

## Don't bury your head in the sand over tax debts

### BUSINESS MATTERS

**Lisa Thomas**, insolvency practitioner at Plymouth-based Neville & Co explains the role that HM Revenue and Customs can play in insolvencies and advises businesses how to manage their relationship with the taxman



I am often asked what usually tips a business over the edge. If I asked you to guess the answer you might say it is the banks – a lot of business people think that. However that is just not the case. It is very rare that the bank loses patience and is the one to call in the administrators.

The usual creditor that exerts enough pressure that something has to happen is HM Revenue and Customs. From their point of view they are not like a bank or trade supplier that can set a credit limit. If a business avoids its VAT or PAYE it can run up a large debt very quickly. At least a bank has the protection of setting an overdraft limit and refusing to allow cheques to be cleared above that limit and a supplier can refuse to supply goods unless paid.

Once HM Revenue and Customs start a recovery process they might do one of two things. They can send in a bailiff and distrain on assets – the equivalent of taking a legal charge. Once they have done that there is not a lot you can do to release it apart from pay off all the debt owed. They don't just let you pay off what the equipment is worth – they will want all arrears cleared. Usually a few days after taking that distraint if the debt has not been paid they come and remove the goods to be sold at auction. Sometimes you will see cars advertised in an auction stating it will be sold unless the debt is cleared.

The second action they can take is to start bankruptcy (on sole traders) or a winding up process (on limited companies or partnerships). Usually you can tell if HM Revenue and Customs are going to do that because they give you warn-

ing and transfer your file to the specialist section in Worthing. Once they get to this stage it is pretty serious and they are trying to put you out of business to stop the debt you owe them from increasing. It is the ultimate control they have on stopping you in your tracks. Any creditor owed over £750 can do this but it is only usually HM Revenue and Customs that are willing to spend the money.

The best thing you can do in the circumstances (assuming you cannot pay in full) is to talk to them. They are not as hostile or as intimidating as you might think and, on the whole, just want to get their money back. As long as the offer to them is sensible then they will do a deal to take payment by instalments as long as you keep up to date on the rest of your VAT or taxes. Until recently the longest deal I have seen them agree was over 12 months but recently I have seen deals for repayment over a longer period.

If you have no hope of reaching a sensible agreement with them then I would suggest you look at a more formal insolvency answer to deal with the arrears. HM Revenue and Customs cannot legally write off debt unless you enter into Company or Individual Voluntary Arrangement or you enter liquidation, bankruptcy or administration. In all of these cases you will need the services of a licensed insolvency practitioner like me to do one of these procedures.



Contact Lisa on 01752 786800

## Endsleigh's parent company is sold in multi-million pound deal

Ivybridge's Endsleigh Garden and Leisure centre's parent firm has been bought by a huge player in the sector in what is understood to be a multi-million pound deal.

The garden centre, on the A38 just outside Plymouth, is one of seven similar businesses, snapped up by The Garden Centre Group (TGCG).

Endsleigh's parent firm, Garden & Leisure Group, was sold by its owner Louis Delhaize, which also owns Truffaut, a leading French garden centre group.

The purchase will add seven large garden centres in "prime locations" to TGCG's portfolio of 132 centres.

It represents the first acquisition of a major chain of garden centres since TGCG was itself bought last year by

Terra Firma – one of Europe's leading private equity firms – for £276 million, and follows the recent announcement of the acquisition of Cheddar and Lechlade garden centres.

Guy Hands, chairman and chief investment officer of Terra Firma, said: "Terra Firma is committed to supporting the execution of TGCG's strategy, one of the key pillars of which is increasing the size of the group.

"We have been actively seeking high-quality acquisition opportunities and today's Garden & Leisure Group deal is a very good fit both with the existing TGCG estate, and our strategic vision for growing the leisure side of the business."

The Garden & Leisure Group was formed in 1997 by Truffaut.

## Legal 500

# South West legal expertise remains ahead of the pack

The aftermath of the Legal Services Act is still being felt but Westcountry law firms continue to perform well in the latest Legal 500, reports business editor **Liz Parks**

### Regional heavyweights

Burges Salmon LLP Bristol

Osborne Clarke Bristol

TLT LLP Bristol

Ashfords LLP Bristol, Exeter, Plymouth, Taunton, Tiverton  
Bevan Brittan LLP Bristol  
Bond Dickinson LLP Bristol, Plymouth  
DAC Beachcroft LLP Bristol  
Foot Anstey Bristol, Exeter, Plymouth, Taunton, Truro  
Michelmores LLP Bristol, Exeter

Charles Russell LLP Cheltenham  
Clarke Willmott LLP Bristol, Taunton  
Lester Aldridge LLP Bournemouth  
Thrings LLP Bath, Bristol, Swindon  
Veale Wasbrough Vizards Bristol

Stephens Scown LLP Exeter, St Austell, Truro  
Withy King LLP Bath, Swindon

### Leading individuals

**Joseph Acton** Trowers & Hamlin LLP Social housing  
**Omar Al-Nuaimi** Osborne Clarke Banking and finance  
**Liz Allen** Stephens Scown LLP Family  
**David Ashplant** Lester Aldridge LLP Corporate and commercial  
**Neil Baker** Clarke Willmott LLP Planning  
**Richard Barcan** Barcan Woodward Solicitors Clinical negligence  
**Alan Barr** Burges Salmon LLP Corporate and commercial  
**Michael Bothamley** DAC Beachcroft LLP Commercial property  
**Andrew Braithwaite** Thrings LLP Intellectual property  
**Paul Browne** Burges Salmon LLP Commercial property  
**Roger Bull** Burges Salmon LLP Employment  
**Sasha Butterworth** TLT LLP Pensions  
**Peter Carney** TLT LLP Insolvency and corporate recovery  
**Jonathan Cheal** Dyne Drewett Solicitors Limited Agriculture and estates  
**John Clarke** Stone King LLP Education  
**Laura Clayton** Burges Salmon LLP EU and competition  
**Peter Clough** Osborne Clarke Commercial litigation  
**Peter Cusick** Thrings LLP Agriculture and estates  
**Madeleine Davitt** Davitt Jones Bould

### Corporate and commercial: The West Country

Ashfords LLP Exeter, Plymouth, Taunton  
Foot Anstey Plymouth, Exeter, Taunton  
Michelmores LLP Exeter

Bond Dickinson LLP Plymouth  
OTB Eveling Exeter  
Stephens Scown LLP Exeter, Truro, St Austell

Kitsons LLP Exeter/Follett Stock Exeter, Truro  
Murrell Associates Truro

Ashfords LLP's sizeable team has 'good breadth and depth of service', with notable practitioners including practice head Simon Rous, who is 'one of the top corporate lawyers in the region', and 'rising star' Rebecca Dury. Age Concern, Lloyds Banking Group, and Viridor Waste Management are clients.

Foot Anstey wins plaudits for its 'good internal communication system that directs work to the most appropriate partner or junior'. The firm enjoyed a flurry of new client gains in 2012, and acts for an increasing number of national and international companies. Chris Worrell, Duncan Sykes and Matthew Stoate are recommended, and the 'very astute' Marlene Howells 'quickly understands her clients' requirements'. The level of service is 'excellent' at Michelmores LLP. The team recently advised British Solar Renewables and the original



Commercial property  
**Jeremy Dickerson** Burges Salmon LLP Media and entertainment  
**Andrew Dunlop** Burges Salmon LLP IT and telecoms  
**Simon Elliman** Withy King LLP Clinical negligence  
**Nick Engert** Clarke Willmott LLP Planning

borrowers on the first-ever publicly listed solar finance bond. Stephen Morse and Richard Cobb are recommended, and Karl Taylor joined from Over Taylor Biggs in 2012. Other clients also include the Met Office and Santander. Bond Dickinson LLP acts for clients such as the Eden Project and Royal Mail. The primary contact is Dean Drew, who led the advice to Superior Group on its sale of Fine Tubes (a leading European manufacturer of small-diameter tubing) to US private investment firm The Watermill Group. OTB Eveling recently acted for the shareholders on the sale of The Hotelier Group to Dominus Investments. James Eveling and David Gebbie are recommended. Stephens Scown LLP advises local SMEs as well as a number of international clients, notably US racing car parts manufacturer Goodridge USA and Australian mining company Wolf Minerals. James Keliher heads up the department, and Christian Wilson joined from Coodes in 2012. Kitsons LLP provides an 'exemplary' service; clients have 'no hesitation' in recommending the firm. Practice head Dominic Hollingsworth has 'excellent commercial acumen', and is 'able to deal with any issue thrown at him'. Penny Paddle leads the corporate and commercial team at Follett Stock, with over 15 years' experience in the field. Lucy Morgan is recommended for matters involving aspects of IP, media or entertainment.



**Bethan Evans** Bevan Brittan LLP Local government  
**Ross Fairley** Burges Salmon LLP Environment  
**Sandra Forbes** Burges Salmon LLP Banking and finance  
**Lionel Fynn** Horsey Lightly Fynn Licensing  
**Luke Gabb** Bond Dickinson LLP

Murrell Associates handles regional corporate deals, and is particularly strong in the renewable energy sector. Hugh Murrell delivers a 'superb' service, and clients trust him 'wholeheartedly' with major business decisions.

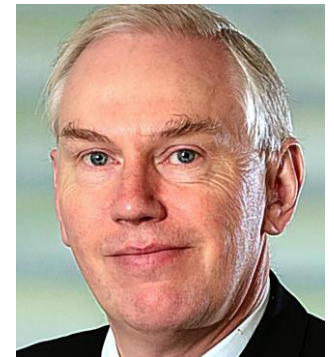
### Corporate tax

Burges Salmon LLP Bristol  
Osborne Clarke Bristol

Ashfords LLP Exeter  
Foot Anstey Plymouth  
Michelmores LLP Exeter  
TLT LLP Bristol

Bond Dickinson LLP Bristol  
Veale Wasbrough Vizards Bristol

Burges Salmon LLP 'always co-ordinates complex instructions well', and its level of expertise is 'second to none'. Most of the team are qualified chartered tax advisers, with Nigel Popplewell and John Barnett in particular reaping praise for their 'strong technical understanding'. Osborne Clarke's team is led by Michael Bell, and is 'one of the best in the business'. It provided tax structuring advice to Growth Capital Partners on three acquisitions over the course of 2012, and also acts for Carphone Warehouse Group and Barratt Developments. Ashfords LLP's clients include Viridor Waste Management and the South West Regional Development Agency. Led by Angus Bauer, the team is recommended for cross-border



Commercial property  
**Mark Gay** Burges Salmon LLP Sport  
**David Gidney** Burges Salmon LLP Commercial property  
**Chris Godfrey** Burges Salmon LLP Corporate and commercial  
**Patrick Graves** Osborne Clarke Corporate and commercial

matters, and in 2012 alone assisted in relation to UK, Dutch, French, German, Turkish, Australian and US tax issues. Foot Anstey is praised as providing 'easy-to-understand advice' and value for money. The 'excellent' team recently assisted new client 90 North Real Estate Partners in relation to the tax structuring of UK property investments. John Pindard is the key contact. Michelmores LLP recently advised Exeter Rugby Group on the tax aspects of a share offer to individuals. Practice head Brian Garner has more than 30 years of tax experience, with a background including 20 years at Ernst & Young. TLT LLP's clients include EDF Energy and Sword Group SE. Ben Watson is an employee incentives specialist, but the corporate tax team also advises on VAT issues, stamp taxes and green taxes. The 'extremely responsive' team at Bond Dickinson LLP provides 'a very high level of service', and recently advised Royal Mail on the tax aspects of the construction of a new delivery office. Senior associate Ronan Lowney is recommended. Senior associate Emma Bradley is the key tax contact at Veale Wasbrough Vizards. Solicitor and chartered tax adviser Lisa Marie-Smith joined from Gregg Latchams LLP.

### EU and competition

Burges Salmon LLP Bristol

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