the standard filing fee of €30 per annual return. Revenue has confirmed that late filing penalties are not tax deductible.

In addition, an on-the-spot fine may be imposed by CRO where the company has a record of persistent late filing.

Auditors ought to be furnished with the books and records of the company well in advance of the annual return filing deadline if the company wishes to avoid incurring the late filing penalty.

## 6. What are the requirements for accounts?

(a) The accounts to be annexed to the annual return are required:<sup>6</sup>

- in the case of the first annual return to which accounts are required to be annexed (i.e. the company's **second** annual return, which is due to be filed not later than 19 months post-incorporation), to cover the period since the date of incorporation;
- in the case of all subsequent returns, to cover the period since the end of the period covered in the last set of accounts which were filed with the CRO.

(b) Furthermore, the accounts are required to be made up to a date which is not earlier by more than nine months than the effective date of the annual return ("the nine month rule").<sup>7</sup> **The nine month rule may make it necessary for a company to alter the ARD which has been allocated to it under the Companies Acts;** if a company's ARD is more more than nine months after its financial year-end, the company cannot retain that ARD and will have to either bring forward its ARD to an earlier date or extend it to a later date. (See 7 below on how to alter the ARD).

(c) The accounts must be audited unless the company is entitled to the audit exemption and claims it. For further information on this topic, see Information Leaflet No 10, The Audit Exemption (available from [www.cro.ie](http://www.cro.ie)).

## 7. How does a company alter its ARD?

**Bringing the ARD forward to an earlier date:** The ARD is set to an earlier date by filing a return made up to a date more than 14 days before the company's current ARD.<sup>8</sup> The company's ARD in future years will then fall on the anniversary of the date to which the return has been made up. If the annual return is made up to an an earlier date, it should be delivered to the CRO not later than 28 days after the date to which it has been made up.

**Extending the ARD to a later date:** The ARD is set to a later date by filing Form B73. The procedure is as follows:

- the company delivers an annual return to the CRO **not later than 28 days after its existing ARD**, to which no accounts need be annexed;
- the company nominates on Form B73 the new ARD, which date may be no later than six months after the existing ARD.<sup>9</sup>

**It is a statutory requirement that Form B73 must be delivered to the CRO within 28 days from the company's existing ARD. If this is not complied with, the ARD cannot be extended to the date which has been nominated by the company on the form.**

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<sup>6</sup> Section 7(1A) Companies (Amendment) Act 1986 (inserted by section 64 Company Law Enforcement Act 2001)

<sup>7</sup> Section 7(1A) Companies (Amendment) Act 1986 (inserted by section 64 Company Law Enforcement Act 2001)

<sup>8</sup> Section 127(8)

<sup>9</sup> Section 127(9)

Form B73 may be filed by a company not more than once in every five years.

Form B73 should not be filed with the company's first annual return to extend the company's ARD, as the effect of this is to shorten the time allowed to the company before it has to file an annual return with accounts.

#### **IMPORTANT NOTE**

**When extending the ARD, it should be borne in mind that accounts will be required to be filed with the company's next annual return. These accounts may predate the new ARD by no more than nine months.**

### **8. What enforcement measures may be taken by the CRO where there has been failure to file an annual return in compliance with the Companies Acts?**

If a company fails to file its annual return in compliance with the Companies Acts, the company and its officers are liable to enforcement measures, including the imposition of an on-the-spot fine on the company and/or any person who is in default of delivering the return, and/or summary prosecution by the registrar of companies of the company and/or any officer in default. Fines of up to €1,904.61 can be imposed on a conviction for breach of the annual return filing requirements.

In addition, a company may be struck off the register and dissolved for failure to file an annual return. If a company is struck off, the assets of the company become vested in the Minister for Finance,<sup>10</sup> and if the business continues to trade, the owners will no longer enjoy the benefit of limited liability and so are personally responsible for any debts incurred so long as the company remains dissolved.

### **9. I have further queries about filing my company's annual return. What should I do?**

The CRO recommends that you consult your professional adviser without delay, who will be best able to deal with the specifics of your company's situation and to advise you accordingly.

**Note: This leaflet deals exclusively with the position of companies having a date of incorporation of 1 March 2002 or later.**

**All CRO forms referred to in this leaflet may be downloaded from [www.cro.ie](http://www.cro.ie).**

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<sup>10</sup> Section 28 State Property Act 1954