



UK Businesses Insolvency & CCJ Statistics

December 2008

ICC's leading integrated technology provides intelligent analysis of data, allowing our clients to set foundations for efficiency. The ICC monthly insolvency report gives the latest count of businesses and regions affected by insolvency in the UK.

This edition provides comprehensive data on the performance and risk of the limited company population by sector and region of the UK. The report tracks the number of insolvencies and generates trends in the insolvency rate both in aggregate and by industry sector. The data in this report covers the month of December 2008 and includes a retrospective monthly comparison with November 2008 and year on year comparison with December 2007.

The report also monitors the monthly totals of County Court Judgements (CCJs) against companies for the recovery of unpaid debt. CCJs against companies are a useful barometer of corporate financial health and a leading indicator of insolvencies. A significant proportion of CCJs represent actions to recover unpaid trade debts.

The report uses the Standard Industrial Classification (SIC) to group all company data into 22 broad industry groups. The analysis of these sectors reveals different volatilities in terms of both insolvency and CCJ rate levels as individual sectors lead and lag the overall activity.

The structure of the report is as follows:

- Executive summary
- Recent insolvency trends by sector
- Recent insolvency trends by region
- Recent insolvency trends in major UK towns
- UK CCJ rate trends (quantity) by sector
- UK CCJ rate trends (quantity) by region

**For more information on our Insolvency e-Alert service
call 020 8481 8835 or email: insolvencyalerts@icc.co.uk**

Executive Summary

The following tables present the short-term (month on month) changes in insolvency and CCJ activity by sector and region. Overall in the last month the number of insolvencies has increased by 322, which translates to a rise of 13%. This is in addition to insolvencies increasing sharply in the year-on-year comparison (up by 63%) as the effects of the credit crisis and the decline in GDP growth start to impact on the real economy.

The recent collapse of company sales, cash flow problems and high levels of company debt are the key drivers of corporate insolvencies currently in the UK. The fall in interest rates and the reduction in the value of sterling have alleviated the pressures on some companies, but these potential benefits are offset by the sudden collapse of bank lending and falling operating profits in a highly leveraged corporate sector.

Notable sectors for significant increases in insolvencies from November to December 2008 include: banking and financial services; property; transport & travel; and business services. Banking & financial services and property show increases in excess of 20% within the space of a month. Education, wood, paper & board and health & social care appear the most resilient sectors currently. Regionally, the South East, the North East and the North West show the biggest increase in insolvencies from November to December. Northern Ireland and the South West recorded a decrease in insolvencies on the same terms.

Progressing to CCJs, the quantity actually decreased slightly between November and December 08, despite there being a significant increase of 88% in the year-on-year comparison. The monetary value of these CCJs is actually down in both the monthly and year-on-year comparison but it should be noted there were two unusually high-value CCJs in December 2007 accounting for over £21 million of that month's total. This leads to a considerable distortion of results in the year-on-year comparison. Although these two cases cannot be discounted, without them there would have been a year-on-year increase of 52% instead of the 21% decrease. However the decrease (in both quantity and monetary value) from November to December 08 appears to signal a slight improvement in how companies are managing their cashflow in difficult market conditions.

Monthly insolvency count				Year-on-year comparison			
	November 2008	December 2008	Monthly % change		December 2007	December 2008	Monthly change
TOTAL	2,444	2,766	+13% ▲	TOTAL	1,699	2,766	+63% ▲

Monthly CCJ count (Quantity)				Year-on-year comparison			
	November 2008	December 2008	Monthly % change		December 2007	December 2008	Monthly change
TOTAL	6,909	6,826	-1% ▼	TOTAL	3,633	6,826	+88% ▲

Monthly CCJ count (Monetary Value)				Year-on-year comparison			
	November 2008	December 2008	Monthly % change		December 2007	December 2008	Monthly change
TOTAL	£40,054,093	£36,716,520	-9% ▼	TOTAL	£44,368,868	£36,716,520	-21% ▼

For more information on our Insolvency e-Alert service call 020 8481 8835 or email: insolvencyalerts@icc.co.uk

An example of one of our Insolvency e-Alert emails



Company: Hull based builder The Wright Group [02798129] is reported to have entered administration.

Administrators: Mark Loftus, Ian Green and Rob Birchall of PricewaterhouseCoopers were appointed on 3 February.

For more information: <http://www.chbaileyplc.co.uk/>

For more information on our Insolvency e-Alert service call 020 8481 8835 or email: insolvencyalerts@icc.co.uk