

HMRC STILL SOUNDING DEATH KNELL TOO OFTEN, SAYS INSOLVENCY EXPERT

A Black Country insolvency practitioner is calling for a culture change at HMRC to help avoid the unnecessary demise of many potentially viable Black Country businesses.

John Travers, founder of leading Stourbridge-based insolvency practice John D Travers & Co, will be urging local MP's and candidates for the next parliament to put pressure on the Treasury to take a softer approach when considering pulling the plug and ensure well-managed firms are offered the necessary breathing space they require to survive.

In last week's budget, the Chancellor announced an extension to the Business Payment Support Scheme which offers businesses considered viable valuable 'time to pay' their taxes.

Mr Travers says that, despite Treasury boasts of the scheme's success, in reality the agency remains the number one creditor petitioning for business wind-ups with a reported 43 per cent of the total.

"There is no doubt that the government's main priority was and still is debt recovery rather than business support," he says.

"I see the taxman not only taking a harder line on deferrals, but also exercising a higher degree of caution when it comes to assessing who should be helped and who should be wound-up.

"In the aftermath of the recession, growing numbers of businesses are already threatened by difficult trading conditions and cash flow problems compounded by the continued dearth of funding from the banks, so this is now a time when firms need help most.

"Without increased support from HMRC, I fear that a growing number of smaller firms will inevitably find it impossible to gather the resources to ride any potential upturn.

"For now, I advise firms not to rely on government goodwill and undertake a thorough review of their finances and operations and take a reality check for their future," he added.

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