



Please read this before signing the solvency declaration.

Section 347A of the Corporations Act requires that each year directors must resolve that their company is solvent. Solvency means that the company can pay all of its debts as and when they become due and payable.

Below are seven factors that may help you form an opinion on your company's solvency. Tick each box that applies.

1. The company has sustained trading profits for the last two years.

2. Current assets are more than current liabilities.

3. Trade creditors/suppliers are paid within normal agreed trading terms.

4. State and Federal taxes are all paid by agreed due dates.
(including employee superannuation)

5. Sufficient working capital available to meet future trading requirements.

6. All lease/finance payments are current/being met on agreed terms.

7. No creditors are applying pressure on repayments.
(e.g. Summons, solicitors' letters, judgements or warrants)

If you have ticked less than five boxes, please consider asking for further advice. Further information regarding the company's solvency is available by meeting with the teams at Worrells.

Disclaimer: This company solvency self-assessment is provided as a guide only and should not be relied upon as specific advice or an opinion regarding the solvency of the company. If specific advice is required please contact us to discuss further or contact Worrells for specialist advice.