



## **Winding up a business**

### **You may be in one of the following situations:**

- A shareholder or director who wishes to wind-up a solvent company.
- A shareholder or director of a company that is facing serious cash flow or solvency problems and you wish to work out the best course of action.
- A business person who is dealing with a company you believe to be insolvent.
- A supplier of a company who cannot get paid.
- An individual facing cash flow problems or bankruptcy in a personal capacity.

We can advise you in any of the above situations and usually we can act as liquidator with a view to an orderly winding up.

### **SOLVENT**

Companies are either solvent or insolvent on winding-up.

Solvent winding-up may arise where a company is no longer needed or when a particular venture is over and the shareholders wish to dissolve their relationship or for tax purposes. A solvent winding-up is a relatively simple process – typically by way of “Members’ Voluntary Liquidation (MVL)”.

Solvent dormant companies may, in certain circumstances be wound up by way of voluntary strike-off.

### **INSOLVENT**

In a situation where a company is insolvent without the possibility of rescue, then the best strategy for directors to pursue is an orderly winding up of the company.

Where the company is insolvent, the directors and shareholders should obtain professional advice with a view to considering the winding up of the company. Such liquidation is called a “Creditor’s Voluntary Liquidation” (CVL). If the directors and shareholders act responsibly, they will benefit from the limited liability protection which a company offers. Corporate failure is part of business and winding up an insolvent company is a corporate responsibility.

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## CHARTERED ACCOUNTANTS

CVL's are more complex than MVL's. In a CVL Liquidators are obliged to report to the Office of the Director of Corporate Enforcement (ODCE) on the conduct of directors. If a company is insolvent, directors and shareholders should seek advice as early as they are aware of the corporate difficulties. Delay in action can result in a worse position.

### OUR SERVICE

We have experience of liquidations and winding-up. We can assist in making the process as efficient and orderly as possible.

We have experience of submitting Section 56 Reports to the ODCE. To date we have not been instructed to take proceedings to restrict directors.

We work with company directors and company owners so the directors and shareholders can move on.

### BENEFITS

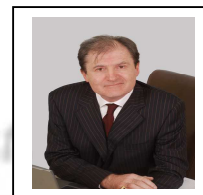
We can help company directors and shareholders meet their obligations. We can advise on the possibility of having solvent or insolvent companies wound up or dormant companies struck-off voluntarily. We can assess whether some other form of corporate restructuring is feasible.

If you are a creditor or shareholder and not a director, you may be able to obtain the appointment of a liquidator in certain circumstances and, if so, you could probably nominate us as liquidator.

In the case of personal insolvency, the wise approach is to avoid deferring the problem. Sharing the burden of personal insolvency with an experienced professional can be the start to solving personal insolvency problems.

### FOR FURTHER INFORMATION CONTACT:

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