

GEOGHEGANS  
CHARTERED  
ACCOUNTANTS



## Quick Guide to Scottish Insolvencies

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### **Approachable, affordable, professional...** **We do what we do consistently well**

In 1918 founder John M Geoghegan established a firm of Chartered Accountants in Albany Street, Edinburgh. Over the years, the firm has steadily expanded to meet the growing needs of a loyal client base.

We've since moved to our current home at Numbers 6 and 7 St Colme Street, ensuring a permanent presence in the heart of Edinburgh's financial community, and remaining committed to maintaining our well-respected position as one of the larger independent firms in Scotland.

Providing an independent, professional service at a realistic price, Geoghegans has a proven track record of helping and advising clients to improve their financial situation.

At Geoghegans we assist individuals, business owners, shareholders and other stakeholders to recover value in the event of bankruptcy or insolvency with sound advice on restructuring, refinancing and recovery strategies.

Our insolvency team helps individuals and businesses analyse their current situation, spot the problems and, where possible, re-shape to improve their situation. Whether it's helping you manage debt effectively, restructuring, or simply offering advice to enable you to control your cash flows, an experienced professional may just be the support you need to ensure a sustainable future.

Where recovery is not possible the Geoghegans team will advise on all aspects of personal and corporate insolvency and on all the alternatives available to you. We will take a pragmatic view of the situation, advising in an understanding but professional manner. Our service is partner-led, efficient and economic.



**Colin D Scott**

Colin Scott first qualified as a Chartered Accountant in 1977 and after spending 7 years with Geoghegans, he was made a Partner in 1990. With his experience of specialising in the sector, Colin is ideally placed to deal with insolvency work. Having seen the problems which can occur in a business, he has the expertise to help advise clients on how to avoid and deal with similar issues, as well as the knowledge of how to deal with problems when things do go wrong.

Personable and experienced, Colin embodies Geoghegans' ideals of being both approachable and professional.

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SEPTEMBER 2009

TYPE	SITUATION	STARTED BY	OFFICE HOLDER	OFFICE HOLDER CHOSEN BY	DURATION
<b>INDIVIDUALS &amp; PARTNERSHIPS</b>					
Bankruptcy	Personal Insolvency	Application to Accountant in Bankruptcy by the debtor or Petition to Court by creditor  It is a pre-requisite of an application by the debtor that Apparent Insolvency has been established or a creditor is prepared to concur or there has been a Trust Deed which has failed to become protected	Trustee - who may be the Accountant in Bankruptcy if Petitioner does not nominate a Trustee	Accountant in Bankruptcy or Court unless the Petitioner obtains agreement from an Insolvency Practitioner to be nominated (but subject to vote at a meeting of creditors)	1 year but restrictions and obligation to pay a contribution may extend for up to 3 years from the date they are set up
Bankruptcy - Low Income Low Assets (LILA)	Personal Insolvency where debtor earns less than the minimum wage (incl pensions and maintenance payments) or where in receipt of income based Jobseeker's Allowance or Working Tax Credits and where total assets are less than £10,000 and no single asset worth more than £1,000 and does not own land	Application to Accountant in Bankruptcy by the Debtor	Trustee - who will be the Accountant in Bankruptcy	N/A	1 year but restrictions and obligation to pay a contribution may extend for up to 3 years from the date they are set up
Protected Trust Deed	Funds available to meet Trustee's fee and pay an acceptable dividend to creditors. Becomes protected unless objections received from a majority in number or more than 1/3 in value of creditors	Debtor signs a Trust Deed	Trustee	Debtor	Normally 3 years
Debt Arrangement Scheme (DAS)	DAS allows time to pay off debts and freezes interest	Consultation with an Approved Money Adviser	DAS Administrator	Debtor	Varies
Judicial Factory	An appointment made to safeguard and administer the estate of an individual or partnership (which may or may not be insolvent) and resolve problems such as disagreement, insolvency or misappropriation of funds	Petition to Court by an interested party	Judicial Factor (Interim Judicial Factor sometimes appointed to administer initial period)	Petitioner	Varies
<b>LIMITED COMPANIES</b>					
Company Voluntary Arrangement	Legally effective arrangement or compromise between a company and its creditors	Proposal to creditors by directors, Liquidator or Administrator	Report prepared by - Nominee Arrangement implemented by - Supervisor (may be same person)	Party making proposal	Varies
Administration	Provides protection from creditors to permit a rescue or to achieve a better price for assets than might be achieved in a liquidation	Petition to Court by floating charge holder or other creditor, the company or its directors or simply by the filing of papers in Court by the directors or a floating charge holder	Administrator	Petitioner	Varies
Receivership	Assets to be realised to repay holder of a floating charge (normally a bank)  Since the Enterprise Act 2002 a Receiver can only be appointed on the basis of a floating charge where the charge was created before 15 September 2003	Floating charge holder	Receiver	Floating charge holder	Varies
Members Voluntary Liquidation	Liquidation of a solvent company	Extraordinary resolution of the company	Liquidator	Company	Varies
Creditors Voluntary Liquidation	Liquidation of an insolvent company	Extraordinary resolution of the company	Liquidator	Company (but subject to vote at meeting of creditors)	Varies
Court Liquidation	Liquidation of an insolvent company	Petition to Court by the company or a creditor	Interim Liquidator then Liquidator (Provisional Liquidator sometimes appointed to administer initial period)	Petitioner (but subject to vote at meeting of creditors)	Varies
Judicial Factory	An appointment made to safeguard and administer a company (which may or may not be insolvent) and resolve problems such as disagreement, insolvency or misappropriation of funds	Petition to Court by an interested party	Judicial Factor (Interim Judicial Factor sometimes appointed to administer initial period)	Petitioner	Varies

FOR FURTHER ASSISTANCE PLEASE CONTACT : COLIN D SCOTT (colin.scott@geoghegans.co.uk)

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