Company Voluntary Arrangements

If your company is facing insolvency, a Company Voluntary Arrangement (CVA) may allow you to reach an agreement with your creditors which will enable you to continue trading, subject to an agreed payment plan.

CVAs are only available through an insolvency practitioner such as Lynn Gibson at Gibson Hewitt. Fortunately though, the application process is simple, and your practitioner will do the all the hard work for you. The application process is as follows:

Find out which arrangement suits your business

Limited companies will need a CVA, but sole traders may need an Individual Voluntary Agreement (IVA). Limited liability partnerships (LLPs) will need all partners to agree to apply.

Appoint a specialist insolvency practitioner

It is crucial to appoint an experienced insolvency practitioner to guide you through the CVA or IVA process.

You and your practitioner will determine the conditions of your arrangement

Immediately on their appointment, your adviser will help you map out an arrangement and restructuring plan showing the amount of debt you are liable to pay, and an appropriate payment plan.

Creditors meet to vote on your arrangement

Once your arrangement is in writing, creditors will be invited to a meeting to vote on your draft agreement before it goes ahead.

Then...

Arrangement approved?

If your arrangement is voted for by creditors owed at least 75 per cent of the creditors who vote, congratulations! You are now able to resume trading under your arrangement and on successful completion you will be solvent.

Arrangement not approved?

If, at the meeting stage, your arrangement is not approved by at least 75 per cent by value of the creditors voting, your company could face voluntary liquidation. In the event of this, your practitioner can advise on your options.

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