



Crown Strategies Case Study

We recently assisted a recruitment company based in London with a turnover of £5m that was heavily reliant on a key customer. Its trading was seasonal and particularly quiet during the summer months.

The business had encountered difficulties which were primarily due to rapid growth and bad debts. There were also problems with a lack of management control and spiralling overheads. As a result there was a loss of focus on the core business which led to poor service levels and ultimately a significant reduction in turnover from the key customer.

We were able to make contact with the Crown and obtain a short moratorium to prevent enforcement action, which provided the necessary time to focus on restructuring the business. It also enabled a plan and forecasts to be produced to HM Revenue and Customs to secure a time to pay arrangement. This resulted in the following.

- Restructured payment of £150, 000 PAYE liability over a period of 12 months
- Concession to commence payments following the quiet summer trading period
- Credit insurance in place to provide debt cover

We remain involved in advising management and providing assistance in the following areas:

- Discussions concerning further refinancing of the business
- Preparing financial information
- Liaising with the landlord to negotiate payment of rent arrears

Find out more at www.crownstrategies.co.uk