

Inland Revenue Dormant Companies

A company maybe dormant for a number of reasons:

- The owners have not started to trade yet.
- The owners wished to register the name for a future project.
- The owners wish to protect the name and similar names of the company, and so have registered it.
- The company has ceased trading and is awaiting the final bank and other financial paperwork to be completed before applying to be struck off.

When a company is dormant it must inform the corporation tax department, and ask for a flag to be attached to the file to prevent unnecessary paperwork being sent out. This can be done by completing the new CG41T insert.

It is a requirement of the directors to inform the tax office when trading recommences.

The status of a dormant company is that no trading has taken place within the accounting period, and that there has been no income – which includes interest bearing accounts.

If any interest is earned from monies that are held within a company account, a set of dormant accounts cannot be filed.

When a company ceases trading but has not been struck off it needs to inform the Inland Revenue at the corporation tax office that it requires a dormancy flag to be attached to the file.

The dormant accounts proforma can be found at:

<http://www.companieshouse.gov.uk/forms/generalForms/DCA.pdf>

This form is only required by Companies House and is available for online filing. To be able to file online, the practice must have a pdf writer.

If a company ceases to trade before the annual accounts are due for filing, they should be sent, with the correct year end date. Together with a note informing the Tax Office that the company has ceased trading and asking that a dormancy signal is applied to the file until they receive confirmation that the company has been struck off.

[CT600 Dormancy Letter](#)