



Management team:

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CREDITORS' MEETINGS – A THING OF THE PAST!

by Tim Corfield



From 6th April 2017 there are no longer automatic creditors' meetings.

New rules have now come into force which are a major overhaul aimed at updating insolvency procedures that have been in force since the Insolvency Rules 1986. The purpose behind the changes is to use modern communication systems to streamline the various processes and save expenses being charged to the insolvency estate.

One of the major changes that non-insolvency professionals will come across is the end to automatic

physical creditors' meetings. Such meetings were called at various points of the insolvency process – a common example was that under section 98 of the Insolvency Act 1986 a meeting of creditors would be called by shareholders to put a company into a formal liquidation process. With most of these section 98 meetings only the insolvency practitioner and the director(s) would attend. This involved unnecessary costs and expenses being charged to the insolvency estate.

At the section 98 meeting the "Statement of Affairs" would have been presented to any creditors that attend. Under the new rules, the Statement of Affairs is forwarded in advance.

The Insolvency Practitioner now writes to creditors with a proposal which is deemed accepted and

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KEEPING YOU INFORMED

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

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approved unless more than 10% (by value) object. If such an objection is received an alternative decision making process will be employed at the discretion of the Insolvency Practitioner. This could include electronic voting, correspondence or a virtual meeting.

The Insolvency Practitioner may only call a physical meeting if specifically requested by at least;

- 10% by value of creditors or
- 10% in total number of creditors or
- 10 individual creditors

The new 2016 rules extend to 448 pages and the explanatory memorandum to seven pages. The above is therefore not intended to be a summary of the new rules but an important change to the rules that non-insolvency professionals are likely to now come across.

Of course, should you, or one of your clients have any specific questions – please do not hesitate to call us.

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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



A FRESH PAIR OF EYES...

By Tim Corfield

Sometimes, to talk through a problem can help to fundamentally rethink the issues.

Take Frank. His financial advisor had recommended that he call me to see if I could help. Frank was director of a company that was having cash flow problems. The book debts were factored and there had been some difficult meetings.

Frank thought there was a realistic chance that the facility may be withdrawn. There were arrears to HMRC who were

pressing. Frank seemed to think a CVA or Pre-pack Admin may be the way forward.

I went through the accounts carefully and couldn't really understand what the problem was. The company was profitable and should have a positive cash flow. I started to quiz Frank over the drawings. "I haven't yet told you about Steve" said Frank. Steve was Frank's brother that had been involved with a previous business. Steve was also working closely in the company with Frank. When his business stopped trading a few years before he owed around £100,000 to HMRC and various credit cards. The family solicitor did a great job of agreeing monthly repayments to these creditors – but, subsequently, Steve lost another income and the only source of repaying these debts were through Frank's company. Frank had quite happily done this for a few years which was why his company was struggling – the company had been paying nearly £4,000 per month!

So, the problem wasn't Frank's company but Frank's brother! **Subsequently helped to agree an IVA between Steve and his creditors. Good result!**

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STRIKING NUMBERS – April 2017



Everyday in the UK...

- The population of the UK grew by an estimated **1,286** people a day between 2014 and 2015.
- On average, a UK household spends **£3.61** a day on water, electricity and gas.
- **248** people a day are declared insolvent or bankrupt. This is equivalent to one person **every 6 minutes 13 seconds**.
- **42.6 million** Plastic card purchase transactions were made every day in October 2016, with a total value of **£1.842 billion**.
- **2,799** Consumer County Court Judgments (CCJs) are issued every day, with an average value of **£1,711**.
- Citizens Advice Bureaux in England and Wales dealt with **4,022** new debt problems every day during the quarter ending June 2016.
- **15** properties are repossessed every day, or one every **1 hour 34 seconds**.
- The number of mortgages with arrears of over 2.5% of the remaining balance fell by **21** a day.
- **1,272** people a day reported they had become redundant between November and January.
- Net lending to individuals in the UK increased by **£175 million** a day.
- The Government debt grew by **£64m** a day during February 2017 (**£744 per second**).
- Borrowers would repay **£138m** a day in interest over a year, based on January 2017 trends.
- It costs an average of **£30.23** per day to raise a child from birth to the age of 21.
- **52** mortgage possession claims and **32** mortgage possession orders are made every day.
- **336** landlord possession claims and **268** landlord possession orders are made every day.

Personal debt in the UK

- People in the UK owed **£1.524 trillion** at the end of February 2017. This is up from £1.476 trillion at the end of February 2016 an extra **£964.450** per UK adult.
- The average total debt per household - including mortgages was **£56,460** in February. The revised figure for January was £56,236.
- Per adult in the UK that's an average debt of **£30,185** in February - around **114.2%** of average earnings. This is slightly up from a revised £30,080 a month earlier.

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

Business briefings

NEXT SEMINAR 7th November 2017



The Village Hotel, Inspiration Suite, Tempus Drive, Tempus Ten, Walsall, WS2 8TJ. 12.30-3:30 pm.

Places limited! Book early

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



THE DIGITAL GARAGE FROM GOOGLE

Griffin & King is very excited to be partnering up with The Digital Garage from Google - a digital skills training platform to assist you in growing your business, career and confidence, online.

Furthermore, a Google digital expert is coming to teach you what is needed to gain a competitive advantage in the ever changing digital landscape, so come prepared to learn and ask questions, too.

FREE TO ATTEND - Including finger buffet and refreshments. There will be a brief introduction followed by a 45 minute coaching session on how to achieve greater results; including 15 minutes Q&A. Places will be allocated on a first come, first serve basis, and must be pre-booked by emailing:

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 2017
29th June, 28th September

For further information email:
janet.peacock@griffinandking.co.uk

THE LAST WORD...

Staff Corner

G&K SPONSOR CHARITY FOOTBALL IN INDIA



Volunteers from Stirling University travel to Bangalore in June to coach children at the Parikma Foundation (a local charity helping deprived young people – www.parikmahumanityfoundation.org).

Matt Corfield has organised the trip having done voluntary work in Bangalore in 2012.

Matt explained “We will be coaching football every day for three weeks to 40 young people.

Thanks to our sponsors and generous donations received we’ll be able to fund the costs of the pitch, running the camp, providing equipment, a brand new training kit for them all to wear and keep and we’ll also provide breakfast and lunch.”

Well done lads – that’s great work!



Welcome to Tony Bufton, our latest recruit.

Tony is well experienced in Insolvency having worked for over 20 years in the profession and having gained the CPI qualification.

Outside of work, Tony ‘follows the Bulls’ (Hereford FC) through thick and thin. “There’s been a lot of thin in recent years!” says Tony.

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HOW WE HELPED SOME PEOPLE... BARRY AND SUE



Barry was 58 when he became ill. Unfortunately, he was unlikely to work again. Barry had had a good job until then as a legal secretary and he and his wife Sue had always had a good standard of living. Sue

also worked as a carer but the loss of Barry’s income was a major blow to their finances.

Barry and Sue had unsecured loans and numerous credit cards with a value of around £50,000. Without Barry’s income these couldn’t be supported. Barry and Sue also owned their own house (with a mortgage) and the last thing they wanted to do was to sell up and move.

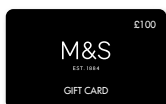
We agreed (with Barry and Sue’s creditors) a joint IVA where they paid £350 each month to their creditors for five years with a further 12 months contributions in lieu of their property equity.

Until they called us Barry and Sue were worrying thinking losing their home would be inevitable. We were so glad to be able to help them retain their home.

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LICENSED INSOLVENCY PRACTITIONERS



GRIFFIN & KING COMPETITION

Win £100 Amazon voucher or 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. Who is the Senior Corporate Manager?

2. How many testimonials in March 2017?

3. Who was the winner of the Spring 2014 Competition?

Good luck!

Competition closes on 31st July, 2017. 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

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GRIFFIN & KING LAST COMPETITION WINNER

Competition Winner Congratulations to Alison Woodcock of National Westminster Bank.

“What a great way to start my Easter Break with a phone call from Janet telling me I had won the newsletter competition. Fantastic to receive 12 Bottles of Champagne for a few minutes reading their website. Thank you.”