

Striking Off

Applications for striking off

A private company (not subject to insolvency proceedings) can apply to the Registrar of Companies to be struck off the register and dissolved, under section 1003 of the Companies Act 2006. A Fee of £10 is payable to cover the cost of the service. To be eligible, the company must not, in the previous three months, have:

- Traded or otherwise carried on business
- Changed its name
- Sold stock formerly used for trading
- Engaged in activities other than those necessary for settling the company's affairs

Copies of the completed application form (DS 01) must be sent to all members, creditors (including contingent and prospective creditors), employees, managers or trustees of any employee pension fund, and any directors who have not signed the form. VAT registered companies must, in all cases, notify the relevant VAT office.

The Registrar will publish a notice in the *London Gazette* advertising the proposed striking off and inviting objections. In the absence of objections or withdrawal of the application, the Registrar will strike the company off the register not less than three months after the date of the notice. The company is dissolved when the Registrar publishes a notice to that effect in the Gazette.

The passive alternative

The Registrar has the power to start striking off proceedings if he has cause to think a company is not carrying on a business or is not in operation. The shareholders and directors may allow the procedure to take place by default, i.e. by not filing accounts or annual returns. It may also happen without the company's knowledge if the company has changed premises without notifying the Registrar of a change of registered office.

If the Registrar continues to receive no response to letters written to the company, he will follow a procedure of publishing notices in the *London Gazette* similar to that described above.

Under the Companies Act 2006, there is a new simplified administrative restoration procedure for companies struck off by Registrar's action.

Two notes of caution

1. From the date of dissolution, any assets held by the dissolved company will belong to the Crown.
2. It is not possible for directors to avoid their responsibilities by allowing the company to be struck off. The liability of directors and members continues as if the company had not been dissolved. Any aggrieved party may, within six years of the striking off, apply to the registrar for the company to be restored to the register. If this happens, any further dissolution has to be by formal winding-up in liquidation.

Do call us if you would like further help or advice on this subject.