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# Focus Insolvency News

Issue 10 October 2012



## Hello

Hello and welcome to October's edition of Focus Insolvency News. Here at Focus Insolvency Group we've been having a busy time since our last newsletter, starting with completing our 5K mud run for charity; you can read all about how we got on below. We've also launched a brand new print newsletter version of our e-newsletter called 'Insolvency News' based on feedback and suggestions received from our readers. Please let me know if you would like a copy.

We are also very much looking forward to being at Wigan Business Expo tomorrow (12th October). If you're going to be there or you're in the area we'd love to meet you, stop by our stand and say hello! Details of the event can be found further down the newsletter.

As always, let us know your thoughts on any of the stories we feature or suggest anything you'd like to see in future issues of Focus Insolvency News by dropping me an email or you can contact us on our twitter or Google+ pages.



**Anthony Fisher MIPA, MABRP**  
*Licensed Insolvency Practitioner  
Managing Director*

## JJB plunged into administration

Wigan based JJB Sports has been placed into administration with the loss of 2,200 jobs and closure of 113 stores across the UK and Ireland.

Administrators were called in after attempts to sell the business failed, even though there were more than 100 interest parties including founder and former owner Dave Whelan.

Administrators have managed to sell only 20 stores, the brand and website to rival company Sports Direct for £24m; saving 550 jobs with a rebranding expected. Sports Directs will also get all of JJB's stock, the Slazenger golf brand licenses and the company headquarters in Wigan.

Shareholders are likely to receive nothing from the sales and supplies and landlords very little; with funds going to pay back some of JJB sports £45m in secured debts with Lloyds Banking group and other secured creditors. Shares were worth less than a penny when they were suspended.

JJB had already received investments in an attempt to keep it afloat and had also undergone successive restructuring of its debts to try and save it from administration, but never managed to fully recover from a series of bad acquisitions that left it saddled with large debts, and inexperience at management level that saw it fail to keep up with its competitors.

The timing of the administration has been seen by some as an attempt to avoid paying rent on the remaining 20 stores. Any rent owed to landlords at the time of administration is not taken into account as a cost of the process and has in the past meant that tenants could continue to use the property rent free until the end of the quarter.

JJB has been added to long list of well-known high street retailers feeling the sharp end of a double dip recession.

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## **Wonga Sponsorship Deal Criticised by Insolvency Trade Body**

Newcastle United have penned a four year deal with payday lending firm Wonga to be their new sponsors, a move which has seen the insolvency world provide heavy criticism. Insolvency figures show that the north east has the highest percentage of personal insolvencies in the country leading many to believe that the deal is wholly irresponsible, preying on the more vulnerable people and areas. This is despite the promise of investment from Wonga to projects such as the club's Foundation Enterprise Scheme; which helps 15-16 year olds find work, and their academy. Insolvency Trade body R3's president Lee Manning has commented:

"According to official figures, the north east has the highest personal insolvency rate of anywhere in the country, at 35.2 per 10,000 adults. This is compared to a rate of 29.6 in the North West and 17.5 in London.

"Wonga has chosen to target a region that has comparatively high numbers of people experiencing financial difficulty. Our experience tells us that many of those seeking high cost credit need professional advice for their financial problems, rather than accruing further debt."

Wonga, which provide short term loans with interest rates of 360% pa, will have their logo on all club shirts which has been seen as an irresponsible move towards its younger fans. Currently there are rules regarding the sponsorship names that can appear on youth shirts regarding gambling and alcohol companies but none that would prevent Wonga's logo appear on them.

Wonga has recently found itself under further scrutiny for adverts offering loans of up to £400 that appeared on a mobile phone app aimed at young children.

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### **FIG Blog: Options for Struggling Sole Traders and Partnerships**



We've looked previously at the options that limited companies have available to them if they are struggling; we've covered everything from turnaround advice, Company Voluntary Arrangements (CVA) and Liquidation. But what options are there for sole traders and partnerships that do not have the same kind of legal protections that being a limited company can bring?

You can read the [full article](#) and all our past articles and press releases on the [Focus Insolvency Group blog](#).

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## The Latest UK Personal Debt Statistics

- **£53,706** was the average household debt (including mortgages) in August
- **£164m** was the daily amount of interest paid on personal debt in August
- **8,465** new debt problems were dealt with by the CAB each working day over the year to June
- **1,552 people** were made redundant every day between May and July
- **904,000 people** had been unemployed for over a year between May and July
- **£12.52m** of loans are written-off daily by UK Banks and Building Societies
- Every **15 min 30 seconds** a property is repossessed
- Every **4 min 49 seconds** someone will be declared insolvent or bankrupt
- **£1.357 billion** was the daily value of all plastic card purchases made in July

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## Digital Company Brochure Available

We would like to draw your attention to our digital company brochure. It can be viewed on our [website](#) or be downloaded as a PDF by clicking the icon on the right. We hope you find it a useful source of information about the services Focus Insolvency Group can offer to you and your clients.



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## Come and see us at Wigan Business Expo Tomorrow!



Wigan Business Expo Twenty12 will play host to Focus Insolvency Group tomorrow, October 12th from 8am to 3pm at the [DW Stadium](#).

Wigan Business Expo is the biggest business event in the Wigan Borough business calendar and a must attend event for any organisation in the borough, North West and beyond

Focus Insolvency Group will be exhibiting in the Greater Manchester Chamber of Commerce Lounge at stand W36. If you are attending or just in the area, please stop by and say hello, we look forward to meeting you there.

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## Wild Thing Charity Run



Thank you to everyone who supported us in our Wild Thing mud run challenge! You can read about the experience in our press release featured on our [blog](#).

It's not too late to sponsor the team for completing the 5K obstacle run. We've managed to raise an impressive £550 so far and our [Just Giving donation page](#) supporting [Derian House Children's Hospice](#) is still open, so dig deep, every penny counts!

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## 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 251319 or email [a.fisher@focusinsolvencygroup.co.uk](mailto:a.fisher@focusinsolvencygroup.co.uk)

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Headshot by [Eye of Rae Photography](#) ~ Other Images from [freedigitalphotos.net](#) and [X Runner](#)

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