What happens in a Members' Voluntary Liquidation

And how we help you through the process



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BABR is an independent firm which specialises in providing corporate and personal rescue, recovery and insolvency solutions to those in financial difficulty.



We also assist shareholders of solvent companies with extracting surplus funds in a structured and tax e cient way via solvent MVLs.

We are licensed and regulated by Institute of Chartered Accountants in England and Wales and a firm member of R3, The Association of Business Recovery Professionals. This ensures that we maintain the highest ethical and professional standards in the solutions we deliver for our clients.

We have developed bespoke and up to date systems and processes, which together with our highly trained and experienced team, aim to deliver exceptional service to our clients.

We have successfully implemented hundreds of MVLs, returning tens of millions to shareholders, since 2007.

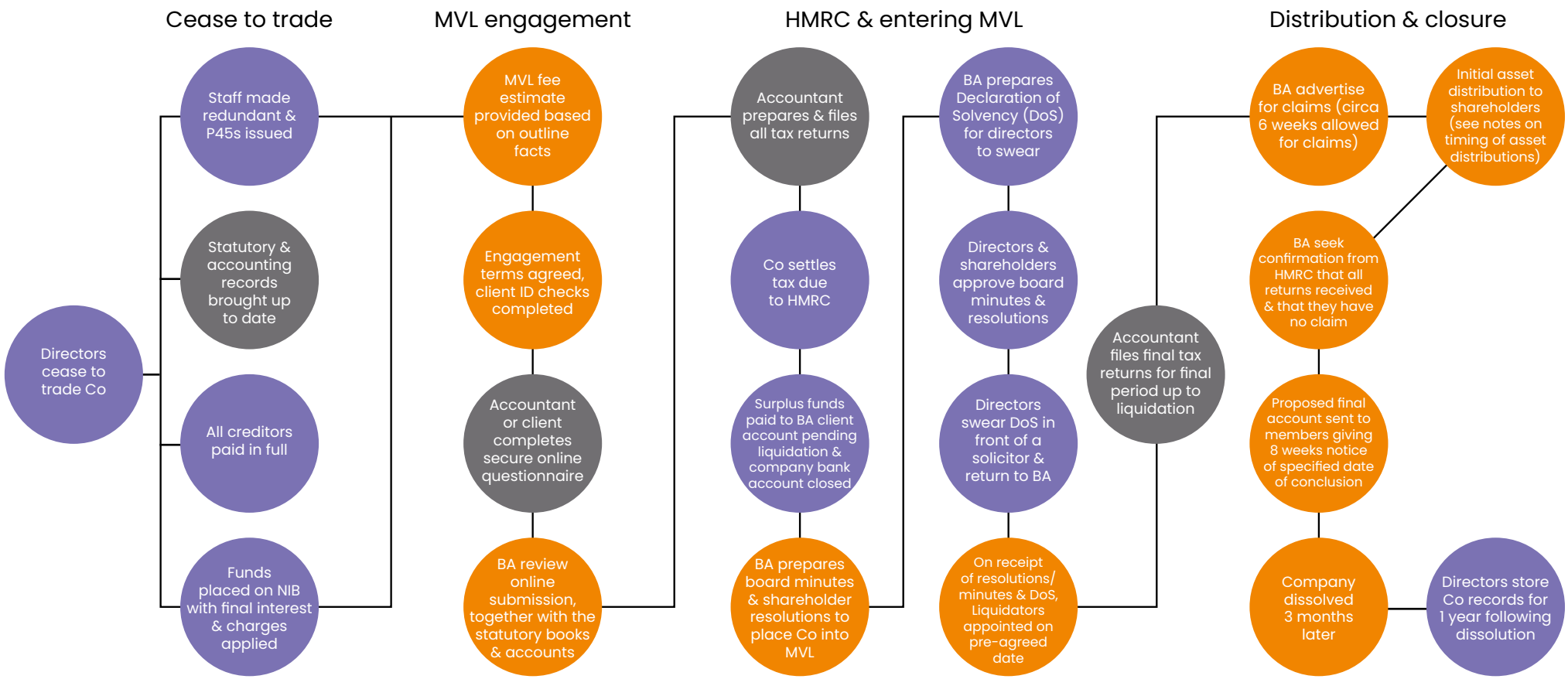
What is a Members' Voluntary Liquidation?

Members' Voluntary Liquidation (MVL) is a procedure that is used when a company has fulfilled its purpose, has sufficient assets to meet all of its liabilities, trading has stopped and the company's shareholders wish to realise their investment in a tax efficient way.

The key tax benefit of an MVL arises from the fact that a distribution of assets to shareholders via MVL are treated as capital rather than income distributions. Tax paid by shareholders on capital distributions will be based upon capital gains tax rather than income tax rates, which subject to the circumstances, can give rise to tax saving.

If you want to know more, please contact us on 0208 662 6070 or by email at enquiries@babr.co.uk

The key steps involved in placing a company into MVL and the subsequent duties of the liquidator



Responsibilities: Purple = Director | Orange = BABR | Grey = Accountant

Timing of distribution to shareholders
Assuming no creditor claims or HMRC objections are received, shareholder s will receive a first distribution of cash assets (less £20,000) within 6-7 weeks of commencement of liquidation. Non-cash assets and the retained £20,000 are thereafter distributed to shareholders just prior to conclusion of the liquidation, typically within 4 to 7 months of commencement of the liquidation, provided no creditor claims are received in the interim.

Other professional advice
Advice in relation to cessation of trading, accounting, and tax (corporate and personal) should be provided by the company's accountant. Fees associated with these activities and any other assistance provided should be agreed between the accountant and directors/shareholders independently.

Contact us

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Enquiries

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Bailey Ahmad are regulated by the Institute of Chartered Accountants in England & Wales and are a firm member of R3 - Association of Business Recovery Professionals. All funds transferred to us are held on a trust basis in desiginated client accounts pending distribution to shareholders.

Our Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. A list of Insolvency Practitioners and their respective licensing bodies is available from our website, please **click here**. When acting as Administrators or Administrative Receivers, they act as agents of the Company and contract without personal liability. BABR is a trading name of Bailey Ahmad Limited registered office: 1 Suffolk Way, Sevenoaks, Kent TN13 1YL Registered in England & Wales: 5963453

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