

Background & Problem

The business, that had experienced phenomenal success before 2000, had subsequently had several years of dampened trading and the business had been cut down by half. The market was experiencing an upturn, but the company was unable to capitalise on this as it was continually dealing with its overdue creditors.

Action Taken

Under the new insolvency rules that were introduced in early 2004, it was possible to take the company into administration and arrange for the shareholders to buy the business back with additional funding provided by a confidential invoice discounting facility on better terms than the company had prior to the administration.

The Result

The new company was up and running on the same day as the administration was effected, thereby allowing continuation of trade and providing the best value for the creditors of the old company and allowing the new business to trade unencumbered.

If you want to find out more about any of the areas covered in this case study and how we can support your business – contact us today.