

DIRECTORS' INTRODUCTION

In the last couple of weeks, there has been enough news to fill newspaper headlines for 12 months.

With the breakdown of Natwest's computer systems and the significant fine imposed on Barclays for manipulating lending rates between the banks, the banking industry is in turmoil.

Together with the one of the wettest Junes on record and England crashing out of Euro 2012, it is fair to say that June has been pretty miserable.

We are however looking forward to July with great optimism. Apart from Andy Murray having a good chance at Wimbledon this year, Inquesta is announcing the launch of its FREE Fraud Health Check

It is an online questionnaire which should take no more than 10 minutes to complete.

If you or any of your clients are interested, go to www.inquesta.co.uk/go/fraud.

Rob & Steven

OUR SERVICES

Forensic Accounting

Insolvency & Corporate Recovery

Risk Services

Commercial Finance

Tax Debt Solutions

Forensic Insolvency

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THE GLASGOW RANGERS EFFECT

In the last month or so HMRC have won and lost two different battles which are likely to change the landscape of football insolvency.

The High Court rejected HMRC's attempt to get the 'football creditors rule' abolished. This means that football clubs and players continue to get preferential financial treatment when a football club goes bust.

In the wake of Glasgow Rangers going into Administration and the exit route of the CVA being rejected by HMRC, the company which owned the club has been liquidated.

Liquidation means the end to a club that was founded in 1899.

Whether Rangers can continue to play in the SPL next season depends on whether other SPL teams agree to grant them entry to the league, which at this point in time looks doubtful. A number of SPL clubs have publically announced that they will vote against Rangers re-joining the SPL.

So who are the winners? It would appear that there are no winners.

The SPL will be less competitive, resulting in lower TV revenues, attendances and making it harder to attract top players. It is only a matter of time before other Scottish football clubs face the same fate as Rangers.

Meanwhile, the biggest losers are the fans who have spent significant sums of money following their beloved team for years and years.

It also makes you think what is written into the players contracts if Rangers can't play in the SPL. Will TUPE apply or can the players just walk? Will this lead to contractual claims against the new company?

There are many unanswered questions, but the point remains that something needs to be done about football finances, and quickly.

FREE FRAUD HEALTH CHECK

In the last few days, CIFAS, the UK's Fraud Prevention Service announced that fraud committed by staff increased by 14.5% in 2011 compared to 2010.

A quick search over the internet highlights this. By searching for "employee fraud UK" we found the following headlines over only a 5 day period:

Former employee defrauded housing association (21 June 2012)

Bride who stole £200,000 for lavish wedding jailed for 20 months (20 June 2012)

Man jailed for multi-million pound scam (22 June 2012)

MOT man pocketed thousands in fraud (18 June 2012)

All of the above articles relate to employee theft which could potentially have been avoided had those businesses applied preventative measures.

Fraud can cause significant damage to a business's reputation as well as costing it thousands, or even millions of pounds.

Often, implementing simple, common sense measures can save a business significant sums of money, at very little cost.

The increase in employee fraud is largely down to the current economic climate and double dip recession. Firstly, most employees have less money relative to the increasing cost of living and are often under significant financial pressures. Secondly, business are making redundancies and cutting bonuses, meaning staff are working harder and having to do more work for less money.

The mixture of pressure on employees and an increase in the opportunities for fraud arising have had a significant impact on employee fraud.

To help your company assess its risk of fraud, Inquesta has developed a **FREE** Fraud Health Check.

It is a simple online questionnaire which should take no more than 10 minutes to complete and once completed, we will provide a fraud risk rating and recommendations.

As well as helping your clients, this tool is a way for you to reinvigorate any dwindling client relationships by offering a no obligation free service.

If you or any of your clients would like to complete the Fraud Health Check, go to www.inquesta.co.uk/go/fraud

SEMINAR

Inquesta is holding a seminar/networking event to introduce our Forensic Insolvency Service.

The event will involve breakfast and informal networking, followed by 3 presentations.

The agenda for the event is:

- Introduction to insolvency demystifying the jargon
- Forensic Insolvency - How can it help your clients
- Guest speaker (to be announced)

The date of the event is to be confirmed, however if you are interested in attending, please complete the online form at www.inquesta.co.uk/resources/seminar

WHAT IS COMPANY LIQUIDATION?

The process of liquidation is when a company is either at or near to the end of its life and the remaining assets need to be liquidated for distribution to creditors and shareholders. The role of the liquidator is to maximise the realisation of assets of the company.

There are a number of ways which assets can be realised this can be by a sale of the assets or through an investigation into the business and affairs of the company (which can be undertaken by our forensic insolvency division) whereby a number of transactions can be overturned if they were not in the best interests of the company i.e. paying an overdrawn directors loan account ahead of the other creditors, this is known as a preference payment.

Once the assets have been realised and sufficient cash has accumulated then the job of the liquidator is to agree all creditors' claims and pay dividends accordingly.

Ultimately a liquidation can be solvent or insolvent as the purpose of the liquidation is to clean up all the affairs of the company, make the necessary distributions to creditors and/or shareholders then apply for dissolution of the company.

For more information on how to liquidate a company please do not hesitate to contact Steven Wiseglass.



STEVEN WISEGLASS

Steven is a licensed Insolvency Practitioner. His core specialism is in advising directors of small to medium sized owner managed distressed businesses.

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