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| Our Ref: CVL315  Your Ref:  **TO ALL KNOWN CREDITORS** | [Date]  When telephoning please ask for:  [Contact Name]  Direct Line:  [Direct Line] |

Dear Sirs

**Company Name Limited (**the **Company)**

The directors having regard to the Company’s financial position, have decided to take steps to place it into creditors’ voluntary liquidation.

**Introduction**

This firm is assisting the directors in this regard and I would advise that it is proposed that IP Name, who is a licensed insolvency practitioner bound by the Insolvency Code of Ethics (**the Ethics Code**), will be appointed Liquidator following the resolution to wind-up the Company being passed by the members.

We would confirm that this firm has had no prior involvement with the Company, its directors or shareholders and have not identified any threats to compliance with the fundamental principles of the Ethics Code.

*[OR where there has been any prior involvement or threats identified, include the following paragraph instead]*

We would confirm that this firm has had prior involvement with the Company OR the Company's directors or shareholders. The nature of this involvement was outline details of the prior involvement ie, when it was done, whom with and what was the nature of the work done/the firm's involvement - SIP6 requirement. We have considered the possible threats to compliance with the fundamental principles of the Ethics Code in accepting the instructions from the directors to assist in liquidating the Company and [do not consider that our prior involvement causes any threat to these principles *[OR]* have identified threats, to which the following safeguards have been introduced to mitigate these threats outline details of the safeguards introduced.

**Creditor Decisions**

The directors are also required to seek a decision of the Company’s creditors on the nomination of a liquidator. Under revised insolvency legislation, a physical meeting of creditors can no longer be convened to consider this nomination, unless the required threshold of creditors request such a meeting.

Therefore, in this matter the decision on the nomination of a liquidator will be sought at a virtual meeting of creditors which has been convened for **Time** on **Date** (the **Decision Date**). Further details on the arrangements for the virtual meeting can be found in the Notice accompanying this letter (see below).

As a result of the above, please find enclosed:

* A Decision Notice setting out the decisions to be considered at the virtual meeting. This includes the decision on the nomination of a liquidator and a decision on whether a liquidation committee should be established if sufficient creditors are willing to be members of a committee.

Information on the role of a liquidation committee and also a guide to the Creditors’ Voluntary Liquidation process can be found at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/>

Other decisions may include where relevant, the approval of this firm’s pre-appointment costs and approval for the basis of the proposed liquidator’s remuneration should the decision be taken to approve the nomination.

* A Proof of Debt form - please complete this form and return it to my office with any supporting documentation. **Creditors will be entitled to vote at the virtual meeting only if a proof has been delivered by them to my office before 4pm on the business day before the virtual meeting.**
* A Proxy form – please note that a proxy-holder is not entitled to vote on behalf of a creditor at the virtual meeting unless a proxy form which the creditor intends to be used has been completed and returned to my office before the virtual meeting.

*[If you are seeking approval for the proposed liquidator’s post-appointment remuneration basis at the virtual meeting, add the first two bullet points below as appropriate, otherwise delete them. Whether or not you are seeking post appointment remuneration approval at this stage, if you wish to seek approval for the firm’s Category 2 expenses at the virtual meeting, include the third bullet point, otherwise delete it]*

* Information on the work the liquidator (if appointed) anticipates having to undertake to wind-up the Company’s affairs and realise its assets together with [a fees estimate OR details of the basis of remuneration to be proposed by the liquidator] and details of the expenses it is considered at this stage may be incurred during the liquidation (Details of the liquidator’s proposed Category 1 and 2 expenses and use of subcontractors are set out in detail with the information included with the fees estimate.)
* Details of Firm Name's charge out rates *[delete if fee basis being proposed is not based on time costs]*
* Details of Firm Name's policy on the recovery of Category 2 expenses

A copy of ‘A Creditors’ Guide to Liquidators’ Fees’ is available on request or can be downloaded from [Enter location of guide eg, firm's website or ICAEW/IPA website, etc & ensure creditors are directed to the relevant guide version applicable to the appointment].

Please note that if a decision is taken to form a liquidation committee, approval for the liquidator’s remuneration and Category 2 expenses will be sought from the committee rather than the general body of creditors.

**Statement of Affairs and Report on the Company’s Financial Position**

The directors are required to deliver to creditors a copy of the Company’s statement of affairs by not later than on the business day before the Decision Date. They are also required to make available information on the financial affairs of the Company ahead of the decision on the nomination of a liquidator being taken.

The Company’s statement of affairs is enclosed with this letter for your information.

*[Where the costs of preparing the SoA and seeking the decision of creditors on the nomination of the liquidator have already been paid by the Company, also add the following (required by r6.7(3))]*

Please note that the costs of assisting with preparing the statement of affairs and seeking the decision of creditors on the nomination of a liquidator in the total sum of £Amount plus VAT and expenses of £Amount have already been paid by the Company to Firm Name.

*[OR]*

The Company’s statement of affairs is currently being prepared and will be delivered to creditors before the Decision Date or before the end of the period of 7 days beginning with the day after the day on which the Company passes a resolution for winding up, should this be sooner than the creditors’ Decision Date.

The report on the Company’s financial position will be available for viewing and downloading from the following website from enter date - this should be no later than the business day prior to the decision date:

Enter details of website and any password required to access it

*[OR]*

The report on the Company’s financial position is enclosed *[OR]* will be made available by not later than the business day prior to the Decision Date.

Finally, I would ask you to note that my role in the period leading up to the creditors’ decision is to assist the directors in taking the necessary steps to place the Company into liquidation and does not involve advising the directors personally on their own position. It is also possible that a different insolvency practitioner may be the eventual liquidator appointed to the Company.

If you require further information, Name can be contacted at the address above and will be pleased to help you with any queries you may have.

Yours faithfully

**Name**Firm Name