
SERVICES WE CAN PROVIDE

- **Administration:**

Usually instigated by either the Directors or the bank, and used to provide protection whilst a solution is found.
- **Company Voluntary Arrangement:**

Useful where a company has accrued aged debt which it is unable to service, but is profitable moving forward. An offer is then made to creditors for settlement based on affordability (requires 75% of creditors voting to vote in favour).
- **Liquidation of solvent or insolvent companies:**

Results in the formal closure of the business entity.
- **Re-finance:**

Seek new funding via bankers and private investors.
- **Individual or Partnership Voluntary Arrangements:**

An alternative to bankruptcy, which allows individuals to offer to repay what they can afford to creditors and freeze the aged debt (requires 75% of creditors voting to vote in favour).
- **Bankruptcy advice:**

The options available and implications of bankruptcy on the individual.

Look forward to the future!

TH CORPORATE SERVICES LIMITED
CHANDLER HOUSE, 5 TALBOT ROAD, LEYLAND, PR25 2ZF
Tel: 01772 641146
Fax: 01772 452376
E-mail: info@th-cs.com
Web: www.th-cs.com



CORPORATE SERVICES

AIR TRAVEL FUND UP AS FAILURES DROP

The Air Travel Trust (ATT) – which administers a fund used to meet costs when an airline goes bust – says the fund has returned to surplus for the first time since 1996, after a fall in Air Travel Organisers’ Licensing (ATOL) failures.

The trust’s annual report says the ATT received £48.1m in ATOL protection contributions from 19.2m passengers for the year ending 31 March 2013, up from 17.3m passengers during 2011/2012. ATT chair Roger Mountford said: “The relatively low number of ATOL holder failures shows how well the travel industry performed last year, despite challenging financial circumstances. This more stable period has resulted in the ATT’s welcome return to surplus – consumers now enjoy greater protection for their holidays.” The ATT fund surplus now stands at just over £18m,



NEWSLETTER—Issue no 5

following several years without ATOL failures and the implementation of key reforms to the ATOL scheme that has increase its coverage through the April 2012 introduction of Flight -plus – deals sold by travel agents or tour operator where travellers have the flexibility to match preferred flights with preferred accommodation.

There were 11 ATOL failures during 2012/2103, representing an estimated cost to the ATT of £844,000.00, compared to 23 failures in 2011/2012 costing ATT over £14m.

PAYDAY LOAN ADVERT BANNED

An advert featuring former bankrupt Kerry Katona has been banned by the advertising watchdog as it was ruled “irresponsible”. The Advertising Standards Authority received numerous complaints following the TV advert for short term credit broker Cash Lady.

THE SUPREME COURT RULES ON 'BALANCE SHEET INSOLVENCY'

The Supreme Court has upheld the decision of the Court of Appeal in the Eurosail case, and set out guidance on the interpretation of the balance sheet test of insolvency under Section 123(2) of the Insolvency Act 1986.

The appeal concerned the interpretation of the so-called 'balance sheet' test of insolvency under Section 123(2) of the Insolvency Act 1986. Section 123(2) states:

'A company is also deemed unable to pay its debts if it is proved to the satisfaction of the court that the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities.'

This formulation is often incorporated into contractual arrangements (without the reference to the court) as a trigger for one party to exercise a right to terminate or to enforce other rights against the other party.

The Supreme Court held that:

-The statutory test for a company being unable to pay its debts is materially different from the position under the Companies Act 2006. There is no statutory provision to link Section 123(2) of the Insolvency Act 1986 with Companies Act provisions regarding the form and content of a company's financial statements.

-The balance sheet test requires the court to be satisfied that, on the balance of probabilities, the company has insufficient assets to meet all its liabilities, including prospective and contingent liabilities.

-The more distant the liabilities, the harder this will be to establish.

-There is no need to have recourse to the concept of 'the point of no return', as alluded to in the Court of Appeal judgment, and the expression should not pass into common usage as a paraphrase of the effect of Section 123(2).

EMPTY SHOPS BREAK UK RECORD

Vacant shops in the UK high streets and shopping centres now account for 11.9% of all sites – the highest since records began.

The figures for April 2013 are up from 10.9% in January when the last survey was conducted for the British Retail Consortium (BRC) in January.

Retailer insolvencies which left gaping holes in the UK's shopping centres led to a drop in footfall of 3% in April, while high streets witnessed a sharp increase in shopper numbers – up 3.4%.

BRC director general Helen Dickinson said it is a major concern that the vacancy rate has reached a record high, driven by increases in almost every part of the UK. She said: "With high streets topping the agenda for many, there's an opportunity

This newsletter is for general information only and is not intended to be treated as advice to any specific person. It is recommended that appropriate professional legal advice is sought before acting or relying on any information contained in this publication.

to seize the moment and stem the tide of further closures."

VAT TASKFORCE IS LAUNCHED BY HMRC

HM Revenue & Customs (HMRC) has launched a taskforce in a bid to crack down on tax dodgers in London.

The taskforce has been tasked with identifying individuals who fraudulently claim VAT repayments they are not entitled to. It is expected to recover more than £7.5 m and prevent future fraudulent repayments being claimed.

According to HMRC its taskforces have brought in more than £70m since they were launched in 2011-12 and it is expected to collect in excess of £90m from taskforces this year.