**Financial Information to Creditors and Members of**

**[Company Name] Limited**

**Pursuant to Statement of Insolvency Practice 6**

**[Date]**

**CONTENTS**

1. Company Information
2. Summary of Financial Information
3. Directors' Reasons for Failure & Recent Trading Activity
4. Statement of Affairs & Deficiency Account

# Company Information

|  |  |
| --- | --- |
|  |  |
| **Registered name of the company** |  |
| **Trading names *(if different)*** |  |
| **Registered number** |  |
| **Date of incorporation** |  |
| **Date trading commenced** |  |
| **Registered office address** |  |
| **Principal trading address** |  |
| **Parent, Subsidiary or Associated Company Names and their registered numbers *(if any)*** |  |
| **Date of Instruction to seek a decision on the nomination of a liquidator and by whom the instruction was given** | [Name(s) of director(s)], the director(s) of the Company instructed [IP Firm Name] on [Date] |
| **Amounts paid by or on behalf of the Company in respect of the instructions to assist in placing the Company into liquidation prior to the decision of creditors on the liquidator’s appointment *(if any)*** | *[Note: this disclosure concerns amounts paid to the proposed liquidator prior to the decision date. If a deposit has been lodged by the company into the firm’s client account but hasn’t been, or won’t be, billed pre-appointment and will simply be transferred as ‘cash at bank’ to the estate on appointment, then fees should not be treated as ‘paid’ in this context – approval will be sought for them to be paid as an expense of the estate instead]*  At a board meeting held on [Date], the fee for assisting the directors in preparing the Statement of Affairs and seeking a decision of the Company’s creditors on the nomination of a liquidator was agreed as £[Amount] + VAT & expenses.  This sum has been paid to [IP Firm] by or on behalf of the Company *[OR]* To date [nothing has been paid on account of this fee and creditors will be requested to approve that this be paid as an expense of the liquidation if this fee has not been paid by the Company by the decision date] *[OR]* £[Amount] has been paid on account and the balance of £[Amount] will be requested to be paid as an expense of the liquidation if this fee has not been paid by the Company by the decision date.  *[OR if the director(s) is/are paying the associated costs of liquidation under a fee indemnity, use the following wording instead. They may continue to pay under the fee indemnity post appointment and if these will go through the estate in order to claim the VAT back on the liquidator’s subsequent fee invoices, approval should be sought from creditors to meet the costs as an expense of the liquidation per R6.7 in respect of pre-appointment costs not billed and drawn by the firm prior to the date of liquidation]*  At a board meeting held on [Date], the fee for assisting the directors in preparing the Statement of Affairs and seeking a decision of the Company’s creditors on the nomination of a liquidator was agreed as £[Amount] + VAT & expenses.  £[Amount] + VAT & expenses has been deposited under a fee indemnity by a director or the directors of the Company in their personal capacity and will be paid to [IP Firm Name] for their assistance in preparing the Statement of Affairs and seeking a decision of the Company’s creditors on the nomination of a liquidator. Where applicable, any unpaid balance in respect of costs associated with the above will be sought from creditors in accordance with the Insolvency Rules 2016. |

# Summary of Financial Information

### *[NB, SIP6 anticipates that extracts from the Company’s recent accounts (whether or not filed) will be made available to creditors ahead of the decision on the nomination of the liquidator being made.]*

## Extracts from the Company’s financial statements disclose the following information:

|  |  |  |  |
| --- | --- | --- | --- |
| Period Ended | Management Accounts  [Date]  £000 | Audited Accounts  [Date]  £000 | Audited Accounts  [Date]  £000 |
| Turnover |  |  |  |
| Gross profit |  |  |  |
| Gross profit % |  |  |  |
| Extracts from expenditure |  |  |  |
| Directors' remuneration |  |  |  |
| Bad debts |  |  |  |
| Dividends paid |  |  |  |
| Net profit / (loss) |  |  |  |
| Reserves / accumulated losses |  |  |  |
| Bank overdraft |  |  |  |
| Date of auditor's report | [Date] | [Date] | [Date] |
|  |  |  |  |

## *[Comment on whether the accounts were qualified by the auditors or not and if they were, insert dates above. If not subject to audit as Company qualified as a small company for reporting purposes, state this – see below for eg.]*

## *The Company’s financial statements have not been subject to audit, as it is entitled to exemption under Section 477 of the Companies Act 2006.*

## The directors confirm that there have been no other transactions (other than in the ordinary course of business) with any of the Company’s directors, associates, or subsidiaries during the 12-month period prior to the winding-up of the Company.

### *[OR if relevant, where Company assets have been disposed of to any directors or other connected parties, add the following information under the provisions of SIP6, otherwise delete it]*

## It is understood that the Company’s [state relevant assets] were disposed of by the Company in the 12-month period leading up to liquidation. The [state asset] was sold to [state connected party] on [Date] for £[Amount]. The director(s) has/have advised that [Name and qualifications of person who advised independently on value of assets] provided independent advice to the Company in respect of this transaction which will be fully investigated by the appointed liquidator in due course. The Company passed the resolutions authorising the sale of these assets on [Date].

# Directors' Reasons for Failure & Recent Trading Activity

## The history of the Company and details of events leading to the decision to place the Company into Creditors’ Voluntary Liquidation, including the Directors’ reasons for the Company’s failure are stated below. This statement has been prepared by the Directors and any comments made, opinions expressed, or assertions made are those of the Directors and not of [Name of IP firm].

## *[Insert an explanation of the causes of the Company's failure as provided by the directors and details of the Company’s recent trading activity, including information on the recent difficulties encountered, etc].*

# Statement of Affairs & Deficiency Account

## *[If the SIP6 report is being sent* ***by post*** *to creditors* ***with*** *the SoA, include the following paragraph, otherwise delete it and include the paragraph thereafter]*

## A copy of the directors’ verified Statement of Affairs of the Company as at [Date] is provided with this report. The Statement of Affairs as presented is subject to the costs and expenses of the liquidation and where applicable, trade creditors are shown inclusive of VAT. Where relevant, the Statement may be accompanied by suitable explanatory notes.

## *[OR if the SIP6 report is being made available* ***on a website*** *instead of by post, include the following paragraph instead]*

## A copy of the directors’ verified Statement of Affairs of the Company as at [Date] has been sent out to creditors separately. The Statement of Affairs as presented is subject to the costs and expenses of the liquidation and where applicable, trade creditors are shown inclusive of VAT. Where relevant, the Statement may be accompanied by suitable explanatory notes.

### *[If applicable, add the following paragraph to comply with SIP6, otherwise delete it]*

## To assist with the preparation of the Statement of Affairs, the chattel assets of the Company have been professionally valued on [Insert details of basis or bases of valuation eg, open market, estimated restricted realisation value] by [Insert name of valuer] who is [Insert details of professional qualifications of valuer]. The valuation has been prepared on the basis of [Insert a summary of the basis of valuation adopted].

## *[Then continue with]*

## The Company’s deficiency is made up as follows:

|  |  |  |
| --- | --- | --- |
|  | £ | £ |
| Retained profits/accumulated loss at [Date] |  |  |
| Deduct/Add:  Amounts written off for the purposes of the SoA: |  |  |
| * Property |  |  |
| * Book debts |  |  |
| * Plant and machinery |  |  |
| * Motor vehicles |  |  |
| * Office fixtures and fittings |  |  |
| * Stock and work-in-progress |  |  |
| * Other |  |  |
| * Other items |  |  |
| * Redundancy pay and pay-in-lieu of notice |  |  |
| Balance - estimated trading losses for the period |  |  |
| Deficiency as per Statement of Affairs |  |  |