

Equinox Global Inc

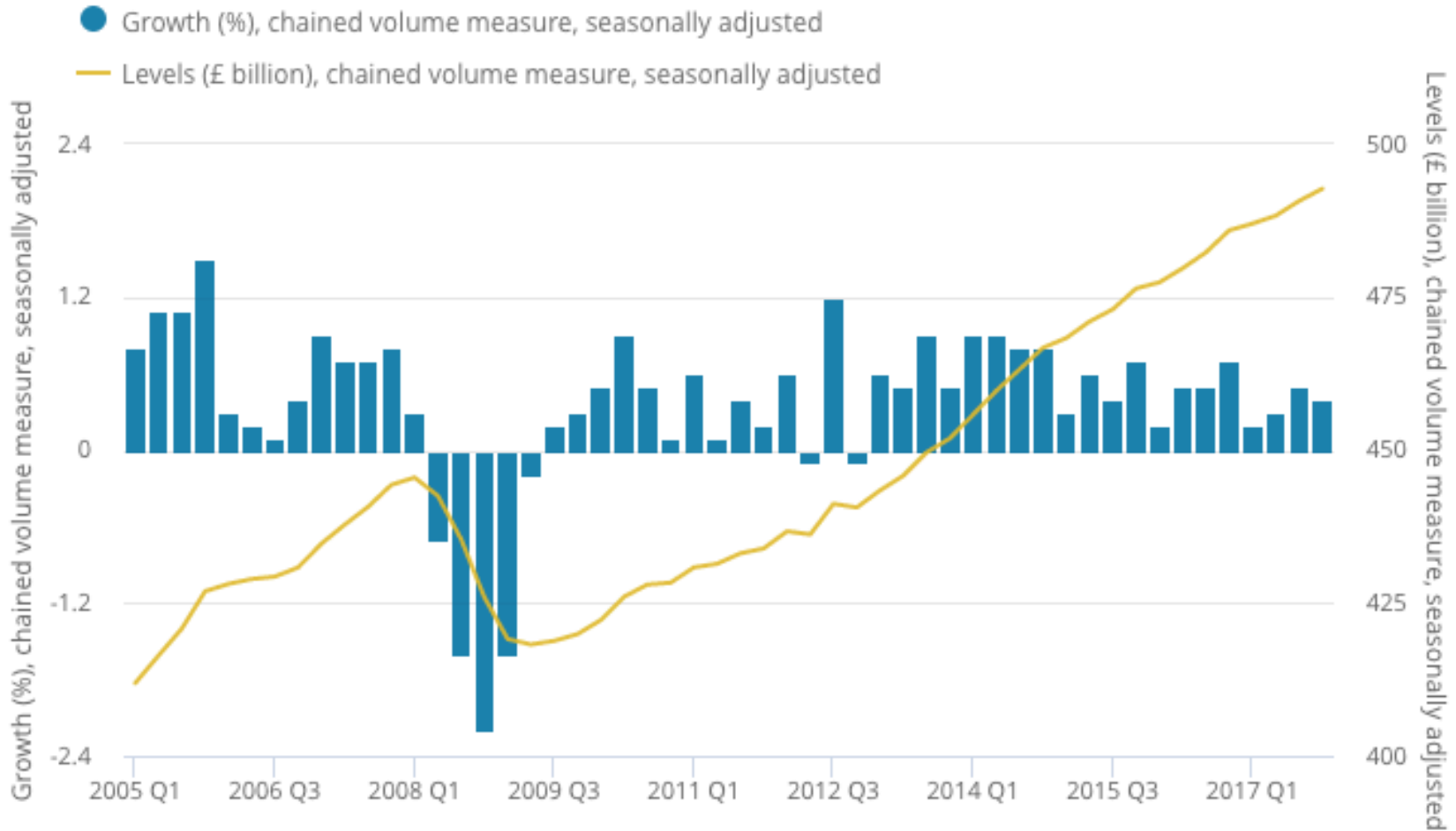
ATFA Seminar – Doing Business in the UK
March 2018



- Brexit
- Economic Growth
- Insolvency Statistics
- Sectors of Concern
- Types of Insolvency
- Types of Company
- Sources for Company/Financial Information
- Red Flags

- UK voted to leave the EU on June 23rd 2016
- Article 50 was triggered on March 30th 2017, giving the country 2 years to negotiate an exit
- Access to the EU is based upon four fundamental freedoms; The freedom of movement of goods, services, capital and people. Access to the EU is subject to a contribution to the EU budget and allowing the EU to set laws in the UK
- The FT sets out 6 potential Brexit scenarios:
 - No deal
 - A divorce only agreement
 - Limited tariff-free trade
 - Far-ranging trade deal
 - Customs Union
 - Single Market

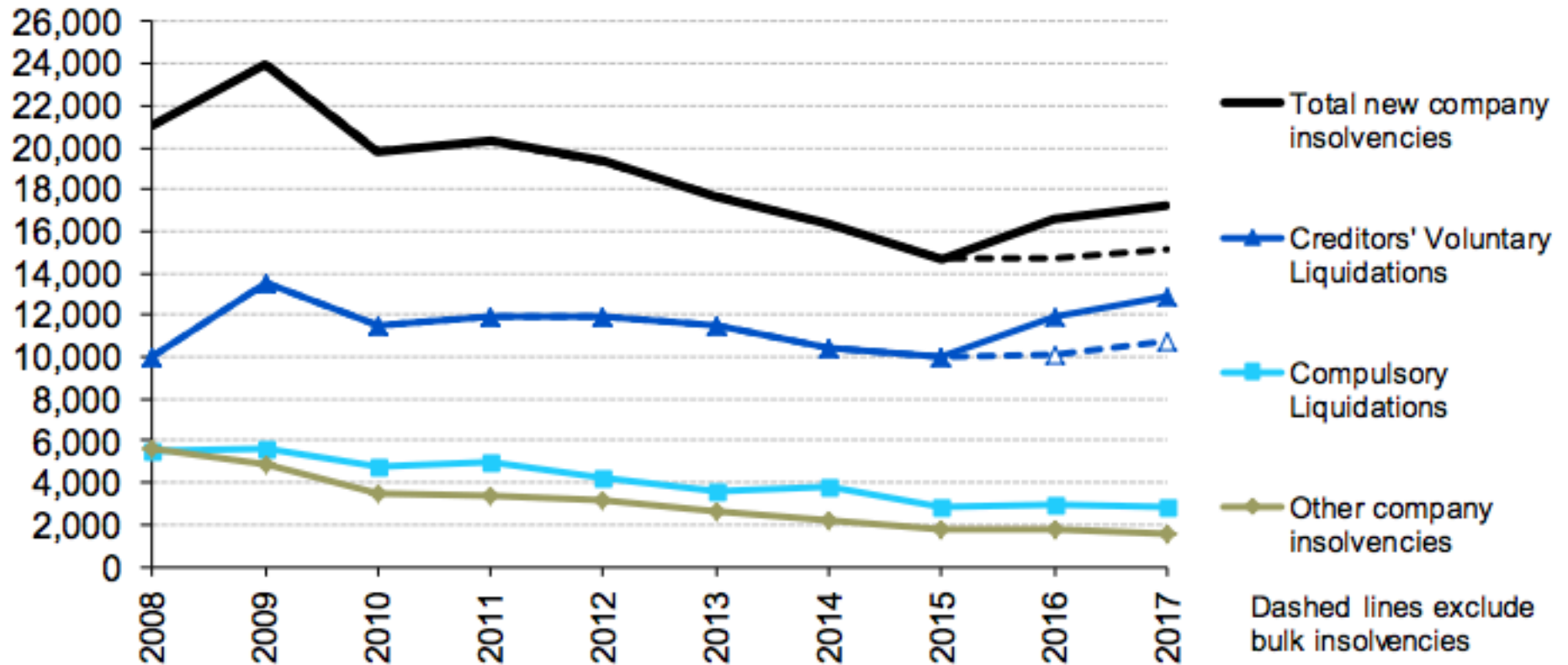
Quarter 1 (Jan to Mar) 2005 to Quarter 4 (Oct to Dec) 2017



Source: Office for National Statistics

Figure 1: Company insolvencies in England and Wales (annual data)

Source: Insolvency Service and Companies House. Excludes CVLs following administration.



Source: Insolvency Service and Companies House.

- **Construction**

- A number of large failures
- Fixed Price Contracts
- Rising Costs
- Order books hit by Brexit uncertainty
- Large failures: Carillion,

- **Retail**

- Structural change hitting traditional high street retailers
- Consumer confidence hit by Brexit
- Failures: Maplin, Toys R Us, Palmer & Harvey

Types of Insolvency

- Corporate Voluntary Arrangement (CVA, aka “pre-pack”)
- Corporate Voluntary Liquidation (CVL)
- Administration – equivalent to Chapter 11

Type of Company	Size	Liability?	Financial Disclosure
Sole Trader/Partnership	Small	Unlimited	None
Joint Venture	Depends	Limited	None
Private Limited Company	Medium Sized	Limited	Annual Financials
Public Limited Company	Large	Limited	Half Yearly Financials

- Auditors Statement – clean/qualified
- Going Concern Statement
- Performance Overview
- Groups/Links – towards the end

Sources for Company information

- Companies House: Webcheck: <http://wck2.companieshouse.gov.uk/>
- Companies House: Database of company info: <https://beta.companieshouse.gov.uk/>
- Company Watch, Experian, BvD (paid)
- Investigate: Listed company announcements and financials (Equivalent of the SEC)

- County Court Judgements (CCJ's)
- Previous CVA's
- Upcoming refinancing

Jack Woodruff

Jack.woodruff@equinoxglobal.com

D: +1 646 593 8683

M: +1 347 848 8926

