

What is Administrative Restoration?

Once dissolved a company is obliged to cease trading as the legal entity ceases to exist in law. If for any reason a company is dissolved whilst still in possession of assets such as property or cash in bank accounts, those assets become the property of the Crown. There may therefore be a requirement to restore the company to the register to allow recovery of such assets or indeed to allow the company to continue trading.

Under previous Companies Acts a company that had been dissolved could only be restored with a Court order. This could take several weeks and be quite costly. However, there is now an easier procedure under the Companies Act 2006 to restore a company to the register known as 'Administrative Restoration'. It is far quicker and less expensive than the previous process.

The new process is available to companies that have been dissolved only at the instigation of Companies House. If the directors have previously filed a request to dissolve the company by completion of a form DS01 then they can only apply to the Court as before.

In order to restore a company under administrative restoration the following must apply:

- the company must have been struck off the register under Section 1000 or 1001 of the Companies Act 2006, Section 652 of the Companies Act 1985 or Section 603 of the Companies Northern Ireland Order 1986;
- the company must have been dissolved for no more than six years at the date the registrar receives the application for restoration;
- an application may only be made by a former director or shareholder of the company.

When a company is dissolved all assets belonging to the company at that time are passed to the Crown under the auspices of the Treasury Solicitors Office, a process known as *bona vacantia* (meaning *ownerless property*). A waiver letter must be obtained from the Treasury Solicitor's office as part of the restoration procedure stating that there is no objection to the company being restored. Some companies will fall under the remit of the Duchy of Lancaster dependent upon the registered office address.

To apply for restoration:

- the Crown Representative must have given his consent to the restoration
- the company must have been dissolved for no more than six years at the date the registrar receives the application for restoration;
- the company must have delivered any outstanding documents needed to bring the record up to date such as outstanding Confirmation Statements and Accounts, and any filing fees or late filing penalties must be paid

We can guide you through the process and take care of everything for you to prevent rejection of an application, which can lead to escalation in costs.

If you think your company qualifies for this procedure please contact us for a quote. We will calculate any Confirmation Statement fees and late filing penalties so that there are no surprise costs for you.