



# GRIFFIN & KING

LICENSED INSOLVENCY PRACTITIONERS

*News and views from the Griffin & King team*

BUSINESS RESCUE, RECOVERY AND TURNAROUND

AUTUMN 2019



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## DOES IT MATTER ABOUT THE REGISTERED OFFICE ADDRESS?

by Tim Corfield



Yes. All formal documents such as writs or winding up petitions are served on the registered office. It's so important for directors to ensure that the registered office is an address where post is opened by a director or someone who knows what to look out for and to take appropriate action. We've come across two cases very recently where winding up petitions have gone 'astray' and the directors have remained blissfully unaware of a forthcoming winding up hearing for their company.

In each instance, the directors only became aware of the petition after the company bankers had 'frozen' the bank account and there were only a couple of days (in one instance one day!) before we were instructed to investigate and advise the directors.

It's so frustrating that a difficult situation is made so much harder – which could have been so easily avoided. In these two cases the petitions were served on;

- The previous accountant's address
- A previous director's home address

Our advice is that directors should always use their accountant's address as their registered office – and try to avoid chopping and changing accountants!

**See page 2 for more information about how a winding up petition works and the consequences.**



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## KEEPING YOU INFORMED

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- Individual Voluntary Arrangements - Consumer Debts
- Liquidation
- Individual Voluntary Arrangements - Business Debts
- Administration
- Bankruptcy Appointments

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Griffin & King, 26-28 Goodall Street, Walsall, West Midlands WS1 1QL

## WHAT IS A WINDING UP PETITION? WHAT ARE THE CONSEQUENCES?

By Tim Corfield



A winding up petition is a court procedure. A creditor can issue a winding up petition if there is a debt overdue for at least £750.

The creditor will usually need the assistance of a solicitor to prepare the petition and the cost is likely to be £1880 (made up of £280 court fees and £1600 deposit) plus any legal fees and is a serious step.

The petition will be served on the Registered Office.

The petition will state a hearing date – likely to be around 6 to 8 weeks from the date of the petition.

If the petition is issued by HMRC it is likely this will be heard by the High Court in London.

The petition will be advertised in the London Gazette after issue – this must be at least 7 days after the service of the petition and 7 days before the hearing.

The company bankers monitor the London Gazette – it is likely that the bank will freeze the bank account once the petition is advertised which will make it very difficult for the company to continue to trade.

If the hearing takes place, without representation, it is likely that a Winding Up order will be made against the company and the Official Receiver will be appointed liquidator.

### What can be done?

The directors need to seek immediate guidance.

If the debt is disputed, application to the court needs to be made to avoid any advertisement.

If the debt is not disputed it can be paid to avoid further action being taken – providing the petitioning creditor withdraws the petition and no notices have been received in support from other creditors.

If the company is insolvent but potentially viable a CVA (Company Voluntary Arrangement) or Administration procedure could keep the company trading but would need court approval.

The company could enter Creditors' Voluntary Liquidation, but only with the co-operation of the petitioning creditor. In practice, if this is HMRC they are likely to agree to this procedure providing their costs (around £1,000) are guaranteed by the Practitioner.

### In conclusion.....

**A winding up petition is very serious and is a minefield of legal rules - immediate advice should be sought.**

## BUSINESS DIFFICULTIES? HELP IS AT HAND!

### BUSINESS TURNAROUND OR BUSINESS CONTINUITY.



Running a business can be extremely challenging, even when things are going well. The climate is tough at the moment, with the uncertainty of Brexit making it even harder for SMEs and owner managed businesses. It only takes a major supplier to decide to discontinue supply at short notice, or a

couple of debtors to go bust and the whole balance is out of sync.

Historical problems can often overtake a company that has a core profitable business leaving it bogged down with debt and unable to move forward.

Sometimes it helps to discuss these issues with an independent professional. Always discuss issues with someone who is experienced and can apply a fresh pair of eyes to the business.

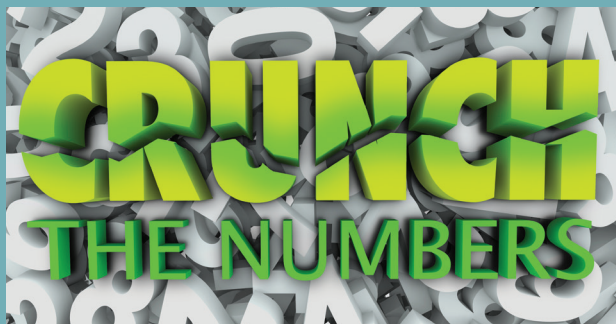
We can help find solutions to salvage a business, if that's the right thing to do.

**A profitable core business can be maintained through Business Recovery.**

**For advice on insolvency issues call us on your local number opposite**

**www.griffinandking.co.uk | email: janet.peacock@griffinandking.co.uk**

## STRIKING NUMBERS – September 2019



### Everyday in the UK...

- The population of the UK grew by an estimated **1,083** people a day between 2017 and 2018.
- On average, a UK household spends **£4.05** a day on water, electricity and gas.
- **340** people a day were declared insolvent or bankrupt in England and Wales in April to June 2019. This was equivalent to one person every **4 minutes and 14 seconds**.
- In Northern Ireland, there were **8** insolvencies per day and in Scotland **39** insolvencies per day.
- Citizens Advice Bureaux in England and Wales dealt with **2,569** debt issues every day in the year to July 2019.
- **14** properties were repossessed every day in Q2 2019 in England and Wales, or one every **1 hour and 43 minutes**.
- The number of UK mortgages with arrears of over 2.5% of the remaining balance fell by **6** a day.
- The number of people unemployed in the UK fell by **79** per day in the year to July 2019.
- **1,065** people a day reported they had become redundant in May to July 2019.
- Net lending to individuals and housing associations in the UK grew by **£126 million** a day in July 2019.
- Government debt increased by **£102.5 million** a day in the year to August 2019.
- Borrowers paid **£139 million** a day in interest in July 2019.
- It costs an average of **£22.92 per day** for a couple to raise a child from birth to the age of 18.
- For a lone parent family, the cost of raising a child comes to **£28.16 per day**.
- **68** mortgage possession claims and **44** mortgage possession orders were made every day in England and Wales in April to June 2019.
- **293** landlord possession claims and **235** landlord possession orders were made every day

### Personal debt in the UK

- People in the UK owed **£1,647 billion** at the end of July 2019. This is up from **£1,600 billion** at the end of July 2018, an extra **£888** per UK adult over the year.

Type of Personal debt	Total Personal Debt £ billion	Per Household £	Per Adult £
Secured (Mortgages)	£1,428.5 billion	£51,464	£27,085
Unsecured Consumer debt	£ 218.0 billion	£7,855	£4,134
Of which, Credit card debt	£72.4 billion	£2,609	£1,373
<b>Grand Total (May 2019)</b>	<b>£1,646.6 billion</b>	<b>£59,319</b>	<b>£31,220</b>

The average total debt per household, including mortgages, was **£59,319** and per adult was **£31,220**, around 110.5% of average earnings. This is up from a revised **£31,145** a month earlier.

Based on July 2019 trends, the UK's total interest payments on personal debt over a 12-month period would have been **£50,815 million**, an average of **£139 million per day**. The average annual interest per household would have been **£1,831**, and per person **£963**, 3.4% of average earnings.

According to the Office for Budget Responsibility's March 2019 forecast, household debt is forecast to reach **£2.425 trillion** in 2023-24. This would make the average household debt **£86,388** (assuming household numbers track ONS population projections.)

Statistics source: <http://www.themoneycharity.org.uk>

We have assisted many people with personal debt in the UK - view our testimonials here:

[www.griffinandking.co.uk/testimonials.php](http://www.griffinandking.co.uk/testimonials.php)

If you would like further information on Corporate or Personal debt solutions please contact Griffin & King Insolvency Practitioners on: **01922 722205**, and speak to Tim, Mark or Janet.

You can also contact Janet by email on: [janet.peacock@griffinandking.co.uk](mailto:janet.peacock@griffinandking.co.uk), or by text or calling on **07545 806 531**.

**Don't wait until it's too late!**

## A FEW RECENT TESTIMONIALS

"Having been troubled and worried, once I had made the initial call to Janet Peacock I had no other worries. She was so very helpful and knowledgeable which made the process more bearable". SM - 31 August 2019

"Griffin & King have been fabulous helping me get through this process especially Maggie who has helped me through with every last detail and very understanding of my illness". JA - 15 August 2019

"Janet and Mike have made what began as a difficult situation very bearable, they have both been excellent knowledgeable and very friendly, they explained the whole process in easy to understand language with no jargon! . DD - 13 August 2019

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# THE LAST WORD...

## WHAT DO WE DO?

We find solutions for businesses and individuals who have financial problems.

### SERVICES FOR LIMITED COMPANIES

- Creditors Voluntary Liquidation
- Pre-Pack Administration
- Company Voluntary Arrangements
- Administration
- Members Voluntary Liquidation

### SERVICES FOR CONSUMERS, SOLE TRADERS & PARTNERSHIPS

- Individual Voluntary Arrangements (Consumer Debt)
- Individual Voluntary Arrangements (Business and/or Consumer Debt)
- Partnership Voluntary Arrangements
- Bankruptcy Appointments

## Staff Corner



### PapaCorf is a grandad!

Tim became a proud Grandad on 20th April to Freddie! Congratulations to Matt and Jess who only got married in July last year – so no time wasted here!

"I can't wait to take Freddie to his first Wolves match!" said Tim shortly after the birth!

Freddie already has six full soccer strips and the number is growing. I wonder who's bought those?

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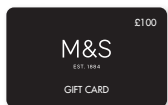


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LICENSED INSOLVENCY PRACTITIONERS

## GRIFFIN & KING COMPETITION

Win £100 Amazon voucher or Marks & Spencer Vouchers

All you need to do is visit [www.griffinandking.co.uk](http://www.griffinandking.co.uk) and answer the following questions. All correct entries will enter the draw.



1. What colour tie is Tim wearing in the 'Meet the team' picture?
2. How many reasons are listed on the website as to 'Why choose us'?
3. What does the testimonial say dated 19 July 2019?

*Good luck!*

Competition closes on 29th November, 2019. Please staple your business card with your entry if posting in. Complete your details and either email to: [janet.peacock@griffinandking.co.uk](mailto:janet.peacock@griffinandking.co.uk) or post, clearly marked for: Janet Peacock, Griffin & King, 26-28 Goodall Street, Walsall, West Midlands, WS1 1QL

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## GRIFFIN & KING LAST COMPETITION WINNER



The winner of the competition is Tracy Bentley of Bentley Financial Solutions



[www.bentleyfinancialsolutions.co.uk](http://www.bentleyfinancialsolutions.co.uk)

"It was such a lovely surprise to receive a phone call telling me I had won the competition. The prize will definitely go towards treating the family to something nice. Thank you again".