Company secretarial duties for RTM and RMC companies

The filings, registers and records a building company must keep, and a calendar to keep them on time.

Every building company, whether RTM or RMC, is a limited company, and must meet the same basic obligations as any other. These are not complicated, but they are unforgiving of delay. The easy way to avoid trouble is to turn them into a calendar.

What the company must do each year

DUTY	DEADLINE	IF MISSED
Confirmation statement	Within 14 days of the end of each 12-month review period	Offence for the company and its officers; can lead to strike-off
Annual accounts to Companies House	9 months after the year end (first accounts: 21 months from incorporation)	Automatic penalty from £150 up to £1,500, doubled if late two years running
Corporation tax return	12 months after the end of the accounting period, where a return is required	HMRC penalties
Register changes (directors, registered office)	Within 14 days of the change	Offence
Director identity verification	Before appointment for new directors; existing directors by the company's next confirmation statement	Can't be appointed or file

A general meeting is also needed where the articles or the lease require one, with proper notice. See running meetings that count.

Reading the calendar

The deadlines run from the company's own dates, not from the calendar year, so every company's calendar is different. Find your year end and the end of your current review period on the Companies House record, and put both in the diary on the day you read this.

For example, a company with a 31 March year end must file its accounts by 31 December, nine months later. If it needs a corporation tax return, that is due by 31 March the following year, twelve months after the accounting period ended.

The late-filing penalty for accounts is automatic. It does not depend on whether the company has money, or whether anyone was harmed by the delay. A confirmation statement is different: missing it is an offence, and it can lead to strike-off. Whether the company needs to file a corporation tax return depends on whether it has taxable income or HMRC has asked for one. If you are unsure, ask the accountant.

When things change

Tell Companies House within 14 days when:

- a director joins, leaves or changes details;
- the registered office changes.

Also update the company's own records, and tell Companies House when:

- the members or guarantors change;
- the company's name or constitution changes.

Keep a short change log with the date of each change and the date you told Companies House. It is the quickest way to show that you were on time.

Before you appoint a new director, check four things. The person must have verified their identity. The articles must allow the appointment. The appointment must be minuted. And the appointment must be filed within the 14 days.

What's different about a building company

- **Limited by guarantee.** An RTM company is always limited by guarantee and uses prescribed articles, so it has members, not shareholders. Many RMCs are limited by shares, with one share per flat.
- **PSC register.** In most RTM companies no one holds more than 25% of the votes. The PSC register then records that there is no registrable person. It still has to say so.
- **Dormant or not.** Before an RTM company acquires the right to manage, it is usually dormant and can file dormant accounts. Afterwards, service charge money is held on trust (Landlord and Tenant Act 1987, s42) and is not the company's income, which affects both the accounts and the corporation tax position.
- **Membership changes.** These happen every time a flat is sold. Agree a process with the conveyancer so the register of members stays current. Ask the managing agent or the seller's solicitor to tell you about each sale, so the new owner joins as a member and the old one is removed.
- **Registered email and office.** Since 2024 every company must give Companies House a registered email address. Its registered office must be an "appropriate address".

The statutory registers

The company must keep registers, including:

- members;
- directors, and for some companies, secretaries;
- persons with significant control;
- directors' residential addresses, which are not public.

Keep them up to date, and make them available for inspection where the law requires. Our guide to leaseholders' rights to information explains who can ask to inspect them.

Identity verification

Directors, persons with significant control and anyone who files on behalf of a company must verify their identity with Companies House. The timings for directors are in the table above.

Each director should take the steps, and the board should check that they have. Keep a note of the date each director verified. A director who has not verified can't be appointed, and can block a filing. This is why it is worth doing early, not on the day a deadline falls.

Meetings and decisions

Hold board meetings as often as needed, give notice as the articles require, and keep minutes. Keep a record of written resolutions. For members' meetings, the notice, quorum and voting rules in the articles and the law must be followed exactly.

A company calendar

Put these dates in one place, with reminders ahead of each:

- accounts and confirmation statement due dates;
- AGM date and notice period;
- insurance renewal;
- director changes and resignation dates.

Our statutory calendar guide shows how to build it into the year.

Download the statutory calendar to fill in (Word)

Who does it

Murphy Thompson Moore LLP has run company secretarial work for building companies since 1995. It is an Authorised Corporate Service Provider registered with Companies House, so it can verify directors' identities and file for you.

The responsibility remains with the directors, so ask for evidence of what has been filed and when. Ask for the filing receipts, a copy of each register and the date of the next filing, and check them against your calendar. Scope and fee are agreed for each building.

> Do not wait for a reminder from Companies House. A reminder usually means you are already close to being late.

Frequently asked questions

Does an RTM company have to file accounts?

Yes. An RTM company is a limited company, so it must file annual accounts at Companies House, normally within nine months of its year end. Its first accounts are due 21 months after incorporation. Late filing brings an automatic penalty.

Can an RTM company file dormant accounts?

Before it acquires the right to manage, an RTM company is usually dormant and can file dormant accounts. Afterwards, service charge money is held on trust and is not the company's income, which affects the accounts. Ask an accountant before filing dormant accounts once the company has taken over management.

Who should be the PSC of a residents' management company?

In most building companies no one holds more than 25% of the votes. The PSC register then records that there is no registrable person, and it still has to say so. If one person or organisation does hold more than that, take advice on whether they must be entered.

Do RTM directors need to verify their identity at Companies House?

Yes. New directors must verify before appointment, and existing directors by the company's next confirmation statement. A director who has not verified can't be appointed or file. An Authorised Corporate Service Provider such as Murphy Thompson Moore LLP can verify identities for you.

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