



FOCUS
INSOLVENCY GROUP

**Help and advice for
Businesses and Limited Companies**

**Licensed Insolvency Practitioners
& Business Recovery Professionals**

Call: 0800 157 7330

or 01257 251319

www.focusinsolvencygroup.co.uk



Introduction

Welcome to Focus Insolvency Group, a Prestige Debt Solution, Financial Services and Licensed Insolvency Practice founded in 2007 by our Managing Director and Senior Insolvency Practitioner Anthony Fisher who has over 17 years insolvency experience.

Focus Insolvency has successfully established itself as a top 20 Insolvency firm. With our correct blend of expertise, experience and professionally qualified staff, we can deliver all the services and products that you would normally expect from the 'Big Three', but with the traditional bespoke personal service of a local and friendly company at a competitive cost.

As Licensed Insolvency Practitioners, we are qualified to give advice on debt and carry the kite mark of the Association of Business Recovery Professionals (R3). Our insolvency practitioners are fully licensed by the Insolvency Practitioners Association and details can be confirmed on the IPA, R3 and Insolvency Service web sites. As such, you can be assured that you are dealing with trusted professionals. We believe in maintaining a close working relationship with our clients and professional partners and therefore it is essential that we are able to provide a complete range of insolvency and financial solutions.

Focus Insolvency offers tailored, specialist advice and guidance to limited companies and businesses, supported by its two subsidiaries; Debtfocus that handles personal insolvency procedures and Moneyfocus that provides a full suite of financial advice and products to the over indebted.

Limited Company Help & Advice

If you are a director of a limited company which cannot pay its debts as and when they fall due, then it is essential that action is taken to protect the interest of the creditors.

Failure to take advice and implement appropriate procedures can make the directors potentially personally liable for the company debts as a result of the wrongful trading provisions in the Insolvency Act 1986. Procedures can be implemented immediately to protect the company from creditor action including bailiffs and winding up petitions.

Once the pressure is off, we can sit down and look at the company trading position and see if it is viable to continue trading going forward. It may then be possible to make a proposal to the creditors, which although may not pay them back all their liabilities will be better than the company being placed into Liquidation and employees made redundant. The company will then be free from debt in 5 years.

Focus Insolvency is fully licensed to implement rescue procedures such as Administration, Restructuring and Company Voluntary Arrangements.

If necessary the affairs of the company can be wound up and its assets disposed of in Liquidation. Employees will be paid their outstanding amounts due up to certain limits under the provisions of the Employment Rights Act 1996. Unless they have given a 'Personal Guarantee', Directors will not be liable for the company debts and are free to gain new employment.

Rest assured that we will not charge anything until a debt solution is in place!

Solutions

Company Voluntary Arrangement (CVA)

If a company is experiencing cashflow problems or escalating pressure from creditors, yet the directors believe the company has a viable future, a CVA may be the solution.

A Company Voluntary Arrangement is a legally binding arrangement between a limited company and its creditors put in place to repay the company debts over a period of time, usually 5 years. It enables court action and winding up petitions to be stopped and allows directors to retain control of the company and continue trading into a stronger position.

A CVA works by looking at the disposable income of the company and offering this to creditors over a period of 5 years (subject to review). Our costs are met from these payments and creditors agree to write off the balance remaining after 5 years payments have been made.

Creditors will naturally prefer a CVA to the other options detailed below, as the amounts available to them in a CVA are generally greater.

Administration

If a company falls into financial difficulties the directors or a third party will sometimes appoint an Administrator to run the company. Administration is a key insolvency tool to implement the rescue and survival of the business and provides the company with immediate protection from its creditors. This is to determine whether the company can trade out of its problems or be sold on to enable the company to be turned around. If the company is not a viable concern then the assets will be sold and distributed to its creditors.

Costs are met from the assets available.

Pre-Packaged Administration

In Pre-packaged administration, a company is placed into Administration and the business is sold immediately or shortly after the appointment of the administrator. The insolvency practitioner (the administrator), the directors and or other interested purchasers will have obtained valuations, agreed a sales price and drafted contracts to enable the business to be sold immediately after appointment.

Again, costs are met from the assets available.

Liquidation

If a company is unable to pay its debts, as and when they fall due and the directors do not think the company has a viable future then it may be more appropriate for the company to cease trading and immediate action should be taken.

The directors and shareholders can elect to wind up and close the company through a 'Creditors Voluntary Liquidation (CVL)', it is then the job of a subsequently appointed Liquidator to sell the company assets and distribute any funds available to creditors.

This process leads to the company's dissolution at Companies House.

As above, costs are met from the assets available.

Business and Sole Trader Help & Advice

In the eyes of the law there is no difference between you personally and your business. Therefore, all liabilities are treated the same and so are your assets. However, if you are unable to pay your debts, then it is essential that professional advice is obtained at an early stage to protect your position.

We can help by;

- **Removing Pressure from Creditors or Bailiffs**
- **Offering Solutions to Inland Revenue & VAT Debts**
- **Easing the Pressure from your Bank**
- **Providing Guidance on Cashflow problems**

Focus Insolvency can offer legal advice and practical solutions to your debt problems. First of all legal protection can be obtained from your creditors so that we can sit down, work out the position of the business and see how much money is available to your creditors going forward.

It may then be possible to put together a proposal to creditors that allows for the business to continue trading, jobs saved and leaves you back in the control seat. If such a procedure is possible then you will be free from debt in 5 years. Employees will be paid their outstanding amounts due up to certain limits under the provisions of the Employment Rights Act 1996 if the business is unable to pay them at this time. There is no charge for advice, ring today!

Solutions

Individual Voluntary Arrangement (IVA)

If you have serious unsecured debt problems (usually £15000 or more) and you are having difficulty making your monthly repayments, an IVA may be a solution to help you.

An IVA is a formalised debt solution which involves an agreement between you and your creditors where you will come to an arrangement to make reduced payments towards the total amount of your debt. An IVA provides complete legal protection from your creditors, interest is frozen and as long as you adhere to the terms agreed, you will be completely debt free in 60 months. Furthermore, all your creditors must correspond through your IVA Supervisor so that any hassle from creditors is stopped- legally.

Our costs are met from these payments and creditors agree to write off the balance remaining after 5 years payments have been made.

Debt Management Plan

If the amount of unsecured debt that you owe is £5000-£15,000, it may be that a Debt Management Plan is a suitable solution to help you.

A Debt Management Plan is an informal arrangement between you and your unsecured creditors, whereby your payments are re-negotiated to an affordable level. Once agreements are reached, you pay a single regular affordable amount each month that is divided amongst your creditors on a pro rata basis.

The cost to set up a debt management plan is usually your first or first two months contributions and thereafter a percentage of each month's contribution is charged as a monthly management fee.

Debt Relief Order

The Debt Relief Order was established in April 2009 in order to help people who cannot obtain debt relief from any other source, be it Bankruptcy, IVA or a Debt Management Plan.

A debt relief order is an order you can apply for if you can't afford to pay off your debts. It's granted by the Insolvency Service and is a cheaper option than going bankrupt. However, you must have debts less than £15,000 and assets worth less than £300, with your disposable income less than £50 per month. Also your vehicle must be worth less than £1,000.

A Debt Relief Order will cost less than £100 to put in place.

Bankruptcy

Bankruptcy is a serious matter and should only be considered as the last resort, expert advice should always be sought as the law relating to bankruptcy is complex.

In effect you lose control of your assets and your estate passes to your Trustee, who administers the estate. It is his/her responsibility to realise any assets to pay your creditors. Like an IVA & DRO creditors cannot pursue you for the money owed and must look directly to the estate but the Trustee has an obligation to realise your assets to pay the creditors. This will involve your home if there is significant equity. Other assets like your car may need to be sold and although general household equipment is excluded, if there are items of an excess value then they may be sold and a more reasonable replacement given. If you have excess income over your reasonable domestic needs then you will be required to make payments into your estate.

You will be required to pay fees to the court and official receiver in order to petition for your own bankruptcy and currently these will equate to £700 in total. However you may be able to reclaim some of this cost if you are in receipt of certain state benefits or allowances.

Further Information

If you would like further information or guidance on anything that you have read in our guide Focus Insolvency is here to help you. With extensive experience in helping people and companies regain control of their finances; our immediate aim is to provide you with free advice and assistance and to structure the correct solution to your problem.

The expert advice we will offer will always be the 'best advice' for you, dependant on you or your companies' circumstances and financial situation.

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