

16 November 2023



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Engaging Insolvency Processes to Recover the “Unrecoverable”

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Topics



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1. **Headline Issues**
2. **Insolvency Landscape**
3. **Options and Case Studies**

Recent Findings



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- **Network of fake companies shut down following Bounce Back Loan fraud**

Between 11 companies £500,000 in BBL, linked to £350,000 in Small Business Grants.

- **Croydon director hit with 13 year ban and compensation order**

Company took £50,000 loan despite only being eligible for £2,000. Ordered to repay over £50,000 and 13 year disqualification order.

Recent Findings



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- **Director who illegally took out a Bounce Back Loan jailed for eight months**

Company applied for £20,000 BBL. Funds withdrawn the day after the loan was deposited. Director applied to strike-off the company from Companies House. Criminal conviction.

- **Hong Kong man apprehended after insolvency offences**

Director sentenced to 16 months imprisonment, suspended for 2 years for trading whilst insolvent. Director paid himself £100,000, leaving LA owing £70,000 and HMRC £30,000.

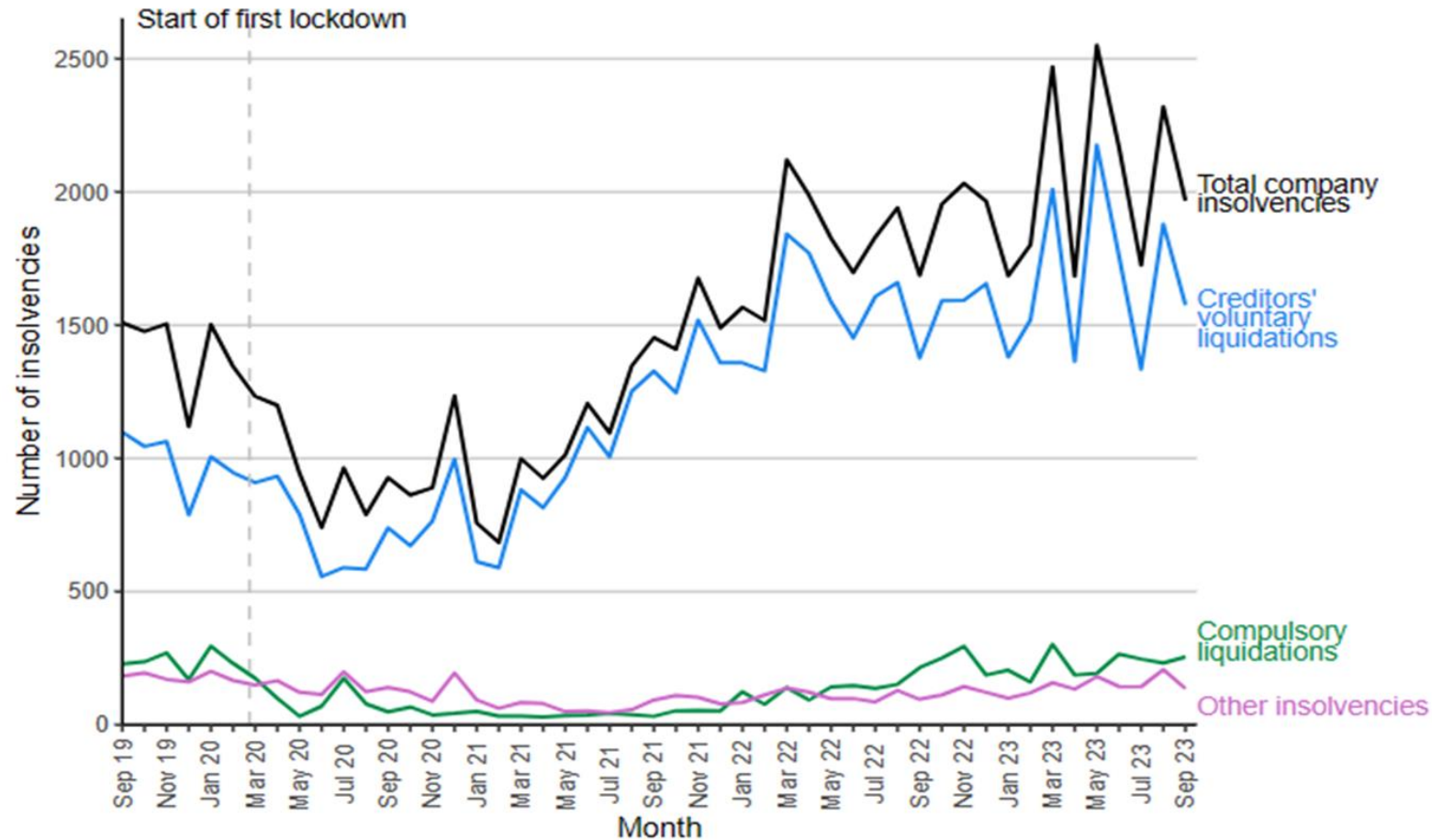
Insolvency Landscape

Corporate Insolvency



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Sources: Insolvency Service (compulsory liquidations only); Companies House (all other insolvency types)

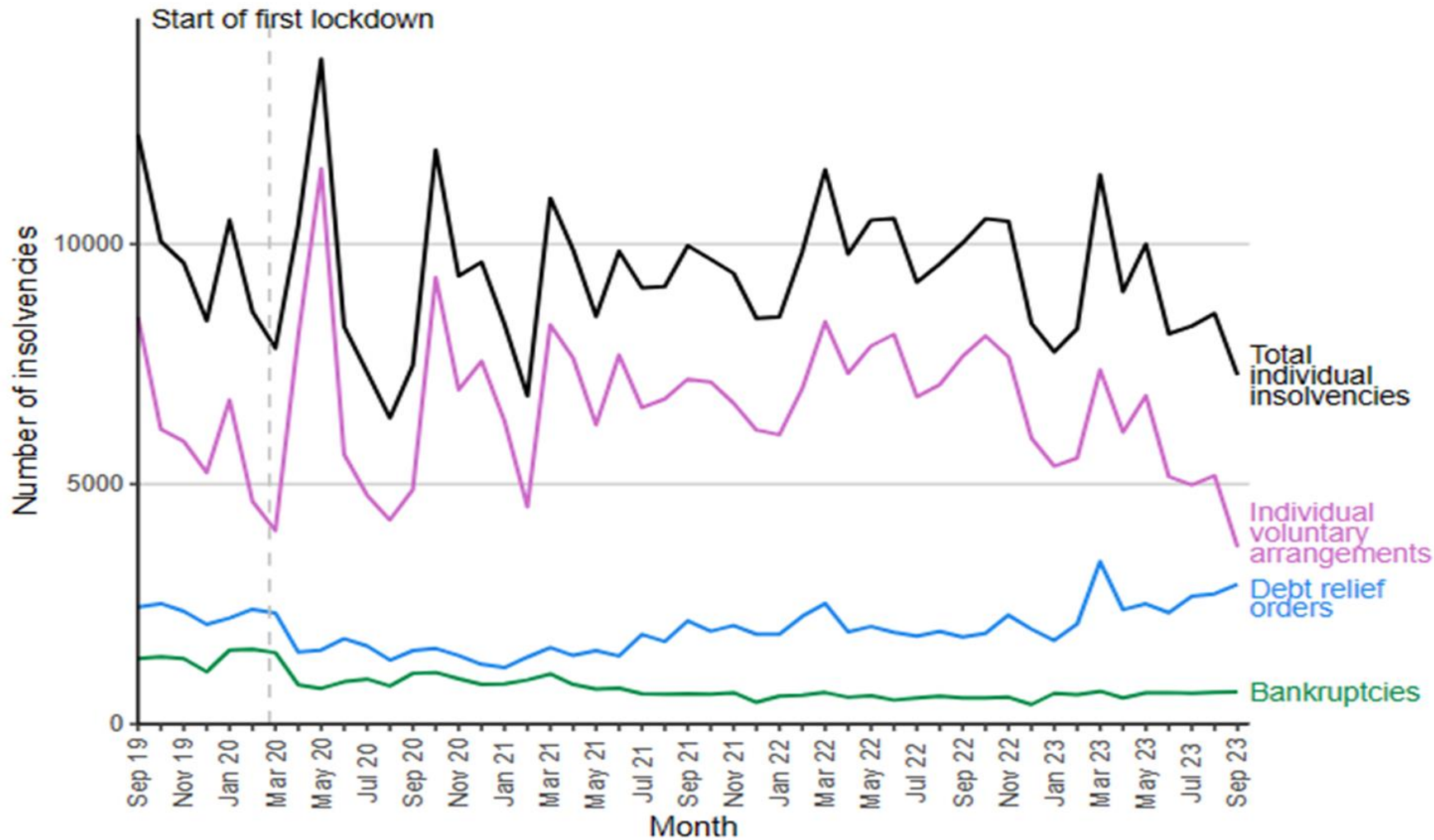
Current Insolvency Climate

Personal Insolvency



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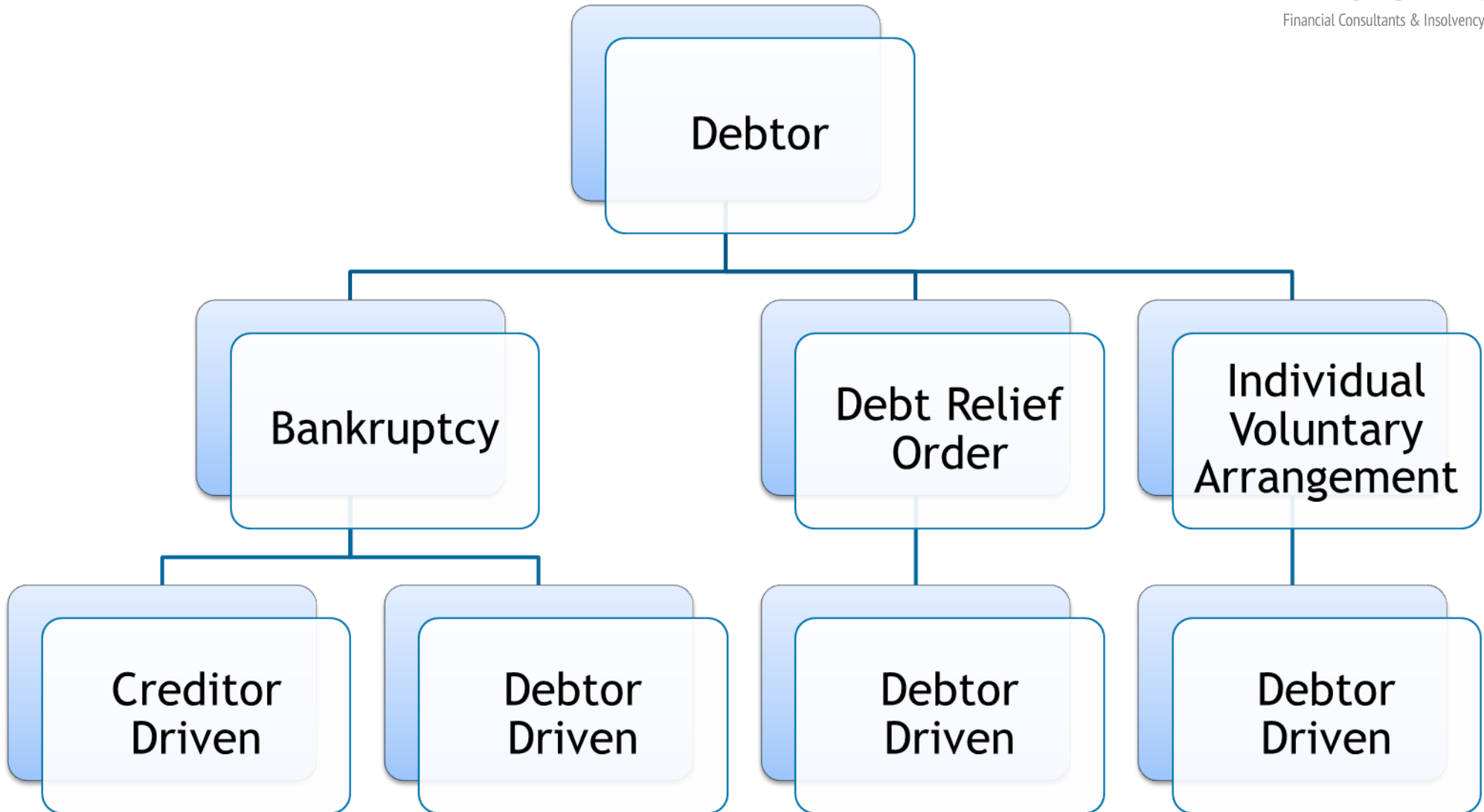


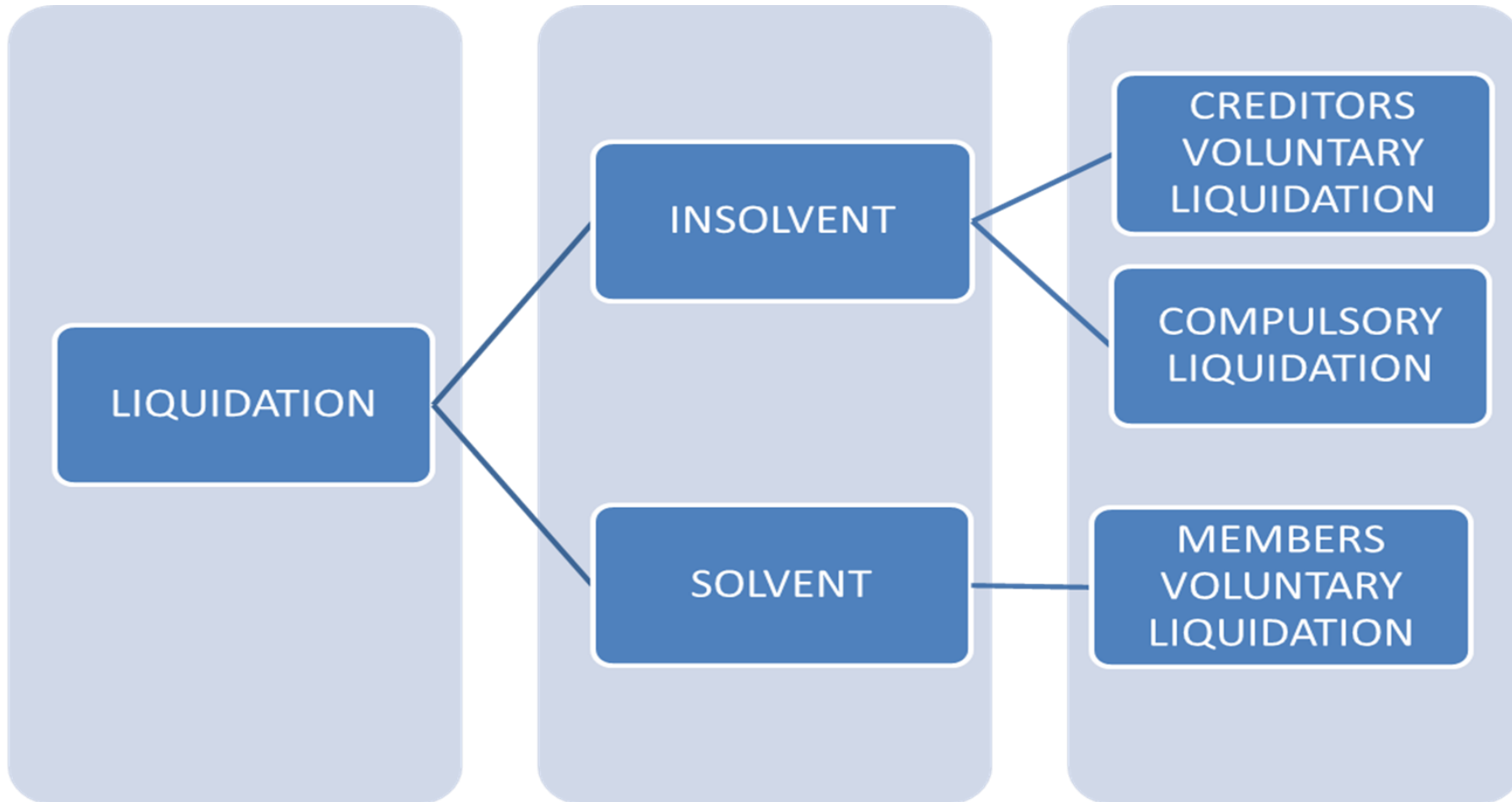
Source: Insolvency Service



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Case Study

The £ Store Sole Trader



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- Option to start bankruptcy proceedings
- Debtor proposes IVA
- Advice to proceed with bankruptcy
- LA paid £173,638 vs £26,000 on principal debt of £239,898
- LA's costs fully covered



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A cheque for £173,638.58 is enclosed in respect of the dividend on your claim of £239,898.56.

Formal notice of declaration of the dividend is also attached.

Should you have any queries, please contact me or Mrs Michelle Cass at this office.

Yours sincerely



HM Paymaster General EC2M 4BA

Issuing Department The Insolvency Service, 3rd Floor Cannon House,
18 Priory Queensway, Birmingham B4 6FD

Account: GBS RE: Insolvency Services Account

01835676

Date

Pay **MBC**

The Sum Of *****OneHundredSeventyThreeThousandSixHundred****

*******ThirtyEightPoundsFiftyEightPenceOnly*******

£ ****173638-58****

Government Banking Service

Assistant Paymaster General

⑈952969⑈ 60⑈7080⑈ 10003231⑈

Case Study

The £ Store Sole Trader



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- Option to start bankruptcy proceedings
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- LA's costs fully covered

Case Study

Voluntary Liquidation

- NNDR £137,903
- Manufacturer operating from its own property
- CVL Process commenced
- 0 p/£



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Yardgrange Limited (Formerly Ellison Engineering Services (UK) Limited)
Statement Of Affairs as at 26 April 2018

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Uncharged assets:		
Cash in Hand	5,000.00	5,000.00
Estimated total assets available for preferential creditors		5,000.00

Signature  Date 26.4.18

Yardgrange Limited (Formerly Ellison Engineering Services (UK) Limited)
Statement Of Affairs as at 26 April 2018



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A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	5,000.00
Liabilities	
Preferential Creditors:-	
Estimated deficiency/surplus as regards preferential creditors	<u>NIL</u> 5,000.00
Debts secured by floating charges pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	
	<u>NIL</u> 5,000.00
Estimated prescribed part of net property where applicable (to carry forward)	
Estimated total assets available for floating charge holders	<u>NIL</u> 5,000.00
Debts secured by floating charges post 14 September 2003	
Estimated deficiency/surplus of assets after floating charges	<u>NIL</u> 5,000.00
Estimated prescribed part of net property where applicable (brought down)	
Total assets available to unsecured creditors	<u>NIL</u> 5,000.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Trade & Expense Creditors	5,378.68
RPO Unsecured claim x 30 employees	35,086.00
Director's Loan Account	190,370.55
HM Revenue & Customs (PAYE)	10,442.35
HM Revenue & Customs- VAT	41,502.30
Business Rates	16,291.50
	<u>299,071.38</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)	<u>(294,071.38)</u>
Estimated deficiency/surplus as regards creditors	<u>(294,071.38)</u>
Issued and called up capital	
Ordinary Shareholders	100.00
	<u>100.00</u>
Estimated total deficiency/surplus as regards members	<u>(294,171.38)</u>

Signature

Date

26.4.18

Case Study

Foreign Registered Company

- Car Park - Fully Occupied
- Rateable Value for 2014/15 £102,000
- Debt due to Local Authority £260,812
- Assets sheltered overseas
- Winding Up Petition Issued



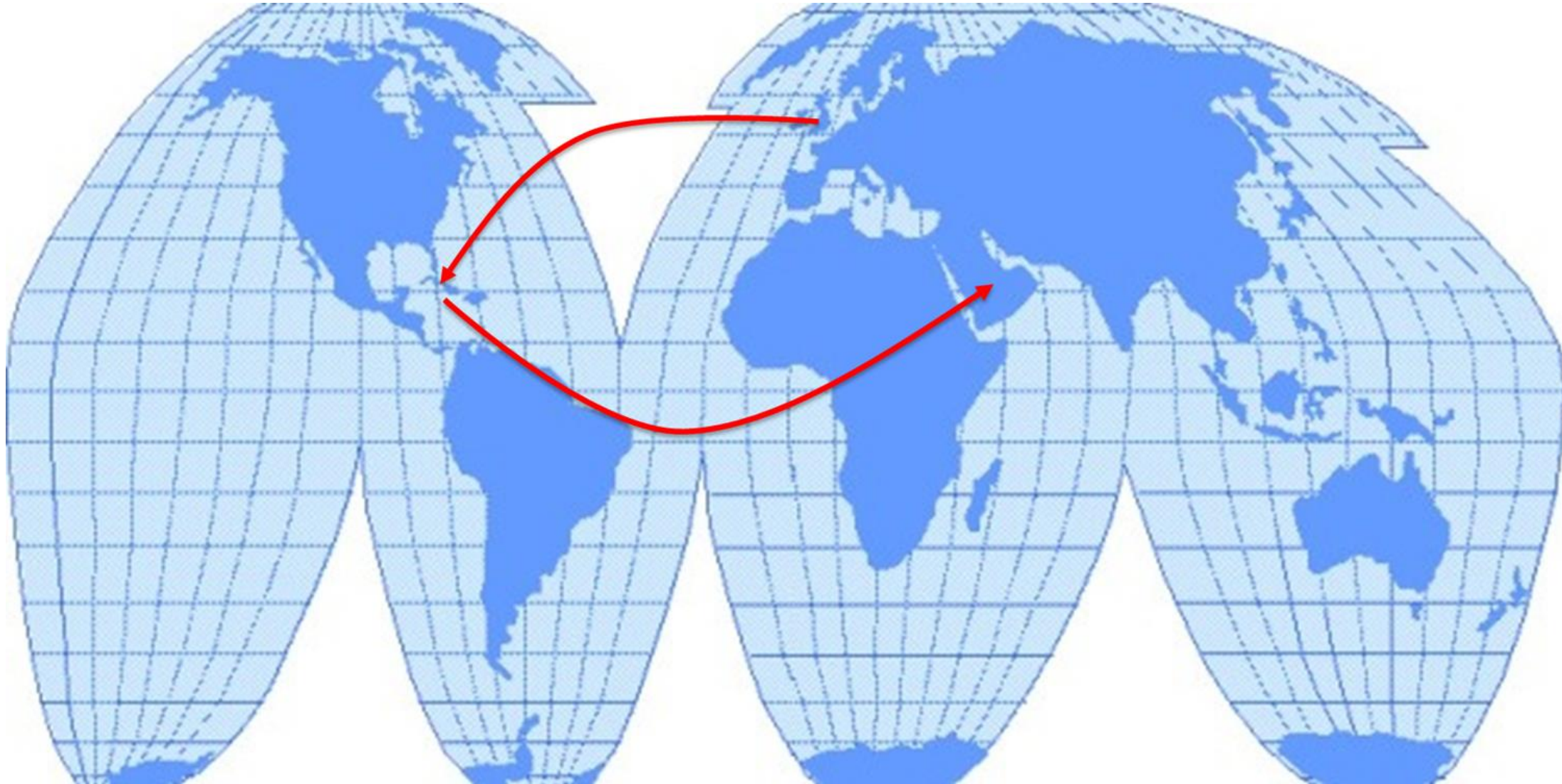
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Case Study

Foreign Registered Company

- BVI Registered Company
- Winding up Order made in High Court of Justice
- Land transferred out of Company
- Liquidator appointed
- Transfer of Land Void
- Land Value £5 million unencumbered



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