



Management team:

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## LIMITED LIABILITY. LESS IMPORTANT THESE DAYS?

by Tim Corfield



**With the new rules on dividends for shareholders the tax advantages for a limited company may have become more marginal. Has limited liability become less important?**

NO! I'd say limited liability is far more important these days! It's critical not to confuse tax advantages (and disadvantages) of a limited company against those of an unincorporated business together with the overall business risk that any business faces.

Take Julian. He opened a beauty salon around five years ago that traded successfully for the first three years. The services that the business offered

included nail extensions, eyelashes, spray tans, sunbeds, weight loss techniques, laser treatment (skin rejuvenation), hair removal and suchlike. He employed two qualified, competent therapists. Around a year ago he received a claim letter from solicitors on behalf of a former customer alleging that treatment applied had caused facial burning to the customer. The solicitors, on a no-win no fee agreement, claimed £25,000 in damages. Julian believed the claim to be contrived but his lawyers advised him that the case would cost at least £15,000 to defend and there was a good chance he would lose the case because relevant paperwork was missing.

### **Was the business incorporated?**

Fortunately, yes. Julian had other business interests and he decided to focus on these going forward.

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## **KEEPING YOU INFORMED**


- Company Voluntary Arrangements
- Individual Voluntary Arrangements - Consumer Debts
- Liquidation
- Individual Voluntary Arrangements - Business Debts
- Administration
- Bankruptcy Appointments

Download a copy  
[www.griffinandking.co.uk](http://www.griffinandking.co.uk)

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The company was liquidated and I'm pleased to say Julian or his company never heard from those lawyers again.

In today's economy customers or clients are far more likely to complain and seek compensation through lawyers who are only too pleased to help. As advisers to business owners we always have to be prudent to limit any exposure to risk.

I don't think there are many businesses that are risk free. 



## WORK LONGER AND LIVE LONGER. IT'S OFFICIAL!

**For people who carry on work into their 60's – some good news!**

Actuaries have recently reported that a man retiring at 70 rather than 60 added another 13 months to his life expectancy. For women it's around 12 months. This is even after taking into account differences in health, wealth and lifestyle.

That's good news for all of us that have seen our pension funds seriously depleted over the last few years. With the recent abolition of the default retirement age of 65 this means that more people who want to work longer, now can.

Even shorter periods of work beyond 60 significantly improve life expectancy. Men who retire at 65 rather than 60 live an average of 7.5 months longer.

The exact reasons for this bonus is not entirely clear. Continued physical and mental activity in later life has proven health benefits and the discipline of work helps us remain active and mentally alert.

## HOW CAN G&K SUPPORT YOUR PRACTICE?



by Tim Corfield

**Accountants often say to me 'I'm not sure what to say to a client when his business enters the murky and mysterious world of insolvency - it's not something I'm used to dealing with.'**

'How do I know my company is insolvent' ...'should I continue to trade' ...'can my company keep taking credit off suppliers'...'can I repay my directors' loan account?'

These are tricky questions - and we all know what a client will say when challenged over a transaction - 'that's what my accountant told me to do!'

That's where we can help. We're pleased to offer free insolvency help to your practice.

**So, if you'd like to chat through a point over the telephone or have a meeting either with or without your client to discuss a case then call us. Any meetings would be arranged at a time (today if necessary!) and place convenient to you and your client.**



**We'll answer any questions your client or you have and help plan the way ahead. Call us now!**

# 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 – July 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.
- **226** people a day are declared insolvent or bankrupt. This is equivalent to one person **every 6 minutes 13 seconds**.
- **34 million** Plastic card purchase transactions were made every day in April 2016, with a total value of **£1.57 billion**.
- **8.5m** cash machine transactions were made every day in April with a value of **£344m**.
- **2,102** Consumer County Court Judgments (CCJs) are issued every day, with an average value of **£2,030**.
- Citizens Advice Bureaux in England and Wales dealt with **4,495** new debt problems every day during the quarter ending March 2016.
- **18** properties are repossessed every day, or one every **1 hour 19 seconds**.
- The number of mortgages with arrears of over 2.5% of the remaining balance fell by **41** a day.
- The number of people unemployed for over 12 months fell by **211** per day between February and April 2016.
- **1,133** people a day reported they had become redundant between February and April 2016.
- Net lending to individuals in the UK increased by **£143 million** a day.

# 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](mailto: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**

**29th September, 24th November.**

For further information email:

[janet.peacock@griffinandking.co.uk](mailto:janet.peacock@griffinandking.co.uk)

- The Government borrowed **£250m a day** during April 2016 (**£2,894** per second).
- Borrowers would repay **£143m** a day in interest over a year, based on May 2016 trends.
- It costs an average of **£30.23** per day to raise a child from birth to the age of 21.
- **53** mortgage possession claims and **36** mortgage possession orders are made every day.
- **398** landlord possession claims and **309** landlord possession orders are made every day.

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

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# THE LAST WORD...

Striking numbers continued from P.3



## Personal debt in the UK

- People in the UK owed **£1.479 trillion** at the end of May 2016. This is up from £1.439 trillion at the end of May 2015 an extra **£773.78** per UK adult.
- The average total debt per household – including mortgages – was **£54,740** in May. The revised figure for April was £54,621.
- Per adult in the UK that's an average debt of **£29,266** in May – around **112.9%** of average earnings. This is slightly up from a revised £29,203 a month earlier.

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

## Staff Corner

'Droit au but' – as they say in Marseille!



## Fantastic Experience! Regrettably poor result for England 🙄

James Corfield and his friends did not quite get the day that they had expected. They had planned it for six months and had hoped for a great day out with an England win. Unfortunately neither happened!

Even though the day was difficult and, at times, they were worried they would not even get to see the game, the day ended up being a success. It's a shame they can't say that about England's performance in the tournament!

G&K



## 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](http://www.griffinandking.co.uk) and answer the following questions. All correct entries will enter the draw.

1. Who is the Marketing Manager at Griffin & King?  
\_\_\_\_\_
2. Who is the Compliance Manager at Griffin & King?  
\_\_\_\_\_
3. Who is the Corporate Insolvency Manager at Griffin & King?  
\_\_\_\_\_
4. What was the lead Article in the Winter 2015/6 Newsletter?  
\_\_\_\_\_



*Good luck!*

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



## GRIFFIN & KING LAST COMPETITION WINNER

Congratulations to Brian Keates of Midas Accountants



"To hear I had won was great news; thanks to all at Griffin & King".  
Brian has chosen M & S Gift card

[www.midasaccountants.co.uk](http://www.midasaccountants.co.uk)