



Financial Recovery

NEWSLETTER ISSUE - 11

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Find below details of late filing penalties for the last quarter, which make interesting reading:

Month	Number of Penalties Imposed	Total Value of Penalties Imposed (000's)	Number of Appeals Received	Number of Penalties where Discretion used not to collect	Number of Penalties Cancelled	Total Value of Penalties Cancelled (000's)
Apr-15	14,053	7,224.9	2,444	458	80	21.5
May-15	12,538	7,270.6	2,512	562	70	24.9
Jun-15	13,052	6,810.0	2,711	422	49	23.3
Jul-15						
Total 2015/16	39,643	21,305.5	7,667	1,442	199	69.6
Total 2014-15	161,902	76,417	30,730	5,207	1,215	

BIS to place ban on restrictive contract clauses

Businesses will be freed from restrictive contract clauses that prevent them from gaining invoice finance when new measures come into force early next year. The Department for Business, Innovation and Skills has announced this morning that contract terms applied by some commercial customers to their suppliers will be banned.

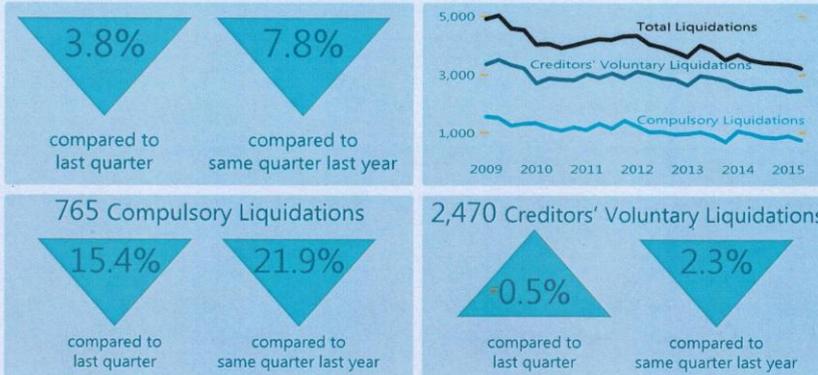
Previously, they could use terms to bar a supplier from what's called 'invoice assignment'. This can raise the cost of, or even prevent the supplier's access to, invoice finance – which can often be a vital source of funding. The government said the ban will open up more funding opportunities and benefit small businesses. Invoice finance allows businesses to apply for funds using invoices for money owed to them as security. This often allows them to get money faster than if they waited for customers' payments. More than 44,000 businesses receive over £19bn of funding this way at any one time, according to the Asset Based Finance Association (ABFA), which represents the UK invoice finance industry.



Insolvency Statistics - England & Wales

April - June 2015

3,235 Company Liquidations



In the 12 months ending June 2015, 1 in 207 companies went into Liquidation



Down from 1 in 200 companies in the 12 months ending March 2015



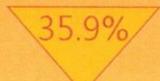
18,866 Individual Insolvencies



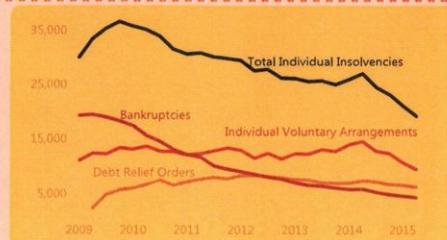
compared to same quarter last year



9,090 Individual Voluntary Arrangements



compared to same quarter last year



Key Findings for Q2 2015

Company insolvencies were at the lowest level since Q4 2007

A total of 3,908 companies entered into formal insolvency in Q2 2015, which was 2.9% less than Q1 2015 and 7.5% lower than Q2 2014. The number of company insolvencies has been on a decreasing trend since 2013.

Compulsory liquidations decreased to the lowest level since Q4 2013

A total of 765 companies were subject to a compulsory winding-up order in Q2 2015, a 15.4% decrease on the last quarter and 21.9% lower than Q2 2014. This was the main driver of the decrease in total company insolvencies.

The number of creditors' voluntary liquidations was fairly stable

There were 2,470 companies entering into creditor's voluntary liquidation in Q2 2015, a 0.5% increase on the previous quarter but 2.3% lower compared to the same period in 2014.

Receivership appointments increased, but company voluntary arrangements and administrations decreased

There were 159 receivership appointments in Q2 2015, 12.0% higher than Q1 2015 but 7.0% lower than Q2 2014. There were 91 company voluntary arrangements, the lowest level since Q4 2007. There were 423 administrations in Q2 2015, a 1.2% decrease on the previous quarter but a 4.8% increase on the same period last year.

The liquidation rate was at its lowest level

The liquidation rate in the 12 months ending Q2 2015 was 0.48% of active companies, the lowest level since comparable records began in Q4 1984.

Individual insolvencies were at the lowest level since Q3 2005

There were a total of 18,866 individual insolvencies in Q2 2015, 9.1% lower than Q1 2015 and a decrease of 29.3% compared to Q2 2014.

The number of bankruptcies was at the lowest level since Q4 1990

There were a total of 3,944 bankruptcy orders in Q2 2015, 6.3% lower than Q1 2015 and 27.9% lower than Q2 2014. The number of bankruptcy orders has been on a decreasing trend since 2009. However, the introduction of debt relief orders (DROs) in 2009 is likely to have affected the number of bankruptcies.

The number of DROs was at the lowest level since Q1 2010

There were 5,832 DROs in Q2 2015, which was a 6.1% decrease compared to Q1 2015 and 16.8% lower compared to the same period in 2014.

Individual voluntary arrangements were at the lowest level since Q1 2006

There were 9,090 IVAs in Q2 2015, which was a 12.1% decrease compared to Q1 2015 and 35.9% lower than Q2 2014. IVAs have decreased for four consecutive quarters having previously been on an increasing trend.

The rate of insolvency decreased

In the 12 months ending Q2 2015, 1 in 523 adults (0.19% of the adult population) became insolvent. This was the lowest rate since the 12 months ending Q1 2006.

SERVICES WE CAN PROVIDE

Administration:

Usually instigated by the Directors or the bank, and used to provide protection whilst a solution is found.

Company Voluntary Arrangement:

Useful where a company has accrued aged debt which it is unable to service, but is profitable moving forward. An offer is then made to creditors for settlement based on affordability (requires 75% of creditors voting to vote in favour).

Liquidation of solvent or insolvent companies:

Results in the formal closure of the business entity.

Re-finance:

Seek new funding via bankers and private investors.

Individual or Partnership Voluntary Arrangements:

An alternative to bankruptcy, which allows individuals to offer to repay what they can afford to creditors and freeze the aged debt (requires 75% of creditors voting to vote in favour).

Bankruptcy advice:

The options available and implications of bankruptcy on the individual.

REGAIN CONTROL, SECURE THE FUTURE

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