

1. Introduction

This guidance note is a leaflet explaining the process of striking a company off the register as covered by part 31 of the Companies Act 2006 (CA06) where a company voluntarily strikes off and dissolved (s.1003 CA06).

This note is intended as a guide to the key points for our customers who decide to voluntarily dissolve a company.

This note does not intend to replace the government's guidance on strike off, dissolution and restoration. It is a comprehensive, explains the process in a way that is understandable for secretaries of companies who are not legal experts.

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2. Reasons to dissolve a company

A limited company is a legal entity that must for example file annual accounts and deliver a confirmation statement to Companies House. If a company is no longer trading, it may be worth considering striking the company off the register. A strike off application is only made if the company is no longer trading and the directors wish to retire, the company is no longer required or the company was set up for a specific purpose and is no longer being pursued.

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3. Alternatives to dissolution

The voluntary strike off process is not the only way a company may be struck off the register.

A company may decide to apply to the registrar to strike the company off. Section 1000 CA06 gives the registrar the power to strike a company off if it has reasonable cause to believe that the company is no longer trading or in operation.

A company may also be struck off by the registrar. This can be a costly process but if the company's own liabilities are dealt with during the liquidation process and a voluntary strike off, even if the company's liabilities are extinguished, the company can be restored to the register, in order for claims to be made against it.

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Note that the voluntary strike off process is not an alternative to formal insolvency proceedings where a company is insolvent and evade/avoid known liabilities. There are certain circumstances when a company may NOT be struck off (s.1004 CA06) if at any time in the last 3 months it has been:

- traded or otherwise carried on business

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- changed its name;
- disposed for value or
- engaged in any activity that the company or company

Section 1005 CA06 also covers reconstructions (including those which have not been covered by an application at any time.

A company cannot apply to

A company considering to consider all of its actions and any will potentially fall foul

4. Tax

Tax implications are a key part of this process. It is vital to consider liabilities before submitting an application. A company should also consider notify

5. Process

An application for voluntary strike off its directors or a majority of

The chronology of the process

- Consider whether the company.
- Consider what assets will need to be transferred and rights in which its dissolution pass
- Assign, novate or agreements.
- Close the company
- Return share capital belongs to the company to consider undertaking strike off if there is our share capital re
- Notify all creditors, in order that they can

it held for the purpose of trading; to concluding the affairs of the company.

es relating to arrangements and voluntary arrangements) prevent a company from making an

or if it has bearer shares in issue.

procedure will therefore need to seek professional legal advice if it is unsure if 04/1005 CA 2006.

thinking about voluntary strike off. Consider the potential tax implications of the company's existing and potential tax liabilities for strike off. A company should consider an application.

made on the company's behalf by

an appropriate process for the

company has. Note that any assets of the company. The law states that all property of beneficial interest immediately before the company is dissolved.

appropriate) all contracts and other

transfer any domain names.

As a practical matter, as share capital belongs to the members, a company may wish to consider undertaking strike off before applying for voluntary strike off if there is share capital remaining in the company. See for all the relevant documents.

to BEFORE applying for strike off

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7. reviewed by the liquidator.
Offences

Note that it is considered potential imprisonment:

- to apply when the company is insolvent;
- to provide false or misleading information;
- not to copy the application;
- not to withdraw the application if the company becomes ineligible.

8. **Objections**

CH states that interested parties will be considered by the court. Any objection must be supported by evidence. Any objection must include:

- the company has been trading, changed its name, or changed its registered office;
- action being taken, or proposed, to pay creditors;
- the directors have not received notice of the application;
- any of the declarations made in the application are false or misleading;
- other legal action is being taken against the company;
- the directors have committed an offence.

which attracts an unlimited fine and

striking off;
or support of, an application;
ties within 7 days; and
ing off if the company becomes

the strike off application. Objections
ation has been published in the
supporting evidence. Reasons for an

ons of the application, e.g. it has
3 months;
money owed;
d parties;

company; or
mitted tax fraud or some other