

## A fresh start may depend on your circumstances

### BUSINESS MATTERS

The burden of heavy debts need not necessarily result in bankruptcy, says **Lisa Thomas**, an insolvency practitioner with Plymouth-based Neville & Co. This week, she explains how an IVA may save key assets from repossession and offer creditors a better return



Have you seen the adverts on daytime television showing happy relaxed looking people being given a fresh start by writing off their debts? Does it sound too good to be true?

Well, in some cases it's true (although the people I help don't always look like sun-tanned models).

What these adverts are offering is usually Individual Voluntary Arrangements (IVAs). These are a formal insolvency procedure which can sometimes be used by individuals as an alternative to bankruptcy.

An IVA is effectively an agreement between a person and their creditors which is legally binding. It usually proposes to pay their creditors a better return than they would get in bankruptcy.

If creditors accept the IVA proposal, then a line is effectively drawn at that date and all the old liabilities including interest and charges are frozen. If the person is in business as a sole trader or partner then they may can usually continue to own and run a business.

#### How does it work?

A licensed insolvency practitioner like me will help to put the IVA proposals together with the persons input. This IVA proposal will include a bit of history, a financial snapshot of their current position and some forecasts compared to bankruptcy.

Hopefully that will show that the IVA is a viable alternative to bankruptcy and fair for everyone concerned.

A meeting of creditors is then called to vote on the acceptance or rejection of the IVA. If the IVA proposals are accepted by 75% in value of the creditors that vote then it is approved. Those that do not vote are still legally bound by it and are locked in. Creditors can modify the proposals if they are not happy with them and the debtor may have to agree to the modifications depending on how the votes have fallen.

#### What is included?

IVAs will need to offer credit-

ors a better return than they would get in bankruptcy. The costs of an IVA are usually cheaper so that's a start but it's usually still all about the assets.

A lot of IVAs will offer creditors regular contributions from the debtor's income. In bankruptcy, this is for a maximum of three years so in an IVA, in order to be more attractive, creditors tend to insist on five years' worth of contributions.

An IVA can be moulded to suit each person's circumstances but needs to be fair and feasible.

Why don't debtors just 'go bankrupt'?

Some individuals have assets they do not want to lose – they may have equity in their homes and an IVA may give them or their partners extra time to find the money to buy out the interest in the property rather than risk it being repossessed and sold through bankruptcy.

Certain contracts that will terminate upon bankruptcy do not in an IVA might be suitable for sole traders that want to continue trading.

Some people may be prevented from continuing their profession if they are made bankrupt; for example, members of the armed forces, the police or solicitors. Also you can be a director whilst in an IVA but not if you are bankrupt.

**Why doesn't everyone do one?**

On the face of it an IVA might sound like the perfect solution to some people but it is not always that straightforward and isn't always suitable – it really depends on the circumstances.

If you think you or someone you know may need

advice with regard to a IVA or alternative insolvency procedure feel free to get in touch with me for a free initial meeting on 01752 786800.



## £2.5m investment will generate major fuel cost savings for Evans

A family-run haulage firm has invested £2.5 million in fuel efficient vehicles.

Barnstaple-based Evans Transport, which has five UK depots including in Exeter and Bideford, has replaced 35 HGVs over the past 12 months.

Managing director Nigel Evans said the investment would save the business up to £275,000 in fuel costs a year.

In total, the business runs a 130-strong fleet including crane operated vehicles

serving the construction industry, timber crane vehicles and a tipper operation for bulk haulage.

Depot manager Mike Symons added: "Fuel is our biggest single cost. We're definitely seeing some big improvements as we're getting at least a mile per gallon more than we did with the older vehicles."

Evans has grown to employ 160 staff. It is also a member of distribution network, Pallet-force.

# Ready, set, grow: Local firms

Sixteen Westcountry businesses are celebrating their success in securing Plymouth University and Western Morning News Growth Fund awards totalling £1.37 million, which will help support the cost of development projects they are itching to begin

Local companies ranging from a husband-and-wife team restoring classic boats in Plymouth to a state-of-the-art Somerset biotech's company

## Demand-led growth by chef training school

### ASHBURTON COOKERY SCHOOL, ASHBURTON

The award-winning Ashburton Cookery School is expanding on the back of growing demand for its chef-training courses. Now, it also plans to establish a training restaurant that will be open to the public.

Established 10 years ago, Ashburton has quickly become one of the UK's top private cookery schools, running more than 40 courses for over 5,000 students a year, and won the Best English Cookery School award in the 2012 British Cookery School Awards.

It offers courses ranging from weekend-long programmes for home cooks to professionally accredited six-month training courses for chefs.

Demand for the long-term vocational courses led to the school bidding for £130,000 towards a project to build a large extension to their current premises so this area of the business could be expanded.

As well as funding additional six-month courses, the project involves building a training restaurant for the chef students to work in which will be open to the public at weekends, and create 13 jobs over the next two years.

are set to move ahead with their plans for business growth.

The cash support has come from the £3.9 million Plymouth University and Western Morning News Growth Fund and it's anticipated that the projects that the awards set in motion will create 149 jobs over the next two years.

Administrated by a Plymouth University team, PWGF has experienced huge demand from local businesses seeking financial support towards implementing their projects,

with the awards also unlocking an additional £1.8 million in private sector investment towards the schemes.

Individual grants of between £25,000 and £150,000 are being made, following an exacting decision-making process overseen by a panel of leading business people.

This is the second round of funding made by PWGF this year, with its £3.9 million pot allocated from Government's Regional Growth Fund.

Professor Julian Beer, pro

vice-chancellor for Regional Enterprise at Plymouth University, said "The fund is able to generate great added value, releasing enormous private sector investment which would otherwise not have been made available for years – if at all – and creating real jobs – not estimates – in priority sectors for the region.

Today four of the 16 diverse Westcountry businesses that have become the latest to win PWGF funding, tell us more about their plans for growth.



Darrin Hosegrove is chef director at Ashburton Cookery School

Managing director Dominic O'Nions said: "There is really strong growth in the area of people wanting to become qualified chefs right now, and we wanted to pursue that, in addition to offering people the chance to visit us and eat some of the best food in Devon.

"We're hoping it will be

you need to give them actual experience of cooking for the public, so creating a training restaurant which paying customers can visit will be a fantastic way of achieving this, in addition to offering people the chance to visit us and eat some of the best food in Devon.

"We're hoping it will be

really improve the South West as a region of excellence in terms of food, and also benefits our local food suppliers in Devon including farms and dairies.

"The PWGF grant enables us to bring forward the opportunity and capitalise on the demand."

## Robotics manufacturer fast-tracks new innovation

### SINGER INSTRUMENTS, WATCHET

Nestled on the edge of Exmoor in a sleepy Somerset village is a state-of-the-art factory housing one of the world market leaders in laboratory robotics manufacturing. Singer Instruments is a family founded and owned business employing 27 people and designing and manufacturing laboratory robotics for the biotechnology industry. Its products are exported to more than 40 countries.

Clients include global pharmaceutical companies, cancer research institutions and multi-national biofuels businesses.

The company invested so heavily in expanding its premises at Roadwater and in taking on extra staff that it needed help to fund the de-



Singer Instruments' Dr Harry Singer is pictured, centre, with his team

velopment of new equipment to market. The PWGF was able to help, by awarding a grant of £97,265 towards the £195,000 project costs.

The money was needed to develop, market and launch a new piece of market-leading laboratory equipment called a Gene Scanner; a small, high-

# reveal how PWGF will support their goals



## Historic yard base is at heart of Stirling's plans

### STIRLING & SON LTD, PLYMOUTH

It's not often that a company's expansion also involves the restoration of a scheduled ancient monument, but that's the case with a traditional boat yard's ambition for its Plymouth operation.

Stirling & Son aim to preserve a piece of Plymouth's maritime history by developing their base at Devonport Dockyard's South Yard.

Husband and wife team Will and Sara Stirling have already earned a notable reputation for designing, building and

repairing historic wooden yachts.

In March this year they established a new base at South Yard's No.1 slipway, the oldest remaining covered slip in any royal dockyard, with a history dating back hundreds of years.

The location appealed to the couple, who both have masters degrees in maritime history, and felt it was an inspirational location for building and restoring traditional boats.

They aim to capitalise on their location by developing the facility, restoring it to its



Will Stirling at work on a boat at Devonport's No.1 slipway, the oldest remaining covered slip in any royal dockyard

former glory in a £205,000 project supported by £150,000 from the PWGF.

This will also enable them to expand their two-person company into a much larger organisation, recruiting 15

new staff to build and restore larger vessels in the traditional style.

Work will begin this summer to reinstate the infrastructure, laying new rails, installing winches and cradles

capable of pulling up to 200-tonnes up the slip.

Mrs Stirling said: "Now we can grow the company quickly and provide a service bringing in regular work that would otherwise have been sub-

contracted out of Plymouth.

"We always thought this was a wonderful project but had no idea if anyone else would, and it was fantastic to have that support from the PWGF."

## Filbert's focus is all about great taste

### FILBERT'S FINE FOODS, GLASTONBURY

Huge demand for the gourmet premium snacks produced by young company Filbert's Fine Foods has seen the business grow dramatically in just three years of trading.

A £35,000 PWGF award will support an £82,000 investment in new equipment to bring its packaging in-house, as the business grows from strength to strength. And as the business increases its capacity, it plans to boost its team – currently made up of five full time and two part time staff – by six.

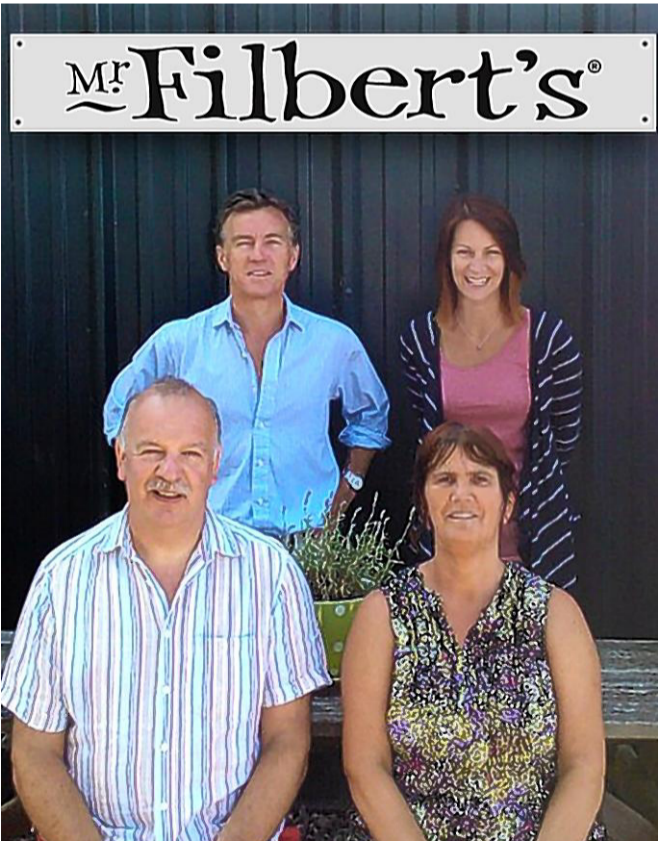
Trading under the brand Mr Filbert's, the business manufactures premium snacks, gourmet oils and dressings.

Its products are stocked by retailers including Harrods, Harvey Nichols, Waitrose and National Trust stores, and are now being exported to four countries overseas.

Filbert's has won more than 20 awards in the last three years, and had to relocate from its original Dorset base to much larger premises in Glastonbury in April.

Managing director Mark Taylor, who founded the business and runs it with co-directors Paul Dooley, Aimee Talbott and Jane Read, reported 68 per cent growth in 2012 and 45 per cent in 2013.

He said: "Gourmet premium snack foods are one of the few growth areas in the food and drink industry right now, as consumers look for 'better-for-you' [products] with great taste.



Front row: Paul Dooley, production manager Nina Downton. Back row: Mark Taylor and Aimee Talbott

"This grant enables us to capitalise on the substantial demand for our recipes and products, by creating a bespoke packaging line that we had previously contracted out to another company, making our entire operation more effective.

"We were absolutely delighted and proud to have won

grant aid from PWGF in what was a very competitive environment.

"This money will be invested in much needed capital equipment to help the business progress to the next level and create a larger premium food manufacturer here in Somerset, with much needed job creation opportunities."



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