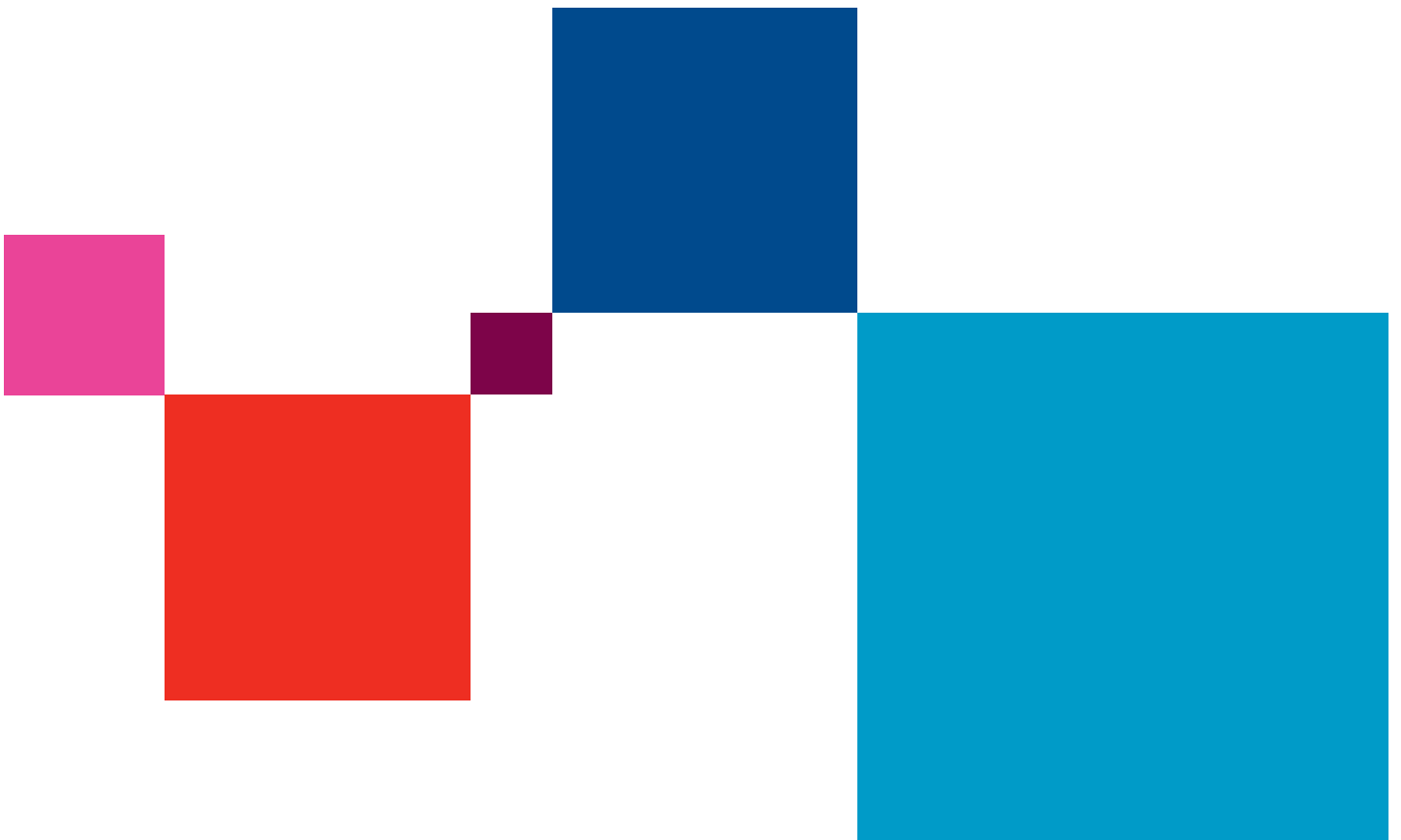


# A focus on recovery



During the life of every business there will be difficult times – and sometimes severe financial problems. At these times it is vital to get objective, specialist and practical advice to decide on the best way forward.

Kingston Smith & Partners LLP (KS&P) is part of Kingston Smith, one of the UK's top 20 firms of chartered accountants. The firm is committed to providing practical and commercial advice to owner-managed businesses, not for profit organisations and individuals.



# Your survival, our business

**At KS&P, we help businesses survive by identifying and implementing restructuring strategies. We offer the full range of corporate recovery and business reconstruction services.**

This is particularly important where the value of a business is represented by assets, such as:

- intellectual property rights;
- contractual entitlements;
- the personnel involved in the business;
- other intangible assets where formal insolvency procedures must be either avoided altogether or used only to implement a pre-planned survival strategy.

Wherever possible, we believe in avoiding formal insolvency procedures. We seek to:

- provide imaginative solutions to problems;
- act with integrity and a pragmatic and commercial approach;
- act early and take a proactive role to support your needs.



# Practical restructuring solutions

The greatest value in a business can only be achieved by its preservation, not by the piecemeal disposal of the underlying assets. Whilst a rescue strategy is not always applicable, specialist Kingston Smith departments such as Corporate Finance and Tax ensure that we find practical restructuring solutions wherever possible.

This brings a number of benefits to our clients:

- **assurance** – through our reputation and track record, and total commitment to the highest ethical standards;
- **personal attention** – through our partner-led service focused on an understanding of your needs;
- **practical solutions** – based on our depth of technical expertise and imaginative and commercial focus;
- **clear and unambiguous recommendations.**

## Case study

**The directors of a software company, burdened with research and development and start-up costs, came to us for advice regarding ongoing trading and potential advice through administration. There were assets in four overseas locations, including property, employees and intellectual property rights. A sale was agreed on a pre-packed basis following an independent valuation of the assets. This increased realisations into the case and preserved the jobs of all the company's employees. An earn-out clause linked to turnover and profits in the preceding year also gave the opportunity for further realisations.**



# Services

## Forensic Insolvency Recovery Service (FIRS)

FIRS brings together a specialist team comprising of insolvency practitioners, solicitors, enquiry agents and counsel. Together they assess, investigate and pursue insolvency-related claims (particularly corporate insolvency) in an effective and cost-efficient manner.

Back in 2000, the FIRS team was selected to work with The Insolvency Service and the Official Receiver on a Civil Recovery Pilot Scheme. This was to recover money for creditors in court-based insolvency situations. Following the successful conclusion of the pilot scheme, it has been adopted nationwide, and we remain the market leaders in this area.

## Supporting lenders

We provide specialist services to a number of banking clients including UK clearers, factors and discounters, and other lenders. Supported by our Corporate Finance team, we focus on identifying funding opportunities and are happy to introduce business purchasers to funders to assist with financing out of insolvency situations.

### Case study

**Our investigations into the affairs of a company revealed that, whilst the director of the company had taken substantial drawings, no payments had been made to the Crown. Following these investigations by our FIRS team, proceedings were issued and the director agreed a settlement, resulting in a substantial return to the creditors.**

### Case study

**Directors of a leading UK insurance company approached us for advice regarding restructuring of a number of its dormant subsidiaries. The strategy we adopted was to place dormant companies together in batches and proceed with simultaneous members' voluntary liquidations. This saved the group substantial costs by reducing statutory advertising and bonding costs, as well as savings made on the liquidation fee associated with the dormant group companies. Using solvent liquidations as a tool for restructuring also extinguished any potential personal risks to the directors which may have been present when striking off the companies, as that procedure has a 20 year limitation on liabilities.**

## Insolvency services

Inevitably, there are situations where our advice to lenders, other creditors, directors, shareholders and individuals is to recommend a formal insolvency procedure. In the case of many insolvent businesses, it is not in the interests of stakeholders to continue to trade. As licensed insolvency practitioners, we are able to take appointments and deal with:

- administrations;
- administrative receiverships (charges pre-September 2003);
- company voluntary arrangements;
- fixed charge receiverships;
- creditors' voluntary liquidations;
- members' voluntary liquidations;
- compulsory liquidations;
- advice on Company Directors Disqualification Act 1986;
- individual voluntary arrangements;
- bankruptcy;
- investigation (FIRS);
- civil recovery matters.

# Recovery specialists

Corporate recovery and business reconstruction comprises a technically skilled and highly experienced team led by Nick Miller, Ian Robert, Ian Defty and Mike Solomons. We undertake a wide range of specialist assignments for lenders, corporate and individual debtors and other professionals, notably lawyers, accountants and government bodies.

## Nick Miller

Nick is a licensed insolvency practitioner and a fellow of the Association of Business Recovery Professionals with over 25 years of experience in all areas of corporate recovery and restructuring.

He has specialised in receivership and administration work, together with investigations and general advisory work, on behalf of lenders. Nick has considerable experience of asset tracing and recovery, and has had many assignments that have involved formulating and implementing recovery strategies. Nick is also consultant editor of E-commerce from Cradle to Grave: A Practitioner's Manual. More recently, Nick has acted in a number of personal insolvency matters.

## Ian Robert

Ian has over 19 years' experience in corporate recovery, including a year with the corporate recovery and advisory arm of a major UK clearing bank. He has experience in all forms of insolvency, but specialises in finding practical solutions to rescue businesses, whether by means of restructuring or formal insolvency procedures. He started his insolvency career in the midst of the recession in 1990/91 and obtained a varied insolvency base, including a number of trading receiverships. Ian joined KS&P in 2001.

Ian has advised businesses in a number of sectors, including trading hotels, nursing homes, a refrigeration manufacturer, a number of software businesses and retail premises. He is a licensed insolvency practitioner, a fellow of the ICAEW, and a fellow of the Association of Business Recovery Professionals.



## Ian Defty

Ian is an insolvency practitioner with over 21 years' experience in insolvency, and particular expertise in company directors' disqualification matters and both personal and corporate insolvency. Ian is also an associate member of the Proceeds of Crime Lawyers Association and a fellow of the Association of Business Recovery Professionals. Prior to joining KS&P, Ian worked for The Insolvency Service, undertaking a cross section of insolvency work. He is both a chartered accountant and a fellow of the ACCA.

## Mike Solomons

Mike has been involved in corporate recovery for over 19 years and has been involved in a wide range of personal and corporate insolvencies. He has advised businesses in a number of industry sectors and recently traded a large mail order company via administration. Mike is a fellow of the Insolvency Practitioners Association and a fellow of the Association of Business Recovery Professionals.

## Case study

**With the support of HMRC, we were appointed as liquidators of a company whose only asset (a hotel) had been transferred out of the company immediately prior to liquidation. After an investigation, we were able to prevent a re-registration of the hotel at the Land Registry. We were then able to obtain possession of the property for the benefit of the liquidation estate, which we traded and then sold. This led to substantial funds becoming available to the creditors.**

Our team has the skill and experience necessary to deal practically and commercially with any corporate recovery and personal insolvency situation. Whilst we cover all industry sectors, we have particular expertise in the following areas:

- information technology, computer software, dot coms;
- media and entertainment;
- marketing services;
- leisure and tourism;
- hotels, public houses and nightclubs;
- property and construction;
- retail;
- manufacturing and engineering;
- charities;
- intellectual property.

Before undertaking any assignment, we will discuss with you in detail your specific requirements to ensure that our advice is relevant and addresses all the issues.

For years we have supported business recovery through:

- business planning;
- cash forecasting;
- corporate restructuring;
- investigations/viability reviews;
- management buy-outs and buy-ins;
- management information systems;
- monitoring;
- organisation and management advice;
- sale of business;
- strategic planning;
- civil recovery litigation;
- Forensic Insolvency Recovery Service (FIRS).

If you would like to discuss any aspect of our Corporate Recovery or Business Reconstruction services please contact:

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