



So called “PrePack” administrations are an easy target for accusations of wrongdoing and transactions at an under value.

In reality Insolvency Professionals are aware of the pitfalls and will call on the services of an Independent Valuer such as Amco. This ensures that all asset transactions are reasonable to enter into and are at fair value.

The rationale of a “PrePack” is to enable an Insolvency Practitioner to obtain better value than in a forced insolvency. In a “PrePack” the company enters administration and is sold at a pre-agreed price to a preferred buyer.

What is required is a “Real World” Valuation given the company was to be sold in a distressed state against what could be achieved given a three month sales period in the open market.

The buyer in a “PrePack” needs to offer fair value. Unless there were exceptional circumstances this would, by necessity, be more than the sum of its parts if sold piecemeal. An experienced Valuer would take into account liabilities taken over, including “TUPE” and any action that would benefit all the creditors.

Most often PrePack administrations have to be constructed swiftly and Amco Agency understands this process. Amco are able to move quickly to get an understanding of the assets and produce a workable valuation quickly.

Where a planned “PrePack” fails to proceed for whatever reason Amco would translate its Valuation into a Sales Memorandum in order to proceed and manage a marketing campaign.

If you are considering restructuring your company Amco would be able to refer you to a suitable practitioner.

Michael Charles (Managing Director) is available to talk with you on 08452 300700.

Alternatively you can email enquiries@amco-agency.co.uk