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VOLUNTARY DISSOLUTION AND**LIST (s.1003 Companies Act 2006)**

| Question | Details | Action Required |
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| Should the company be dissolved? | <p>Consider whether the company should be dissolved. Common situations where it is sensible to dissolve a company include:</p> <ul style="list-style-type: none">• the directors wish to close the company's business;• the company is a subsidiary and its business is no longer needed;• the company was originally set up to pursue an idea but this is no longer the case;• the company is no longer profitable;• the company is dormant. | <p>It is important for all directors to actively review whether a company should remain on the register.</p> <p>If a company is fulfilling no useful purpose, it is sensible to consider dissolving the company and getting it struck off the register. An active company comes with many obligations, duties and potential liabilities, including the obligation to file annual accounts, confirmation statements and adhere to directors' duties.</p> |
| Are there any alternatives to voluntary strike off that a company should consider? | <p>The directors may choose to consider alternatives to striking the company off. The Companies Act 2006 gives the directors the power to strike a company off the register if it is reasonable to believe that the company is not carrying on business or in operation. There is no time period within which the directors must act and this makes it an uncertain process. If the directors are proposing to strike the company off, they should consider whether there are known liabilities of the company that should be dealt with before striking the company off. A company may also decide to consider alternatives to striking the company off if there are known liabilities of the company that should be dealt with before striking the company off. It may be a more preferable process to deal with the liabilities before striking the company off, however it can be a more time consuming process.</p> | <p>Consider all the alternatives with proper, informed independent legal advice if necessary.</p> <p>In order to do this a full audit of all the company's assets and liabilities will need to be made. It is impossible to know the most sensible means of winding up a company until a full appraisal of all the company's assets and liabilities is undertaken. See below.</p> |

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| What should companies considering dissolution think about? | <p>A company first and foremost considers its assets and liabilities it has. The company should consider:</p> <ul style="list-style-type: none"> • what contracts the company has entered into; • whether the company has any freehold property; • does the company still have any bank accounts; • does the company wish to change its name; • has the company given any guarantees; and • are there any possible contingent liabilities that need to be considered? <p>For group companies, consideration of the effect of dissolution would trigger a look at any other agreement to which the group company is subject?</p> | <p>All assets of value will need to be transferred out of the company before dissolution. The law states that all property and rights in which the company has a beneficial interest immediately before its dissolution will be deemed to be bona vacantia and will automatically pass to the Crown when the company is dissolved.</p> <p>Consider whether contracts to which the company is a party can/should be assigned, novated or terminated?</p> <p>Consider whether a land registry search should be done to check what properties, if any, the company owns.</p> <p>Close bank account(s) down and transfer any domain names.</p> |
| Has the company done anything in the last 3 months that would make an application ineligible? | <p>A company may NOT make an application for voluntary strike off (s.1004 CA06) if at any time in the last 3 months it has:</p> <ul style="list-style-type: none"> • traded or otherwise carried on business; • changed its name; • disposed for value of property held for the purpose of trade; • engaged in any activity other than concluding the affairs of the company or complying with a statutory requirement. <p>A company cannot apply to be struck off if it has bearer shares in issue.</p> | <p>It is important when considering the strike off process to ensure that none of these circumstances apply.</p> |

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| Are there any proceedings involving the company that would make an application ineligible? | <p>In addition to s.1004, s.1005 application must not be made if there is an on-going matter which has not been resolved, such as receivership, administrative arrangement.</p> <p>The voluntary dissolution provides an alternative to formal insolvency proceedings as a way for the company to try and clear its liabilities against it.</p> | It is important when considering the strike off process to ensure that none of these circumstances apply. |
| Has the company considered the tax implications of making an application? | It is essential that the company considers whether and what taxes are due on dissolution and that HMRC is notified of the company to be dissolved. | Seek independent tax advice as to any tax implications of dissolution and that all taxes due are cleared. |
| Has the company considered how to deal with its share capital? | Share capital belongs to the members. As such a company must consider undertaking a share capital reduction before applying for voluntary strike off. | See our share capital reduction sub-folder here for all the relevant documents. |
| Has the company issued the relevant notice to those persons who may be interested in the company's affairs? | The voluntary strike off process requires the company to place to ensure that all those who may be affected by the strike off (creditors, employees etc) have adequate notification and that the necessary steps are taken. | <p>Notify everyone who is likely to be affected by the company's dissolution BEFORE applying for strike off.</p> <p>This may include notifying not only those with a direct interest such as members, creditors or employees but others with a less direct interest such as local authorities, government agencies etc.</p> <p>See our notification letter here</p> |

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| Question | Detail |
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| Has the company convened a board meeting to arrange for the board to pass a resolution to strike the company off? | The directors of the company appropriate CH form to strike as such will need to convene pass a board resolution in w company to be struck off. |
| Has the company completed CH form DS01 and returned it to CH with the relevant fee? | Complete CH form DS01. |
| Has the company given a copy of the application to all relevant people mentioned in s.1006 Companies Act 2006? | <p>Within 7 days from the day o is made, a copy of the applic every person who at any tim member, employee, creditor company as well as any mar employee pension funds (s.1</p> <p>Section 1007 CA06 makes t obligation to notify anyone w categories until the applica</p> |
| Has any event occurred which would require the | If the company changes its n wants to be struck off, or the |

| Action Required |
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| See our board resolution here . |
| <p>The form must be signed and dated by:</p> <ul style="list-style-type: none"> the sole director, if there is only one; both directors, if there are two; all directors, or a majority if directors, if there are more than two. <p>Depending where the company is registered, the completed form and fee should be sent to CH in Cardiff, Edinburgh or Belfast.</p> |
| <p>See our s.1006 letter here.</p> <p>Section 1008 states the provisions as to service. It can be posted or left at:</p> <ul style="list-style-type: none"> the last known address (individual); the principal/registered office (company or other body). <p>A creditor can be made aware of the application by leaving a copy of it at, or posting a copy of it to, the place of business with which the company has had dealings in relation to the current debts, e.g. the branch from where goods were ordered or the invoice address.</p> |
| Complete and file CH form DS02. |

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| application to be withdrawn? | <p>ineligible for strike off, the director must withdraw the application.</p> <p>Section 1009 CA06 lists the circumstances in which an application must be immediately withdrawn. For example, if the company has started trading or carries on business etc. In such circumstances as apply, the application must be withdrawn. In the same circumstances as apply, the application must be withdrawn which prevent a company from being struck off.</p> | |