

YOU WOULDN'T TRUST THE MONARCHY WITH YOUR TAX¹. WHY WOULD YOU LET THE QUEEN HAVE YOUR FLAT?

Would you want the Queen as your landlord? I doubt it. She seems like a nice old duck with all those lovely purple hats and white gloves. But when it comes to the asset which every Englishman likes to call his Castle and the most valuable item you are likely to ever own, would you give it away?



Many blocks of flats own the freehold to the property through a management company. If you buy the freehold of a flat the usual procedure is to purchase a share in that company which then means you own the right to your freehold.

According to the latest Department of Trade and Industry figures published in 2006² 14,000 companies were struck from the register, dissolved and the assets passed to the Queen as *bona vacantia*³. In order to retrieve the assets the company would then need to be restored to the register of companies.

A company can be struck off for the most benign of reasons and usually it amounts to a failure to file annual returns or accounts.

Do you know who is filing yours? The average cost of restoring a company can be

in the region of £1800-£2000⁴ in fees and involves preparation of affidavits and dealing with the Treasury Solicitor. There may also be fines to pay to Companies House in excess of £1000 for failure to file accounts.

Expense is only one element of it; once the company has been struck from the register all the rights to the assets of the Company are given to the Queen to hold on trust. She then effectively holds all the rights over your home including any money in the company bank account.

If this happens to you will not be able to sell your flat with the freehold until the company is restored to the register. This can take up to 12 weeks to complete. If the sale is just about to go through, this extends the time and cost for all parties involved and may mean if you are in a chain of purchases that you could lose out on your dream home.



How can Fortune Law help?

If you realise that your Company has been struck off the register we can be engaged to restore your Company as quickly as possible.

Alternatively for your additional peace of mind we can be engaged for a nominal monthly fee of £14.99⁴ using our **Freehold Watchdog Service**. We will ensure that all steps are taken (including filing of relevant documents) to prevent your company from being at risk of striking off and all your assets are safe. If your home is valuable to you but compliance gives you a headache give us a call.

Please contact **Shainul Kassam** of Fortune Law⁵ to discuss further.

Telephone: 020 7440 2540

Fax: 020 7440 2543

Email: enquiries@fortunelaw.com

Web: www.fortunelaw.com

¹ <http://www.royal.gov.uk/output/page76.asp>

² <http://www.companieshouse.gov.uk/about/miscellaneous/DTIReport20056.pdf>

³ Latin literally meaning vacant goods but is the legal name for ownerless property that passes to the Crown.

⁴ Plus VAT and disbursements

⁵ **Fortune Law Ltd** Company number: 06332336

This firm is regulated by the Solicitors Regulation Authority
Registered Office: 10 Argyll Street London W1F 7TQ