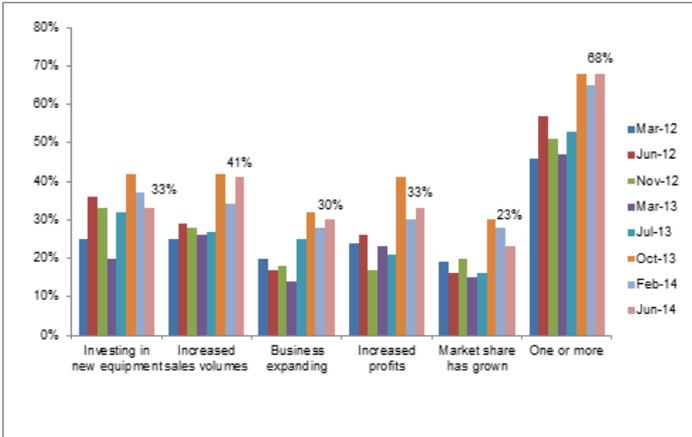


UK business distress staying near record lows



Levels of UK business distress remain near records lows while UK business growth figures remain at record highs according to the latest Business Distress Index from R3, the Insolvency Trade Body.

The long running survey shows that an equal record 68% of UK businesses are now showing at least one sign of growth while only 35% are showing one sign of distress, only slightly increased from February's record low of 33%.

There is still however an unbalance between north and south when it comes to the growth figures. In the South businesses showing at least one sign of growth are at 73%, this drops to 69% in the Midlands and again to 59% in the North.

This corresponds closely with the business distress figures with 34% of business in the South showing at least one sign of distress and only 30% in the Midlands. However this figure jumps dramatically to 43% of business showing at least one sign of distress in the North.

The Business Distress Index tracks the number of businesses that experience decreased profits, sales volumes, or market share, regularly use their maximum overdraft facility and those that are making redundancies. At the other end of the scale it also tracks the number of businesses that are investing in new equipment, are experiencing increased profits, sales volumes, market share or business growth.

R3 president Giles Frampton says: "While it's good to see growth continuing apace in all the UK's regions, Westminster needs to bear in mind the fact that the South is pulling further and further away from the rest of the country in terms of economic performance.

"The Business Distress Index continues to throw up some very positive results. It's encouraging that business growth isn't yet showing signs of decelerating and the pace of the recovery is being kept up."

"Businesses need to be on the lookout for any signs that they're overstretching themselves though. Sales, profits, and business expansion may be on the up, but if a business runs before it can walk then problems can emerge."

Giles Frampton adds: "Logistics, finance, cash flow, and the operational side of a business all need to keep up with a business' expansion, whether this is geographically or in terms of demand or sales."

"It's notable that the share of businesses using their maximum overdraft has been creeping upwards in recent months: some businesses may be using every last drop of credit to keep up with growth."

The Latest UK Personal Debt Statistics

- £54,701 was the average household debt (including mortgages) in May
- £160 million was the daily amount of interest paid on personal debt in May
- 6,519 debt problems were dealt with by the CAB each working day over the year to March
- 1,348 people were made redundant every day between February and April
- 791,000 people had been unemployed for over a year between February and April
- £7.3 million of loans are written off daily by UK Banks and Building Societies
- Every 20 minutes 15 seconds a property is repossessed
- Every 5 minutes 12 seconds someone is declared insolvent or bankrupt
- £1.557 billion was the daily value of all purchases made using plastic cards in April

Stats from The Money Charity

HMRC Tax evasion property raids on the increase

In its campaign to crack down on tax avoidance HMRC have raided a record number of homes in the past year according to research by Pinsent Masons.

Figures obtained by the law firm show an increase of 12% in the number of unannounced searches for the year ending 31 March 2014. HMRC made 500 raids on homes in the past 12 months up from 445 searches in 2012/13 and more than triple the amount of raids undertaken each year from 2008 to 2011.

The increase in property raids since 2011 are part of HMRC's larger plan to deliver its goal of increasing prosecutions for tax evasion. HMRC current target is to prosecute 1165 people for tax evasion in 2014/15; five times more than its target of 250 people in 2010.

Jason Collins, head of tax at Pinsent Masons, said: 'HMRC is making a huge effort to up the ante against tax evasion, raiding more properties and arresting more suspects to keep up with its criminal prosecutions target. HMRC is also casting their net wider, not only going after the very biggest suspected tax evaders but also increasingly targeting middle class professionals, like bankers and lawyers.'

Here are just a few reasons we should be your first choice for debt and cash flow problems

- Service – not only a great service, but an unrivalled one. Qualified and experienced staff with a 'can do' approach to getting the job done. A single point of contact for both introducer and client
- Cost Effective – higher targeted performance, free meetings and fewer costs
- Reciprocal Work – we believe in supporting those who support us and we do not compete
- Full range of financial, insolvency and restructuring solutions available
- Big enough to cope with the large jobs but small enough to care for everyone
- Experienced and qualified board of directors who care passionately about what we do and how we do it
- Focus Business Club – regular corporate events, newsletters, updates and blogs

There are concerns that property raids could increase if HMRC are successful in their plan to introduce a new 'strict liability' offence for failing to declare offshore income. This would make obtaining a warrant easier as there would no longer be a need to suspect tax evasion, only to show that tax was due and not declared.

Focus announce Helvellyn Charity Trek September 2014 for Derian House



Focus Insolvency Group are planning a charity trek in the Lake District in aid of a local charity very dear to our hearts; [Derian House Children's Hospice](#).

On September 20th nine members of our team are heading off to scale Helvellyn; the highest point in the eastern fells of the Lake District at 3,117 feet above sea level and the third highest peak in not only the Lakes; but in England.

We gratefully welcome donations of any amount to help the team raise much needed funds for Derian House. Please visit our Just Giving page which can be viewed [here](#), alternatively please contact [Andy Platt](#) if you would like to donate in a different way.

Contact Focus Insolvency Group

If any of your clients have been affected by the stories in our newsletter or need advice on any other matters, please feel free to contact us on 01257 257030 or email a.fisher@focusinsolvencygroup.co.uk

We pride ourselves on being the experts of choice for anyone struggling in business or with debt.

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