# Wenzel's bakery faces potential liquidation due to tax debts



A well-known bakery chain in the UK, Wenzel’s, is facing a potential liquidation after being issued a winding up petition by Her Majesty’s Revenue and Customs (HMRC) due to significant unpaid debts. The legal challenge, reported by MailOnline and echoed by various sources, poses a severe risk to the future of the business, which has been a staple of high streets since its establishment in 1975.

Wenzel's, originally a family-run business initiated in London, has expanded its operations to include 109 stores throughout the UK, particularly in London and the surrounding Home Counties. The bakery offers a range of products, with many customers praising its freshly made baguettes and sandwiches. A notable endorsement came from social media user Karis Mullings, who declared Wenzel's offerings to be "better than Greggs."

The HMRC petition, issued last week, signifies a step towards potential court-ordered liquidation, which could lead to the bakery chain's closure if a resolution with the tax authorities is not reached. No court date has yet been set, leaving uncertainty regarding the chain's immediate future. Speaking to MailOnline, Wenzel's stated that they expect a swift resolution of the issue and do not anticipate any redundancies or store closures.

Despite previous plans to expand their store count in Southern England, Wenzel's has recently faced financial difficulties. Reports indicate a decrease in profits from £5.6 million in 2022 to £1.6 million in 2024, alongside a stated loss of £4 million between 2023 and 2024. The company has also experienced significant changes in its leadership, evident in the departure of three directors since these financial revelations came to light.

Karl Spinks, the Chief Operating Officer of Wenzel's, commented on the ongoing situation, indicating that “the winding up notice is in relation to ongoing discussions with HMRC regarding an outstanding balance.” He expressed optimism that the matter is being actively engaged with HMRC and that resolution is expected soon, further assuring that no significant operational impacts are anticipated in the meantime.

A spokesperson for HMRC clarified that the agency adopts a supportive stance when dealing with tax debts and only resorts to issuing winding-up petitions after all other options have been explored, thereby protecting taxpayer funds.

Wenzel's struggle is part of a broader pattern of challenges experienced by bakery businesses in the UK, including its main competitor, Greggs, which has also seen a drop in its stock value and faced difficulties attributed to weak consumer confidence and adverse weather conditions. In the first nine weeks of 2024, Greggs reported only a modest growth of 1.7%, while its shares plummeted by 10.6%, reflecting an overall challenging climate for bakery chains.

As Wenzel's navigates this contentious period, the outcome of its negotiations with HMRC will significantly influence not only its operational viability but also its position in a competitive market accustomed to robust competition amongst bakery franchises.

Source: [Noah Wire Services](https://www.noahwire.com)