

MY COMPANY IS GOING INTO LIQUIDATION - WHAT ACTUALLY HAPPENS?

Liquidation is a five-stage process.

1. We send you a list of what we need.
2. We then send you all of the paperwork to sign.
3. About ten days later the company goes into liquidation.
4. We take over and help the employees make redundancy claims, we agree creditors claims and we realise the company assets.
5. Often at the end of year one we produce a final report showing what we have done, and the funds collected and paid out.

1. We send you a list of what we need.

This list will include:

- The company name and address.
- Photo ID for the directors and anyone owning over 25% of the shares.
- A list of creditors with their names, addresses and amounts due.
- A list of any HP or lease creditors.
- A list of employees by name and address, job title, rate of pay and start date. We can send you a spreadsheet template if easier.
- A list of all assets with your best estimate of values such as: property, equipment, vehicles (if needs be we can instruct an agent to assess these).
- Pension information – details of any pension scheme the company has.
- The name and address of your accountants.
- The last three years full accounts and up to date management figures.
- The company VAT number and PAYE reference.
- The bank name, balances and details of any loans.
- If any property is rented copies of the leases.
- A list of debtors with their names, addresses and amounts.
- In due course we will need your books, records and an accounts software back up.
- Details of any winding up in progress or legal action.
- A brief company history.

2. We send you all of the paperwork that you need to sign.

We will send you everything to sign by email in Adobe sign. You do not need to print anything out and you get a copy to keep as well.

This paperwork includes:

- Letter of Engagement
- Notices to Shareholders
- Notices to Creditors
- Board Meeting Minutes
- Consent to Short Notice
- Notice of Deemed Consent

We can also inform any staff of their rights as they are being made redundant. If more than 20 staff are to be dismissed we will complete and submit HR1 forms as necessary.

3. The date of liquidation.

We can usually put a company into liquidation without the need to call a creditor's meeting (unless 10% of creditors request a meeting). Accordingly, most liquidations happen without any real fuss. Any creditor who is upset and wants to get some points across will usually contact us and we talk to them and listen to their concerns.

4. The date of liquidation onwards.

Once the company is in liquidation, we take control. The tasks that we carry out are:

- Agree claims with creditors.
- Help employees claim from the Government Redundancy Payments Service.
- We close down any offices and trading sites.
- Arrange for assets to be collected and sold by auctioneers.
- Insure any assets and property.
- Collect in any debtors and close bank accounts.
- We carry out a review of what happened and make sure that all assets have been realised.
- We report to creditors and ask them to approve our fees and costs.
- Once all assets have been realized and creditors' claims agreed we then pay a dividend to creditors if we have sufficient funds.

5. Closure.

We report to creditors and shareholders and close the liquidation.

This is often at the first anniversary date.