

THE GRASS IS ALWAYS GREENER..



## WINDING UP PETITIONS

### THE WHY? WHAT? & WHEN? OF WINDING UP PETITIONS & HOW TO STOP A WUP

To be served a Winding Up Petition (WUP) can be shattering. A Winding Up Petition poses a serious threat to business continuity and so to your livelihood, plus that of your employees. **Time is of the essence** if compulsory liquidation / winding up is to be averted ([Winding Up Procedure & Timings](#)).

Greenfield Recovery are specialists in Winding Up Petitions and Business Rescue. We have advised and assisted hundreds of businesses in complex situations, providing solutions nationally, that have helped organizations to **green fields once more**.

This guide is intended to quickly help you [understand your position, what it means and your next course of action](#). The most urgent being to [stop the petition](#).

If you would prefer to speak to a Business Rescue & Recovery expert now, please call 0121 201 1720 or [E-mail](#) and request a Call Back. Alternatively, visit [www.greenfieldrecovery.co.uk](http://www.greenfieldrecovery.co.uk).

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## WHY DO WINDING UP PETITIONS HAPPEN?

In the most, a Winding Up Petition is presented on the grounds of an overdue debt by a Creditor, one of which is HMRC. The company itself or the shareholders may also present one.

The Winding Up Petition will show you owe £750 or more and proof that you cannot pay. This evidence may be in the form of an unpaid Statutory Demand or a Court Judgment detailing what's owed.

A copy will be served to the Director or at the company registered office.

## WHAT IS A WINDING UP PETITION?

A Winding Up Petition (WUP) is an application to the Court, seeking an Winding Up Order, that a company be put into compulsory liquidation or compulsory winding up. If the application is successful the company will cease to trade, any legal disputes will be settled and the assets are sold and distributed to the company creditors.

WHAT DOES THE WINDING UP PETITION MEAN? / [WINDING UP PROCEDURE](#)

A Winding Up Petition is the first step of five (please see further below '[Winding Up Procedure](#)'), which can ultimately end in the compulsory liquidation of your business if not stopped urgently.

## HOW TO STOP A WINDING UP PETITION? (WITHIN 7 DAYS OF RECEIPT OF WUP)

**A. Pay:**

Pay the Creditor / Instigator of the Winding Up Petition. If you have some valuable Assets then Asset Financing may be possible. Check the provider of which is a member of The Finance & Leasing Association (FLA).

[Request Payment help now >>](#)

Please call 0121 201 1720 or [E-mail](#) and request a Call Back. Alternatively, visit [www.greenfieldrecovery.co.uk](http://www.greenfieldrecovery.co.uk).

**B. Contact accredited Insolvency Practitioners to request an Adjournment ([buy time](#)) to investigate & action one of the following:**

- Formally negotiate a re-payment plan (Company Voluntary Arrangement or CVA).
- Explore Administration (via Administration Order). Pauses legal action whilst a rescue / re-structuring plan is formulated.
- Dispute the Winding Up Petition. It may also be possible to obtain an injunction to stop any advertising of the petition.
- Instigate a Creditors Voluntary Liquidation (CVL).

[Request urgent Winding Up Petition Advice now >>](#)

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## HOW TO STOP A WINDING UP PETITION? (OUTSIDE 7 DAYS OF RECEIPT)

- **Contact accredited Insolvency Practitioners to request an Adjournment ([buy time](#)).**

Do this **today** and it may still be possible to unfreeze your bank accounts and achieve business recovery.

[Request urgent Winding Up Petition Advice now >>](#)

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## WINDING UP PROCEDURE & TIMINGS

### STEP 1 - WINDING UP PETITION SERVED

**Key Deadline: 7 days to respond to the Petitioning Creditor**

You have 7 days to respond to the Petitioning Creditor with a well formulated plan to show you can satisfy liability to the Creditor.

After 7 days the Winding Up Petition and the Petition Hearing Date will be advertised in the London Gazette. It is then most likely your bank accounts will be frozen in accordance with Section 127(1) of the Insolvency Act 1986.

[Request urgent Winding Up Petition Advice now>>](#)

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### STEP 2 - WINDING UP ORDER MADE BY THE COURT

**Key Deadline: Occurs 4 to 6 weeks after Step 1**

On the Hearing Date for the Winding Up Petition, a Judge will hear the Petition and if the business cannot pay or there is no formulated plan for payment, a **Winding Up Order** will be issued and an Official Receiver appointed. A plan, may include an Adjournment to take further advice.

### STEP 3 - OFFICIAL RECEIVER APPOINTED

The court will appoint an Official Receiver, charged with the liquidation. They will investigate the company's affairs and send a report to the Creditors. The **Winding Up Order** will be advertised in the London Gazette and other newspapers. They may call a meeting of the Creditors to appoint an Insolvency Practitioner as liquidator.

### STEP 4 - CREDITORS' MEETING

**Key Deadline: Within Four Months Of Winding Up Order**

Convened by the Official Receiver. A liquidator is appointed by a straight majority, in value, of the Creditors. The meeting may also establish a liquidation committee.

STEP 5 - DUTIES OF A LIQUIDATOR

Dispose of the company assets. Agrees Creditors' claims and distribute funds by way of dividend. The Liquidator will hold a final meeting when the assets are distributed and **the liquidation is closed**.

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