

*We can
help*



Drowning in debt

Currently large businesses are swimming in cash, whilst consumers are drowning in debt. Companies now need to loosen their grip and put that cash to good use for any durable recovery to occur.

Squeeze

The squeeze on UK households is likely to continue, with real disposable incomes likely to fall for the second year running while unemployment appears likely to edge up in early 2012. The housing market remains fragile leaving consumers on the sidelines.

A central role

It is essential that large businesses now play a central role in the economic recovery. The importance of them releasing some of their cash stockpiled over the recessionary period cannot be underestimated. Their spare cash flows equate to almost 7% of GDP and with consumers still under pressure, there is unlikely to be a durable recovery until UK Plc starts increasing investment or returning profits to shareholders through dividends. If they do not take this course of action they could be subject to predatory manoeuvres.

Big business holds the key

Rising inflation could equally throw another spanner in the works for the consumer should the Bank of England decides to raise rates. A rate rise could be seen as perverse at this stage, merely adding to the already intense pressure on UK consumers, as well as increasing the Retail Price Index thus risking a rise in wage settlements. There is little doubt that big business holds the key to UK growth and any premature rate rise could well be disastrous.

REVIVAL

July 2011

Debt problems resolved

Following years of easy and cheap credit, levels of personal debt are at record highs.

Whereas many are able to keep up with repayments on their debts, others are not so lucky.

When the size of debt repayments begins to spiral out of control, this could well eventually lead to bankruptcy.

However bad the predicament may appear, there is help available. Whether through debt consolidation, debt management, or even an Individual Voluntary Arrangement, there are strategies available to resolve a financial crisis.

**We can help - Contact us
on: 01782 366040**



Dunion & Co.

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ISSUES OF WRONGFUL TRADING AND INSOLVENCY

Directors of a company are duty bound to behave in a responsible manner to protect the shareholders interests if the company is insolvent or moving into insolvency.

It is important to note, that if directors are evaluated to have behaved in an unacceptable manner whilst the company is going through the process of insolvency, the directors will become personally liable for the company debts from the primary date it became insolvent. This typically involves the continuation of trade whilst being insolvent, consequently being a further disadvantage to creditors.

If you cannot pay your business debts when they become due, or if the assets of your business are less than your debts, your business is insolvent. Unless you pay those debts quickly, then the insolvency may lead to bankruptcy or winding up.

Bankruptcy applies to individuals such as sole traders and those that have given personal guarantees for loans. Winding up and liquidation apply to companies.

Becoming bankrupt may involve restrictions, but the situation is less onerous for individuals whose businesses have failed through no fault of their own.

Most are discharged from this process within 12 months although there can be long term effects on their credit rating.

However, if you are made bankrupt your personal assets, not just your business assets, may be lost.



Directors of a company are duty bound to behave in a responsible manner to protect the shareholders interests if the company is insolvent or moving into insolvency. After the business has been declared insolvent directors may become personally accountable for any debts sustained following that point. In legal terms this is known as wrongful trading. This concerns formal directors as well as individuals holding senior positions who may be considered to be a form of director.

To avoid the risk of personal liability get professional advice from us, we are Licensed Insolvency Practitioners here to help you and your company with business debts.

If you get in contact with our team at Dunion & Co. early enough there are wide range of options available to us and you as management. In a time of insolvency it is frequently probable for us to re-structure your business or re-finance it but much depends on whether we can adhere to the problem quickly and efficiently enough.

Dunion & Co. is an independent firm of licensed insolvency practitioners and business advisers which offers strategic services designed to meet the needs of both individuals and small to medium sized businesses. Our team provides a confidential and hands-on approach to our clients.

CORPORATE SOLUTIONS

- ◆ Administration
- ◆ Company Voluntary Arrangements
- ◆ Liquidation

INDIVIDUAL SOLUTIONS

- ◆ Individual Voluntary Arrangements
- ◆ Debt Relief Orders
- ◆ Debt Management Plans
- ◆ Bankruptcy

We bring a modern, pragmatic and commercial approach to all our assignments and aim to provide high-quality solutions in a timely, efficient and effective manner.

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