

**Hart Shaw**

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**HART SHAW**

Chartered Accountants & Business Advisers

# Business Recovery & Insolvency

**Practical Business Solutions**

It is a fact of life that some businesses thrive and prosper while others stumble and fail, often falling victim to increased competition, changes in legislation, a loss of market or bad debts.



[www.hartshaw-bri.co.uk](http://www.hartshaw-bri.co.uk)

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At all stages of the economic cycle companies, businesses and individuals will invariably face difficulties and issues for which specialist advice should be sought. The key to success in times of trouble is to seek professional advice sooner rather than later as this can increase the options available.

At Hart Shaw Business Recovery & Insolvency, we are used to helping people and companies deal with a wide variety of financial problems. Whether you are an individual who is overextended with consumer credit or are the director of a company facing closure, we can help you resolve your difficulties. Over the years we have helped hundreds of individuals and companies resolve their problems and in doing so have developed a wealth of experience, knowledge and skill.

Hart Shaw Business Recovery & Insolvency will work closely with you to offer independent advice and develop a practical solution to your business problems – be it a formal insolvency procedure or informal restructuring.

The Hart Shaw Business Recovery and Insolvency Team have been helping Limited companies, businesses and individuals to recover from their financial problems for more than 20 years. Our partner-led approach ensures that you will be working with a specialist who has seen most problems before.

The options available to you will depend on the legal status of the business and whether it is incorporated.

When a Limited company becomes insolvent, which is defined as being “unable to pay its debts as and when they fall due” or where “its assets are worth less than its liabilities” its directors have a duty to act in the interests of creditors. As a general rule the debts of the company remain with the company and its directors are not personally liable.

*Limited companies can consider:*

### Turnaround & Recovery

The earlier a director takes advice, the greater are the prospects that the company can be saved. It may be possible for the company to be turned round following cost cutting measures and refinancing.

### Company Voluntary Arrangements (“CVA”)

A formal insolvency procedure may be required to allow the company to continue trading and be saved. A CVA is a deal between the company and its creditors in full satisfaction of its debts and is an alternative to the company being forced into Liquidation.

### Administration

A formal process which places the company under the control of an Insolvency Practitioner and the protection of the court from pressing creditors while it is restructured.

### Creditors Voluntary Liquidation

Liquidation is the formal process by which a company's affairs are dealt with, its assets realised and the proceeds distributed to creditors in a defined order of priority.

When the process has been completed the company will cease to exist. Unlike a Limited company where the debts of the business remain with the company, a sole trader or a partner is automatically liable for all the debts of the business.

*Sole traders or partnerships can consider:*

### Turnaround & Recovery

Re-financing and reorganising a business can help it continue trading through difficult times.

### Individual Voluntary Arrangement (“IVA”)

In an IVA the interest on debts is frozen and a business will only pay what it can afford. At the end of an IVA, the debts will be written off in full and the business will be debt free. An IVA should not interfere with the running of a business or put a business at risk.

### Partnership Voluntary Arrangements (“PVA”)

A PVA deals with the assets and liabilities of the partnership in a similar way that an IVA deals with the assets and liabilities of the individual

### Bankruptcy

Bankruptcy is the formal court process by which an insolvent individual's affairs are dealt with by a Trustee in Bankruptcy. The individual's assets are realised and the proceeds distributed to creditors in a defined order of priority.

We understand the pressures placed on directors and owners of troubled businesses especially when the time comes to stop trading. However, thanks to our extensive experience, we are able to provide clear, practical and unambiguous advice to make the process less difficult.

The initial meeting is offered without cost or obligation and is always with total discretion and confidentiality. It is at this meeting that we will set out the options available to you and details of how we can help.

For further information about Hart Shaw's business recovery and insolvency service, visit our website:  
[www.hartshaw-bri.co.uk](http://www.hartshaw-bri.co.uk) or contact Christopher Brown on (0114) 251 8850  
[chris.brown@hartshaw.co.uk](mailto:chris.brown@hartshaw.co.uk)

Without fail we have found Hart Shaw to be professional, knowledgeable and helpful and would not hesitate to recommend them.

Mr F, Cheshire