R3

Yorkshire shows strong recovery compared to rest of UK

The region is performing well across most sectors according to the latest research by R3, the insolvency trade body.

In September, Yorkshire and the Humber had the lowest level of manufacturing firms with a higher than normal risk of insolvency with just 16.8% or 1,941 firms compared with a national average of 19.3%. It was also among the top performing regions in the property, banking, hotels, pubs, restaurants and technology sectors. In fact, of the ten regions surveyed, the only sectors in which it came lower than third place was in the professional services and retail sectors.

R3 uses research compiled from Bureau van Dijk’s ‘Fame’ database of company information to track the number of businesses in key regional sectors that have a heightened risk of entering insolvency in the next year.

“Generally, we have seen Yorkshire and the Humber remain fairly robust throughout the recession and the strength of key sectors such as manufacturing is helping to drive a stronger recovery than in many
other regions,” explained William Ballmann, chair of R3 in Yorkshire and partner at Gateley LLP. “These latest figures show that our region is in pretty good shape compared with many other parts of the UK and it is particularly encouraging to see steady improvement across such a wide range of sectors.”

He continues: “After some tough times, it’s great to see the region’s economy bouncing back, but as ever, we urge businesses to proceed with caution during the recovery phase. With the prospect of interest rate rises in the not-too-distant future, it is vital to plan ahead and keep a close eye on cash flow.”

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

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Notes to editors (R3):

• 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).
• 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 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.