



GRIFFIN & KING

LICENSED INSOLVENCY PRACTITIONERS

News and views from the Griffin & King team

BUSINESS RESCUE, RECOVERY AND TURNAROUND

WINTER 2017 / 2018



Management team:

Janet Peacock, Cheryl Gray, Tim Corfield, Emma Wallis, Mark Shaw.

CAN A JUDGEMENT AGAINST A COMPANY AFFECT A DIRECTOR'S CREDITWORTHINESS?

by Tim Corfield



Yes, it can. These days it is so easy for banks and loan providers to check into the background of an individual

and that will include credit issues of any limited company of which he has been a director.

Information is now available immediately into all directorships, whether past or present and judgements against a specific company. If any judgement remains unsatisfied by a company this would be taken into account in the credit assessing process (of a director) by the potential loan provider. The debt itself doesn't need to be personally guaranteed.

Any initial court summons would be served on the registered office. It is

essential that the directors monitor any such communications.

We often see when a company is insolvent court actions can be ignored by the directors which are more likely to result in a judgement being entered. One practical way of avoiding any judgement being entered would be to commence the insolvency process earlier - and if there is no good reason to continue to trade the company, this is the right course of action for directors, in any event.

Usually, once a creditor knows a company is entering an insolvency process, they will discontinue any action. But, even if a company has entered liquidation a creditor can still enter judgement which will have the same effect. Assuming the debt is not disputed, this judgement cannot be challenged or removed by the Liquidator and it will stand.



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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

DOES IT MATTER WHO YOUR CLIENT GOES TO FOR AN IVA?

by Tim Corfield



As you will see from the recent stats in this Newsletter, IVA's are on the increase and you may have clients asking which firm would you recommend to advise them.

The range of operators in this market is really very diverse. It includes the big IVA debt factories that deal with their clients through call centres and the internet and a model that fits into a process. It includes operators that don't have the experience or knowledge to deal with business debt and negotiate with business creditors or HMRC. It includes operators that rely on the services of an IP to "sign off" on IVA proposals without having the day to day experience of dealing with the issues that arise. We've seen all of these types of operators in action - to the detriment of their clients.

At Griffin & King we deal with things differently. We will always have a meeting with a potential client, if required, and we will fully understand all of the issues involved before we give specific, tailored advice to each particular client. If an IVA isn't suitable, we'll say. We don't recommend going into an IVA if the outcome is too marginal. We have a good rapport with business creditors, including banks and HMRC and will negotiate the best deal on behalf of our client. We're always available to resolve any issues that arise and welcome face to face meetings during the currency of the IVA. We're proud of our record and our reputation.

We know we're biased. But, if any of your clients do ask about an IVA or you think it could be a solution to their financial problems, don't let them take any chances with a firm they don't know and pass them our name - we'll look after them.

Testimonial from Clients;

"At a time of great stress and anxiety, both my initial telephone call and then my meeting with Cheryl was conducted in a friendly, helpful and totally professional manner. Thank you for helping me through this."

JG - 3 January 2018

"First class service. Speedy and very helpful"

RC - 5 September 2017

Please do not hesitate to contact one of us - Cheryl, Janet, Tim, Carrie, Maggie all happy to help.



ANOTHER FRANCHISEE OPERATION GOES UNDER!

By Tim Corfield

I seem to deal an awful lot with failed franchisee operations. They always seem to have a few common factors;

- The franchisee has "invested" a lot of his personal wealth (often his life's savings)
- The franchisee has committed to personal guarantees - typically, the bank, the landlord and, of course, the franchisor
- Assets that cost significant amounts are now worthless
- A period of trading time for the franchisee where he hasn't earned any income
- The franchisee didn't take any professional advice about the business opportunity



I've dealt with Andrew recently. He became redundant around two years ago and put his life savings (around £100,000) into a retail franchise operation. He traded through a limited company but the large debts were personally guaranteed. The total indebtedness of the company was around £175,000 of which £60,000 was personally guaranteed. Andrew has now just turned 60 and just started a night security job earning £200 per week to meet his household expenditure.

Andrew said "of course, with any new business you don't make any profits for at least the first twelve months...." Hmm - I wonder who told him that? That doesn't sound like a good business proposition to me, especially one you've just paid £100,000 for!

Unfortunately, all we can do for Andrew is to liquidate his limited company, and help him with an IVA to deal with his personal debt problems.

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STRIKING NUMBERS – September 2017



Everyday in the UK...

- The population of the UK grew by an estimated **1,474** people a day between 2015 and 2016.
- On average, a UK household spends **£3.40** a day on water, electricity and gas.
- **277** people a day are declared insolvent or bankrupt. This is equivalent to one person **every 5 minutes 12 seconds**.
- **543** credit & debit card purchase transactions were made every second in October 2017 with a total value of **£1.92 billion**.
- **1,756** Consumer County Court Judgments (CCJs) are issued every day in Q3, with an average value of **£1,472**.
- Citizens Advice Bureaux in England and Wales dealt with **4,563** new debt problems every day during the quarter ending October 2017.
- **21** properties are repossessed every day, or one every **1 hour 9 minutes**.
- The number of mortgages with arrears of over 2.5% of the remaining balance fell by **6** a day.
- **1,087** people a day reported they had become redundant between August and October.
- Net lending to individuals in the UK increased by **£154.8 million** a day.
- The Government debt shrank by **£64m** a day during November 2017.
- Borrowers would repay **£137** a day in interest over a year, based on November 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 **37** mortgage possession orders are made every day.
- **371** landlord possession claims and **275** landlord possession orders are made every day.

Personal debt in the UK

- People in the UK owed **£1.566 trillion** at the end of November 2017 - an extra **£1040.96** per UK adult.
- The average total debt per household - including mortgages was **£57,578** in November. The revised figure for October was **£57,578**.
- Per adult in the UK that's an average debt of **£30,253** in October - around **113.8%** of average earnings. This is up from a revised **£30,172** a month earlier.

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

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In the days when I had an accounting practice I was asked by clients or prospective clients to advise them on 'investing' in a franchise operation. I can't remember recommending one after looking carefully at the costs and the risks. Unfortunately, all too often, such aspiring business owners are prepared to gamble huge amounts of their personal wealth without taking any professional advice. I'm afraid to say, I don't expect anything to change.

G&K

Business briefings

NEXT SEMINAR Tuesday 2nd October 2018



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

FREE TO ATTEND - Including finger buffet and refreshments. 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.

Signature dinner dates for 2018
22nd February 2018, 26th April,
28th June & 27 September

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

THE LAST WORD...

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

Staff Corner



Tim and James are both running the London Marathon in 2018, Tim on behalf of Lepra and James on behalf of Teenage Cancer Trust and the staff cannot wait to have some fun whilst raising money for these very worthwhile causes.

Any donation, big or small, will make a huge difference to these causes, why not have a look at the just giving pages and donate whatever you can.

<https://uk.virginmoneygiving.com/TimCorfield1>

<https://uk.virginmoneygiving.com/JamesCorf>

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GRIFFIN & KING
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. Name Griffin & King's Corporate Manager

2. How many views did Griffin & King Christmas greeting 2017 receive?

3. Personal Insolvency – How can we help you – How many Videos?

Good luck!

Competition closes on 9th April, 2018. 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



The winner of the competition is Stella Broomhall from Fields Certified Accountants

www.fields-accountants.co.uk

"It was lovely to hear from Janet that I had won the newsletter competition. What a great start to February after a hectic "tax return" January! Thank you very much".