

What is Administration?

In a nutshell

We get a court order that stops everything so that no one can take any legal action against your company. It stops the following:

- the company being wound up by creditors
- recovery action from bailiffs acting on behalf of creditors including HMRC and business rates
- all suppliers from taking any action
- hire purchase companies taking their goods back
- employee tribunal action
- it stops the bank taking any action.

What actually happens?

We instruct a solicitor to apply to Court for an administration order. Once you sign the papers and this is filed at court it creates a moratorium which protects the business right away. Administration then gives you up to eight weeks to come up with a plan to present to creditors. We will help you to decide on the best strategy for your business. In that interim eight weeks we might sell the business to you or someone else after it has been marketed for sale. We might just keep it trading or consider closing it down depending on what gives the best outcome. We will discuss and agree the best option with you.

We will talk to all of your employees and explain the process to them.

We talk to all of your creditors and act as a buffer between them and you.

If trading carries on we will fund it and make sure that the business can continue to trade and pay suppliers for new supplies of goods and services.

Within 70 days (ten weeks) from the date of the administration we usually hold a creditors meeting. You, as a director, would normally attend this meeting and all creditors are invited to attend. At this meeting the formal strategy is discussed and the outcome is decided as to what will ultimately happen to the company. This could be:-

- returned to the directors and the administration ends
- the administration continues
- liquidation
- company voluntary arrangement

If the only person who will be paid out of the administration is the bank then we do not normally hold a creditors meeting unless asked to do so by at least 10% of the creditors.

Administration normally only lasts for twelve months.

What it is used for

When you are under financial pressure and do not have a lot of time. Typically it is used to give you some breathing space whilst you consider all of your options.

Contact Us

For further information regarding administration please contact David Kirk on on **01392 474303**, alternatively email mail@kirks.co.uk.

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