

ANNUAL REPORT BY THE INDEPENDENT ADJUDICATORS TO COMPANIES HOUSE

1st April 2014 - 31st March 2015

TABLE OF CONTENTS

1. INTRODUCTION.....	3
2. APPEALS.....	3
VOLUME AND TYPE OF COMPANY.....	3
REFERRALS TO THE REGISTRAR.....	4
UPHELD APPEALS.....	5
OTHER OBSERVATIONS AND RECOMMENDATIONS.....	8
3. COMPLAINTS	9
4. CONCLUSION.....	11
APPENDIX A	13
SUMMARY OF RECOMMENDATIONS	
APPENDIX B.....	14
OUTSTANDING RECOMMENDATIONS AND OBSERVATIONS FROM 2013/14	

LIST OF TABLES

TABLE 1	NUMBER OF APPEALS.....	3
TABLE 2	APPEALS TO ADJUDICATOR FROM DORMANT COMPANIES.....	4
TABLE 3	REFERRALS TO THE REGISTRAR	4

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1. INTRODUCTION

- 1.1 Three Independent Adjudicators, Dame Elizabeth Neville, Mr Leslie Cuthbert and Mrs Jessica Pacey are retained by Companies House. Our principal role is to deal with appeals against late filing penalties once they have passed through the first two stages of the appeals process which are internal to Companies House. If an appeal is not upheld by an Independent Adjudicator, the appellant may ask for the case to be referred to the Registrar who is the final arbiter in the appeals process.
- 1.2 The Independent Adjudicators also investigate complaints made against Companies House. Again, there are two internal stages for consideration of a complaint. If the complainant is dissatisfied with the outcome of the internal consideration of the complaint, he or she may ask for the matter to be referred to an Independent Adjudicator. A complainant who remains dissatisfied after consideration of their case by an Independent Adjudicator may approach a Member of Parliament and ask for the matter to be referred to the Parliamentary and Health Service Ombudsman.
- 1.3 As our title indicates, we are entirely independent of Companies House. A brief outline of our professional profiles may be found on the Companies House website by following this link: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/392904/Independent_adjudicators.pdf our cases, whether appeals against late filing penalties or complaints, are allocated by rotation to ensure distribution is random.
- 1.4 Our recommendations are summarised in Appendix A.

2. APPEALS

VOLUME AND TYPE OF COMPANY

- 2.1 We completed 305 appeals during the year between 1st April 2014 and 31st March 2015, a decrease of 86 (22%) from 2013/14 when we considered 391 appeals. This continues the decline since the peak years of 2010 to 2013 following the changes introduced by the Companies Act 2006 and the numbers are now below the level for 2009-10. See Table 1. We upheld 16 (5.2%) appeals, a similar percentage to the previous year (4.9%).

TABLE 1 NUMBERS OF APPEALS

	2008-9	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
TOTAL	105	325	467	583	466	391	305

- 2.2 Over 20% of the appeals we receive are from directors of newly incorporated companies filing their first accounts. It is evident that directors frequently do not know what is required of them so we look forward to seeing the effect of the process whereby Companies House now sends the directors of newly incorporated companies and also all new directors a 'First Directors letter' to improve their understanding of their responsibilities, including the need to file accounts by the filing deadline. These letters have been sent since 1st October 2013 so we expect to notice an effect at the time of the first filing deadlines for the new companies from June 2015.
- 2.3 We continue to receive a high number of appeals from dormant companies (about 30%). See Table 2 below. New companies are frequently initially dormant and property management companies are usually dormant. Our observation is that directors of dormant companies are more likely not to know what is required of them. They do not always realise that they must file accounts even if not trading or they struggle to file the very simple accounts required of them due to lack of expertise. Property management companies and companies with a charitable purpose continue to figure in the appeals (making up about 6.6% and 9.2% of our cases respectively). The directors of these companies usually undertake the role voluntarily and the companies appear not to be central in their minds or seen as companies in any conventional sense.

TABLE 2 APPEALS TO ADJUDICATOR FROM A DORMANT COMPANY

2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
29	67	79	131	118	120	92

- 2.4 The compliance rate for companies filing remains at over 99%. The percentage of accounts filed on time continues to rise and is now 94.47% (94.27% in 2013/14).

REFERRALS TO THE REGISTRAR

- 2.5 The fourth and final stage of the appeals process is an appeal to the Registrar. Companies House received 31,993 appeals against late filing penalties in 2014/15. 0.95% of all appeals were referred to the Independent Adjudicators. 22% (68) of the appeals considered by the Independent Adjudicators were referred to the Registrar (see Table 2 below).

TABLE 3 REFERRALS TO THE REGISTRAR

	Number of Cases Escalated to Registrar	% of Total Cases Dealt with by Adjudicators
2007/8	22	37
2008/9	27	23
2009/10	68	20
2010/11	109	22
2011/12	120	21
2012/13	112	24
2013/14	85	21
2014/15	68	22

- 2.6 The Registrar upheld four appeals which had been rejected by an Independent Adjudicator. In one case the accounts for the following year had been accepted with the same error in the company name which had led to the rejection and ensuing penalty which had given rise to the

appeal. The Registrar decided that the penalty should not be collected in a second case because the director did not receive a copy of a court order confirming that he had been reinstated as director until shortly before the filing deadline. In the third case, the issue was over the sending of an acknowledgement email for submission and acceptance of the accounts. Further investigation by Companies House confirmed that, although the annual return was the only document filed by the company that day, the acknowledgement email incorrectly referred to the accounts, so the accounts were date credited with the earlier receipt date and the penalty cancelled.

- 2.7 In a fourth case, the Registrar decided that the penalty should not be collected as HMRC had confirmed that there had been an error with the joint filing template. The Adjudicators reviewed the appeals they had considered and identified one similar case where the appeal had been rejected as there had been no confirmation that there was a system fault. Companies House has agreed that the penalty should not be collected and arranged to refund it.
- 2.8 In a fifth case, the directors of a large number of companies had been in dispute with each other and the Adjudicator recommended that the penalties imposed for the late filing of their accounts should not be collected. The Registrar disagreed with the recommendation and correspondence is continuing.

UPHELD APPEALS

- 2.9 During the year 2014/15, the Independent Adjudicators upheld or partly upheld sixteen appeals in addition to the case referred to in para 2.7 where the appeal was rejected but this has now been reversed. Details are given below.

Director of Company Experiencing Catastrophe Shortly Before Deadline

- 2.10 The greatest number of appeals (85 or 28%) were wholly or in part on the grounds of an exceptional circumstance such as the director suffering a serious illness or a catastrophe befalling a company shortly before the filing deadline. The Adjudicators upheld three such appeals.
- 2.11 A dormant company suffered a catastrophic computer failure a month before the filing deadline and lost its reminder systems which were not restored until after the deadline. This was compounded by the fact that the company's registered office was at its accountants who failed to forward the reminder letter sent by Companies House. The accounts were filed as soon as it was realised that they were required.
- 2.12 The accounts for a dormant flat management company were filed late for five out of six years because the director had undiagnosed early onset dementia. Neither she nor anyone else knew that she was ill or the impact the illness had on her ability to manage her affairs. Although there had been another director who shared responsibility for ensuring accounts were filed, she had sold her flat and ceased to be a director and walked away from the problem. The condition of the remaining director had seriously deteriorated. She was now unable to care for herself or understand the reason for the penalties. The burden of paying the penalties from her benefits was having an impact on the quality of her care.
- 2.13 A major dispute within the 117 companies subject to another appeal prevented their accounts being filed on time, resulting in the imposition of late filing penalties. The Adjudicator accepted that the hostility between the parties meant that the chances of their co-operating to discharge the statutory duty to file the accounts were minimal and there were complicated financial issues to be resolved. The dispute had gone to the High Court and an arbitrator had been appointed.

The Adjudicator concluded that this was an exceptional case and it had not been possible for the accounts to be filed on time. She upheld the appeal for all 117 companies. The Registrar disagreed with the Adjudicator's recommendation (see para 2.8).

WebFiling

- 2.14 An almost equal number of appeals (27%) were from users who experienced some problem with WebFiling or the HMRC/Companies House joint filing system. The joint filing system is to be upgraded in the summer of 2015 and is intended to be more user friendly.
- 2.15 In some cases, users tried to file accounts close to the deadline, only to find that they did not have the authentication code which, for security reasons, has to be sent by post. If it was too late to send the accounts in paper form or it was not realised that this was possible, this caused the deadline to be missed. In these cases, the problem was not with electronic filing as such, but leaving the filing of the accounts until very close to the deadline.
- 2.16 In addition, as pointed out in para 2.6, the Registrar upheld one appeal which had been rejected by the Independent Adjudicator when it was established that there had been a fault with the Joint Filing template.

Wrong or Misleading Advice or Information from Companies House

- 2.17 In a substantial number of cases, the appellant's grounds for appeal are that Companies House caused or contributed to the delay. Three such appeals were upheld.
- 2.18 A company's accounts were filed after the filing deadline. The director accepted that a penalty was payable but contended that the overdue accounts notice which was sent when the deadline passed was misleading and led him to believe that he had a further 28 days to file the accounts. This led to a further delay and the penalty rose to the next penalty band. The Adjudicators have previously observed that the notice could be clearer and recommended that it be reworded. The Adjudicator accepted that the misunderstanding of the overdue accounts notice led to a further delay in filing the accounts which caused it to rise to the next penalty band.
- 2.19 The Independent Adjudicators recommended in 2013-14 and Companies House accepted that the first overdue accounts notice (DEFSTAT) should be reworded as it is sometimes misunderstood. It was suggested that it be brought in line with other Companies House standard letters which make it clear that the filing deadline has already passed, that a late filing penalty will be imposed when the accounts are filed and that the amount will increase with the period of delay. It was agreed that the notice should be revised and the revised version was brought into use in May 2015.
- 2.20 In a second case, the appellant sent an email to Companies House seeking information about how to file the accounts by the deadline which was that day. The response did not address the question and the accounts were filed late. Because Companies House had contributed to the delay, the appeal was upheld.
- 2.21 There is no information on the Companies House website which explains the issues affecting the electronic filing of charities' accounts. Charities sometimes experience real difficulties in trying to file their accounts electronically as the accounts format required by the Charity Commissioners is not suitable for WebFiling. Charities must either file their accounts in paper form, or reformat their accounts. An appeal by a charity was partially upheld because the accounts, which would have been late in any case, were further delayed when an unsuccessful attempt was made to file online, which led to the imposition of a penalty in a higher penalty band.

2.22 In another appeal, which was not upheld, the same problem was experienced. **It is recommended that Companies House provides further information on its website about the filing of charities' accounts.** It is expected that this will happen in late July or August 2015.

Rejected Accounts

2.23 In 51 cases (16,7%) considered by the Independent Adjudicators, accounts, mostly in paper form, were rejected and by the time amended accounts were returned, either the deadline had passed resulting in the imposition of a penalty, or the penalty had risen to a higher penalty band.

2.24 Seven such appeals were upheld by the Independent Adjudicators.

2.25 A company's accounts were late when first received and were rejected. The directors accepted that a penalty was payable for the initial late submission. There was a delay before amended accounts were returned and the penalty rose by two bands. The accounts for the previous year had been accepted in the same format as the rejected accounts. The previous year's accounts should have been rejected but their acceptance led the directors to believe that the format was acceptable.

2.26 The appeal was upheld in a case where a director telephoned Companies House before filing dormant company accounts but was given incorrect advice because the operator did not bring the record of the company up on the screen. As a result, the accounts, which were received at Companies House a week before the filing deadline, were rejected. Amended accounts were not returned until the filing deadline had passed, and a late filing penalty was imposed on the company.

2.27 In two cases accounts were received at Companies House before the filing deadline and rejected because a director had not signed the balance sheet. By the time the accounts were returned, the filing deadline had passed and late filing penalties were imposed on the companies. The companies appealed on the grounds that the accounts should not have been rejected as the director's signature had been present when they were first submitted. The circumstances and explanations were such that in each case the Adjudicator gave the company the benefit of the doubt and upheld the appeal.

2.28 In the fifth case, dormant company accounts, which were received the day before the filing deadline, were rejected due to an incomplete field on the Dormant Company Accounts form AA02 and a late filing penalty was imposed on the company. Companies House accepts dormant company accounts in free format which do not contain this information and there is no legal requirement for it to be provided. Therefore, the omission of the information should not have led to the rejection of the accounts and the appeal was upheld. Companies House has aligned the examination policy for the form AA02 with the policy for free format dormant accounts and advised examiners of the change.

2.29 In two cases where accounts had been properly rejected, the Adjudicator partially upheld the appeals because Companies House had not sent overdue accounts notices while the penalty was in the first penalty band. This is because overdue accounts notices were sent 28 days after rejection, to allow an extra period for the accounts to be amended and returned. The directors were unaware that the accounts had been rejected until they received the overdue accounts notices. The Adjudicator accepted that the delay in sending out the overdue accounts notice contributed to the penalty rising to the next band and upheld that element of the appeals.

- 2.30 **It was recommended that in cases where rejected accounts have been returned to a company and amended accounts are not received, an overdue accounts notice is sent in time to allow the amended accounts to be filed before the penalty rises to the next penalty band.** This was implemented in December 2014 and a notice is now sent 14 days after rejection.

Accounts Lost at Companies House

- 2.31 The appellant in two cases said that the accounts had been in an envelope with other documents which had been received prior to the filing deadline. For the reasons provided by the appellant, the Adjudicator accepted that this was more than likely the case and that the accounts may have been mislaid at Companies House.

Other Cases

- 2.32 A complicated restoration case related to a company which ceased to operate in 1995 and was struck off. When the company was restored to the register, it was advised that its record should be brought up to date. Penalties were imposed for the late filing of the accounts for the period 1992-1994 and 1996-2003. Companies House could not show that reminder notices had been sent to file the accounts for the period prior to the company's dissolution (1992-1994) so the Adjudicator found that the penalties imposed for the late filing of those accounts should not be collected. He did not uphold the appeal against the penalties imposed for the late filing of the accounts for the subsequent post restoration period.

- 2.33 In the course of this case, correspondence from the company was not passed to the Restoration Section but dealt with by Compliance, which caused some confusion. **The Adjudicator recommended that in future Companies House ensures that any documentation received from any company which is subject to dissolution or a 'restoration stop' goes to the Restoration Section at Companies House and is not subject to normal compliance requests.** This is now the normal procedure when a restoration stop is in place.

Reminder not received

- 2.34 In 10% (32) cases, appellants said that they had not received the reminder which Companies House sends, either by letter or email, to advise that the filing deadline for the accounts is approaching. We did not uphold any appeals made on this basis. Companies House encourages companies to register for E reminders and up to four email addresses may be provided. In some cases, the emails are not received because the recipient's email system treats them as spam. It is important for directors to have their own reminder systems in place and not to rely on receiving reminders from Companies House.

- 2.35 **When Companies House responds to such appeals, staff sometimes assume that the reminder was sent by post. If the appellant has registered for E reminders, this can cause confusion as the content is different and the appellant may think a letter was sent which was not received. We recommend that care is taken to check the medium used for sending the reminder before commenting on this in an appeal.** Staff have been advised accordingly.

OTHER OBSERVATIONS AND RECOMMENDATIONS

- 2.36 A company's accountant believed that he would be notified if the accounts were rejected and was unaware that with software filing, it is necessary to 'poll' to check the status of documents. The Adjudicator recommended that **Companies House considers amending the guidance contained within the Late Filing Penalties Appeals Manual and the Companies House website to refer to the use of third party software and the need to 'poll' to check the**

status of documents. A revised appeals manual issued in June 2015 incorporates this amendment.

- 2.37 The director of a company filed a form AA01 to change the company's accounting reference date (ARD). She was unaware that the form had been rejected and the ARD unchanged, as she did not open the rejection email which had a generic heading and she thought it related to other matters and was unimportant. Companies House accepts that **the email heading for a rejected form AA01 is uninformative and that it should be changed to bring it in line with the headings for rejected accounts.** Companies House intends to make the recommended change.
- 2.38 The Independent Adjudicators have previously observed that **appeals contained in covering letters enclosed with accounts are sometimes not recognised as such and have recommended that staff are appropriately advised to take more care.** The Adjudicators continue to identify this in a small number of cases and the recommendation is repeated.
- 2.39 In a number of cases, staff responding to appeals either failed to respond to the points made in the appeal, sometimes using irrelevant standard paragraphs, gave incorrect information or made careless replies containing errors. In such cases we ask for feedback to be given to the member of staff. For instance, an appellant attempted to file the accounts by email and received a response which did not make it clear that accounts cannot be filed in this way. In one case, the appellant was twice advised that an application for an extension to the filing deadline could have been made, when an application had been made and turned down. In another appeal, the appellant was advised to use WebFiling in future, when the accounts in question had been filed electronically. In a few cases where it would have been appropriate to do so, appellants were not advised of the option to dissolve the company, in which case the Registrar will not generally pursue any outstanding penalty. **We recommend that staff take more care to avoid errors and to respond to the content of the appeal.**
- 2.40 In cases where the appellant has telephoned Companies House, we have observed a real improvement in staff seeking the information needed to retrieve the recording of the telephone conversation.
- 2.41 The Appeals Manual sets out a list of scenarios, saying that the majority of appeals will fall into those categories and that case managers should make consistent decisions. It adds that they 'should always be ready to take account of any other exceptional factors' referring to 'cases of individual merit'. Staff adhere closely to the scenarios in the Appeals Manual to ensure consistency of approach but we remind them that they can and should take account of the circumstances of unusual and exceptional individual cases. A revised version of the Appeals Manual is to be issued shortly.

3. COMPLAINTS

- 3.1 The Independent Adjudicators considered three complaints, none of which were upheld. They also dealt with complaints which were made in the course of an appeal.
- 3.2 A long running complaint about the validity of liquidation action taken against the complainant's four companies was not upheld by the Adjudicator who found that the Companies House records showed that the correct process had been followed and that the complainant had not produced any evidence to support his numerous allegations.

- 3.3 A second complaint was that Companies House had not prosecuted the directors of a company following a breach of the Companies Act 2006 in that he had not been allowed to see a copy of the members' register within the statutory period or been allowed to inspect the register. Since he had subsequently been provided with a copy and arrangements had been made for him to view the register, Companies House did not consider a prosecution in the public interest. Once compliance is achieved, prosecution is not generally viewed as proportionate. The complaint was not upheld.
- 3.4 The third complaint considered by the Adjudicators was that Companies House had taken considerable time to resolve an issue regarding the changing of addresses for an annual return and a payment was requested for the additional time spent. The Adjudicator did not accept that Companies House was responsible for the problems experienced and found that Companies House staff had been helpful in resolving the problem and that the complaint had been dealt with courteously and correctly.

Other Complaints

- 3.5 Nine appeals also contained one or more complaints, none of which were upheld. In one case, the accountant for two companies complained that he had not been advised how to pursue his appeal against their late filing penalties. Information on how to appeal was enclosed with the penalty notices sent to the companies. His second complaint was that the Companies House system for updating companies' public records is not fit for purpose because it takes some days to update the record after accounts have been received at Companies House. The public record is not updated until a document is processed and it is not possible to process all documents on the date of receipt.
- 3.6 In a second case, the appellant complained about the tone of a letter sent in response to her appeal and that the response was delayed. It had been explained at the time that there would be a delay pending the response from another department and there was no intention to give offence. The Adjudicator found that there had been delays in subsequent communications although this was not the subject of a specific complaint. The complaint was not upheld but an apology was offered for the subsequent delays.
- 3.7 The Accountants for another company complained that the consequences of extending the Accounting Reference Date (ARD) had not been made clear by Companies House. This complaint was not upheld.
- 3.8 In a fourth case, the appellant complained that a reply to his Freedom of Information request had not been sent within 20 days. The service standard is to reply within 20 **working** days and this target was met.
- 3.9 Another appellant's complaint related to a decree (Northern Ireland equivalent of a county court judgment) which was obtained by Companies House in order to secure payment of the penalty. He said that (1) he had not been given guidance which he had requested from Companies House, (2) he had not known the date of the court hearing and (3) had been unable to obtain confirmation that the penalty and costs had now been paid. The complaints were not upheld. Companies House has no record of receiving the request for guidance (1). Complaint (2) was a matter for the court and Companies House had provided the information referred to in (3).
- 3.10 A complaint by an appellant that he received communications from the debt collection agency retained by Companies House was not upheld. The agents were instructed because there had been a delay before the first appeal was made and further delays in subsequent responses from

the appellant. Companies House was also pursuing the collection of a penalty imposed for late filing of accounts in a previous year.

- 3.11 Another appellant complained that Companies House did not inform him of what he described as 'the escalation steps and court timing' and had ignored his request to make his case to the court. The complaint was not upheld as he had been advised of possible court action on three occasions. Issues about representation and hearing dates were between the appellant and the court. He also complained that Companies House had not responded to him in the course of his appeal when he had declared to them that the matter was closed.
- 3.12 Another appellant made three complaints. (1) Companies House told him his appeal had been successful due to the omission of the word 'not' in their letter although the rest of the letter indicated that the appeal had not been upheld. This error was remedied six days later. (2) Companies House also sent an email to the wrong email address, for which they have apologised. (3) The appellant complained that he was prevented from sending his medical records by post. In fact, he was invited to do just that.
- 3.13 Another appellant made a number of complaints:
- 1) He had not been properly advised about changing his company's name. Companies House had apologised and refunded the fee.
 - 2) He had received a further letter demanding payment when he had appealed against the late filing penalty. Companies House had not received this appeal.
 - 3) Companies House staff had not treated him properly, possibly due to his ethnicity, and had lied in a telephone call and a meeting. There was evidence that the appellant had been at the very least excitable, Companies House staff had behaved correctly and there was no evidence to support his view that he had been treated differently due to his ethnicity or that staff at Companies House had lied.
 - 4) He complained about two matters which are standard Companies House procedure (a) the provision of a generic email address for the appeal, (b) the offer of the Registrar of Companies for Northern Ireland to meet him which ruled out discussion of his appeal. This was because the Registrar will not consider an appeal until the earlier stages have been exhausted.
 - 5) That redacted documents contained derogatory information about him. An examination of the unredacted documents by the Adjudicator found that no reference was made to him in the redacted sections.

4. CONCLUSION

- 4.1 During the course of the year, the Companies House website migrated to the Direct Gov website which caused some problems. The information about the Independent Adjudicators remained in place but ceased to be visible except through the complaints section of the website. The link can be accessed through the area on the website dealing with the Complaints Procedure so is not likely to be found by appellants. Staff dealing with appeals provide the link on request but this is not ideal. It seems that, as Companies House does not control the format of the website, this cannot be changed. We know from the communications we receive from appellants that they not infrequently try to find out more about us and what we do, so the lack of ready access to the information is disappointing.
- 4.2 Overall, the quality of the work done by Companies House staff considering appeals and complaints remains high. If a mistake has been made, this is readily acknowledged and an apology made. We find that Companies House staff strive to be fair.

- 4.3 Constant changes are made by Companies House to improve processes and documentation and make them more user friendly but these updates are not collated in any systematic way. It is important that we, the Adjudicators, are kept up to date with what was applicable at the time of the events giving rise to the appeal. The Senior Casework Unit strives to keep us up to date with changes as they occur but the task is not easy.
- 4.4 We again thank the Senior Casework Unit for the responsive, knowledgeable and thoughtful way in which they support us in carrying out our task.



Dame Elizabeth Neville DBE QPM DL
19th July 2015

APPENDIX A

SUMMARY OF RECOMMENDATIONS 2014-2015

(The paragraph number of the relevant section in the main report is shown.)

- 2.22 **It is recommended that Companies House provides further information on its website about the filing of charities' accounts.** It is expected that this will happen in late July or August 2015.
- 2.30 **It was recommended that in cases where rejected accounts have been returned to a company and amended accounts are not received, an overdue accounts notice is sent in time to allow the amended accounts to be filed before the penalty rises to the next penalty band.** This was implemented in December 2014 and a notice is now sent 14 days after rejection.
- 2.33 **The Adjudicator recommended that in future Companies House ensures that any documentation received from any company which is subject to dissolution or a 'restoration stop' goes to the Restoration Section at Companies House and is not subject to normal compliance requests.** This is now the normal procedure when a restoration stop is in place.
- 2.35 **When Companies House responds to appeals based on non receipt of a reminder to file the accounts, staff sometimes assume that the reminder was sent by post. If the appellant has registered for E reminders, this can cause confusion as the content is different and the appellant may think a letter was sent which was not received. We recommend that care is taken to check the medium used for sending the reminder before commenting on this in an appeal.** Staff have been advised accordingly.
- 2.36 **It is recommended that Companies House considers amending the guidance contained within the Late Filing Penalties Appeals Manual and the Companies House website to refer to the use of third party software and the need to 'poll' to check the status of documents.** A revised appeals manual issued in June 2015 incorporates this amendment.
- 2.37 **The email heading for a rejected form AA01 is uninformative and Companies House intends that it should be changed to bring it in line with the headings for rejected accounts.** Companies House intends to make the recommended change.
- 2.38 **Appeals contained in covering letters enclosed with accounts are sometimes not recognised as such and it is again recommended that staff are appropriately advised to take more care.**
- 2.39 **We recommend that staff take more care to avoid errors and to respond to the content of the appeal.**

APPENDIX B OUTSTANDING RECOMMENDATIONS AND OBSERVATIONS FROM 2011/12

1. **We ask that staff dealing with appeals be asked again to take more care over their responses.** We repeat this recommendation in the current Annual Report.
2. In certain circumstances, a hold is put on the Companies House computer system for a specific purpose which freezes all automatically generated notices for the a company. This means that reminder letters and overdue accounts notices are not sent until the hold is lifted. This is an ongoing problem of which Companies House is aware and which it intends to remedy, but has not yet done so. **We recommend that the problem be resolved so that a hold placed on a company's record for a specified purpose does not result in a hold on all automatically generated notices.** A system change was made in June 2014 which allows reminder letters to be sent when a hold is in place freezing automatically generated letters. This should go some way to addressing the issue and we have not received any appeals in the last year where this issue arose.