Members Voluntary Liquidation Process

Step 1: Initial Advice

Seek advice from company's accountant / tax advisor to determine best route for winding up company and distributing assets to shareholders

Step 2: Choose Liquidator

Seek advice from a qualified IP to act as liquidator and confirm this procedure is most suitable

Step 3: Call Board Directors

A board meeting must be held the directors resolve to: wind-up the company voluntarily, confirm that they will swear a declaration of solvency (see step 5) and sign notice calling a shareholders meeting

Step 4: Call General Meeting of Shareholders

The notice signed at the board meeting is sent to all shareholders

The notice period can be shortened with the consent of 90% of shareholders

Step 7: Company Now in Liquidation

The liquidators appointment is advertised in London Gazette together with a notice inviting creditors to submit their claims within a specified notice period

Liquidators take control of company assets

At the liquidators discretion surplus assets can be distributed to shareholders having reserved for anticipated creditors claims

Step 6: Shareholders Meeting

Shareholders presented with declaration of solvency

Resolutions are passed to wind up company, to appoint a liquidator and to agree the basis of the liquidator's remuneration

Various other resolutions may be passed depending on the specific requirements of the case

Step 5: Declaration of Insolvency

All the directors or a simple majority (if >2) need to form the opinion that all the company's liabilities (future and contingent) can be paid in full within 12 months

They then must swear the declaration of solvency to confirm this

Step 8: Pay All Creditors

Following expiry of the notice period detailed at step 7 the liquidator will pay all creditors from the funds reserved for this purpose

Step 9: Distribution Shareholders

Liquidator distributes the remaining surplus funds to shareholders in accordance with their shareholding

Step 10: Closure

Once all assets have been distributed a final meeting of shareholders will be called to release the liquidator

The liquidator submits his final report to shareholders and the registrar of companies

The company will be dissolved 3 months after the final liquidation return is submitted to the registrar

