



# GRIFFIN & KING

LICENSED INSOLVENCY PRACTITIONERS

*News and views from the Griffin & King team*

BUSINESS RESCUE, RECOVERY AND TURNAROUND

SPRING 2016



Management team:

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

## BORING OLD GRIFFIN & KING!

by Tim Corfield



**These days, Insolvency practices regularly seem to go through personnel changes with insolvency practitioners suddenly leaving a practice and then 'popping up' with another practice shortly after.**

Clearly, no doubt, internal issues of the practice have caused the fragmentation and a 'door opens' for the new practice. Redundancies of staff, unfortunately, inevitably follow. Make no mistake, times are hard for insolvency businesses which, no doubt, is at the root of our industry's version of 'change your partners

please!' This must make life more interesting for the practitioner, but for the wrong reasons!

**Just for the record, I've been at Griffin & King now since 1985 and I've no plans to go elsewhere!**

Over the years I've also come to realise how important it is to have a settled support team who get known to our contacts when I'm not available. Familiar names, such as **Richard Owen** (Senior Corporate Manager); **Janet Peacock** (Marketing Manager); **Emma Wallis** (Compliance Manager and last, but not least **Cheryl Gray** (Personal Insolvency Manager). These managers have amassed 55 years' service at G&K between them! That's not to mention the other 12 members of the team that come in with another staggering 100 years of service!

We appreciate it's important for our referrers that we're here when we're needed giving **Contd. on pg 2**

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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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sound, sensible advice backed up by the whole team - which is why we're very proud of what we do. The team that you've got to know over the years. We've got no plans to change - even if that makes us a little boring!

**And remember, if you have a client or contact with financial difficulties that might appreciate independent advice and guidance don't hesitate to call me or Richard Owen or any of the Griffin & King team. I'm sure we could help!**

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## OVERDRAWN DIRECTORS LOAN ACCOUNTS – A NEW RECORD

What's the biggest overdrawn director's loan account you've ever come across? Perhaps £50,000? Answers to [tim.corfield@griffinandking.co.uk](mailto:tim.corfield@griffinandking.co.uk) - I'd be interested.



We've come across some big ones in our time - as you can imagine. The latest is a company with two directors - one owes over £300,000 to the company and the other around £175,000. In total, nearly half a million pounds! Would you believe it, the debt to HMRC is around £500,000!

I've been appointed liquidator following a petition having been issued by HMRC.

The one director thought he could do accounts and didn't need the 'unnecessary' expense of an accountant. We've heard that before, so many times.

The painful bit (for the directors) starts now - repayment of the loan accounts and dealing with the HMRC enquiry.

Of course, it's better if these problems can be avoided or at least dealt with before they get too serious. If you spot a client who is running up an overdrawn director's loan account that is getting out of control and there are unpaid debts on the other side of the balance sheet - please call for a chat. We will have some positive input and could help your client.

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## LIMITED LIABILITY. MORE IMPORTANT THAN TAX ADVANTAGES?



### Definitely, I'd say so!

**Should a taxi driver (without any employees) be operating within a limited company or be self-employed? Turnover around £30,000 profits around £20,000.**

Arnold was the particular taxi driver who took a fare for a day trip for four people. Unfortunately, a vehicle defect caused a minor accident (no other car involved). All four passengers took legal advice off a specialist injury firm of solicitors and sued for injuries sustained from the accident, an accumulated total in the region of £75,000. Arnold's insurance refused to settle based on a technicality. Even if he won Arnold's legal fees were likely to be at least £25,000.

Arnold was 62 and had been married to Betty for 35 years. They had worked hard throughout their lives and just paid off their mortgage on their home which was worth around £175,000.

**So was Arnold trading through a limited company or did he lose his house?**

Phew! I'm pleased to say he traded through a limited company which entered liquidation a few months ago. Arnold and Betty had a few sleepless nights but not as many as they might have had!

So beware of the risks of a sole trader - even for the most simplest of businesses.

If you'd like to chat through any potential issues over the telephone or have a meeting either with or without your client to discuss a case then call us, we would be happy to help.

by Tim Corfield

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**For advice on insolvency issues call us on your local number opposite**

[www.griffinandking.co.uk](http://www.griffinandking.co.uk) | email: [janet.peacock@griffinandking.co.uk](mailto:janet.peacock@griffinandking.co.uk)

# 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 – May 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.
- 222 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 January 2016, with a total value of **£1.57 billion**.
- 8.5m cash machine transactions were made every day in March with a value of **£344m**.
- 2,102 Consumer County Court Judgments (CCJs) are issued every day, with an average value of **£2,039**.
- Citizens Advice Bureaux in England and Wales dealt with 3,957 new debt problems every day during the quarter ending December 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 **35** a day.
- The number of people unemployed for over 12 months fell by **422** per day between November and January 2016.
- 1,207 people a day reported they had become redundant between November and January 2016.
- Net lending to individuals in the UK increased by **£300 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](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**  
**30th June,**  
**29th September, 24th November.**

For further information email:

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

- The Government borrowed **£155m** a day during March 2016 (**£1,792** per second).
- Borrowers would repay **£145m** a day in interest over a year, based on March 2016 trends.
- It costs an average of **£30.23** per day to raise a child from birth to the age of 21.
- 47 mortgage possession claims and 37 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 **£1.474 trillion** at the end of March 2016. This is up from £1.434 trillion at the end of March 2015 – an extra **£793.13** per UK adult.
- The average total debt per household – including mortgages – was **£54,597** in March. The revised figure for February was £54,267.
- Per adult in the UK that's an average debt of **£29,190** in February – around **111.9%** of average earnings. This is slightly up from a revised £29,013 a month earlier.

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

## Staff Corner



### Seema on the property ladder

It feels like a great achievement to finally be on the property ladder!

I have been wanting to invest in property for the past few years and with house prices increasing, thought this to be the perfect time.

The process was relatively painless... although I have to admit I got lazy with the painting and paid someone to do this for me in the end! All in all for anyone wanting to get on the property ladder, I would definitely recommend it!

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## 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. In the video gallery how many videos about Administration?

2. What year did Tim Corfield become a partner?

3. How many years' insolvency experience has Richard Owen?

4. What are 2016 forthcoming signature dinner dates?



*Good luck!*

Competition closes on 1st August, 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

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## GRIFFIN & KING LAST COMPETITION WINNER

Congratulations to Craig Astbury of Astbury Accountants Ltd.



"What a great start to the week - a phone call from Janet telling me I had won the newsletter competition, some M&S vouchers for a few minutes looking on their website!"

Thank you Janet and all at Griffin and King".

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