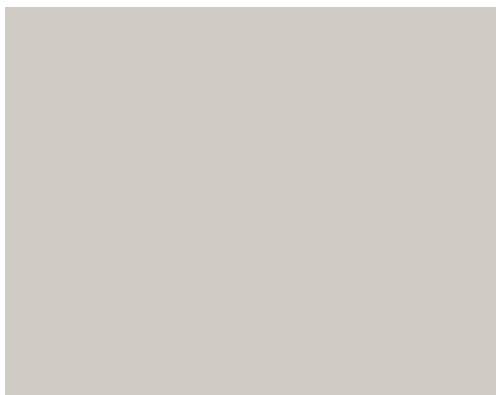


Individual voluntary arrangements

(including partnership voluntary arrangements)



Norfolk House
16 Lemon Street
Truro
TR1 2LY

Tel: **01872 261132**
Fax: **01872 261134**

53 Fore Street
Ivybridge
Devon
PL21 9AE

Tel: **01752 690101**
Fax: **01752 690808**

RICHARD | **OO**
J. SMITH | **&**

Chartered Accountants
Insolvency Practitioners

The Insolvency Act 1986

Individual voluntary arrangements

Description

If you have financial problems arising from personal expenditure or from your business, you may wish to consider an Individual Voluntary Arrangement (IVA) as a preferable alternative to Bankruptcy.

An IVA is a very flexible procedure. Each proposal is tailored to suit the individual's circumstances. In simple terms, it is a legally binding contract between you, and your creditors.

Benefits

- An Interim Order gives immediate protection against pressing creditors.
- An IVA may allow the survival of a profitable business.
- An IVA may allow a debtor to retain his or her home.
- It is not necessary to offer a payment in full where the facts demonstrate that this is not possible. A fair and reasonable proposal for an Individual Voluntary Arrangement will be treated by creditors on its own merits.
- If seventy-five percent or more by value of creditors voting agree to accept or modify what is offered, the rest of the creditors are bound by the terms of the proposal.
- An IVA is not advertised.

Proposal


This is prepared with the assistance of either a Licensed Insolvency Practitioner or a specialist lawyer. The proposal sets out in detail what is being offered to creditors. It includes details of the debts, the estimated dividend, the estimated costs, and provisions covering default. The proposal may not affect the rights of secured or preferential creditors without their agreement.

Interim Order/No Interim Order

Once the proposal has been prepared, an Interim Order may be sought from the Court if creditors are pressing. The effect of the Order is that the Court may stay all other legal procedures. No Bankruptcy petition can be heard. No other legal action can be taken against the debtor or his property whilst it is in force. Alternatively if there is no immediate creditor pressure, an Interim Order may not be necessary and the proposal can be simply filed in Court.

The Nominee's Report

The Nominee is required to review and comment on the proposal. The Nominee must be a Licensed Insolvency Practitioner. If the Nominee's report is favourable, a meeting of creditors will be recommended.



For more in
depth advice,
ask for:

Giles Frampton (Partner)
Hamish Adam (Partner)
Ken Cole (Manager)

Ivybridge
(01752) 690101

Truro
(01872) 261132

Creditors' Meeting

This must be held within 14 to 28 days of the Nominee's report. The proposal, Statement of Affairs and Nominee's report are considered by creditors. The proposal is accepted by creditors if approved by seventy-five percent or more by value, of those who vote. The Supervisor who is appointed must be a Licensed Insolvency Practitioner. Creditors whose claims have not been ascertained or those who did not receive notice are also bound by the decision of the meeting unless they have been deliberately excluded.

Duties of the Supervisor

The Supervisor ensures the terms of the proposal are met, deals with the creditors' claims, pays dividends and reports to the Court and creditors on anniversaries and on conclusion.

Partnership Voluntary Arrangement (PVAs) - Multiple Partner business

The legislation allows for a PVA for multiple partner businesses. PVAs are particularly suitable for professional practices and where there are a large number of partners with complex individual estates.

Fees and costs

Following instruction, a fixed fee for advice and assistance with the preparation of the proposal and the Nominee's fee will be agreed and is normally paid in advance. The fees of the Supervisor are met from the funds paid into the IVA and will be charged on the basis of time costs.

Website:

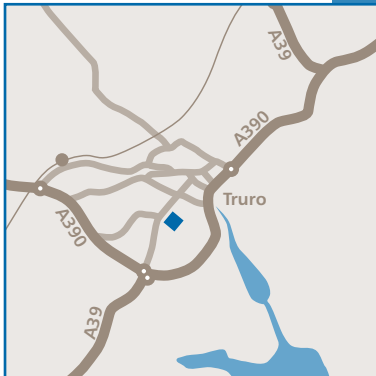
www.richardsmith.com

Email:info@richardsmith.com

good reasons to contact us first:

- 1** Consultation up to one hour free of charge at either our Truro or Ivybridge offices or at your or your clients premises
- 2** Complete Independence
- 3** Confidentiality
- 4** Comprehensive experience in all Insolvency matters
- 5** Competitive fees
- 6** Established local practice

16 Lemon Street, Truro



53 Fore Street, Ivybridge

