

The Carillion Bankruptcy



If you are a supplier to Carillion or part of the supply chain that leads to Carillion this is potentially a very difficult time. This is a huge bankruptcy and will have ripple effects across many businesses, not just those who have a direct relationship with the liquidated businesses of the Carillion group.

The formal liquidation process will be complex and take a considerable time to work through. Businesses that were in Joint Ventures with Carillion will in many cases be able to assume control of the JV and carry on with minimal disruption. Others may be covered by insurance or have some leverage over ongoing supply. But for many unsecured creditors the prospect of recovering any money owed by the Carillion companies in liquidation is negligible. This in turn will impact many of their suppliers and so on through the supply chain.

Businesses impacted should urgently assess their situation and look at what can be done to ensure their survival. In the short term, banks, HMRC and others should be sympathetic. There are also loans and loan guarantees being made available by the banks and the government. But without action to ensure the business has the cash flow to survive, these are only temporary help. Action needs to be taken.

Insolvency is not an inevitable consequence and solutions outside of damaging and value destroying insolvency processes are often possible. All options need to be explored and carefully considered to find the optimal way forward. At BM&T we have decades of experience helping companies find their way through such challenging situations and are always happy to have an initial discussion at no cost to see if we may be able to help. If you would like to have a conversation about your situation please get in touch:

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