

for achieving the purpose of the administration or explaining why they cannot be achieved. The proposals may include a voluntary arrangement or a compromise or arrangement with creditors or members.

The statement setting out the proposals must be sent to:

- Companies House;
- every creditor of the limited liability partnership with an invitation to an initial creditors' meeting, if one is to be held; and
- every member of the limited liability partnership, unless the administrator publishes a notice to the effect that he will provide a copy free of charge to any member of the limited liability partnership who applies in writing for a copy.

The business of the initial creditors meeting will be to approve (with or without modifications) the statement of proposals. Following the initial meeting, the administrator may;

- hold further creditors' meetings,
- form a creditors committee; or
- deal with matters in correspondence between the administrator and creditors.

The Administrator must notify any revisions to the proposals following a creditors' meeting to members.

Decisions taken at creditors' meetings must be reported to Companies House on Form 2.23B and to the court.

6. When does administration end?

There are several ways in which administration can come to an end.

Administration can end automatically when the administrator's term of office expires. The appointment of an administrator expires after 1 year. However, this may be extended with the consent of creditors or the court. Any extension must be notified to Companies House on Form 2.31B.

An administrator appointed under a court order may apply to the court to end administration if he or she thinks that the purpose of the administration cannot be achieved or the limited liability partnership should not have entered administration, or a creditors' meeting requires the application. The court will discharge the administration order and the administrator must notify Companies House on Form 2.33B.

An administrator appointed by the holders of a floating charge or by its members of the limited liability partnership may end administration when the purpose of administration has been sufficiently achieved. The administrator must file notice with the court and with Companies House on Form 2.32B.

Administration may end on the application of a creditor to the court alleging an improper motive on the part of the person who appointed the administrator or applied to the court for an administration order. The administrator must send a copy of the order with Form 2.33B to Companies House within 14 days of the order being made.

Administration may end when the limited liability partnership moves into creditors' voluntary winding up. This can happen where the administrator thinks that each secured creditor is likely to be paid and a distribution will be made to unsecured creditors, if there are any. The administrator must notify Companies House on Form 2.34B and send copies to the court and each creditor. The limited liability partnership will then be wound up as if a resolution for voluntary winding up had been passed on the day on which notice is registered with Companies House.

Administration may end when the limited liability partnership moves into dissolution. This can happen if the administrator thinks that a company has no property with which to make a distribution to its creditors. The administrator must send notice to Companies House on Form 2.35B and send copies to the court and each creditor.

3 months after the date the form is registered with Companies House. The limited liability partnership will be dissolved unless, on application to the court, an order is made to extend or suspend the period or stop the dissolution. Notice of the order must be notified to Companies House on Form 2.36B.

7. Which forms should be used?

From 1 October 2005 as per Statutory Instrument 2005 No. 1989, the Limited Liability Partnership's (Amendment) Regulations 2005 introduced new statutory forms for filing with Companies House, some of which are listed below:

Form title	Number
Notice of administrator's appointment	2.12B
Notice of statement of affairs	2.16B
Notice of extension of time period	2.18B
Statement of administrators revised proposals	2.22B
Notice of result of meeting of creditors	2.23B
Administrators progress report	2.24B
Notice of automatic end of administration	2.30B
Notice of extension of period of administration	2.31B

Notice of end of administration	2.32B
Notice of court order ending administration	2.33B
Notice of move from administration to creditors voluntary liquidation	2.34B
Notice of move from administration to dissolution	2.35B
Notice to registrar of companies in respect of date of dissolution	2.36B
Notice of intention to resign as administrator	2.37B
Notice of resignation by administrator	2.38B
Notice of vacation of office by administrator	2.39B
Notice of appointment of replacement/additional administrator	2.40B

Please note: These forms are not available from Companies House. They can be obtained from company law stationers or by visiting the Insolvency Service website at www.insolvency.gov.uk/

Chapter 4 Receivers

1. What is a receiver?

There are two kinds of receiver and their powers vary according to the terms of their appointment.

An administrative receiver is a receiver or manager of the whole, or substantially the whole, of a limited liability partnership's property who is appointed by or on behalf of the holders of any debentures of the limited liability partnership secured by a floating charge. He or she has the power to sell (or otherwise realise) the assets covered by the floating charge and apply the proceeds to the debt owed to the charge-holder.

Receivers who are *not* administrative receivers may be appointed in other circumstances. For example, under powers contained in an instrument or document creating a charge over a limited liability partnership's property, a receiver or manager may be appointed until the debt is recovered. These Receivers are appointed under the Law of Property Act 1925.

2. Who gives notice of the receiver's appointment?

The person who appoints the administrative receiver, receiver or manager, or has them appointed under the powers contained in an instrument, is responsible for informing Companies House within seven days of the appointment. An administrative receiver must also publish notice of his or her appointment in the Gazette and in an appropriate newspaper.

When the administrative receiver, receiver or manager ceases to act they must notify Companies House.

3. What must the receiver send to Companies House?

Within three months of appointment, an administrative receiver must make a report to all of the following:

- the Registrar;
- the limited liability partnership's creditors;
- the holders of a floating charge; and
- any trustees for secured creditors of the limited liability partnership.

Statement of affairs

This is a summary of the limited liability partnership's assets, liabilities and creditors. The administrative receiver must demand such a statement and decides who should prepare it.

The report must explain the circumstances of the appointment and the action the administrative receiver is taking. The report must also include a summary of any 'statement of affairs' prepared for the receiver by the officers or employees of the limited liability partnership.

All receivers must send an account of receipts and payments for the first 12 months of receivership to the Registrar, and:

- for administrative receivers, at 12-monthly intervals thereafter;
- for receivers and managers, at 6-monthly intervals.

4. Which forms should be used?

The appropriate forms are:

Form title	Number
Notice of the appointment of receiver or manager	LL LQ01
Notice of ceasing to act as receiver or manager	LL LQ02
Receiver or manager or administrative receiver's abstract of receipts and payments	3.6
Administrative receiver's report	3.10

Please note: With the exception of Forms LL LQ01 and LL LQ01 these forms are not available from Companies House. They can be obtained from legal stationers or by visiting the Insolvency Service website at www.insolvency.gov.uk/.

Chapter 5

Voluntary liquidation

There are two kinds of voluntary liquidation:

- members' voluntary liquidation (MVL) - which means the designated members have made a statutory declaration of solvency; and
- creditors' voluntary liquidation (CVL) - which means the designated members have not made such a declaration.

1. When can a limited liability partnership go into MVL?

This can take place when the designated members believe that the limited liability partnership is solvent.

A majority of the limited liability partnership's designated members must make a statutory declaration of solvency in the five weeks before the date when the limited liability partnership determined that it would be wound up, or on the date but before making the determination - see question 3.

2. What is in the declaration?

The statutory declaration will state that the designated members have made a full inquiry into the limited liability partnership's affairs and that, having done so, they believe that it will be able to pay its debts in full within 12 months from the start of the winding-up. The declaration will include a statement of the limited liability partnership's assets and liabilities as at the latest practicable date before making the declaration.

3. When does liquidation actually start?

The liquidation starts when the members determine to wind up the limited liability partnership. The means of making such a determination will usually be provided for in the partnership agreement. In the absence of any provision, the determination will be made by a decision of the majority of members.

4. Must notice of voluntary liquidation be given to anyone?

Yes. Notice of the determination for voluntary winding-up of the limited liability partnership must be published in the Gazette within 14 days of the making of the determination. The limited liability partnership must also send a copy of

the declaration and the determination to the Registrar within 15 days of the date when the limited liability partnership determined that it would be wound up.

5. When may a CVL be appropriate?

A limited liability partnership may go into CVL when it cannot pay its debts.

6. What must the limited liability partnership do?

Its members determine that the limited liability partnership cannot continue in business because of its liabilities and that it is advisable to wind up. The way in which the limited liability partnership makes such a determination will usually be provided for in the partnership agreement. In the absence of any provision, the determination will be made by a decision of the majority of members.

The determination must be:

- advertised in the Gazette within 14 days; and
- sent to the Registrar within 15 days.

A meeting of creditors must be held in the next 14 days after the determination to wind up has been made. Notice of the meeting must be sent to the creditors at least seven days before the meeting. Also, the designated members must prepare a statement of affairs for consideration at the meeting, and appoint one of themselves to attend and preside over the meeting.

When the liquidator is appointed, the designated members must provide him or her with a statement of affairs and otherwise co-operate with the liquidator.

7. Does the limited liability partnership have to advertise notice of the meeting?

Yes. The meeting must be advertised in the Gazette and in two newspapers in the area where the limited liability partnership has its principal place of business.

8. What are the main duties of a liquidator?

The liquidator is appointed to wind up the limited liability partnership's affairs. The liquidator does this by calling in all the limited liability partnership's assets and distributing them to its creditors. If anything is left over, the liquidator distributes it among the members of the limited liability partnership.

9. Does a liquidator need to notify anyone of his or her appointment?

Yes. Within 14 days of being appointed, a liquidator must publish a notice of appointment in the Gazette and notify Companies House. If the liquidation is voluntary, the liquidator must also give notice in a newspaper in the area where the limited liability partnership has its principal place of business.

10. What does the liquidator have to send to Companies House?

The liquidator must send a statement of affairs and Form 4.20 to Companies House within seven days of the creditors' meeting.

The liquidator must also send a statement, of receipts and payments for the first 12 months of liquidation. After that, statements must be sent every six months until the winding-up is complete.

11. Can an MVL be converted into a CVL?

Yes. If the liquidator decides that the limited liability partnership will not be able to pay its debts in full in the period stated in the designated members' statutory declaration of solvency, then he or she must call a meeting of the creditors which must be held within 28 days. The liquidation becomes a CVL from the date of the meeting.

12. What are the requirements for giving notice in such a case?

The liquidator must:

- post a notice of the meeting to each creditor at least seven days before the date of the meeting;
- advertise the date of the meeting in the Gazette and in 2 newspapers in the area where the limited liability partnership has its principal place of business; and
- prepare a statement of affairs for consideration at the meeting. A copy of the statement must be sent to Companies House within seven days of the meeting.

13. What happens when the limited liability partnership's affairs are fully wound up?

The liquidator presents an account to final meetings of creditors and members of the limited liability partnership. He or she must advertise the meetings in the Gazette at least one month before.

Within one week of the meeting having taken place, the liquidator must send the account to Companies House and a return of the final meeting.

Unless the court makes an order deferring the dissolution of the limited liability partnership, it is dissolved three months after the return and account are registered at Companies House.

14. Which forms should be used?

The appropriate forms are:

Form title	Number
Notice of appointment of liquidator voluntary winding-up (members or creditors)	600
Statement of affairs in conversion from a members' voluntary to a creditors' voluntary liquidation <input type="checkbox"/>	4.18 & 4.20
Statement of affairs in a creditors' voluntary liquidation	4.19 & 4.20
Liquidator's statement of receipts and payments	4.68
Members' voluntary winding-up declaration of solvency embodying a statement of assets and liabilities <input type="checkbox"/>	4.70
Return of final meeting in a members' voluntary winding-up	4.71
Return of final meeting in a creditors' voluntary winding-up	4.72

Please note: With the exception of Form 600, these forms are not available from Companies House. They can be obtained from company law stationers or by visiting the Insolvency website at www.insolvency.gov.uk/

Chapter 6 Compulsory liquidation

1. What is 'compulsory liquidation'?

Compulsory liquidation of a limited liability partnership is when the limited liability partnership is ordered by a court to be wound up.

2. Which courts can order a compulsory liquidation?

The High Court, or a county court with the appropriate jurisdiction, may order the winding-up of a limited liability partnership. This may be, for example, on the petition of a creditor or creditors on the grounds that the limited liability partnership cannot pay its debts.

A limited liability partnership is regarded as unable to pay its debts if, for example, a creditor:

- is owed more than £750;
- presents a written demand in the prescribed form (known as a statutory demand (Form 4.1)) to the limited liability partnership; and

- the limited liability partnership fails to pay, secure or agree a settlement of the debt to the creditor's reasonable satisfaction.

There are other situations where a limited liability partnership is deemed unable to pay its debts. Please read the relevant legislation.

The court may also order the limited liability partnership to be wound up on the petition of:

- the limited liability partnership itself;
- one or more of the limited liability partnership's members;
- the Secretary of State for Business, Innovation and Skills;
- the Financial Services Authority (formerly the Securities and Investment Board); or
- the Official Receiver.

3. Must the petition be advertised?

Unless the court directs other arrangements, the petition must be advertised in the Gazette.

4. What appears on the limited liability partnership record held by Companies House?

If the petition is successful, the limited liability partnership must send the winding-up order to Companies House straightaway and it will be placed on the limited liability partnership's public record.

The petition itself is not presented to the Registrar so it will not appear on the public records.

5. Who acts as the liquidator when an order is made to wind up the limited liability partnership?

The Official Receiver becomes liquidator on the making of a winding-up order against a limited liability partnership, unless the court orders otherwise.

6. What are the duties of the Official Receiver as liquidator?

The Official Receiver has a duty to investigate the limited liability partnership's affairs and the causes of its failure.

He also decides whether to call meetings of the creditors and contributories (that is, those people liable to contribute to the assets of the limited liability

partnership if it is wound up) for the purpose of appointing a liquidator in his place.

If he decides not to call a meeting, he must notify the creditors, contributories and the court of his decision.

On the other hand, if he decides to call a meeting, a liquidator may then be appointed in place of the Official Receiver. The liquidator must notify Companies House of his or her appointment immediately.

If the position of liquidator becomes vacant at any time, the Official Receiver becomes the liquidator for the duration of the vacancy.

7. What happens when the winding-up is complete?

When Companies House receives notice from the liquidator of the final meeting of creditors or notice from the Official Receiver that winding-up is complete, he will register it and publish its receipt in the Gazette.

Unless the Secretary of State directs otherwise, the limited liability partnership will be dissolved three months after the notice was registered at Companies House.

If the Official Receiver, acting as liquidator, is satisfied that the limited liability partnership's realisable assets (that is, assets which could be sold or disposed of to raise money) will not cover the expenses of winding-up and that no further investigation of the limited liability partnership's affairs is necessary, he may apply to the Registrar for early dissolution of the limited liability partnership. The limited liability partnership will be dissolved three months after the application is registered at Companies House.

Chapter 7 Further information

1. Where can I go for help?

Staff at Companies House in Cardiff will be able to advise you on general matters, but if you are considering liquidation or insolvency proceedings you should seek the advice of an insolvency practitioner or the Insolvency Service (tel. Insolvency Service Enquiries 0845 602 9848).

Complaints about the conduct of a licensed insolvency practitioner should be sent, in writing, to:

The Insolvency Practitioners' Section
The Insolvency Service

Area 1.10
 PO Box 203
 21 Bloomsbury Street
 London
 WC1B 3QW

They will then forward the complaint to the practitioner's authorising body.

2. How do I send forms to Companies House?

- Documents, including court orders, should display the correct limited liability partnership name and registration number;
- You should supply documents in portrait format (that is, with the shorter edge across the top).

3. How do I send information to Companies House?

You may deliver documents to Companies House by hand (personally or by courier), including outside office hours, bank holidays and weekends to Cardiff, London and Edinburgh.

You may also send documents by post, by the Document Exchange Service (DX), or by Legal Post (LP) in Scotland. If you send documents, please address them to:

For LLPs incorporated in England & Wales:	For LLPs incorporated in Scotland:	For LLPs incorporated in Northern Ireland
The Registrar of Companies Companies House Crown Way Cardiff CF14 3UZ or DX33050 Cardiff 1	The Registrar of Companies Companies House 4th Floor Edinburgh Quay 2 139 Fountainbridge Edinburgh EH3 9FF or DX ED235 Edinburgh 1 or LP – 4 Edinburgh 2	The Registrar of Companies Companies House Belfast Companies House 1 st floor Waterfront Plaza 8 Laganbank Road Belfast BT1 3BS DX 481 NR

If you are sending documents by post, courier or Document Exchange Service (DX) and would like a receipt, Companies House will provide an acknowledgement if you enclose a copy of your covering letter with a pre-paid addressed return envelope. We will barcode your copy letter with the date of receipt and return it to you in the envelope provided.

Please note: an acknowledgement of receipt does not mean that a document has been accepted for registration at Companies House.

Please note: Companies House does not accept accounts or any other statutory documents by fax.

4. Where do I get forms and guidance?

This is one of a series of Companies House guidance which provide a simple guide to the Companies Act.

Statutory forms and guidance are available, free of charge from Companies House. The quickest way to get them is through our website or by telephoning 0303 1234 500.

Forms can also be obtained from company law stationers, accountants, solicitors and company formation agents - addresses in business phone books.

how to contact us

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contact centre: **0303 1234 500**

(For training and quality purposes your call may be monitored)

mini-com: 029 2038 1245

enquiries@companieshouse.gov.uk

www.companieshouse.gov.uk

- Cardiff:** Companies House
Crown Way, Cardiff CF14 3UZ
Fax: 029 2038 0900
- Edinburgh:** Companies House
4th Floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, EH3 9FF
Fax: 0131 535 5820
- London:** Companies House
21 Bloomsbury Street, London, WC1B 3XD
Fax: 029 2038 0900
- Belfast:** Companies House,
1st Floor, Waterfront Plaza,
8 Laganbank Road, Belfast, BT1 3BS.
Fax: 028 9090 5291

For the most up to date version of this booklet please visit our website at:

www.companieshouse.gov.uk



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