



## Business & Commercial Property

### What to do if a client is insolvent

**BUSINESSES** of all sizes can experience some level of insolvency, particularly in today's economic climate. There are many reasons why a business can suffer insolvency, bankruptcy and money loss. We have all heard of the phrases "gone bust," "gone under," "folded," and "closed its doors." LESLEY PURVEUR, of Larken & Co, explains the common types of insolvency businesses might come across.

A COMPANY and limited liability partnership (LLP) going bust could enter administration, liquidation or a Company Voluntary Arrangement (CVA). For a sole trader or a partnership, insolvency will more commonly be that of an individual, such as bankruptcy.

**Administration** is a rescue-based procedure with the main purpose to rescue the business as a going concern.

**Liquidation** is a terminal procedure with the business wound up and assets realised for the best possible price.

A CVA is a contractual arrangement between a company and its creditors for the payment of the company's debts over an agreed period.

**Bankruptcy** is a terminal procedure for individuals. A trustee in bankruptcy is appointed in respect of a bankrupt's assets and affairs. Individuals might agree an Individual Voluntary Arrangement with creditors, a contractual commitment to pay debts over time.

The main concern when a

client goes bust is how, and if, payment is going to be made. There are established rules for the ordering of different types of creditor claims in insolvency.

Unsecured creditors, typically including suppliers, rank lowest in the order of payment and will only share in a dividend after all other creditors have been paid in full.

Your recovery might be enhanced if you have a guarantee in respect of a client's payments that you could enforce, or you might be able to off-set any money owed to the client against the amount you are claiming.

If a company is in administration, it is not possible to commence or continue legal proceedings for payment of debts.

Instead of focusing on a major client's debts, focus on what you need to do to save your business.

If your contract with the client allows, under a retention of title clause, you could take back unpaid goods that you supplied.



**HOLDING** the ISO 14001 Environmental Management Certification are Victor Bowen, chief operating officer of BM Trada, and Derry Building Services director Steve Burley (right) with staff from Derry Building Services. 140814MW6-8

### Commitment to environmental footprint

**NEWARK-BASED** design and build firm Derry Building Services (DBS) has demonstrated its commitment to the environment by gaining accreditation in environmental management.

The company, which employs more than 200 people and is based at The Old Hospital in Newark, has gained its ISO 14001 Environmental Management Certification, to add to ISO 9001 Quality Management and OHSAS 18001 Occupational Health and Safety Management accreditations.

Certificates were presented by Victor Bowen, chief operating officer of BM Trada, the certification body accredi-

ed by the United Kingdom Accreditation Service.

Director Steve Burley said: "We are proud to have gained accreditation for all three of our management systems.

"This achievement demonstrates our commitment to our environmental footprint, as well as our staff and clients."

DBS is one of the most technically-advanced mechanical and electrical design and build contractors in the UK.

It aims to provide outstanding service, choice and value on a comprehensive range of building services.

The company operates in a large cross-section of market sectors and has an extensive client base.

### Licensed estate agent benefits

**BUYING** or selling your home should be the start of an exciting journey, in which your chosen estate agent helps you along the way. Unfortunately, every year unlicensed estate agents cause homebuyers and sellers unnecessary stress by giving incorrect or misleading advice or offering poor standards of customer service.

Rachel Escott, of the National Association of Estate Agents (NAEA) said: "Most of us would never consider going to an unlicensed doctor or getting into an unlicensed taxi, so why do we trust unlicensed estate agents with handling one of our biggest assets?"

She said many people did not realise there were no mandatory training or qualification requirements to practise as an estate agent in the UK.

The NAEA is the UK's leading professional body for estate agents and has more than 50 years' experience. It aims to make the UK property market more efficient and user-friendly for homebuyers and sellers.

Licensed NAEA agents have a formal qualification or have been a member of a professional body for many years. Gascoines is a licensed member of the NAEA.

By using a licensed agent, such as Gascoines, customers are dealing with a professional, trustworthy agent who can give up-to-date advice and guidance.



In the unlikely event that things go wrong, there is a written complaints procedure.

Customers have professional indemnity insurance, which protects from financial losses incurred through negligent or misleading advice.

Gascoines abides by a strict code of practice, as well as rules of conduct. It strives to offer a high standard of service and enquiries are dealt with professionally and fairly.

Gascoines keeps up-to-date with developments in legislation and the market. Employees attend training courses about the latest regulations for consumer protection.

To contact Gascoines in Southwell, call 01636 813245 or email southwell@gascoines.co

Its Newark branch is based in Newark Auction Centre. Call Chloe Grant on 01636 610364 or email chloegrant@gascoines.co