

Sorting confusion on Companies House records

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GR writes: I have taken over the running of a small family business and have been trying to sort out the company's statutory books and reconcile the share register with the documents filed at Companies House. There are various family shareholders and there have been a series of share issues over the years. It appears that some of the documentation that our company secretary filed at Companies House may have not have been completed correctly. What are the potential implications of this and what can I do to correct the position at Companies House?

It really depends on the precise nature of the error that you have found, writes Chris Lane, a partner at Kingston Smith LLP. For example, if it is a simple case of the wrong form being used and filed, it should be fairly easy to file the correct form at Companies House. However, removing incorrect documents from the public record requires a court order – unless Companies House accepted a form – which should have been rejected – in error.

If Companies House placed a document on public record which was later found to have contained an error that ought to have led to its rejection, the Registrar of Companies has the power to remove the document from the record. However, if Companies House accepts and places on the record a document containing information which is factually incorrect, but has otherwise been completed correctly, the Registrar has no power to remove it without a court order.

This will not be a problem if you have subsequently filed the correct form and the company's annual returns show the correct position. It will just mean that the company's history will be slightly confused. The actual company statutory records that you are trying to reconcile and bring up to date will, of course, show the correct position. Therefore, if you were, say, selling the business and a third party were to review the records, perhaps as a due diligence exercise, then the correct position would be apparent and the erroneous filing at Companies House could be explained.

Of course, many companies use the services of a company secretarial professional to ensure that errors of this nature do not occur.

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