

Guidance Notes for completion of your Statement of Affairs (Debtor's Petition) Form under Section 272 of the Insolvency Act 1986

IMPORTANT MATTERS TO NOTE

- If you become bankrupt, your bank account may be frozen. If your regular income is paid into any of your bank accounts, you must now make alternative arrangements with your bank and/or official receiver for dealing with this income.
- While you remain an undischarged bankrupt, you will not be able to act in the management of a company (unless you apply to the court to do so and are granted permission). If you are a director or otherwise involved in company management, you should take appropriate action to ensure that you are not committing an offence.
- While you are an undischarged bankrupt, it is an offence to obtain credit for more than the statutory amount (currently £500) without first informing the person giving the credit of your bankruptcy.
- While you remain an undischarged bankrupt or are subject to a Bankruptcy Restrictions Order or Undertaking, it is an offence to trade under any name other than the name in which you were made bankrupt without disclosing that name.
- It is essential that you keep all the books and records of account for your business and hand them over to the official receiver when requested.
- You must disclose all of your assets. If you fail to do so, you may be committing a criminal offence for which you could be prosecuted.
- The official receiver should be kept informed of any change of address if you move before you are discharged from the bankruptcy.
- You are required to inform the official receiver if you acquire any property before you are discharged from bankruptcy.
- You are strongly advised to keep a copy of your Statement of Affairs, including these notes.

General Points

1. Make sure if you are writing and not typing your answers that you enter all your details in CAPITAL LETTERS (except where your signature is required) and use black ink.
2. You must complete all pages in the Statement of Affairs which apply to you.
3. Where boxes appear which give you a choice of answer, tick those that apply.
4. The information should be accurate at the date of signing and as up to date as possible. If you do not know the precise dates or amounts requested, give approximate dates or amounts and indicate that they are approximate.
5. Give all amounts in the Statement of Affairs to the nearest £. No pence to be shown.
6. Wherever possible, please include postcodes and any reference or agreement numbers.
7. A creditor is somebody you owe money to.
8. A debtor owes you money.
9. Providing FULL details at this stage will assist the official receiver and may reduce the need for you to be contacted frequently by the official receiver.

Guide to Section 1 - Personal Details

1. Qs. 1.1 – 1.4
You should provide ALL names by which you have been known and your date and place of birth.
2. Q.1.5
You will be able to find your National Insurance number from:
 - your wage slips – these usually have the NI number quoted on them; or
 - your tax returns; or
 - your employer; or
 - your doctor's registration card; or

- your benefit claims/forms.

If you are still unable to find your National Insurance number you can contact:

National Insurance Registrations Line

Benton Park View

Newcastle upon Tyne

NE98 1ZZ

Telephone 0845 915 7006

Opening Hours: 8.30am to 5.00pm Monday to Friday

3. Qs.1.6 – 1.8

Your current address and contact details must be recorded.

4. Q.1.9

When entering the daytime contact number please identify whether this is at work, home or another person's telephone number.

5. Q.1.10

Details of your e-mail address should be provided.

6. Q.1.11

You should indicate your current status by ticking the appropriate box.

7. Qs.1.12 – 1.13

You should provide full details of all divorce, separation or dissolution of a civil partnership proceedings you have been involved in during the last 5 years including details of any settlements agreed or gifts or transfers made. Details of the solicitor acting for you in these proceedings should be given.

8. Q.1.14
You should provide the full court details of any previous bankruptcies, e.g. Brighton County Court No: 2 of 2002. Where possible you should provide the address of the official receiver's office that dealt with any previous bankruptcy order against you but if you do not know the address then just enter the town, e.g. Brighton.

9. Q.1.15
Full details of any Individual Voluntary Arrangement you previously entered should be given including any court details and the name and address of the insolvency practitioner who acted as supervisor of the arrangement.

10. Q.1.16
You should provide details of any legal proceedings that you are involved e.g. divorce proceedings, custody hearings, criminal charges etc.

11. Q.1.17
The official receiver will need to establish the details of all companies in which you have been a director. Full details of all the companies you have been involved with, be it as a director or just involved in the management of the company, over the last 5 years need to be provided. If any of the companies you have been involved with are subject to any insolvency proceedings details should be provided including details of the official receiver's office or insolvency practitioner's office which dealt with the company.

It is a criminal offence, under section 11 of the Company Directors Disqualification Act 1986, for a person, who is an undischarged bankrupt, to act as a director (whether formally appointed or not) or be concerned directly or indirectly in promoting, forming or managing a limited company, without the court's permission.

Guide to Section 2 – Business Details

The information in this section is required to build a full history of your self-employment in the last two years.

If you are self-employed, following the making of the bankruptcy order, your business is likely to be closed down and any employees dismissed.

1. Qs.2.1 – 2.4

The full name of your business should be provided along with the type of business, trade or profession and trading address(es). If your business was VAT registered the VAT number should be recorded.

While you remain an undischarged bankrupt or if you are subject to a Bankruptcy Restrictions Order or Undertaking it is a criminal offence for you to carry on business (directly or indirectly) in a different name from that in which you were made bankrupt, without telling all those with whom you do business the name in which you were made bankrupt.

2. Q.2.5

If your business was a partnership you should state the full name, together with any aliases, and the address(es) of any members of the partnership. The official receiver may need to contact any former partner(s) for additional information on matters relating to the partnership business.

3. Qs.2.6 – 2.7

The period of trading needs to be established. Details of when the business started trading and when it stopped trading need to be provided. If you are unable to provide exact dates then you should provide the month and year.

4. Qs.2.8 – 2.9

Your accounting records will be required by the official receiver and you must ensure that the records are stored safely. Details of their whereabouts should be stated. Additionally if the accounting records are held on computer you should explain exactly what records are held on a computer and give details of the location of the computer. Details of the software used should be provided along with any passwords used.

5. Qs.2.10 – 2.11

If an accountant or solicitor has acted for you, you should provide their names and addresses and any references used in correspondence. The official receiver may need to contact them for additional information.

6. Q.2.12

If you have employed anybody in the last two years, unless you employed them on a casual basis, you need to tick the appropriate box. If you owe them any money you should also tick the appropriate box and include them in Section 4 as creditors.

Guide to Section 3 – Assets

1. Q.3.1

All assets you own should be listed, including any business assets e.g. stock in trade. The assets' approximate values in £s (not pence) should be recorded in the column on the right hand side. If you do not own a certain asset please write none in the appropriate row.

You must disclose the following items to the official receiver:

- tools, books, vehicles and other items of equipment which you need to use personally in your employment, business or vocation;
- clothing, bedding, furniture, household equipment and other basic items you and your family need in the home.

The official receiver will let you keep these items unless they can be replaced with a suitable cheaper alternative.

You do not need to list your clothing or household furniture unless they are of particular value.

The official receiver/trustee will take control of all other assets on the making of the bankruptcy order. They, or any insolvency practitioner who is appointed as trustee, will dispose of them and use the money to pay the fees, costs and expenses of the bankruptcy and creditors.

2. Q3.2 – 3.3

Full details of all endowment policies or life policies held should be recorded here including the policy number, type of policy, approximate value of the the policy and details of any other person who has an interest in the policy e.g. mortgage company, spouse etc.

Generally, your trustee will be able to claim any interest you have in an endowment policy.

3. Q.3.4

If you have or have had any personal pension policies full details should be provided.

A trustee cannot usually claim a pension as an asset if your bankruptcy petition was presented on or after 29 May 2000, as long as HM Revenue and Customs has approved the pension scheme.

If you are receiving a pension or become entitled to do so before you are discharged, the pension is included as income for the purposes of an income payments order or agreement (see Section 6).

4. Q.3.5

If you have sold or given away any of your assets in the last 5 years and received less money than they were worth or no money at all you must provide full details of the transaction.

The trustee may apply to the court for an order restoring property to him or her if you disposed of it in a way which was unfair to the creditors (for example, if before bankruptcy you had transferred property to a relative for less than its worth).

5. Q.3.6

If you have made a payment in the last 2 years to any creditor with a view to improve the creditor's position in case you became bankrupt you must provide full details of that payment.

The trustee may apply to the court for an order restoring the position to what it would have been if the payment had not been made.

6. Qs. 3.7 – 3.8

If you own, or have disposed of any vehicle in the last 12 months, you need to provide full details of the vehicle, its location and an estimate of its value. Details of any outstanding finance should also be provided. If there is any finance outstanding on the vehicle, the official receiver will have to contact the finance company to discuss the position.

7. Q.3.9

If you have use of a motor vehicle that does not belong to you, you must provide details including the owner's name and estimated value.

8. Q.3.10

Provide details of any visits, within the last 6 months, you have had from the enforcement officer (previously known as sheriff's officer) or bailiff.

If an enforcement officer or bailiff has seized any of your assets you should provide their name and address, details of the creditor they were acting for and what assets were seized. The official receiver will contact the enforcement officer or bailiff to obtain the full details of the seizure.

Remember

You must take or send any documents relating to your assets to the official receiver. These may include such things as documents of title, share certificates, life assurance documents, endowment policies and pension policies.

Guide to Section 4 – Creditors

The official receiver will need to contact all your creditors, as at the date of the bankruptcy order, to tell them you are bankrupt. Full names and postal addresses of everyone to whom you owe money, including any account, agreement or reference number should be given.

1. Secured creditors are creditors who have a claim over something of yours e.g. mortgage or charge over your home. You need to state the

address of your property in the fifth column in this section. You must also include in the secured creditors list details of any property or goods that are covered by hire purchase agreements.

2. Unsecured creditors are creditors who do not have a claim over something of yours.
3. In the column 'Amount owing' you should provide the best estimate of the amount owed to the creditor.
4. In the column 'Date incurred' you should provide the date of purchase or the date of a loan agreement etc.
5. Examples of debts you might owe include:

Gas, electricity, water rates and sewerage charges

Mobile and land-line telephone

Rent, council tax or general rates

HM Revenue and Customs or Department for Work and Pensions

Banks or financial companies

Guarantees you have given

Money owed to employees

Goods or services you have received

Customers who have paid money for goods and services you have not supplied

Creditors claiming their own goods are in your possession

Leasing agreements

Guide to Section 5 – Bank Accounts and Credit Cards

1. The official receiver will need to establish the details of all bank accounts and credit cards held by you either solely or jointly. Full details of all accounts and credit cards held by you either solely or jointly in the last two years should be provided.
2. Any money in your bank accounts at the date of the bankruptcy order will be an asset in the bankruptcy and will be claimed by the official

receiver. The official receiver may release some money to you for necessary domestic expenses. If the account is in joint names, the official receiver will decide how much of the money should be released to the joint account holder.

3. Any money owed to a bank or credit card company is a debt and should be listed in Section 4.
4. All bank accounts are usually 'frozen' by the bank when it becomes aware of a bankruptcy order. You will need to make alternative arrangements for receiving money into your account and paying standing orders, direct debits etc.
5. Q.5.2
For type of card enter VISA, MasterCard, Switch, Maestro, Store card. You must provide the full card number.

The address of the bank or supplier should be available from your last statement. Where the debt has been purchased or taken over by another firm provide the name of the original supplier, e.g. Barclaycard, but the name and address of the company which has taken over the debt collection.

6. Q.5.4
You must provide the bank sort code and account number.

Guide to Section 6 – Employment and Present Income

1. Details of your present employment are required to confirm your employment status at the date of the bankruptcy order. Information about income payments orders/income payments agreements are provided in the form. The figures you provide will be used to assess whether an income payments order/income payments agreement is appropriate. The official receiver will not, except in exceptional circumstances, contact your employer.
2. Qs. 6.2 – 6.6
The details requested about your employer, pay reference number and your average monthly take home pay can be obtained from your wage

slips. Ensure you include overtime, commission and bonuses. The amount of tax and National Insurance you usually pay can also be obtained from your wage slip. Full details of all other income need to be given including all benefits you receive, pension payments etc.

3. Q.6.7

Details of amounts that other members of the household contribute each month to the household expenses need to be recorded. If you do not include the contribution of all members of the household you will be unable to claim the full amount of household expenses in the assessment for an income payments order/income payments agreement.

4. Q.6.8

To calculate total household income you must add up your monthly income, benefits, pension payments etc and contributions from other members of the household.

5. Q.6.9

Your income tax reference number is usually on your wage slip. Your employer will have details of your tax office.

6. Q.6.10

Full details of any current attachment of earnings orders in force need to be provided.

Guide to Section 7 – Outgoings

1. The official receiver will need to establish your full financial details. It may be possible that following paying for all your outgoings each month, you will be able to make a contribution to your creditors.
2. Figures entered should be as close to the actual monthly figure as possible in whole £s (not pence). You may be asked for evidence to support these figures. Make sure you list all your monthly expenditure.

Guide to Section 8 – Current Property

1. If you own your own home, whether freehold or leasehold, solely or jointly, mortgaged or otherwise, your interest in the home will form part of your bankruptcy estate, which will be dealt with by the official receiver (or an insolvency practitioner appointed in place of the official receiver) as trustee of your bankruptcy estate. Your interest in your home may have to be sold to go towards paying your bankruptcy debts. More information on the effect a bankruptcy order will have on your property is available in The Insolvency Service's information leaflet "What will happen to my home?" which is available on the website, www.insolvency.gov.uk.

2. Q. 8.1
Full details of all properties you own need to be given in the appropriate columns whether you own the property on your own or jointly with another person. The net value of the property is the current approximate value of the property less the amount due to the secured creditor e.g. for the mortgage.

3. Q.8.2
If you rent your home, the trustee will normally have no interest in the agreement. If you do not comply with the terms of the tenancy agreement, the landlord may take action against you. The official receiver may need to tell your landlord that you are bankrupt.

Full details of all properties you rent or lease must be given. The official receiver will require a copy of your lease or rental agreement.

4. Q. 8.3
If you have any interest in or the use of any other property you should provide details of your interest. For example you may have an interest in a property under a will or you may have the use of a property which you pay for but do not have a tenancy agreement for. You do not have to live in a property to have an interest in it, for example you may rent a garage or storage unit.

5. Q. 8.4
You need to give details of all those persons, not previously mentioned, who have an interest in any of the properties you own, rent or lease. The nature of their interest needs to be recorded.

Guide to Section 9 – Property disposed of in the last five years

1. If you have sold, given away or transferred, in the five years prior to presenting your bankruptcy petition, any properties, owned jointly or solely, you must provide the full details of the transaction.
2. The official receiver has a duty to the creditors to report on any and all assets. If you have disposed of any assets (sold, given away, scrapped etc) the official receiver needs to establish that this was not done to the disadvantage of the creditors.

Guide to Section 10 – Members of your household and dependants

1. You may have a relative or friend, who, while living with you or not living with you, is dependent on you for transport, financial assistance etc e.g. elderly/disabled relatives. You should give full details of all those who are dependent on you and provide their address if they do not live with you.

Guide to Section 11 – Causes of bankruptcy

1. Q. 11.1
Give the approximate date you first experienced difficulty paying your debts as they became due.
2. Q.11.2
This is your opportunity to give a short explanation of the circumstances surrounding your current financial position and the reason you are unable to pay your debts.
3. Q.11.3

The official receiver needs to understand the reason for your insolvency. If you have lost money through betting and gambling this may help to explain how you became insolvent. Any losses you have had through gambling, which have contributed to your bankruptcy, should be included here e.g. horse racing, dog racing, casinos.

Guide to Section 12 – Declaration

Your confirmation that all the information you have provided in your Statement of Affairs is true and accurate to the best of your knowledge and belief is required here. You need to sign and print your name and date the declaration.

Guide to Section 13 – Extra information

Please use these pages to continue your answers where you have had insufficient space to record them in full.

What happens next?

When you have completed your Statement of Affairs and have signed and dated the Statement of Truth take it together with your petition for bankruptcy (Form 6.27) to the Court who will set a date for hearing your petition.