



GRIFFIN & KING

LICENSED INSOLVENCY PRACTITIONERS

News and views from the Griffin & King team

BUSINESS RESCUE, RECOVERY AND TURNAROUND

AUTUMN 2014



The Griffin & King management team from left to right:
Janet Peacock, Richard Owen, Cheryl Gray, Tim Corfield, Emma Wallis.

DOES IT MATTER ABOUT THE COMPANY REGISTERED OFFICE ADDRESS?

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

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

Download a copy
www.griffinandking.co.uk



What is a winding up petition? What are the consequences?



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 around £1,500 to £2,000 which will include a court deposit, filing fee and 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. 



If you need advice on how to deal with a winding up petition contact Griffin & King

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



Arrghh....why won't people take advice?

by Tim Corfield

I recently met Jason, a young company director who had bought into a franchise

operation when he was around 20.

He borrowed £10,000 from his mom, £24,000 from his bank (limited to a personal guarantee of £6,000). The finance on a van was in his personal name and he had personally guaranteed all obligations under the franchise agreement.

Trading had never been good from the start but over the last few months Jason had barely any takings and he had to cut his losses and bring the business to an end.

Fortunately, the franchisor agreed that if Jason stopped trade it would not hold him liable for any future obligations under the agreement.

So, Jason was left with personal debts of around £22,000 (including his mom) at the ripe old age of 22 and having spent two years virtually working for nothing.

If only Jason had spoken to his accountant (or any professional adviser) prior to entering the franchise agreement. His accountant was familiar with this particular franchise operation and would have recommended to Jason not to go ahead. A brief meeting could have saved over £40,000 from being lost!!

These days, it is even more difficult to make a living through a business than it ever has been. It is easy to work very hard at a business and end up earning no money and, worse still, building up debts. Hard work alone is not enough - good advice and good preparation will minimise any risk and is a MUST for anyone considering taking on a business opportunity.

G&K

Business briefings

RECENT SEMINAR Tuesday 7th Oct 2014



We were delighted to welcome over 100 guests to this event. Tim gave a presentation about the misuse of company names and a dog encounter! Visit our website to see the feedback.



Peter Adkins (Talbots Law),
Tim Corfield (MD Griffin & King),
Nick Cooper (BCRS),
Richard Owen (Griffin & King).



Tyson, Tim Corfield, Zeus.

Places limited! Book early

SIGNATURE DINNERS



These exclusive Signature Dinners are held bi-monthly. The Dinners have been introduced for the benefit of Local CEOs, Managing Directors, Partners and Senior Managers to get together.

They are designed to facilitate networking at a higher level and create and nurture long-standing relationships.

Forthcoming Signature dinner dates

Last Thursday in the month:

November 27th 2014, February 26th 2015

April 30th 2015, June 25th 2015,

September 24th 2015, November 26th 2015

For further information email:

janet.peacock@griffinandking.co.uk

THE LAST WORD...

LEAVING HOME – FIRST TIME MORTGAGE



Excitement, stress and nervous. All the emotions one goes through but worth it!



Moving out from home has been a steep learning curve! Not even mentioning doing my own washing, cooking, and there are so many telephone calls to make and all of them have someone on the other end waiting to be paid! Creating and sticking to a budget is so important.

But there was always going to be a little bit in the budget for Sky Sports, but that's no guarantee that whenever the Wolves are on that they will win!

It's a daunting thing to do, to become responsible for yourself and take on the liability of a mortgage and bills, but so far I'm enjoying it and ensuring that I'm taking on all the responsibilities that come with owning your own home.



James Corfield



GRIFFIN & KING COMPETITION



GRIFFIN & KING
LICENSED INSOLVENCY PRACTITIONERS

Win 6 bottles of Champagne
or the equivalent in
Marks & Spencer Vouchers



Good luck!

All you need to do is visit www.griffinandking.co.uk and answer the following questions. All correct entries will enter the draw.

1. How many videos on the video gallery are there about Creditors' Voluntary Liquidation (CVL's)?

2. How many insolvency years' experience has Emma Wallis?

3. Which university did James Corfield attend before joining the firm?

Competition closes on 31 December 2014.

Please staple your business card with your entry if posting in.

Complete your details and either email to:

janet.peacock@griffinandking.co.uk or post, clearly marked for:
Janet Peacock, Griffin & King, 26- 28 Goodall Street, Walsall,
West Midlands, WS1 1QL



GRIFFIN & KING LAST COMPETITION WINNER

Congratulations to Competition winner Sharon Pocock, Managing Director of Kinder Pocock



We were thrilled when Janet called to give us the good news! We are in a period of growth, and currently rebranding, so this has come just at the right time!

Thank you so much to Janet and all in the Griffin & King team.

www.kinderpocock.co.uk