

Hi *(client's name)* _____

We've had various ongoing communications regarding your company's financial position and it seems limited improvements are being made. I'm currently concerned that your company may be trading while insolvent, which raises issues for you and also for me should I continue as your accountant.

A company is considered to be insolvent when it can't pay its debts as they fall due. This includes suppliers, superannuation and the ATO. [This article](#) contains further information on the warning signs of insolvency, a number of which your company is displaying.

As a director you have a serious duty to prevent insolvent trading. Incurring debts when a company is insolvent exposes you as a director to being held personally liable for those debts and possible prosecution by ASIC.

We have considered various improvements to implement with the aim of improving your company's cashflow and profitability, but your accounts indicate things are not improving. Accordingly, as an accounting professional I am not prepared to continue our engagement in the circumstances.

I therefore recommend that you seek urgent specialist advice from an insolvency advisor. I understand there may be ways to save your business if you take action promptly. An insolvency contact who comes recommended is Jarvis Archer, a Liquidator of Revive Financial. His contact details are below:

Jarvis Archer | Partner

D: 07 5343 1165

M: 0478 823 220

P: 1300 744 222

E: jarvis.archer@revivefinancial.com.au

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Get in touch if I can assist any further.