

## Insolvency, you must be busy...

- businesses shut
- staff furloughed
- unemployed highest since 2014
- huge national debt
- Brexit disruption

### ...not so.

The government continues to financially support businesses with grants, loans, rate reliefs, tax deferment plans, etc.

Legislation has been introduced to stop companies being wound up, to stop landlords evicting tenants and to prevent directors from being prosecuted for wrongful trading.

This means there hasn't been the tsunami of insolvencies that some were predicting.

Corporate insolvencies for the first 3 months of 2021 were at their lowest level for 32 years whilst, for 2020, they were down 27% compared to 2019. Is this the tide going out before the tsunami comes in?

To ensure that your clients don't become part of the next insolvency statistics please ensure that they seek advice early, plan and consider the following:

- **Cash flow** - prepare and review cash flow forecasts on a regular basis to identify future cash flow requirements.
- **Credit control & credit limits** - collecting debts on time is key to ensuring that a business retains sufficient working capital whilst ensuring that you don't extend credit terms for customers without considering the risk.
- **Google clients** - How is their social media? What are their reviews like? Any negative press?
- **Overheads** - regularly review overheads and see if there can be any cost savings. Property costs are a common one as a result of the pandemic and shift towards home working.

**Don't be busy fools...**

- When orders are being placed, it is important to make sure that the work is profitable and worth doing.
- Review costs regularly and if costs increase, do try and pass it on to the customers.

When you think you might need to contact an insolvency practitioner, the BRI team can offer you and your clients a no obligation, no commitment, and no charge helping hand to point them in the right direction. Right advice first time, every time.

Important note: This briefing has been prepared as background information for the general professional adviser and is not a comprehensive statement of the law – we recommend that expert advice be taken on specific issues arising in practice.

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