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## **Hotels, pubs and restaurants are among the region's most financially improved businesses, says R3**



Accommodation and food services businesses in Yorkshire and the Humber are among the region's most improved in terms of financial security over the last year, according to new research by R3, the insolvency trade body.

Seventy-six per cent of local hotels, restaurants and bars have seen their risk of insolvency fall, one of the best performances of the region's ten biggest industries (by number of employees). By comparison, 75% of wholesale & retail businesses saw their insolvency risk fall, as did three quarters of professional, scientific and technical businesses.

William Ballmann, chair of R3 in Yorkshire and partner at national law firm Gateley LLP, welcomed the figures, commenting: "These figures are very encouraging for Yorkshire which has traditionally had a vibrant hospitality sector. The combination of the beginnings of a sustained economic recovery with more disposable consumer income available, together with the prospect of an added boost to tourism

provided by next year’s Tour de France coming to the region, should mean a brighter future for the sector in 2014.

“With so many jobs dependent on the retail sector and the professional services sector, their improved performance is also positive news for the regional economy.”

The private sector employer with the highest proportion of ‘fast’ improvers was administrative and support services where just under 9% of businesses saw their score grow by over 20%.

Mr Ballmann added: “An improving economy should see these figures continue to get better, but it is important to avoid complacency. The early stages of an economic recovery can be difficult as there is the danger that a business expands faster than it can support. Business owners need to be patient make sure they walk before they try to run.”

Construction firms in the region fared the worst according to R3’s research with some 29% of companies within sector having seen their risk of insolvency grow in the last year.

- Ends -

**Photo shows:** William Ballmann, chair of R3 in Yorkshire and partner at national law firm Gateley LLP

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**Note to editors – Yorkshire and the Humber**

Sector	Number of employees (000s)	Total Businesses	% of businesses whose risk of insolvency fell last year
Public admin & defence; compulsory social security	159	128	78.91
Accommodation & food service activities Human health & social work activities	216	5,281	76.41
Wholesale & retail trade; repair of motor vehicles and motorcycles	531	17,230	75.03
Professional scientific & technical activities	256	18,222	74.82
Human health & social work activities	469	5,303	74.64
Education	291	85	74.16
Transport & storage	160	3,382	73.51
Manufacturing	353	11,133	72.59
Administrative & support service activities	283	10,478	72.46
Construction	218	16,361	71.46



media relations and profile

R3 compiled the data using BVD's Fame Database of company information. Companies in the Fame database are awarded a score based on their likelihood of insolvency in the next year. This score is based on factors such as turnover, pre-tax profit, working capital, cash and bank deposits and other factors. A high score indicates a low risk of insolvency in the next year, and vice versa.

The research took the top ten sectors (by employees) in each UK region and measured the number of businesses in each sector whose score had risen from last year (i.e. become more financially secure) and the number of businesses whose score had fallen (i.e. become less financially secure).

**Notes to editors (R3):**

- The Insolvency Service's statistics can be found [here](#).
- R3 is the trade body for Insolvency Professionals, and represents 97% of the UK's Insolvency Practitioners.
- R3 comments on a wide variety of personal and corporate insolvency issues. Contact the press office, or see [www.r3.org.uk](http://www.r3.org.uk) for further information.
- R3 promotes best practice for professionals working with financially troubled individuals and businesses; all R3 members are regulated by one of nine recognised professional bodies.
- R3 stands for 'Rescue, Recovery, and Renewal' and is also known as the Association of Business Recovery Professionals.