

What is a Members Voluntary Liquidation?

In a nutshell

When a company gets to the end of its useful life and if it has been successful it hopefully has accumulated a pot of money to distribute to the shareholders.

A very useful way of paying this money out is by using a Members Voluntary Liquidation ("MVL") because it means the shareholders only pay 10% tax on the distribution.

We act as liquidator and deal with the closure of the company, distribution of all the assets and then striking off at Companies House.

What actually happens?

We meet with you and discuss all of the options and make sure that an MVL is the best solution for you.

Your accountant will have given you tax advice on the suitability of an MVL and to make sure you qualify.

We ask you to put the company into as simple form as possible and ask you to:-

- finalise the last years or periods trading figures.
- work out the corporation tax due on profits.
- complete any PAYE or VAT returns.
- sell any assets left.
- pay off all of the suppliers that you can.
- we send the proposal with a report (called a nominee's report) to the Court.

The reason we do this is that we can then spend less time administering the company and charge you less.

We prepare all the statutory paperwork needed to put the company into liquidation including:-

- the statutory notices to creditors and shareholders.
- the forms needed for Companies House.
- the shareholders resolutions to liquidate.
- a summary of the company's assets and liabilities.
- a statutory declaration of solvency which you will need to swear before a solicitor.
- an indemnity from the shareholders to us in case unknown creditors come forward in due course.

We then put the company into liquidation. Within the first seven days of liquidation we then distribute the major funds held in the company in proportion to all of the shareholders.

We will hold back enough to cover our liquidation fee plus vat, a statutory bond we have to pay for, the cost of an advert in the London Gazette and a small contingency to cover any creditors.

We aim to have closed the liquidation and distribute any final monies to shareholders within six months.

What it is used for

When the company has ceased trading and wants a very tax efficient way of paying out shareholders and closing the company down.

Contact Us

For further information regarding members voluntary liquidation please contact David Kirk on **01392 474303**, alternatively email david@kirks.co.uk for more information.

Exeter	01392 474303
Barnstaple	01271 372529
Cirencester	01285 644361
Glastonbury	01458 833090
Poole	01202 669673

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