

Guide to: Company Restorations

Where a company has been dissolved or struck off the Companies House register of companies, there may be situations where you want to restore the company and this article sets out the two different methods of company restoration.

Where a company owns assets at the time of its striking-off or dissolution, these assets are known as “Bona Vacantia” (which means vacant goods) and by law pass to the Crown. The Treasury Solicitor is responsible for acting for the Crown to collect assets of companies which no longer exist and one of the main reasons to commence the company restoration process is to be able to re-claim these assets if they were never intended to be lost e.g. to recover sums from the company bank account.

There are two procedures set out in the Companies Act 2006 for restoring dissolved companies to the register which are: -

- Administrative Restoration - this procedure restores a company without an application to the court but is only available in certain limited circumstances.
- Restoration to the register by court order.

Administrative restoration

The Administrative Restoration procedure is more straightforward than restoring by court order and appears to be principally intended for those companies which have failed to keep up to date with their filings and for that reason, have been struck off the register by the Registrar, even though they have continued to operate or carry on business.

There are a number of requirements for a dissolved company to be eligible for Administrative Restoration and the following must apply: -

1. The company was struck off by the Registrar of Companies under sections 1000 or 1001 of the Companies Act 2006. These powers are usually used where the Registrar believes a company is no longer carrying on in business or is no longer in operation, for example where a company has failed to file its confirmation statement or accounts on time and fails to respond to reminders.

Therefore, where a company has been struck-off using the voluntary strike-off procedure e.g. where it is no longer trading, the Administrative Restoration method is not available.

2. The application must be made by someone who was a director or shareholder at the time the company was dissolved.
3. The application must be made within 6 years of the date the company was dissolved.
4. The company must have been carrying on business or in operation at the time it was dissolved.

In order to apply for Administrative Restoration, an application must be made to the Registrar of Companies.

Company restoration by Court Order

The procedure for a company to be restored by Court Order takes more time and is more involved than the Administrative Restoration process. The court order procedure is however more widely available and can be brought by a wider range of people rather than just directors and shareholders, for example creditors of the company or those with a claim against the company.

Further information on the procedure can be found on the Government's website here but broadly speaking, it involves the following: -

1. Drafting the necessary court documents to issue the claim in court.
2. Issuing the claim form on the Registrar of Companies and the Treasury Solicitor.
3. Dealing with any requirements which the Treasury Solicitor of Registrar or Companies request prior to restoration.
4. Preparing the witness statement exhibiting the consent given to restore the company and sending to the court the order and undertaking provided by the Treasury Solicitor.

Restoring a company to the register can appear daunting but the process itself is quite prescribed and provided that you are eligible, using either the Administrative Restoration or court order process can be relatively straightforward with the correct advice.

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