



Enigma partner Neil Mercer outside the firm's new premises

Specialist law firm eyes move across the Tamar

A growing Plymouth law firm has opened a second office in the city and is now looking at expanding into Cornwall.

Enigma Solicitors has acquired and refurbished a two-storey office building off North Hill to cope with its increasing workload.

And it is now eyeing an expansion into Cornwall, working with a litigation consult-

ant in Truro. The firm specialises in litigation and believes Cornwall represents an "untapped market".

"We want to provide a service and will be actively seeking clients in Cornwall," said partner Neil Mercer.

"We will take on staff if necessary and are always looking for good quality litigators."

Enigma, which opened during recession-hit 2010, will retain its original prominent office in North Hill.

But the expansion provides a new location for Mr Mercer and his work on high-value commercial and civil litigation cases, many of his clients being from outside Plymouth.

"We were running out of

room at the other office and needed somewhere new," he said.

Meanwhile, Mr Mercer's business partner Rory Smith will continue to operate from Enigma's initial office at North Hill, handling a broad range of civil and commercial litigation including solicitor and medical negligence, and employment law.

Asset realisations in insolvency procedures

BUSINESS MATTERS

Lisa Thomas, an insolvency practitioner at Plymouth based Neville & Co, relates how the identification of a failed business's saleable assets can go towards recouping monies owed to its creditors



When an insolvency practitioner is appointed to deal with a business insolvency case, such as liquidation, administration or bankruptcy part of our duties are to sell the assets to maximise the realisations for the benefit of creditors.

There can be a range of assets to deal with such as freehold property, plant, machinery, stock and book debts. I once sold a dilapidated limousine to someone to use for banger racing! Every case is different, which is what makes my job interesting.

The first thing we have to do is make sure the assets are safe and are not at risk from theft or repossession. We also insure them.

If we think some creditors might have retention of title (ROT) rights we will ask the creditors to send us their ROT evidence and if we can satisfy ourselves that they have a valid ROT claim we will arrange a time for the creditor to identify and collect their goods.

We will usually ask the directors for information about a company's assets but will also use other sources such as accounting information or bank statements to identify what assets the company owns. There are times of course when a director is not willing or able to assist us with our enquiries. My predecessor once told me about an appointment he had had as liquidator over a construction company and when he turned up at the company's premises none of the plant and machinery could be seen. It turned out it had all been covered in polythene and buried to prevent disgruntled employees and creditors from taking it.

We will usually instruct agents to collect physical assets and put them into storage and ask them for advice on the best way to sell those assets. This could mean advertising the assets for sale on the open market, selling at an auction or even selling back to the company's directors.

The latter is not always popular with creditors but if dealt with properly it can be legal. Any sale to directors will have to be agreed by our agents as the best deal and the directors will have to physically pay for the assets at market value so ultimately, although creditors may not like it, selling the assets back to the directors may be the best option to maximise realisations.

If landlords are co-operative and the assets are large and bulky, such as plant and machinery, it may be cheaper to reach an agreement with the company's landlord to hold an auction on the company's premises rather than incur costs of removal and sale elsewhere.

Quite often we come across problems where assets previously thought to have belonged to directors personally are found to actually belong to the company and have been included in the company's accounts as such. The biggest error we came across was a parcel of land worth £250,000 that the directors believed belonged to a different company but it transpired it actually belonged to the company we were dealing with which for them was an unfortunate surprise.

If you want to see businesses for sale online or assets being auctioned off here are some good sites. They are www.es-group.com (usually trading businesses), www.bidspotter.co.uk and www.i-bidder.com for assets for sale.

If you or someone you know is facing financial difficulties and you want to know more about what will happen to the assets and how the funds will be distributed please get in touch with me, Lisa Thomas, for a free initial meeting.

If you or someone you know needs advice or guidance, contact Lisa Thomas on 01752 786800



'Artificially' high rates are as high as some firms' rent

BY LIZ PARKS

Business Editor
@lparks01

Some firms are spending almost as much on their business rates as they do on their rent as a result of a decision to postpone a revaluation exercise, according to a Westcountry accountancy practice.

Bishop Fleming has vowed to maintain pressure on the Government to tackle the issue and has started a petition aimed at getting business rate levels debated in the House of Commons.

Managing partner Matthew Lee said: "Most of us are renting properties where the rental cost is around a third of what it was in 2007. We have just signed up to Salt Quay House, in Plymouth, and its rent is substantially less than it was when it was first built but the business rates are just the same and they have been held up artificially."

The last revaluation exercise was carried out in 2008 with the next one not due to be carried out until 2017 meaning that

Survey finds concerns about business rates

A total of 81% of firms in the South West have seen their business rates increase over the past five years, according to a Bishop Fleming survey.

While 50.5% have seen business rates rise to almost match their property rent, 18.1% report that they're now paying as much or more in business rates as they pay in rent. Most businesses (89%) report that increased business rates have hampered

their ability to invest in growth.

Almost two-thirds (63.3%) of Bishop Fleming's survey respondents reported that their property values have declined since 2008, while their business rates have increased. Almost three quarters brand rates as unfair (73%), while a further 21.6% say that UK businesses pay more than their EU competitors.

properties are valued at pre-recession rates which are no longer accurate.

Bishop Fleming submitted a Freedom of Information Act request to the Government asking them to explain why the revaluation exercise has been postponed.

This elicited the response that the postponement aimed to avoid "sharp changes and unexpected hikes in business rate bills."

By Mr Lee said he was not convinced by this.

"It's obvious that the scheduled revaluation would have seen a reduction in business rates, because property values in most places outside central London have declined in recent years. Our belief is that the Treasury took a cynical decision to postpone that revaluation to avoid a reduction in business rates revenues," he added.

Couple relocate to buy award winning carpet cleaning business

A couple from Buckinghamshire have relocated to Devon after acquiring an award-winning franchise business for an undisclosed sum.

Andrew and Claire Garman have acquired Ken and Jane Rudge's Torquay-based ServiceMaster Clean business which operates across the Torbay, south east Devon and Exeter areas.

The business won in the Customer Service category of the WMN Business Awards in 2012. It currently turns over

£800,000 a year and employs 14 members of staff.

Mr Garman said: "In year one, we'd like to maintain profitability with more aggressive growth plans in years two and three."

"We see residential and small commercial as our target market and will also be looking at other growth markets within the cleaning and restoration industry."

"We are aiming for a £1 million turnover as soon as possible."