

Members' Voluntary Liquidation (MVL) Pricing Illustration

In instances where clients are retiring, groups are restructuring or a company has no further purpose, you may be required to suggest a Members' Voluntary Liquidation (MVL) as the most cost effective method for tax planning.

The factors that influence the cost of a liquidation are: the number of directors and shareholders; whether any creditors remain outstanding; and the type of assets to be dealt with.

Assuming the company has less than 6 directors and 10 shareholders the following illustration of costs and fees can be used as a guideline.

	With IP Present	Meetings/Resolutions By Post
Liquidators Fee	3,000.00	2,500.00
Searches	4.00	4.00
Post and photocopying say	10.00	10.00
Statutory Advertising	306.00	306.00
Room Hire	50.00	Nil
CHAPS Payment (if required)	30.00	30.00
Bond fees (see overleaf)	Additional	Additional
	3,400.00	2850.00
VAT on Fees	600.00	500.00
VAT on advertising	61.20	61.20
VAT on Room Hire	10.00	Nil
Total VAT payable	671.20	561.20

This is not a quotation. Disbursements and fees should be confirmed prior to quoting clients.

We provide standard indemnity forms for the shareholders and directors to sign, but should they require amendments to the documents there will be additional legal fees of approximately £500 plus VAT. The indemnity will always require all parties to be joint and severally liable to any distribution made prior to the period of statutory advertising for creditors claims (3 weeks), in case a creditor not accounted for becomes known to us after distribution is made. In most cases, an MVL allows for distribution to shareholders within a matter of days, rather than weeks or months.

Where the company to be liquidated is part of a group, our invoice can be drawn up to the group holding company for tax planning purposes and for VAT to be reclaimed. VAT on the liquidation can be reclaimed for VAT registered companies.

In instances of processing MVLs for more than one company within a group, please contact us for a quote. Multiple MVLs with a group could mean formal restructuring, which will incur additional costs, but we are happy to quote on a case by case basis and negotiate our fees for multiple MVLs.

Tax advice should be sought from a professional tax adviser, who will charge accordingly. If distribution is made *in Specie* (i.e. land or buildings), there will be costs to cover in the way of legal fees for conveyancing.

For further MVL information and advice, contact McAlister & Co.

0800 0468297

2012 SPECIFIC BOND RATES

Asset Value	Premium	MVL
£0 - £499	£20	£10
£500 - £5,000	£30	£15
£5,001 - £10,000	£30	£15
£10,001 - £25,000	£50	£25
£25,001 - £50,000	£120	£60
£50,001 - £100,000	£180	£90
£100,001 - £250,000	£330	£165
£250,001 - £500,000	£480	£240
£500,001 - £1,000,000	£680	£340
£1,000,001 - £2,000,000	£1,000	£500
£2,000,001 - £3,500,000	£1,200	£600
£3,500,001 - £5,000,000	£1,800	£900
£5,000,001 - plus	£2,000	£1,000

This document has been prepared April 2012.