

Destin Solutions
Tackling Debt, Fraud and Avoidance
Knowsley Hall 2018

HORSFIELDS
FINANCIAL CONSULTANTS
INSOLVENCY PRACTITIONERS

Tackling Insolvency and Fraud

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15 November 2018



Topics

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Tackling Insolvency and Fraud

1. Avoidance and Corporate Insolvency
2. Director and Debtor Culpability
3. Powers of Recovery

Avoidance and Corporate Insolvency

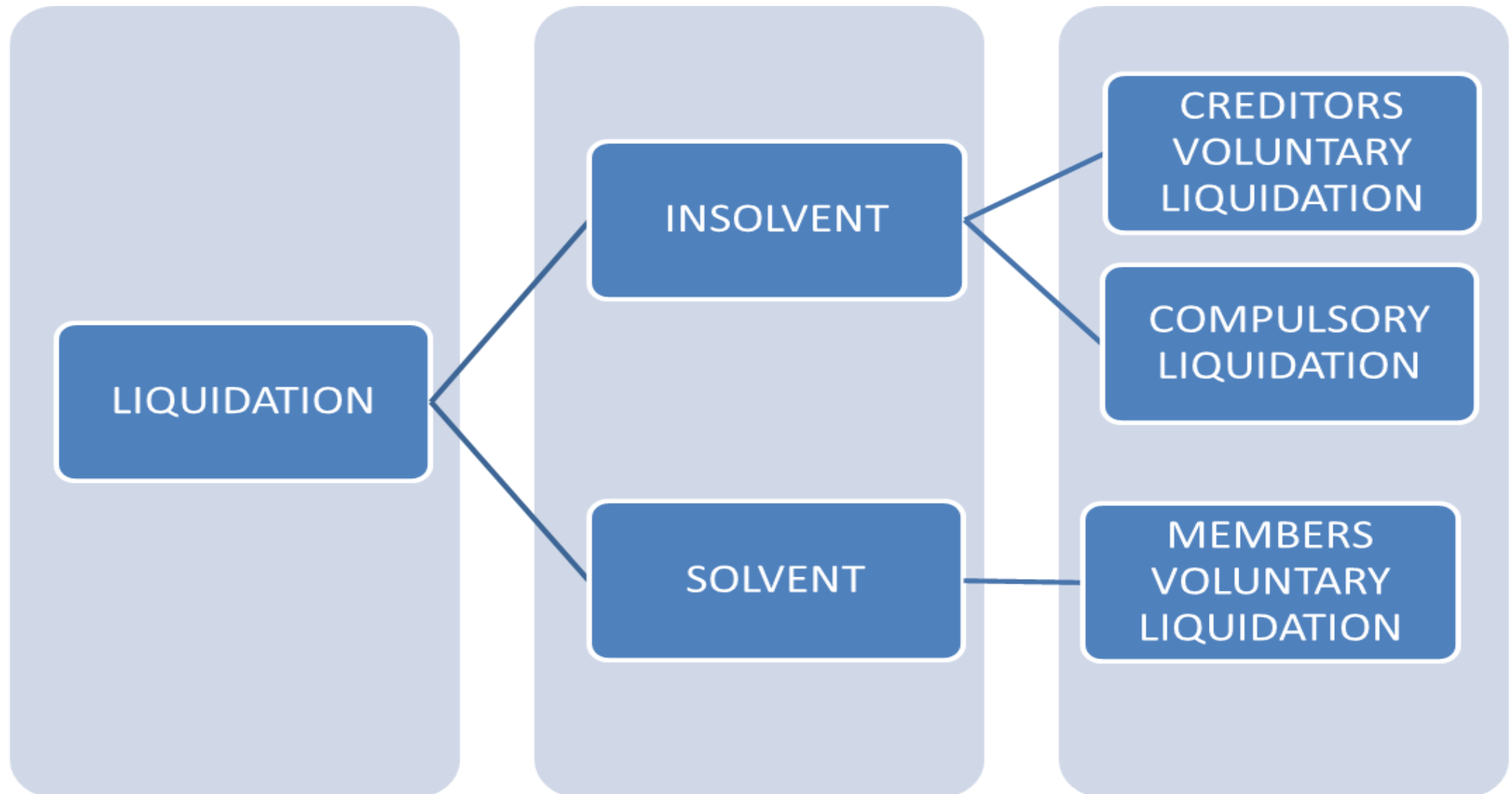


Avoidance and Corporate Insolvency

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Avoidance and Corporate Insolvency

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- Use of Solvent liquidation process
- Statutory exemption for liquidators
- Retention of lease by liquidator
- Reverse/determination premiums
- Purpose of lease

RECITALS

- A The Landlord and the Company are entering into this Lease in good faith to transfer liability for National Non-Domestic Rates (“**NNDR**”) in relation to the Premises to the Company with the purpose of (amongst other things) mitigation of NNDR which would otherwise be payable by the Landlord pursuant to Part III of the Local Government Finance Act 1988 (“**the Purpose**”).

“Determination Premium” means if the lease is determined or surrendered pursuant to clause 7.6 or 7.7 (as applicable) and the date of the determination or surrender (as applicable) is a date:

- (a) between and including the Term Commencement Date and the date up to 3 months from the Term Commencement Date the sum of £0 exclusive of VAT;
- (b) between and including the date 3 months and one day from the Term Commencement Date and the date 9 months from the Term Commencement Date the sum of £681 exclusive of VAT;
- (c) any time after and including the date 9 months and one day from the Term Commencement Date the sum of £1,277 exclusive of VAT.

Avoidance and Corporate Insolvency

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- Use of Solvent liquidation process
- Statutory exemption for liquidators
- Retention of lease by liquidator
- Reverse/determination premiums
- Purpose of lease
- Evolution of previous schemes
- Flexible Commercial Space

Flexible Commercial Space Limited
Company Creditors

Key	Name	Address	£
CL00	Lancaster BID	Revenue Services, PO Box 4, Town Hall, Lancaster, LA1 1QR	40.49
CL01	Liverpool City Council	Revenues Service, PO Box 2012, Liverpool, L69 2DX	4,321.12
CL02	London Borough of Richmond Upon Thames	Civic Centre, 44 York Street, Twickenham, TW1 3BZ	976.41
CL03	London Borough of Tower Hamlets	Revenue Services, Town Hall, Mulberry Place, 5 Glove Crescent, E14 2BG	16,038.63
CM00	Manchester City Council	Business Rates Service, PO Box 466, Manchester, M16 6AT	1,719.01
CM01	Mansfield District Council	Civic Centre, Chesterfield Road South, Mansfield, NG19 7BH	171.86
CM02	Monmouthshire County Council	Gwent Country Hall, The Rhadyr, Usk, NP15 1GA	16.74
CM03	Moxley Ltd	C/o Loza Higham, ARB unit to the rear of, 7 Bury New Road, Prestwich, M25 9JZ	28,748.72
CP00	Pendle Borough Council	Business Rates, Number One Market Street, Nelson, Lancs, BB9 7LJ	710.65
CR00	Reading Borough Council	PO Box 26, Civic Offices, Reading, RG1 2LU	227.80
CR01	Redcar & Cleveland Borough Council	Redcar & Cleveland House, Kirkleatham Street, Redcar, Yorkshire, TS10 1RT	2,598.21
CR02	Royal Borough of Greenwich	Business Rates, The Woolwich Centre, 35 Wellington Street, Woolwich, SE18 6HQ	665.60
CR03	Royal Borough of Kingston Upon Thames	Guildhall 2, High Street, Kingston upon Thames, KT1 1EU	2,248.63
CS00	Sefton Borough Council	Merseyside Business Rates, PO Box 21, Bootle, Merseyside, L20 3US	691.91
CS01	South Gloucestershire Council	PO Box 300, Revenue Services, Civic Centre, High Street, Kingswood, Bristol, BS15 0DS	12,597.67
CS02	South Gloucestershire Council	PO Box 300, Revenue Services, Civic Centre, High Street, Kingswood, Bristol, BS15 0DS	12,597.67
CS03	South Somerset District Council	Business Rates, Brympton Way, Yeovil, BA20 2HT	2,811.25
CS04	South Staffordshire Council	Wolverhampton Road, Codsall, South Staffordshire, WV8 1PX	1,411.47
CS05	Southport BID	P.O. Box 21, Bootle, L20 3US	405.41
CS06	Sunderland City Council	Business Rates Section, Civic Centre, Sunderland, SR1 1RE	593.12
CS07	Surrey Heath Borough Council	Surrey Heath House, Knoll Road, Camberley, Surrey, GU15 3HD	585.00
CS08	Swale Borough Council	Swale House, East Street, Sittingbourne, Kent, ME10 4RT	1,121.58
CS09	Swindon Borough Council	Civic Offices, Euclid Street, Swindon, SN1 2JW	5,583.92
CT00	Tameside Metropolitan Borough	PO Box 304, Ashton-Under-Lyne, Tameside, OL6 0GA	992.13
CW01	Watford Council	Hempstead Road, Town Hall, Watford, Hertfordshire, WD17 3EX	714.51
CW02	Waveney District Council	Revenues and Benefits, PO Box 96, Lowestoft, Suffolk, NR32 1HW	4,524.00
CW03	West Lancashire Borough Council	Revenues & Benefits Service, PO Box 16, Ormskirk, L39 2DF	358.38
CW04	Wigan Council	Wigan Life Centre, The Wiend, Wigan, WN1 1NH	358.15
CW05	Wirral Borough Council	PO Box No. 2, Birkenhead, Wirral, CH41 6BU	1,376.63
CW06	Wrexham County Borough Council	The Guildhall, Wrexham, LL11 1AY	10,609.99

Total Claims £303,361+

54 Local Authorities

Director and Debtor Culpability



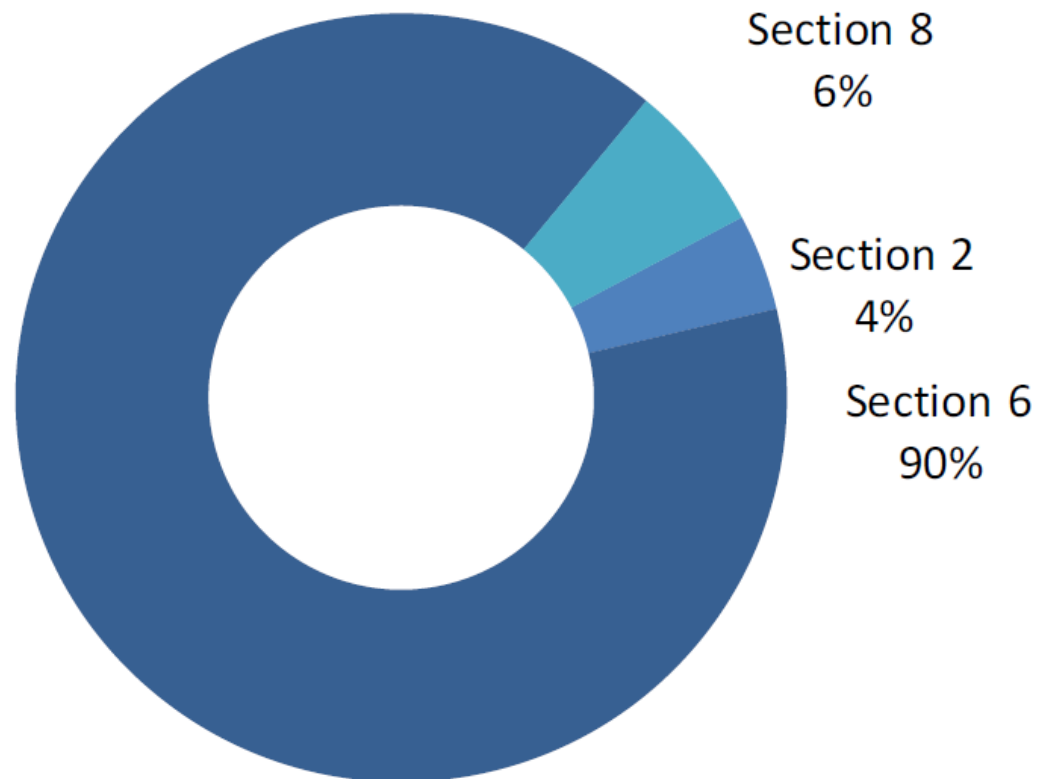
Director and Debtor Culpability

Director Disqualifications by Section of the Companies Directors Disqualification Act

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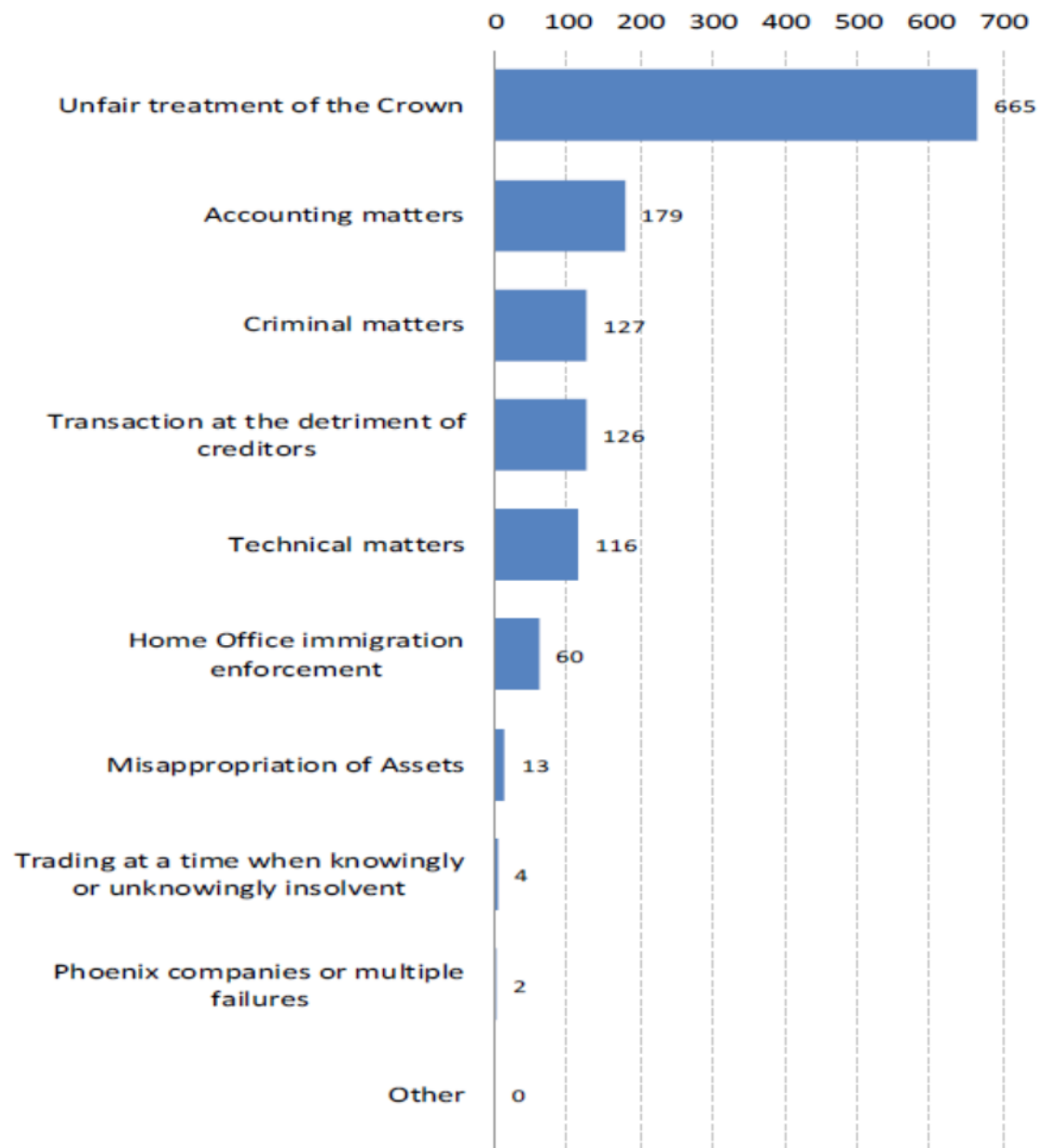
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Source: Insolvency Service, Department for Business, Energy & Industrial Strategy.

Director and Debtor Culpability

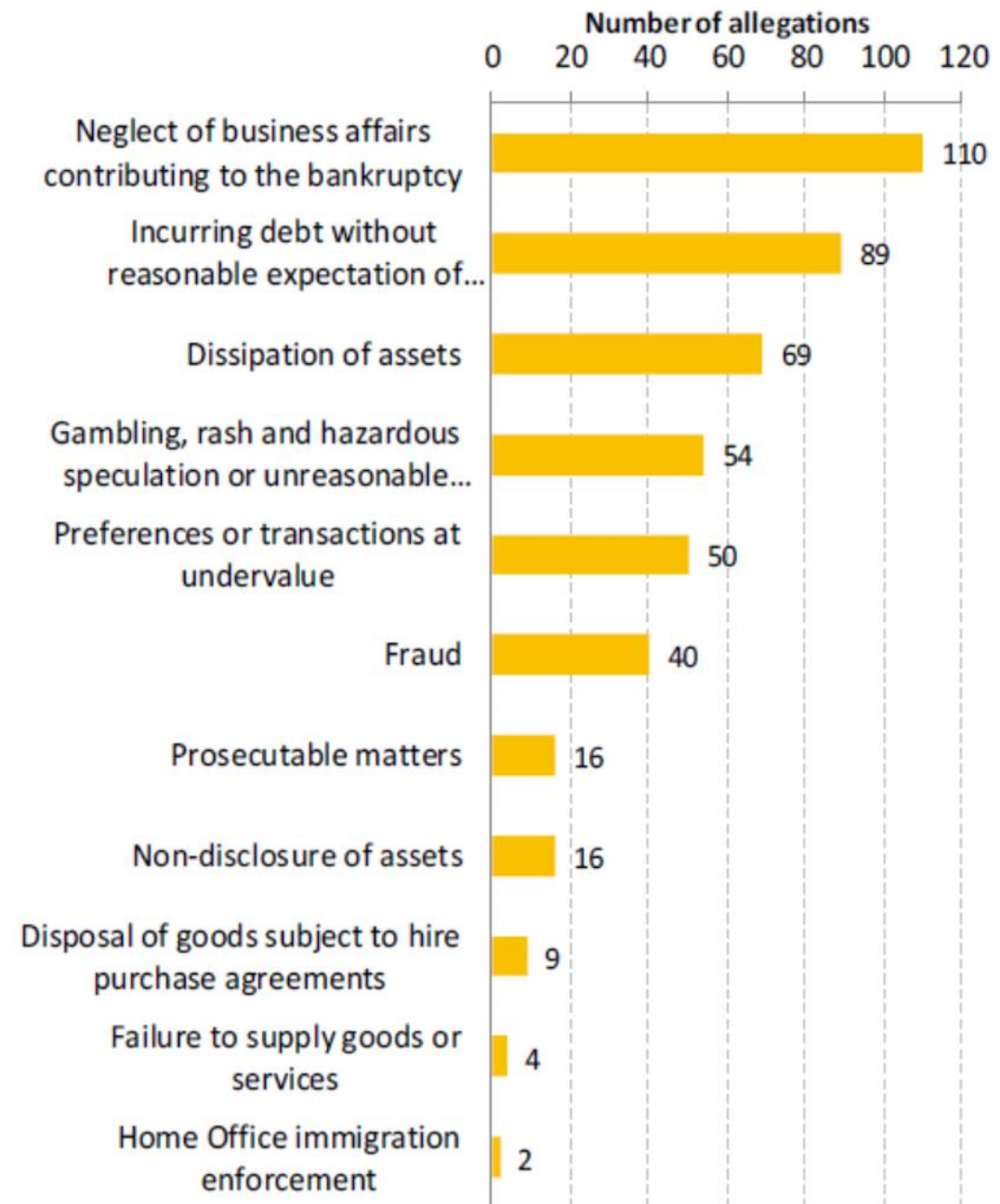
Allegations made in Insolvent
Company Disqualification Cases
2017/2018



Source: Insolvency Service.

Director and Debtor Culpability

Allegations made in bankruptcy and debt relief restrictions cases



Source: Insolvency Service.

Powers of Recovery



Powers of Recovery

PAK Supermarket Washwood Heath Limited

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Powers of Recovery

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- The power of a vote
- Antecedent Transactions
- Transactions defrauding creditors
- Intelligence Hub of the Insolvency Service

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