

Business Recovery

Capability Statement



In difficult economic times...

We have entered a time of unprecedented destabilisation of the global economy after a decade of 'good times'. Increasingly, businesses need to seek solutions which manage their exposure in the current economic climate. Cash is king, but the liquidity of banks and financial institutions has become tight, making borrowing difficult. Together with the difficult trading conditions, this will inevitably put pressure on businesses and they are much more likely to be in default on their financial covenants.

All businesses need to plan ahead, identify the vulnerable aspects of their operations, develop strategies to minimise problems and manage relationships with customers and suppliers.

What we can do for you

Manches has years of experience in advising clients on strategies to manage credit and business risk. We have a highly regarded business recovery team which combines the appropriate levels of experience, knowledge and commercial acumen to handle all aspects of recovery and turnaround work.

Our lawyers are trained to see the overall picture and, in particular, to understand and keep in mind our clients' commercial objectives, whilst remaining focussed on the key details which are essential to ensure a successful outcome.

We provide practical, commercial advice to businesses, directors and owner-managers on business and individual recovery issues.

Why use Manches for legal advice?

Manches is a leading UK law firm offering comprehensive legal services in key industry sectors.

The firm has a reputation for delivering an outstanding service and clear unequivocal advice, with access to over 170 lawyers in three key locations in the heart of the Thames Valley and London.

You benefit from strong lasting relationships based on understanding, trust, a friendly approach, responsiveness, quality and delivery of results.

Our lawyers work for you as a team, matching the right skills to the right task. Each practice area includes "leaders in their fields", as recognised by the legal media.

"Manches LLP enjoys an excellent reputation in the Thames Valley for 'extremely diligent and keenly priced service' to clients".
Legal 500 UK 2008

"Clients report an excellent, thorough and thoughtful dispute resolution service".
Legal 500 UK 2008

"The banking team is praised as an impressive outfit, providing outstanding quality in the region".
Chambers & Partners UK 2009

"The dispute resolution team is commended for successfully combining traditional values with a forward-looking, innovative approach".
Chambers & Partners UK 2009



We'll help your business recover

Examples of our advice

Directors' personal liability

As the banking and economic crisis has shown, whilst a balance sheet may appear to be strong, if a business runs out of cash, it cannot survive unaided. A major issue for directors is whether the company can continue trading without them acquiring a personal liability for the company's debts. We help directors to navigate the insolvency laws, develop strategies to trade out of difficulty and to identify key issues which need regular, ongoing monitoring. If our assessment suggests that the company has reached a critical stage of insolvency, we will advise on the closure options and will put you in contact with one of our referral network of licensed insolvency practitioners to take the next steps.

Cash flow management

Manches can support and enhance your credit control operation. We can advise on your general terms and conditions, help ensure that you are getting paid within your agreed credit terms and enforce payment (including recovering your costs) should it become necessary to do so. Our focus is on maximising cash flow without damaging your key business relationships.

Trust and escrow accounts

We regularly advise on arrangements to set up trust or escrow accounts. We have advised a prospective tenant of a property, for example, on the property developer establishing a trust account to hold monies which the developer pays when the tenant completes certain works which are crucial to the overall project. If the developer becomes insolvent before the money is payable, it will not be classed as assets of the developer. The money is therefore unavailable to its other creditors, except if they are entitled to payment under the trust or escrow arrangement.

Supply chain

Manufacturing clients need security of supplies. They should monitor the financial viability of their suppliers regularly and should have plans in place to change to alternative suppliers, if necessary. However, it is less easy to change if the supplier uses the client's equipment. We advise clients on their terms and conditions to retain title to any equipment and provide strategic advice on its recovery.

Statutory demands and winding up petitions

We regularly advise on the presentation of, and appropriate response to, statutory demands and winding up petitions. The court has clear rules about when it is appropriate to use insolvency procedures and errors can prove very costly.

Dealership networks

Many clients need to hold stocks of their products close to their customer base, often by using a franchised dealership network. We advise clients on their inventory supply arrangements. Manufacturer clients wish to balance their desire to retain ownership and the means of control of the stock held on the dealer's premises with the dealer's (and the client's) wish to sell and deliver the products to customers.

Warehouse & distribution networks

As an alternative, suppliers may outsource warehousing distribution and inventory management of their stock to logistics firms. We advise clients (suppliers or the logistics firms) on insolvency in such circumstances and help them develop strategies for minimising risk and exposure to payment defaults.

Recovery of assets

If a supplier, dealer or customer becomes insolvent, the chances are that it will hold assets belonging to you. There are restrictions on the enforcement of rights against companies in administration. These are valuable to administrators because it gives them the opportunity to keep the company trading using the client's and other creditors' assets. We advise on strategies to recover assets from insolvent companies, including on the technical legal issues on which the administrators rely to retain those assets.

Purchase of businesses from administrators/liquidators

The main task of the liquidator or administrator is to sell the company assets at the best available price and in the shortest time. Others can then purchase businesses or assets cost-effectively but usually on an 'as seen' and no warranty basis. For this reason, purchasers need to conduct swift due diligence enquiries in circumstances where information may be difficult to verify. We advise clients on such purchases, identifying the key risks requiring particular investigation. This could include advice on risks of inheriting employment liabilities, the strength of intellectual property rights, risk of retention of title claims by suppliers and the retention of key suppliers and customers.

Our specialist services

Governance advice for directors

- Directors' duties
- Transactions at undervalue
- Transactions preferring some creditors over others
- Cessation of trading
- Options for insolvency procedures

Asset protection for creditors

- Retention of title terms & arrangements
- Lease & lease finance agreements
- Invoice discounting agreements
- Trust, escrow and agency arrangements
- Set off arrangements

Enforcement and defence against enforcement

- Statutory demands
- Making and defending debt claims
- Injunctions including freezing injunction to preserve assets
- Enforcement of judgments
- Landlords claims for rent and other payments under leases
- Defending proceedings for disqualification of directors
- Defending claims by a liquidator for personal contributions by directors
- Defending claims by liquidator for misfeasance



MANCHES

The Thames Valley Business Recovery team is led by David Tighe.

For further information, please contact: David Tighe on 01865 722106 or david.tighe@manches.com.

Manches is a leading law firm in Oxford, Reading and London. We advise clients on all areas of business law, including property, corporate, commercial litigation and dispute resolution, insolvency, employment, intellectual property and technology law.

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