



GRIFFIN & KING

LICENSED INSOLVENCY PRACTITIONERS

News and views from the Griffin & King team

BUSINESS RESCUE, RECOVERY AND TURNAROUND

WINTER 2015/16



Management team:

Janet Peacock, Richard Owen, Cheryl Gray, Tim Corfield, Emma Wallis.

"I THOUGHT I COULD MANAGE WITHOUT AN ACCOUNTANT!"



How many times have I heard this?

A few weeks ago I was called in by a director, Jon, to review the position of his troubled company. It was a motor bike retail shop. Jon had invested around £60,000 into the business which had all been lost. He'd seriously miscalculated the demand for the product. He'd not paid himself and he'd been trading for around 18 months. Jon had simply had enough and we agreed liquidation was the best solution.

At the meeting Jon passed me letters he had been piling up. As I flicked through these I could see that there was a demand for business rates but this was addressed to Jon personally. Jon hadn't spotted this. He assured me all trade had been conducted through the limited company. On further questioning it also came to light that the lease negotiations (the lease was never actually signed) were being conducted in Jon's personal capacity – "oh yes, I remember now" recalled Jon "the landlord said it was easier this way".

We advised the landlord and the council that it was the company that had been trading so these liabilities died with the liquidation. But, what a close call for Jon. "Why didn't you have an accountant - he'd have guided you through these issues?" I enquired... but I knew the answer already!

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by Tim Corfield

BEWARE OF UNQUALIFIED "INSOLVENCY PRACTITIONERS"

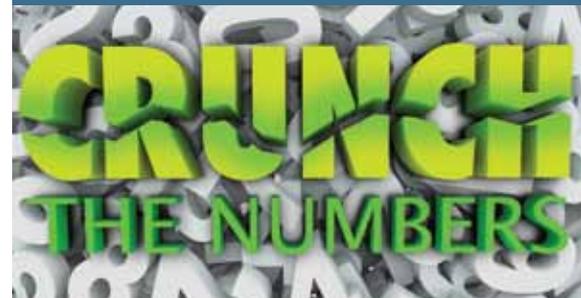
NEW PROPOSED RULES FOR MVL'S

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KEEPING YOU INFORMED

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Download a copy
www.griffinandking.co.uk

BEWARE OF UNQUALIFIED "INSOLVENCY PRACTITIONERS"!



You may be aware that there is quite an industry of 'insolvency advisors' without any proper insolvency qualifications whatsoever. The most likely insolvency 'qualification' is that the proprietor was a director of a company that went into liquidation!

I really don't get this. Why does any accountant or professional adviser refer a client with financial difficulties to someone who isn't qualified and can't take an insolvency appointment? Or why would a director of a distressed company contact such an adviser? Maybe they don't entirely appreciate who they would be dealing with. So, not only does a director not get the advice he should be getting, he'll end up paying twice! Any actual insolvency process will need to be passed on to a qualified Insolvency practitioner so there's inevitably a duplication of charges.

The Insolvency Service continues to take an interest in such dodgy businesses. Court orders against such businesses have been issued for providing misleading information but it remains difficult for the Insolvency Service to keep up.

There are many good reasons why Insolvency Practitioners need to be qualified, licensed and regulated. Issues of Insolvency are highly technical and potentially have far reaching consequences - including potential personal or criminal liability for directors. Is this the right time for a director to be receiving advice off an unqualified adviser?

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NEW PROPOSED RULES FOR MVL'S



The government has issued draft legislation for inclusion in the Finance Bill 2016 covering distributions to shareholders in a solvent winding up - a Members Voluntary Liquidation (MVL).

Under the new rules distributions to individuals in an MVL may be subject to income tax where the following conditions are met;

- **The company is a close company.**
- **Within two years after receiving a distribution the person is involved with a similar trade.**
- **It is reasonable to assume the winding up is to obtain a tax advantage.**

This proposed legislation is clearly aimed at multiple MVL's where accumulated reserves are taxed as a capital receipt (with the potential for Entrepreneurs' relief) and a new company continues the trade.

These anti-avoidance measures will apply to all distributions from a winding up after **6th April 2016**.

Placing a company into MVL before **6th April 2016** would not be sufficient to avoid the new rules unless the distribution is also made before **6th April 2016**.

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Take advice NOW if this new legislation may impact a client company.

WHAT DO WE DO?

We find solutions for businesses and individuals who have financial problems.

SERVICES FOR LIMITED COMPANIES

- Creditors Voluntary Liquidation
- Pre-Pack Administration
- Company Voluntary Arrangements
- Administration
- Members Voluntary Liquidation

SERVICES FOR CONSUMERS, SOLE TRADERS & PARTNERSHIPS

- Individual Voluntary Arrangements (Consumer Debt)
- Individual Voluntary Arrangements (Business and/or Consumer Debt)
- Partnership Voluntary Arrangements
- Bankruptcy Appointments

STRIKING NUMBERS – February 2016



Everyday in the UK...

- The population of the UK grew by an estimated **1,223** people a day between 2003 and 2013.
- On average, a UK household spends **£3.78** a day on water, electricity and gas.
- **209** people a day are declared insolvent or bankrupt. This is equivalent to one person **every 6 minutes 53 seconds**.
- **39.1 million** Plastic card purchase transactions were made every day in November 2015, with a total value of **£1.77 billion**.
- **8.9m** cash machine transactions were made every day in November with a value of **£390m**.
- **2,330** Consumer County Court Judgments (CCJs) are issued every day, with an average value of **£2,171**.
- Citizens Advice Bureaux in England and Wales dealt with **4,097** new debt problems every day during the quarter ending September 2015.
- **25** properties are repossessed every day, or one every **57 min 40 seconds**.
- The number of mortgages with arrears of over 2.5% of the remaining balance fell by **56** a day.
- The number of people unemployed for over 12 months fell by **99** per day between September and November.
- **1,121** people a day reported they had become redundant between September and November.
- Net lending to individuals in the UK increased by **£142 million** a day, despite a fall in December.

Business briefings

NEXT SEMINAR 4th October 2016



The Village Hotel, Inspiration Suite, Tempus Drive, Tempus Ten, Walsall, WS2 8TJ. 12.30-2.30 pm.

Full information to follow in 2016

Places limited! Book early

Please check for availability. To reserve a place email: janet.peacock@griffinandking.co.uk

SIGNATURE DINNERS



These exclusive Signature Dinners are held bi-monthly. The Dinners have been introduced for the benefit of Local CEOs, Managing Directors, Partners and Senior Managers to get together. They are designed to facilitate networking at a higher level and create and nurture long-standing relationships

Forthcoming Signature dinner dates 2016
28th April, 30th June,
29th September, 24th November.

For further information email:

janet.peacock@griffinandking.co.uk

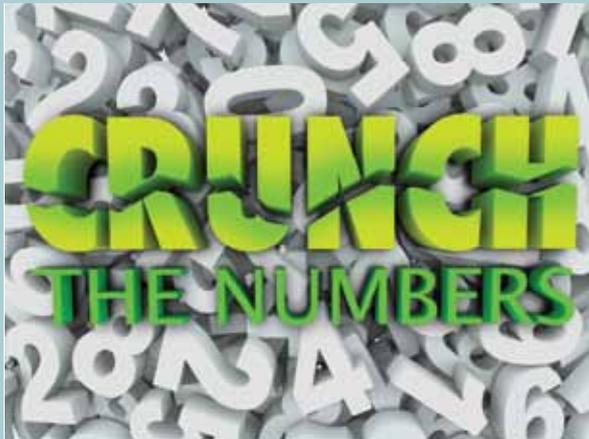
- The Government borrowed **£242m a day** during December 2015 (**£2,800** per second).
- Borrowers would repay **£143m** a day in interest over a year, based on December 2015 trends.
- It costs an average of **£29.91** per day to raise a child from birth to the age of 21.
- **54** mortgage possession claims and **37** mortgage possession orders are made every day.
- **420** landlord possession claims and **317** landlord possession orders are made every day.

Statistics source: <http://www.themoneycharity.org.uk>

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THE LAST WORD...

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Personal debt in the UK - continued

- People in the UK owed **£1.455 trillion** at the end of December 2015. This is up from £1.424 trillion at the end of December 2014 – an extra **£627.09** per UK adult.
- The average total debt per household – including mortgages – was **£53,904** in December. The revised figure for November was £54,078.
- Per adult in the UK that's an average debt of **£28,891** in December – around **111.9%** of average earnings. This is slightly down from a revised £28,912 in November.

Statistics source: <http://www.themoneycharity.org.uk>

Staff Corner



James Corfield

Congratulations to James, who recently passed the 'Certificate of Proficiency in Insolvency' exam. This qualification is provided by the Insolvency Practitioners Association (IPA).

James says "I'm absolutely delighted with my exam results. It was nerve wracking waiting for them, but worth the wait!"

James now plans to move on to the Joint Insolvency Examination Board (JIEB) exams and ultimately an Insolvency Practitioner's License.



All at Griffin & King wish him Luck!

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GRIFFIN & KING
LICENSED INSOLVENCY PRACTITIONERS

GRIFFIN & KING COMPETITION

Win 12 bottles of Champagne or the equivalent in Marks & Spencer Vouchers

All you need to do is visit www.griffinandking.co.uk and answer the following questions. All correct entries will enter the draw.

1. In the video gallery how many videos about Creditors' Voluntary Liquidation (CVL)?

2. Who won the Griffin & King competition in the Summer 2015 Newsletter?

3. Where are Griffin & King Signature dinners held?

4. In the video gallery how many seminar video's?

Competition closes on 9th May, 2016. Please staple your business card with your entry if posting in. Complete your details and either email to: janet.peacock@griffinandking.co.uk or post, clearly marked for: Janet Peacock, Griffin & King, 26-28 Goodall Street, Walsall, West Midlands, WS1 1QL 



Good luck!

GRIFFIN & KING LAST COMPETITION WINNER

Congratulations to Sharon Davies of Cadwallader & Co LLP Who has chosen M&S Vouchers.



"I received a phone call from Janet on a Thursday afternoon and she asked if I was sitting down, this can't be good I thought. However, Janet went on to inform me that I

had won their competition and on a rollover too. I'm delighted and looking forward to my shopping trip to M & S. Thank you Griffin and King".

www.cadwalladerllp.co.uk