

## Take advice before opting for bankruptcy

### BUSINESS MATTERS

**Lisa Thomas**, an insolvency practitioner at Plymouth-based Neville & Co, urges anyone who may be considering bankruptcy to take professional advice first to ensure that it is the best option for them



People often ask me at what point should someone who is having personal or business financial difficulties take advice from an insolvency practitioner like me and the answer is always the same – as soon as they become aware there is a problem.

That is all well and good but in practice it rarely happens. Most of the calls we get are last minute from someone who has just received a winding up petition or when court enforcement officers (bailiffs) turn up to remove goods and assets on behalf of a disgruntled creditor who is fed up with having their demands for repayment ignored.

Although it is late in the day to be taking advice we can still help. It does make things a lot harder and we may have to unravel the situation to get to a clear position but all is not usually lost.

Many people to bury their heads in the sand when it comes to their finances and some people will be bankrupted without having taken any proper advice to see whether it could or should have been prevented.

I once had a meeting with a couple who were about to file bankruptcy papers the next day but it turned out that an elderly relative who was quite ill was leaving them a property and it was likely the property would be inherited whilst they were still bankrupt. I explained that any such assets would vest in the bankruptcy estate and ultimately would be sold to pay off the bankruptcy debts. In the circumstances, bankruptcy was not the best route for them. The couple were lucky enough to get insolvency advice in time, even if it was taken at the eleventh hour.

Some people are not as fortunate and, for whatever reason, will not take advice until after they have been bankrupted. Initially, the Official Receiver is appointed to administer the bankruptcy estate and realise the individual's assets and he writes to them regarding their property. When they realise their home is at risk that is when

things become real and the individual takes advice.

However bankruptcy can sometimes be annulled (as if it never happened) for one of the following reasons:

■ The bankruptcy order should never have been made.

■ The costs and expenses of bankruptcy have been paid in full.

■ An Individual Voluntary Arrangement has been implemented.

An example of the first one might be where the debt upon which the bankruptcy petition was presented was validly disputed and not due.

In the second case enough assets were sold to repay all the creditors and the costs of bankruptcy in full. If there were enough assets to pay everyone off you would have thought that the individual would not have gone bankrupt in the first place but it does happen.

In the third option an Individual Voluntary Arrangement which is a formal insolvency procedure can often be a better alternative to bankruptcy.

In a perfect world a person would put an IVA in place before any bankruptcy order can be made but hindsight is a wonderful thing and many people have never heard of an IVA before.

An IVA is usually a cheaper alternative to bankruptcy and sometime individuals can keep their assets as part of the IVA agreement but once bankruptcy takes place the costs start to stack up and trying to get an IVA in place and subsequently annul a bankruptcy is hard work.

However we have just got a very complex bankruptcy annulled by using an IVA – and in that case everyone is better off.



If you would like to know more about this subject or any other insolvency related matters telephone Lisa on 01752 786800.

# A unified voice is crucial to get the ear of government

Last week's Devon and Cornwall Business Council meeting focused on regional infrastructure. Chief executive **Ben Rhodes** looks at the issues involved

At a time when the UK economy is showing real signs of a strong sustainable recovery, the disparity between London and the South East with the rest of the UK grows ever more. Why does this matter? Well, studies commissioned by the South West Regional Development Agency have shown a conclusive link between the distance or time from London and a significant reduction in productivity levels. In other words, the further away from London a business is located, the lower the levels of outputs from each employee. This, if nothing else, points to the need for improved connectivity to the capital and beyond.

At last Friday's meeting of the Devon and Cornwall Business Council, attended by more than 70 business leaders from across the two counties, we questioned and debated with a panel of representatives from road, rail and air transport providers. The panel included: Matthew Roach (MD, Exeter Airport), Al Titterton (MD, Newquay Cornwall Airport), Niall Duffy (director of PR and communications, Flybe), Dan Okey (regional manager west of England, First Great Western), Richard Gibson (head of communications, Cross Country Trains), Ian Parsons (Highways Agency), Paul Jefferson (operations director, Gregory Distribution) and Chris Aldridge (principal strategic planner, Network Rail).

The three main aims of the meeting were:

■ To enable key leaders within our transport sectors to outline their vision of the future of transport connectivity;

■ To understand the key challenges that face our region when it comes to providing efficient, sustainable and resilient transport connectivity, both nationally and globally; and

■ To better understand and further develop the role that the business community can and should play in ensuring



Repairs continue to the rail line at Dawlish but the longer-term question of infrastructure resilience remains

that the best possible solutions are found and funded.

As one can imagine, the picture that emerged is quite complicated and varies between location and mode of transport. However, there were a number of common themes running between them all.

Firstly, passenger numbers are vital. When it comes to rail travel, passenger numbers are perhaps too high. The system is very near to capacity and the lack of availability of quality rolling stock is a problem for operators looking to expand their provision. There is however, light at the end of the tunnel as the introduction of newer electrical or bi-modal trains in the Thames Valley, over the next two years, will see the availability of newer rolling stock, which the peninsula must shout for, as national competition may be strong.

In sharp contrast with this picture, air travel fails to attract the number of passengers necessary for economically viable services, primarily due to leakage of passengers to either Bristol or London airports. This is one of the principal reasons for Newquay Cornwall Airport applying for

Public Service Obligation status from the Government. Looking further into the future, regional airports all over the UK have a once in a generation opportunity to secure better connectivity to London airports, by working with those organisations lobbying for increased runway capacity in the South East. This airport and the connections it supplies to London and Exeter's connections to mainland Europe and the world, are too important to be lost.

Secondly, resilience is imperative and applies to both the road and rail networks. As has been brought into sharp focus in recent months and weeks with the chaos caused by the weather at Dawlish, parts of Somerset and the Thames Valley, it is not sufficient to rely upon a single route into and out of the peninsula. While the Government has agreed to bring forward feasibility studies on improvement to the A303 and to conduct a review of options for improving rail connectivity, it is still a long way from supporting a significant investment into either. While it is important to maintain pressure for these long-term solu-

tions, it is not all doom and gloom in the medium term. The recent announcement by Network Rail about improvements to the western access to Heathrow will mean significantly improved travel times, along with the possibility of the Great Western mainline linking with HS1 and HS2 at Old Oak Common.

Finally, the overarching message from the room and the panel was the need for the South West peninsula to speak with a single, unified voice, in a co-ordinated and cohesive way, to ensure long-term improvements to our transport connectivity. We must not look to secure small gains for geographically isolated parts of the region, to the detriment of the bigger wins for the whole peninsula.

As such, DCBC intends to build on the momentum created by this meeting by formulating a simple clear message, by working with our members, other representatives of the business community and the business leaders of our transport providers, to enable us all to work cohesively towards securing a set of high-level improvements for the benefit of all.

## Four businesses offer food and drink sector launch pad

Four South West businesses have teamed up to form a business incubator offering one young, regional food or drink brand support to grow.

Owners or managers of brands or businesses that have gone beyond concept stage but are less than three years old can apply to the 2014 Seed Fund. Judges will be looking for evidence of some trading history and the brand's future commercial potential.

The successful applicant will receive a year's worth of brand and design consultancy from The Collaborators; PR, marketing and social media support from Bristol-based agency Purplefish; Omni Digital, who will provide digital and web marketing support; and South Gloucestershire-based FD Works, which will provide business and financial advice.

The winner will receive

more than £100,000 in consultancy advice, support and mentoring as well as introductions to potential investors and buyers.

Taste of the West chief executive John Sheaves, a member of the judging panel, said: "The South West region has given rise to some outstanding food and drink brands that have gone on to experience international success and this initiative is a

'We'll be looking for a good idea or concept'

John Sheaves

great way to uncover new and exciting brands of the future. We'll be looking for a good idea or concept from motivated, inspiring and entrepreneurial-minded people. The successful recipient of The Seed Fund will have access to a fantastic portfolio of support and mentoring and Taste of the West is delighted to be a part of this great initiative." Apply at [www.seedsw.co.uk](http://www.seedsw.co.uk) by March 21.

### RESTAURANT BUSINESS OPPORTUNITY

Proposed five year Licence to run the Restaurant at the new Holsworthy Livestock Market site from summer 2014 onwards.

Gas Kitchen with appliances included.

Subject to a minimum opening, but opportunity for 7 day a week business venture.

Tenders close 12 noon on

Monday 31 March 2014.

Enquiries, tender documents and forms

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