



Companies House

— *for the record* —

Winding Up (Scotland)

January 2004

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This booklet is a guide only and should be read with the relevant legislation.

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Introduction

This booklet is a guide to winding up, your limited liability partnership or removing it from the register. The booklet summarises some of the rules that apply to voluntary arrangements, administration orders, receivers, and voluntary and compulsory liquidations. It also covers how and why limited liability partnerships are struck off and dissolved.

This booklet also covers how, in certain circumstances, your limited liability partnership may be restored to the register.

Please remember that if your limited liability partnership is considering liquidation, or any other measures to deal with insolvency, you should seek appropriate professional advice or consult an authorised insolvency practitioner.

You will find the relevant law in the Limited Liability Partnerships Act 2000, the Insolvency Rules (Scotland) 1986, and in the Limited Liability Partnerships (Scotland) Regulations 2001 which apply parts of the Companies Act 1985 (as amended in 1989 and later) and the Insolvency Act 1986 to limited liability partnerships.

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CHAPTER 1

General insolvency information

1. What are insolvency proceedings?

These are formal measures to deal with debts of limited liability partnerships. Many different types of insolvency proceedings apply to limited liability partnerships. All are covered in this booklet.

2. Do all limited liability partnerships have to go through insolvency proceedings before being dissolved?

No. If the Registrar has reason to believe that a limited liability partnership is not carrying on business or is not in operation, he may strike its name off the register and dissolve it without going through liquidation. A limited liability partnership that is not trading may apply to the Registrar to be struck off the register. **This procedure is not an alternative to formal insolvency proceedings.**

More information about striking off and dissolution of a limited liability partnership is given in [chapter 7](#) of this booklet.

3. Can anyone supervise insolvency procedures?

All liquidators, administrators, administrative receivers and supervisors taking office on or after 29 December 1986 must be authorised insolvency practitioners.

Receiver managers and Law of Property Act (LPA) receivers do not have to be authorised.

Insolvency practitioners may be authorised by:

- the Chartered Association of Certified Accountants;
- the Insolvency Practitioners' Association;
- the Institute of Chartered Accountants in England and Wales;
- the Institute of Chartered Accountants in Ireland;
- the Institute of Chartered Accountants in Scotland;
- the Law Society;
- the Law Society of Scotland; or
- the Secretary of State for Trade and Industry.

4. What happens to the members of an insolvent limited liability partnership?

The liquidator, administrative receiver, administrator or Official Receiver has a duty to send the Secretary of State a report on the conduct of all members who were in office in the last three years of the limited liability partnership's trading. The Secretary of State has to decide whether it is in the public interest to seek a disqualification order against a member.

Examples of the most commonly reported conduct might include:

- continuing to trade when the limited liability partnership was insolvent;
- failing to keep proper accounting records;
- failing to prepare and file accounts or make returns to Companies House; and
- failing to send in returns or pay to the Crown any tax that is due.

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CHAPTER 2

Voluntary arrangements

1. What is a voluntary arrangement?

A voluntary arrangement is when a limited liability partnership makes an agreement with its creditors by proposing a 'composition in satisfaction of its debt' or a 'scheme of arrangement of its affairs'. This means an arrangement, approved by the court, in which the limited liability partnership has formally agreed terms with its creditors for the settlement of its debts.

2. Who may propose a voluntary arrangement?

A voluntary arrangement may be proposed by:

- the administrator, if there is an administration order;
- the liquidator, if the limited liability partnership is being wound up; or
- the limited liability partnership, in other circumstances.

3. Who considers the proposal?

When the limited liability partnership has proposed the arrangement, the nominee appointed to supervise its implementation reports to the court within 28 days on whether, in his or her opinion, a meeting of the creditors should be called.

When the administrator or liquidator proposes the agreement, the nominee reports on whether a meeting of the members and a meeting of the creditors of the limited liability partnership should be called.

4. How is a proposed voluntary arrangement approved?

The meeting(s) summoned by the nominee decide whether to approve the voluntary arrangement which, subject to certain restrictions, may be approved with or without modifications. Any modifications must be agreed with the limited liability partnership. It is then binding on all creditors who had notice of the meeting and were entitled to vote. All creditors who had notice of the meeting are bound by the terms of the arrangement.

5. What happens when the arrangement is approved?

If the meeting of creditors and the meeting of members (in circumstances where a members meeting was held) approve a voluntary arrangement, then the nominee or his replacement becomes the supervisor of the arrangement.

6. What needs to be sent to Companies House?

The supervisor must send a copy of the chairman's report of the meeting.

At least once every 12 months, the supervisor must send an account of receipts and payments, together with a progress report, to all interested parties including the Registrar.

When the arrangement is completed, the supervisor must notify the Registrar, within 28 days after final completion. If the arrangement is suspended or revoked, the Registrar must be notified. The appropriate forms are:

Form title	Number
Notice of report of a meeting approving a voluntary arrangement	1.1(Scot)
Notice of order of revocation or suspension of voluntary arrangement	1.2(Scot)
Notice of voluntary arrangement's supervisor's abstract of receipts and payments	1.3(Scot)
Notice of completion of voluntary arrangement	1.4(Scot)

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CHAPTER 3

Administration orders

1. What is an administration order?

It is a court order made to appoint an administrator to manage the limited liability partnership's affairs.

2. What is the purpose of an administration order?

Its purpose may be to:

- save the whole or any part of the limited liability partnership as a going concern; or
- approve a limited liability partnership's voluntary arrangement; or
- sanction (agree to) a compromise or arrangement; or
- get a better price for the limited liability partnership's assets or otherwise realise their value more favourably than in a winding-up.

3. When may a court make an administration order?

A court may make an administration order when the limited liability partnership is, or is likely to become, unable to pay its debts and the court considers that the making of an administration order could achieve one of the purposes outlined above.

4. Who may make a petition for an administration order?

This may be done by the limited liability partnership itself, or one or more of its creditors including any contingent (existing) or prospective creditors. The administrator appointed by the order must notify the Registrar of the order.

5. What is the effect of the order?

While an administration order is in force, the limited liability partnership cannot be wound up and an administrative receiver cannot be appointed or, if previously appointed, they must vacate office. There are restrictions on enforcing any security over the limited liability partnership's property, selling any goods and starting any legal proceedings. More details about receivers are given in [chapter 4](#).

6. Who must an administrator notify of his or her appointment?

An administrator must:

- Advertise the order in the [Edinburgh Gazette](#) and in a newspaper in the area where the limited liability partnership has its principal place of business; and
- send a copy of the court order to the Registrar with Form 2.2(Scot).

What is the Edinburgh Gazette?

The Gazette is published by The Stationery Office and contains various statutory notices and advertisements. It is published twice weekly and can be obtained from The Stationery Office, 73 Lothian Road, Edinburgh EH3 9AW.

7. What are the administrator's duties?

The administrator takes control of all the property to which the limited liability partnership is, or appears to be, entitled. He or she prepares proposals for achieving the purpose for which the administration order was made and calls a meeting of creditors to consider those proposals. If the majority of creditors approve the proposals, the administrator then manages the affairs, business and property of the limited liability partnership in accordance with the proposals.

8. Does the administrator need to send anything else to Companies House?

Yes. The administrator must send details of the proposals within three months after the order was made.

Then, every six months, the administrator must send an account of receipts and payments.

9. How long does an administration order last?

It continues until the court discharges it - in other words, decides that the order is no longer needed.

If there is a court order to discharge the order, or to vary its terms, the administrator must send a copy to the Registrar within 14 days after the order was made.

10. Which forms should be used?

The appropriate forms are:

Form title	Number
Notice of petition for administration order	2.1(Scot)
Notice of administration order	2.2(Scot)
Notice of discharge of administration order	2.4(Scot)
Notice of statement of administrator's proposals	2.7(Scot)
Notice of result of meeting of creditors	2.8(Scot)
Administrator's abstract of receipts and payments	2.9(Scot)
Notice of variation of administration order	2.12(Scot)

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CHAPTER 4

Receivers

1. What is a receiver?

Appointed by or on behalf of the holder of a floating charge, a receiver has the power to sell or otherwise realise the charged assets of the limited liability partnership in an attempt to repay the debt owed to the charge-holder.

2. Who tells the Registrar and Accountant in Bankruptcy (AIB) that a receiver has been appointed ?

Within seven days of the appointment, the person who appoints the receiver must deliver notice to the Registrar and AIB. When the receiver ceases to act, the holder of the floating

charge must deliver notice to the Registrar and AIB within 14 days.

3. What document must the receiver send?

Within three months of his appointment, the receiver must deliver a report to the AIB with copies to:

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

The report must:

- explain the circumstances leading to the appointment of the receiver;
- give information about any action being taken by the receiver;
- include a summary of the statement of affairs prepared for the receiver by the officers or employees 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 decides whether it is required and who should prepare it.

Within two months of the anniversary of the appointment, the receiver must send the AIB an account of receipts and payments covering the first 12 months of receivership and for every 12 months thereafter.

4. Which forms should be used?

The appropriate forms are:

Form title	Number
Notice of the appointment of receiver by a holder of a floating charge	1 (Scot)
Notice of the appointment of a receiver by the court	2 (Scot)
Notice of the receiver ceasing to act or of his removal	3 (Scot)
Receiver's abstract of receipts and payments	3.2 (Scot)
Notice of receiver's report	3.5 (Scot)

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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;
- 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 of a limited liability partnership 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 [Edinburgh 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 AIB and a copy of 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 *Edinburgh Gazette* within 14 days; and
- sent to the Registrar and AIB 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 [Edinburgh 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 [Edinburgh Gazette](#) and notify the AIB. 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 the AIB?

The liquidator must send a statement of affairs and 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 Edinburgh Gazette and in two 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 the AIB within 7 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 [Edinburgh Gazette](#) at least one month before.

Within one week of the meeting having taken place, the liquidator must send the account to the Registrar and AIB together with 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	4.4 (Scot)

Liquidator's statement of receipts and payments	4.5 (Scot)
Notice of liquidator's statement of receipts and payments	4.6 (Scot)
Notice of final meeting of creditors	4.17 (Scot)
Return of final meeting of voluntary winding-up	4.26 (Scot)

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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 Court of Session or Sheriff Court 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 (Scot))) 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 Trade and Industry;
- the Financial Services Authority (formerly the Securities and Investment Board)

3. Must the petition be advertised?

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

[Edinburgh 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 Form 4.2 (Scot) and a copy of the winding-up order to the Registrar and AIB 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?

A provisional liquidator may be appointed after the petition is presented. If a winding up order is made, an interim liquidator is appointed. Both the provisional and interim liquidator must notify the AIB of their appointments and the provisional liquidator must also notify the Registrar.

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

Within 28 days of the appointment, the interim liquidator investigates the limited liability partnership's affairs and will call meetings of creditors and contributories (that is, those people liable to contribute to the assets of a limited liability partnership in the event of it being wound up). The meetings appoint the official liquidator who must notify the AIB within seven days. If no liquidator is appointed at the meetings, the court appoints a liquidator.

The liquidator must send to the AIB a statement of receipts and payments for the first 12 months of liquidation and thereafter every six months until the winding up is complete.

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

When the Registrar and AIB receive notice from the liquidator of the final meeting that winding-up is complete, the Registrar will register it and publish its receipt in the [Edinburgh Gazette](#).

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

If the 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.

8. Which forms should be used?

Form title	Number
Statutory demand for payment	4.1 (Scot)
Notice of winding-up order	4.2 (Scot)
Liquidator's statement of receipt and payments	4.5 (Scot)
Notice of liquidator's statement of receipts and payments	4.6 (Scot)
Notice of appointment of liquidator	4.9 (Scot)
Notice of final meeting of creditors	4.17 (Scot)

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CHAPTER 7

Voluntary striking-off and dissolution

1. Who can apply to have a limited liability partnership struck off the register?

A limited liability partnership that is not trading may apply to the Registrar to be struck off the register. It can do this if the limited liability partnership is no longer needed. For example, the active designated members may wish to retire and there is no-one to take over from them; or it is a subsidiary whose name is no longer needed; or it was set up to exploit an idea that turned out not to be feasible.

The procedure is not an alternative to formal insolvency proceedings where these are appropriate, as creditors are likely to prevent the striking off (see questions 4 and 7). Even if the limited liability partnership is struck off and dissolved, creditors and others could apply for it to be restored to the register (see [chapter 9](#)).

A limited liability partnership can apply to be struck off if, *in the previous three months*, it has not:

- traded or otherwise carried on business;
- changed its name;
- for value, disposed of property or rights that, immediately before it ceased to be in

- business or trade, it held for disposal or gain in the normal course of its business or trade (for example, a limited liability partnership in business to sell apples could not continue selling apples during that three-month period but it could sell the truck it once used to deliver the apples or the warehouse where they were stored); or
- engaged in any other activity except one necessary or expedient for making a striking-off application, settling the limited liability partnership's affairs or meeting a statutory requirement (for example, a limited liability partnership may seek professional advice on the application, pay the costs of copying the [Form LLP652a](#), etc). However, a limited liability partnership can apply for striking off if it has settled trading or business debts in the previous three months.

A limited liability partnership cannot apply to be struck off if it is the subject, or proposed subject, of:

- any insolvency proceedings (such as liquidation, including where a petition has been presented but has not yet been dealt with); or
- a Section 425 scheme (that is a compromise or arrangement between a limited liability partnership and its creditors).

2. What should I do before applying?

There are safeguards for those who are likely to be affected by a limited liability partnership's dissolution. If your limited liability partnership has creditors, you are advised to warn all the people listed in [question 4](#), before applying, as any of them may object to the limited liability partnership being struck off. Any loose ends should be dealt with before you apply.

It is also advisable to notify any other organisation or party who may have an interest in the limited liability partnership's affairs, otherwise they might later object to the application. Examples include local authorities, especially if the limited liability partnership is under any obligation involving planning permission or health and safety issues, training and enterprise councils, and government agencies.

From the date of dissolution, any assets held by a dissolved limited liability partnership will belong to the Crown - see [chapter 8, question 5](#).

3. How do I apply?

You should request a [Form LLP652a](#) from the Registrar.

The form must be signed and dated by:

- two designated members; or
- the majority, if there are more than two.

You must give the name, address and telephone number of the person Companies House should contact about the application. You should then send the completed form, with the £10 fee, to the Registrar of Companies, Companies House, 37 Castle terrace, Edinburgh EH1 2EB. Make the cheque payable to 'Companies House' and write the limited liability partnership number on the reverse.

4. Who must I inform?

Within seven days after sending [Form LLP652a](#) to the Registrar, you must provide copies of the form to the following:

- **creditors** including all contingent (existing) and prospective (likely) creditors such as banks, suppliers, former employees if they are owed money by the limited liability partnership, landlords, tenants (for example, where a bond is refundable), guarantors and personal injury claimants. Also, you must notify appropriate offices of the Inland Revenue, DSS and Customs & Excise if there are outstanding, contingent or prospective liabilities;
- **employees**;
- **managers or trustees of any employee pension fund**; and
- **any members who have not signed the form.**

Anyone who becomes a creditor after the application must also be sent a copy of the form within seven days of doing so.

All VAT-registered limited liability partnerships must notify the relevant VAT office (Finance Act 1985).

5. How should I inform the various parties?

A copy of the [Form LLP652a](#) should be delivered to, left at, or posted to them at:

- the last known address (if an individual); or
- the principal/registered office (if a company or partnership).

NOTE: To notify creditors who have more than one place of business, you must send copies of the form to or leave copies at, all the places of business where the limited liability partnership has had dealings in relation to the current debts (for example, the branch where you ordered goods or which invoiced you). It is advisable to keep proof of delivery or posting.

6. How is the form registered?

The Registrar will check the form and, if acceptable, put it on the limited liability

partnership's public record. An acknowledgement will be sent to the address shown on the form. The limited liability partnership will also be notified at its registered office address to enable it to object if the application is bogus.

7. What happens when the Registrar accepts a [Form LLP652a](#) application?

The Registrar will advertise and invite objections to the proposed striking-off in the [Edinburgh Gazette](#). The Registrar will strike the limited liability partnership off the register not less than three months after the date of this notice if he sees no reason to do otherwise and the application has not been withdrawn. The limited liability partnership will be dissolved when the Registrar publishes a notice to that effect in the [Gazette](#). At the time of striking-off, a letter will be issued to the contact name on [Form LLP652a](#) confirming the proposed date of dissolution.

Offences and penalties

It is an offence:

- to apply when the limited liability partnership is ineligible for striking-off;
- to provide false or misleading information in, or in support of, an application;
- not to copy the application to all relevant parties within seven days;
- not to withdraw the application if the limited liability partnership becomes ineligible.

Most offences attract a fine of up to £5,000 on summary conviction (before a Sheriff) or an unlimited fine on indictment (before a jury). If the designated members deliberately conceal the application from interested parties, they are liable not only to a fine but also up to seven years imprisonment.

Anyone convicted of these offences may also be disqualified from being a member for up to 15 years.

8. What if I change my mind and want to withdraw my application?

Designated members must withdraw the application using [Form LLP652c](#) if a limited liability partnership ceases to be eligible for striking-off. This may be because the limited liability partnership:

- trades or otherwise carries on business;
- changes its name;
- for value, disposes of any property or rights except those it needed in order to make or proceed with the application (for example a limited liability partnership may continue the application if it disposes of a telephone which it kept to deal with enquiries about its application);

- becomes subject to formal insolvency proceedings or makes a Section 425 application (a compromise or arrangement between a limited liability partnership and its creditors);
- engages in any other activity, unless it was necessary or expedient in order to: make or proceed with a striking-off application; conclude those of its affairs that are outstanding because of what has been necessary or expedient to make or proceed with an application (such as paying the costs of running office premises while concluding its affairs and then finally disposing of the office); or comply with a statutory requirement.

Form [LLP652c](#) can be completed and signed by any designated member. The form must be sent to Companies House.

9. Do I need to send a fee with [Form LLP652a](#)?

A fee of £10 is payable to cover the cost of providing the service. The fee will not be refunded if the application is rejected or withdrawn after its registration. A further fee will be payable for a new application. Any cheques must be made payable to 'Companies House' and the limited liability partnership number written on the reverse.

10. Can anyone object to dissolution?

Any interested party may object.

11. How and why can they object?

Objections must be in writing and sent to the Registrar of Companies with any supporting evidence, such as copies of invoices that may prove the limited liability partnership is trading. Reasons for objecting include:

- the limited liability partnership has broken any of the conditions of its application (for example, it has traded, changed its name or become subject to insolvency proceedings) during the three-month period before the application, or afterwards;
- the designated members have not informed interested parties;
- any of the declarations on the form are false;
- some form of action is being taken, or is pending, to recover any money owed (such as a winding-up petition or action in a small claims court);
- other legal action is being taken against the limited liability partnership;
- the designated members have wrongfully traded or committed a tax fraud or some other offence.

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CHAPTER 8

Defunct limited liability partnerships

1. Can the Registrar strike off a limited liability partnership?

Yes, if it is neither in business nor in operation. The Registrar may take this view if, for example:

- he has not received documents from a limited liability partnership that should have sent them to him; or
- mail he has sent to a limited liability partnership's registered office is returned undelivered.

Before the Registrar strikes a limited liability partnership off the register, he must inquire whether it is still in business or operation. If he is satisfied that it is not, he will publish a notice in the [Edinburgh Gazette](#) that he intends to strike the limited liability partnership off. A copy notice is placed on the limited liability partnership's public record. If he sees no reason to do otherwise, the Registrar will strike the limited liability partnership off not less than three months after the date of the notice. The limited liability partnership will be dissolved on publication of a further notice stating this in the [Gazette](#). At the date of dissolution any assets held by a dissolved limited liability partnership will belong to the Crown: see [question 5](#).

2. How can I avoid this action?

If the limited liability partnership is to remain on the register, it is important to reply promptly to any formal inquiry letter from the Registrar and to deliver any outstanding documents. Failure to deliver the necessary documents may also result in the designated members being prosecuted.

3. Can I object?

The Registrar will take into account representations from the limited liability partnership and other interested parties, such as creditors.

4. How does the Registrar publish his intention to strike off a limited liability partnership?

Notices are printed in the [Edinburgh Gazette](#), which is published twice weekly. Copies can be provided from the Stationery Office, 73 Lothian Road, Edinburgh EH3 9AW.

5. What happens to the assets of a dissolved limited liability partnership?

From the date of dissolution any assets held by a dissolved limited liability partnership will be 'bona vacantia'. This means they belong to the Crown.

Enquiries about bona vacantia property should be addressed to:

The Queen's and Lord Treasurer's Remembrancer (Q & LTR)

Crown Office
25 Chambers Street
Edinburgh
EH1 1LA

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CHAPTER 9

Restoration to the register

The Registrar cannot restore a limited liability partnership to the register without a Court Order. When the Registrar receives an office copy of the Court Order for restoration, a limited liability partnership is regarded as having continued in existence as if it had not been struck off and dissolved.

1. Who can apply to have a limited liability partnership restored to the register?

For limited liability partnerships struck off following a [Form LLP652a](#) application:

any of the parties who must be notified of the application (see [chapter 7, question 4](#)) can apply to the Court within 20 years of dissolution for the name of the dissolved limited liability partnership to be restored to the register. The Court may order restoration if it is satisfied that:

- the person was not given a copy of the limited liability partnership's application;
- the limited liability partnership's application involved a breach of the conditions of the application; or
- for some other reason it is just to do so.

The Secretary of State may also apply to the Court for restoration if this is justified in the public interest.

For limited liability partnerships struck off at the instigation of the Registrar: the limited liability partnership, or its creditor, can apply to the Court for restoration within 20 years of the dissolution. When a limited liability partnership applies for its own restoration, a member of the limited liability partnership must also be an applicant to give any necessary undertakings to the Court.

Where a limited liability partnership is dissolved: the liquidator or any other interested party such as a creditor can apply to the Court for the dissolution to be declared void. In most cases an application must be made within two years of dissolution, but it can be made at any time if its purpose is to bring proceedings against a limited liability partnership for:

- damages for personal injuries including any sum under Section 1(2)(c) of the Law Reform (Miscellaneous Provisions) Act 1934 (funeral expenses); or
- damages under the Fatal Accidents Act 1976 or the Damages (Scotland) Act 1976.

2. Which courts do I apply to for a Restoration Order?

You can apply to The Court of Session or Sheriff Court in the Sheriffdom in which the limited liability partnership has its registered office.

3. How do I serve documents?

The petition should be served on:

The Lord Advocate
Crown Office
25 Chambers Street
Edinburgh
EH1 1LA

DX: ED310

and:

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

DX: ED235 Edinburgh 1

The Registrar will accept delivery by post (recorded delivery is recommended). He will also accept delivery by hand at Companies House [Edinburgh](#) during normal office hours.

An agent may represent the Registrar of Companies and/or the Lord Advocate at the hearing.

4. What evidence must I give?

The Court will require evidence covering service of the petition on the Registrar of Companies and the Lord Advocate.

The Court will usually require background information on the limited liability partnership. This can be provided in the petition (its form is prescribed in the rules of court) and may include:

- when the limited liability partnership was incorporated and the nature of its objects (a copy of the certificate of incorporation and the incorporation document should be attached);

- its membership and officers;
- its trading activity and, if applicable, when it stopped trading;
- an explanation of any failure to deliver accounts, annual returns or notices to the Registrar of Companies;
- details of the striking-off and dissolution;
- comments on the limited liability partnership's solvency;
- any other information that explains the reason for the application.

The Registrar will provide information to assist in an application to the Court. Before the Court hearing, he will normally ask for:

- delivery of any statutory documents to bring the limited liability partnership's public file up to date.
- the correction of any irregularities in the limited liability partnership's structure.

5. Are there costs or penalties?

Yes. The applicant(s) may be expected to meet the costs of the Registrar in relation to the restoration. The limited liability partnership may also be required to meet the Registrar's expenses and any late filing penalty payable for accounts delivered outside the period allowed by the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).

6. What happens when the order for restoration is made?

On completion of the order, a certified copy interlocutor should be delivered to the Registrar of Companies. The limited liability partnership is considered restored upon delivery.

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CHAPTER 10

Further information

1. Where can I go for help?

Staff at Companies House in [Edinburgh](#) and the AIB 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.

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. Where do I get forms and guidance booklets?

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

[Statutory forms](#) and [guidance booklets](#) are available, free of charge from Companies House. The quickest way to get them is through this website or by telephoning 0870 3333636.

If you prefer you can write to our stationery sections in [Cardiff](#) or [Edinburgh](#).

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

The following forms are available from Companies House:

Receivership forms

1(Scot)	Notice of the appointment of a receiver by the holder of a floating charge
2(Scot)	Notice of the appointment of a receiver by the court
3(Scot)	Notice of the receiver ceasing to act or of his removal
3.4(Scot)	Notice of authorisation to dispose of secured property
3.5(Scot)	Notice of receiver's report

Liquidation forms

4.2(Scot)	Notice of winding up order
4.17(Scot)	Notice of final meeting of creditors
4.26(Scot)	Return of final meeting in a voluntary winding-up
4.27(Scot)	Notice of court's order listing proceedings in winding up by the court
4.28(Scot)	Notice under section 204(6) or 205(6)
111/110	Members' Voluntary - Return of final winding up meeting
112/110	Creditors' Voluntary - Return of final winding up meeting

Forms can also be obtained from the [The Accountant in Bankruptcy](#) or from legal stationers. A list of legal stationers can usually be found in Yellow Pages.

3. How do I send information to the Registrar?

- Documents, including court orders, should display the correct limited liability partnership name and registration number.
- Companies House will only acknowledge receipt if you provide a stamped addressed envelope.
- You should supply documents in portrait format (that is, with the shorter edge across the top)

Documents may be delivered by post, by hand (personally or by courier) or by the Hays Document Exchange service.

The relevant addresses are:

The Registrar of Companies
Companies House
37 Castel Terrace
Edinburgh EH1 2EB

DX ED235 Edinburgh 1

The Accountant in Bankruptcy
George House 37 Castle Terrace
126 George Street
Edinburgh EH2 4HH

DX ED311

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

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