

# How to Wind Up an Incorporated Group

## *closing your Landcare group and the options available*

If your Landcare group is contemplating winding up or cancelling its status as an incorporated association, this factsheet outlines the pathway.

### **CAN WE VOLUNTARILY CANCEL OUR INCORPORATION STATUS?**

Landcare Groups which are incorporated associations can apply to QLD Office of Fair Trading, using Form 9a, to voluntarily cancel its registration if there are no outstanding liabilities. If your Landcare Group is unable to pay its debts, seek immediate independent advice from your solicitor or accountant.

### **CAN WE STILL CONTINUE AS A LANDCARE GROUP?**

Yes! To do so, your group will need to fall under the umbrella of another Landcare Group or Landcare Network. Further information regarding this is available on page 2.

*Here's is a step-by-step guide for how to cancel your group's status as an incorporated association:*

#### **STEP 1 - IS YOUR SHIP IN ORDER?**

Before proceeding, your group must be sure it has submitted all required Annual Information Statements to the ACNC.

If this is not possible, full or partial Annual Information Statements including financial affairs, a statutory declaration, verified by two committee members and witnessed by a Justice of the Peace, is needed outlining the reasons for being unable to provide the information.

#### **STEP 2 - FINANCIAL STATEMENT**

If the last annual summary of financial affairs lodged showed any assets or liabilities, a statement of income and expenditure from the end of that financial year to the closure of the accounts will be required.

#### **STEP 3 - HOLD A MEETING**

Your group will need to hold a meeting and pass a **special resolution** that:

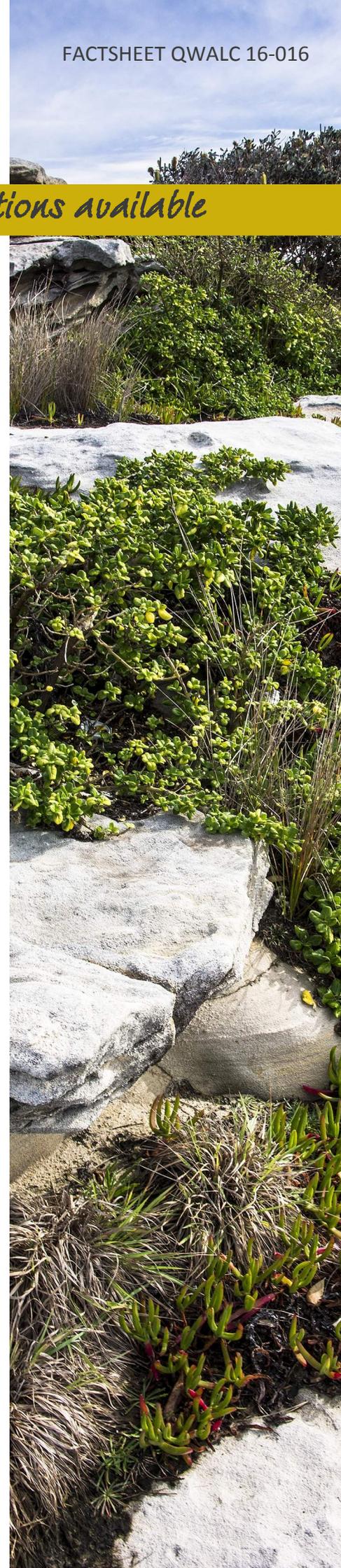
- approves the cancellation of its registration (incorporation)
- proposes the distribution of its assets.

#### **STEP 4 - ASSET DISTRIBUTION**

If your group has assets, including money held in the bank, your group will need to determine what will happen with these assets after cancellation of registration. This will need the approval of the QLD Office of Fair Trading.

Except in limited circumstances, distribution of assets to any member or former member is prohibited.

Many Landcare groups will opt to transfer their assets to another Landcare Group or Landcare Network, which services their region. This is also a preferable option if your group wishes to continue as an unincorporated group (see page 2). Your group must also complete a Statutory Declaration stating there are no outstanding liabilities. This needs to be signed by two office bearers.



## STEP 5 - LODGE AN APPLICATION WITH FAIR TRADING

An *Application for voluntary cancellation of registration of an association* (Form 9a) must be completed and lodged with QLD Office of Fair Trading. There is no fee involved. Form 9a is available at [www.qld.gov.au](http://www.qld.gov.au)

### Other considerations:

#### CANCELLING ABN & GST REGISTRATION

If your group has an ABN and / or is registered for GST, this is an essential step. Before cancelling your ABN or GST registration, be sure you have met all your lodgement, reporting and payment obligations.

Cancelling your ABN will also cancel your registration for GST. To do so, obtain an *Application to cancel registration* (Form NAT 2955) at the ATO's website [www.ato.gov.au/Business/Registration/Add-or-cancel-a-registration/Cancel-ABN-\(cease-business\)](http://www.ato.gov.au/Business/Registration/Add-or-cancel-a-registration/Cancel-ABN-(cease-business)).

#### WHAT ABOUT INSURANCE?

If your group will continue as an unincorporated group, it's critical to ensure your activities are still covered by insurance. Talk to your Landcare Network to be sure your group is still covered in terms of voluntary workers insurance and public / products liability insurance.

Any equipment owned by your group, such as mowers, spray units, etc, will need to be listed on the Landcare Network's insurance policy. Your group will also need to be mentioned by name on the Landcare Network's insurance policy as well.

#### MAINTAINING RECORDS

Even after your group is no longer incorporated, group records need to be held for a period of seven years.

This includes the register of committee members, register of disclosed interests, minutes of meetings and financial records.

#### IMPACT ON FUTURE GROUP ACTIVITIES

Even after your group is no longer incorporated, it is possible for it still to function by becoming a sub group or committee of another incorporated organisation, which acts as an umbrella organization. Typically, this would be a Landcare Network, or a committee of Local Government.

However your group will not have the same autonomy as it did as a stand alone incorporated association – as you are required to operate under the constitution of the umbrella body.

Your group will still be able to implement projects, run events and conduct meetings, but these will need to be sanctioned by the

umbrella organisation. Applications for project funding will also need to be submitted under the auspice of the umbrella organisation, as your Landcare Group is no longer a legal business entity. This means they will want to have a say in how the project is managed as they are ultimately responsible for the project. They may also ask you to factor in an administration fee to the project application to cover their costs in oversighting the project.

Depending on the constitution of the umbrella Landcare Network, either your group as a whole, or its individual members, will become members of that Landcare Network. If your group becomes a member you will need to ensure that you have insurance coverage under the umbrella organisation – it is possible that you may still need to purchase a separate policy to cover your activities.

#### FURTHER INFORMATION

Factsheets, forms and information on how to voluntarily cancel your group's incorporated status can be found at QLD Office of Fair Trading's website: [www.qld.gov.au](http://www.qld.gov.au).

For information about Landcare Networks in your region or advice on continuing as a Landcare Group after cancelling your incorporation, contact QWaLC: [info@qwalc.org.au](mailto:info@qwalc.org.au)

DISCLAIMER: The information contained in this publication is based on knowledge and understanding at the time of March 2016. However, because of advances in knowledge, users are reminded of the need to ensure that information upon which they rely is up to date and to check currency of the information with the appropriate officer of QWALC or the user's independent advisor.