



Dissolution and Removal from the Register of Charities

CSD-1077A

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Part 1: Who should read this

- 1.1 The trustees of any registered charity whose income is less than £5 million in its last full accounting period ('annual income') or whose assets are worth less than £100 million, who are planning to dissolve their charity and have it removed from the Register of Charities ('the Register').
- 1.2 The following table should help you identify the action you must take to enable us to remove your charity from the Register.

The charity is also a company.	See Part 5. Follow the procedure in the governing document and send us a completed form CSD-1077.
The charity is unincorporated and there is a procedure for dissolving it in the charity's governing document.	See Part 5.2. Follow the procedure in the governing document and send us a completed form CSD-1077.
The charity is unincorporated, there is no permanent endowment and no procedure for dissolving the charity in its governing document.	See Part 5.3. In most cases simply use all of the property in furtherance of the objects of the charity and send us a completed form CSD-1077.
The charity owns property that is permanent endowment.	See Part 5.4. The charity cannot be dissolved and cannot be removed from the Register without further action on the part of the trustees.

- 1.3 Charities whose annual income is more than £5 million or which have assets worth more than £100 million should contact our Large Charities Division. Do not complete form **CSD-1077** (see Part 9).
- 1.4 National Health Service charities cannot use the form CSD-1077. If you are representing a National Health Service charity that is closing please contact our NHS Charity Team who will provide guidance.

Part 2: Terms used in this guidance

Beneficiaries means the people who the charity is set up to help

Charitable company means a body that has been formed and registered under the Companies Act 2006; this will also include a company already registered under the Companies Act 1985, or one which was already in existence at that time; and which is established for exclusively charitable purposes.

Commission or **we** or **us** refers to The Charity Commission for England and Wales.

Dissolution means bringing your charity to an end.

A **dissolution clause** is the part of a governing document that sets out how the charity should be brought to an end. It may be referred to as 'winding up'. On occasion this clause requires us to give written consent before you can use the remaining property of the charity. We can provide this consent by e-mail (see section 9).

Governing document means the document which sets out the charity's purposes and how it is run.

Must refers to actions that the law says charity trustees, their agents or employees, have to take.

Permanent endowment means property (land, buildings, investments or cash) which the trustees may not spend as if it were income.

Registered charity means a charity which is active and whose details appear on the Register.

Should refers to good practice that charity trustees, their agents or employees, could take but which are not legal requirements.

Trustees means charity trustees. You are a charity trustee if you are responsible, either alone or with other people, for the general control or management of the administration of a charity. Examples of charity trustees include:

- the members of the committee that is responsible for running a charitable group such as a community association or a parent teacher association; or
- the trustees of a charitable trust (charitable trusts are usually created by a declaration of trust or will); or
- the director of a charitable company.

If you are unsure about whether you are a charity trustee, please see our publication [The Essential Trustee: What you need to know \(CC3\)](#).

Your charity may have 'holding' or 'custodian' trustees. These trustees hold property for the charity but do not manage the charity and must act on the lawful instructions of the charity trustees.

Unincorporated charity means a charity that is not formed as a company and does not have corporate status.

Part 3: Responsibilities of trustees

3.1 Under the Charities Act 1993:

- trustees of registered charities must inform us if their charity ceases to exist; and
- the Commission must remove from the Register any charity that has ceased to exist or does not operate.

3.2 Failure to inform us that a charity has dissolved may lead to us making enquiries about what has happened to it and its assets. We may take action against former charity trustees if the assets have been wrongly applied.

3.3 After a charity has been dissolved, the charity trustees must arrange for its accounting books and records (including cash books, invoices and receipts) to be kept for:

- at least three years after the year they were made for a charitable company; or
- at least six years after the year they were made for an unincorporated charity

3.4 Even after they have dissolved their charity, the former charity trustees remain responsible for decisions taken while they were in office.

Part 4: How do I dissolve and remove my charitable company from the Register of Charities:

4.1 A charitable company has an automatic right to expend all of its assets on its purposes.

4.2 Notify us of the dissolution by sending us form **CSD-1077**.

4.3 It is your responsibility to ensure that the charity is removed from the Companies House Register.

4.4 You can see a flow chart of the process at Annex A.

Part 5: How do I dissolve and remove my unincorporated charity from the Register of Charities?

- 5.1 You should check your governing document to see which of the following circumstances apply to you:
- there is a dissolution clause in the charity's governing document that enables it to be dissolved (Part 5.2);
 - there is no specific power to dissolve but all the charity's assets can be spent (Part 5.3);
 - there is no power to dissolve and the charity has permanent endowment that cannot be spent (Part 5.4).
- 5.2 If there is a dissolution clause in the charity's governing document simply follow this and send us form **CSD-1077**. If the dissolution clause states that you need the Commission's consent, please request this by e-mail or letter prior to sending us form **CSD-1077**.
- 5.3 If there is no specific power to dissolve but all of the charity's property can be expended, you can use all the remaining assets on your purposes or you may be able to give the remaining assets to another charity with similar purposes. Once all your assets have been expended send us form **CSD-1077**.
- 5.4 If there is no power to dissolve and the charity has permanent endowment there are three options available to the charity trustees.
- 5.4.1 If you want to dissolve because you cannot achieve the purposes of the charity you can consider changing the charity's objects. In this case the guidance you need is contained in our publication Changing your charity's governing document (**CC36**).
- 5.4.2 You can consider seeking approval to spend the permanent endowment. This option is explained in our guidance **CSD-1347A**. Once the permanent endowment and other property are applied you can send us form **CSD-1077**.
- 5.4.3 If you want to transfer the permanent endowment to another charity then there may be an option for the charity trustees to transfer all of the charity's assets to another charity. The charity trustees can consider action as described in our guidance **CSD-1348A1**. In suitable circumstances this action may need to be authorised by the Commission. Further details can be found in our publication **CC36** under the title Orders and Schemes.
- 5.5 You can see a flowchart of the options at Annex B.

Part 6: Special circumstances apply to my charity

- 6.1 The Commission recommend that charity trustees make use of our form **CSD-1077**. If the charity trustees cannot certify as required in section 3 of that form then they should contact us with details of their circumstances (see Part 9).

Part 7: How do I complete the form CSD-1077?

- 7.1 The form is self-explanatory however you may need some help with the reasons in section 2.
- 7.2 The following table sets out the reasons for closing your charity and what they mean:

Reason for closure	Meaning
Fulfilled purpose	The reason the charity was created has now been met
Loss/reduction of grant(s)	The charity can no longer continue because of reduced funding
Lack of trustees	The charity cannot find sufficient trustees to continue operating
Transfer under section 74	This refers to a transfer of property from your charity to another charity under section 74 of the Charities Act 1993 (see paragraph 5.4.3 above)
All charity property has been applied following action under section 75	This refers to the spending of permanent endowment under section 75 of the Charities Act 1993 (see paragraph 5.4.2 above)
Merged with another charity	This refers to the transfer of all property into another charity
Other funding problems	Not covered under loss/reduction of grant(s)
Lack of members/supporters	Most probable in a charity that relies on volunteers and active members
Charity has become a company	This refers to the creation of a new charitable company and the transfer of all the property from the existing charity into the new company
Other	For use if the reason is not covered above.

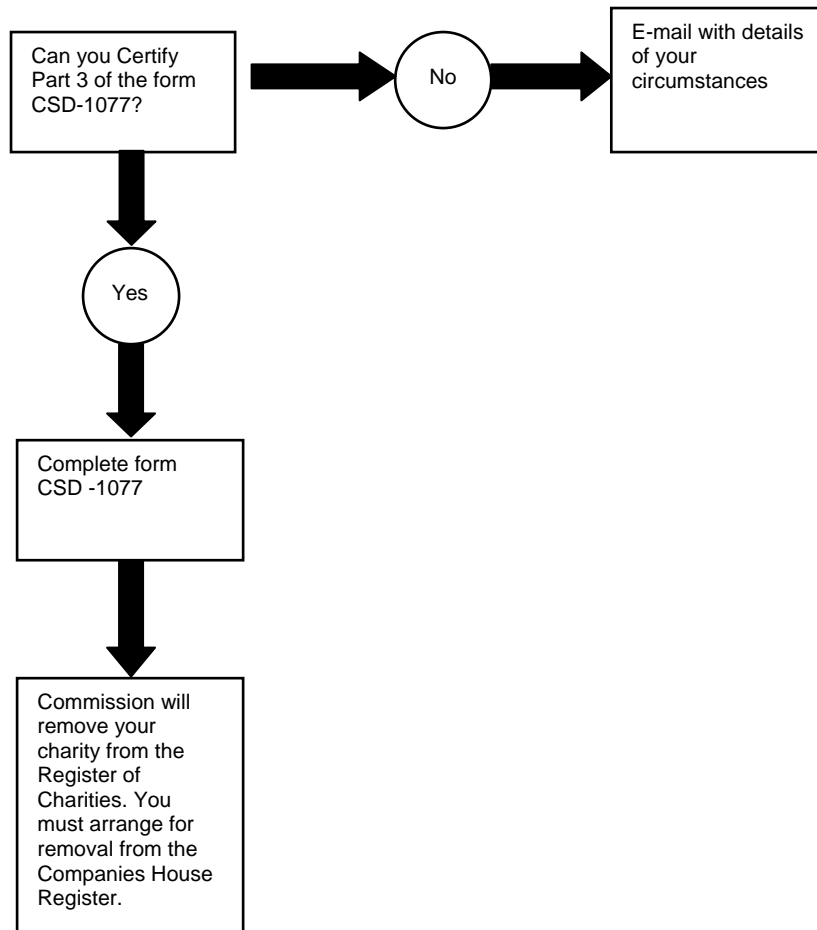
Part 8: What else do I need to know?

- 8.1 You should ensure that all the charity's debts and liabilities have been cleared before you spend its remaining assets and dissolve.
- 8.2 If you want to make payments to any employees of the charity (on top of those you must make under their employment contract or by employment law) you should contact us for advice (see Part 9). Unless they are also beneficiaries no additional payments can be made to trustees or members.
- 8.3 You must ensure that any grants or donations the charity has received for a specific purpose are:
- used for the intended purpose;
 - used for a different purpose of the charity with the agreement of the donor; or
 - returned to the donor.
- 8.4 Consider carefully the statements you are agreeing to in section 3 of **CSD-1077**.
- 8.5 If your charity is being replaced by another charity for example a new charitable company that you are forming then consider our guidance on our 'Start up a charity' pages.

Part 9: Contacting us:

If you have any questions about this guidance, you can contact us through our [website](#)

Annex A: How do I dissolve my charitable company and remove its details from the Register of Charities?



Annex B: How do I dissolve my unincorporated charity and remove its details from the Register of Charities?

