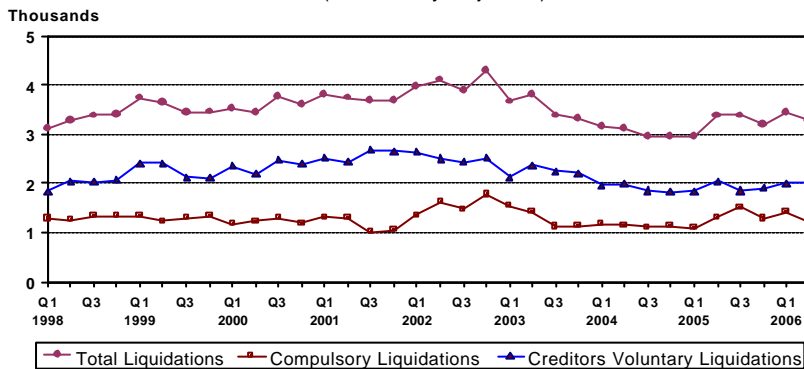


**STRICTLY EMBARGOED UNTIL 9.30 AM, 4 August 2006**

**STATISTICS RELEASE: INSOLVENCIES IN THE SECOND QUARTER 2006**

Statistics showing insolvencies in the second quarter 2006 are published today (4 August) by the Insolvency Service.

**Number of Company Liquidations in England and Wales**  
(Seasonally Adjusted)



Source: Insolvency Service

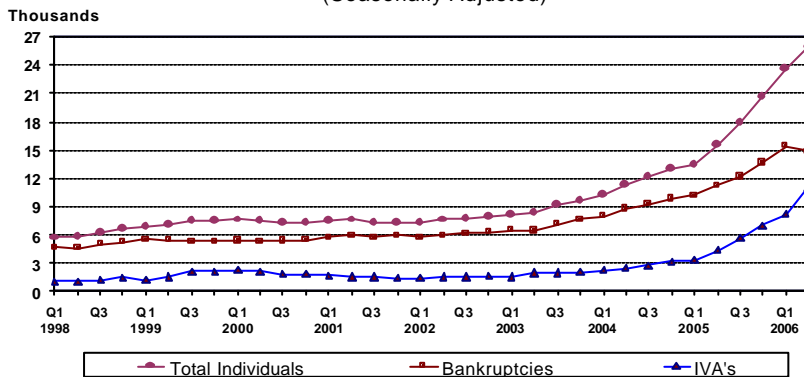
**COMPANY LIQUIDATIONS**

There were 3,265 liquidations in England and Wales in the second quarter of 2006 on a seasonally adjusted basis. This was a decrease of 4.9% on the previous quarter and a decrease of 3.3% on the same period a year ago.

This was made up of 1,226 compulsory liquidations, a decrease of 13.7% on the previous quarter and a decrease of 7.4% on the corresponding quarter of the previous year, and 2,038 creditors voluntary liquidations, an increase of 1.4% on the previous quarter and a decrease of 0.6% on the corresponding quarter of the previous year.

0.7% of active companies went into liquidation in the twelve months ended Q2 2006, the same as the previous quarter and the same as the corresponding quarter of 2005.

**Number of Individual Insolvencies in England and Wales**  
(Seasonally Adjusted)



Source: Insolvency Service

**INDIVIDUAL INSOLVENCIES**

There were 26,021 individual insolvencies in England and Wales in the second quarter of 2006 on a seasonally adjusted basis. This was an increase of 10.0% on the previous quarter and an increase of 66.3% on the same period a year ago.

This was made up of 14,915 bankruptcies, a decrease of 3.3% on the previous quarter and an increase of 32.5% on the corresponding quarter of the previous year, and 11,105 Individual Voluntary Arrangements (IVA's), an increase of 34.9% on the previous quarter and an increase of 153.2% on the corresponding quarter of the previous year.

## Number of Insolvencies in England and Wales (seasonally adjusted)

	2005 Q2	2005 Q3	2005 Q4	2006 Q1r	2006 Q2p	Percentage change	
						Q1 2006	Q2 2006 on: Q2 2005
<b>Company Liquidations</b>	<b>3,375</b>	<b>3,380</b>	<b>3,198</b>	<b>3,432</b>	<b>3,265</b>	<b>-4.9</b>	<b>-3.3</b>
of which: <b>Compulsory</b>	1,324	1,520	1,287	1,421	1,226	-13.7	-7.4
<b>Creditors</b>	2,052	1,860	1,911	2,011	2,038	1.4	-0.6
<b>Voluntary</b>							
<b>Individuals</b>	<b>15,645</b>	<b>17,793</b>	<b>20,679</b>	<b>23,653</b>	<b>26,021</b>	<b>10.0</b>	<b>66.3</b>
of which: <b>Bankruptcies</b>	11,259	12,182	13,675	15,418	14,915	-3.3	32.5
<b>IVA's</b>	4,386	5,611	7,004	8,235	11,105	34.9	153.2

p = provisional, r = revised

### Notes to Editors

1. The official Insolvency Statistics are the most comprehensive record of the number of corporate and individual insolvencies in England and Wales. Insolvencies in Scotland are also included, but these are shown separately as they are covered by separate legislation and defined differently.

2. The statistics are derived from administrative records of the DTI Insolvency Service and Companies House Executive Agencies. The figures for company liquidations are made up of compulsory liquidations (winding-up orders made by the courts) and creditors' voluntary liquidations registered at Companies House. Figures for individual insolvencies comprise bankruptcy orders and individual voluntary arrangements under the Insolvency Act 1986 and deeds of arrangement under the Deeds of Arrangement Act 1914. Individual voluntary arrangements and deeds of arrangement are now included under one column.

3. Company liquidations in England & Wales and Scotland are also presented broken down by industry. For bankruptcy orders, the self-employed are shown separately and with a similar industry breakdown. The industry breakdown for cases in England and Wales is only available one quarter in arrears of the headline series. Work is in hand to update the classification of new cases to the Standard Industrial Classification (SIC) 2003 to bring them into line with other official statistics, with a view to publishing new case statistics according to SIC2003 later this year.

4. Numbers of insolvencies are not directly comparable with numbers of new business formations. Statistics of business start-ups and closures that are directly comparable with each other have been assembled from VAT records and are published by the Department of Trade and Industry. The latest figures are those for 2004, and were issued in a DTI press notice on 12 October 2005. More detailed figures are available via the on-line database NOMIS. Additionally, analysis into the number of firms in the United Kingdom estimated the total number of businesses at the start of 2004 at 4.3 million.

5. The X11ARIMA program (developed by Statistics Canada) is used for the seasonal adjustment of the insolvency statistics, this being the recommended program within UK National Statistics.

6. A company or individual with debts that they are unable to pay as they fall due is said to be **insolvent**.

7. Insolvent companies are dealt with under the Insolvency Act of 1986. They can **either** be the subject of a **compulsory liquidation** (winding-up) order obtained from the Court by a creditor, member or director **or** themselves pass a resolution, subject to the approval of a creditors' meeting that the company be wound up voluntarily (**creditors voluntary liquidations**). In either case they are said to have been **wound-up**, and numbers are given in Tables 1 and 6. A third type of winding-up, members' voluntary liquidation, is not included because it does not involve insolvency.

8. The Insolvency Act 1986 also introduced the procedures of **company administration orders** and **company voluntary arrangements**. The administration procedure gives a period of time during which creditors are restrained from taking action and a court appointed administrator puts forward proposals to deal with the company's financial difficulties. The Company Voluntary Arrangement procedure aids business by enabling a company in financial difficulty to come to a binding agreement with its creditors. These are listed separately in Table 3.

9. The Enterprise Act 2002 introduced revisions to the corporate administration procedures, replacing Part II of the Insolvency Act 1986 with Schedule B1. These include the introduction of additional entry routes into administration that do not require the making of an administration order and a streamlined process for **Administrations** whereby a company can in some circumstances be dissolved without recourse to liquidation. The primary objective of administration (and of Company Voluntary Arrangements) is the rescue of the company as a going concern; where liquidation does result these cases will be recorded under the insolvency figures at Table 1. These provisions came into force on 15<sup>th</sup> September 2003 and **Administrations under the Enterprise Act** have been included on Table 3 from Q3 2003 (dissolution follows 3 months after a notice is filed with the Registrar of Companies, if no objections are raised by the court).

10. **Receivership appointments** comprise **administrative receivers** appointed under the 1986 Act and certain other receivership appointments, for example under the Law of Property Act 1925. Due to the use of the same statutory documentation for different types of receivership, it is not possible to give a breakdown between them. The provisions of the Enterprise Act 2002 (section 250) have made some changes to the procedures for administrative receivership from 15 September 2003.

11. For individuals the term **bankrupt** is used to indicate insolvency.

12. Insolvent individuals in England and Wales are dealt with mainly under the Insolvency Act 1986. A **bankruptcy order** is made on the petition of the debtor or one of his creditors when the Court is satisfied that there is no prospect of the debt being paid. (Figures for bankruptcy orders include **administration orders**, which are bankruptcy orders relating to the estate of a deceased debtor). On 1 April 2004 there was an increase in the amount of the petition deposit required before a bankruptcy order can be made. There was a significant rise in the number of bankruptcy orders made in the last two weeks before the increase in petition deposits became effective. There are also **individual voluntary arrangements** and **deeds of arrangement**, which enable debtors to come to an agreement with their creditors. Table 2 summarises all of the above types of individual insolvencies.

13. Insolvent individuals in Scotland are subject to **sequestration** (bankruptcy) or **protected trust deeds** under the Bankruptcy (Scotland) Act 1985 (as amended). The Act was amended by the Bankruptcy (Scotland) Act 1993. Protected trust deeds are voluntary

arrangements in Scotland, but although they fulfil much the same role as individual voluntary arrangements, there are important differences in the way they are set up and administered. Details of both sequestrations and protected trust deeds are found on the register of insolvencies which is maintained by the Accountant in Bankruptcy. Further information about insolvency in Scotland can be found on the Accountant's website at [www.aib.gov.uk](http://www.aib.gov.uk).

14. Under the Insolvency Act 1986 and the Insolvent Partnerships Order, insolvent partnerships may be wound up like an unregistered company or administered following bankruptcy orders against the partners. Insolvent Partnerships can also enter administration or a voluntary arrangement.

15. Details of insolvency research and evaluation can be found on the Insolvency Service website at [www.insolvency.gov.uk/insolvencyprofessionandlegislation/insolvencylaw.htm](http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/insolvencylaw.htm)

### **National Statistics**

National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.

You can find a range of National Statistics on the Internet – [www.statistics.gov.uk](http://www.statistics.gov.uk)

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Out of hours cover

## 1. COMPANY LIQUIDATIONS\* IN ENGLAND AND WALES

		Not Seasonally Adjusted			Seasonally Adjusted		
Years	Total	Compulsory Liquidations	Creditors' Voluntary Liquidations	Total	Compulsory Liquidations	Creditors' Voluntary Liquidations	
<b>1998</b>	13,203	5,216	7,987				
<b>1999</b>	14,280	5,209	9,071				
<b>2000</b>	14,317	4,925	9,392				
<b>2001</b>	14,972	4,675	10,297				
<b>2002</b>	16,306	6,231	10,075				
<b>2003</b>	14,184	5,234	8,950				
<b>2004</b>	12,192	4,584	7,608				
<b>2005</b>	12,893	5,233	7,660				
<b>1998</b>	Q1	3,265	1,333	1,932	3,123	1,289	1,834
	Q2	3,251	1,312	1,939	3,291	1,250	2,041
	Q3	3,323	1,275	2,048	3,373	1,339	2,035
	Q4	3,364	1,296	2,068	3,416	1,338	2,078
<b>1999</b>	Q1	3,912	1,379	2,533	3,741	1,334	2,407
	Q2	3,590	1,294	2,296	3,653	1,234	2,420
	Q3	3,376	1,240	2,136	3,428	1,303	2,125
	Q4	3,402	1,296	2,106	3,458	1,339	2,119
<b>2000</b>	Q1	3,637	1,210	2,427	3,522	1,178	2,344
	Q2	3,370	1,300	2,070	3,431	1,242	2,189
	Q3	3,709	1,231	2,478	3,775	1,306	2,469
	Q4	3,601	1,184	2,417	3,589	1,198	2,391
<b>2001</b>	Q1	3,943	1,359	2,584	3,831	1,315	2,516
	Q2	3,684	1,348	2,336	3,744	1,301	2,443
	Q3	3,640	940	2,700	3,699	1,009	2,690
	Q4	3,705	1,028	2,677	3,698	1,051	2,647
<b>2002</b>	Q1	4,141	1,408	2,733	3,992	1,363	2,629
	Q2	4,066	1,679	2,387	4,117	1,614	2,502
	Q3	3,808	1,390	2,418	3,899	1,477	2,422
	Q4	4,291	1,754	2,537	4,298	1,777	2,521
<b>2003</b>	Q1	3,797	1,585	2,212	3,672	1,543	2,129
	Q2	3,767	1,470	2,297	3,795	1,421	2,374
	Q3	3,314	1,075	2,239	3,380	1,131	2,249
	Q4	3,306	1,104	2,202	3,337	1,138	2,199
<b>2004</b>	Q1	3,248	1,208	2,040	3,140	1,176	1,964
	Q2	3,108	1,197	1,911	3,130	1,153	1,977
	Q3	2,900	1,061	1,839	2,959	1,110	1,850
	Q4	2,936	1,118	1,818	2,963	1,146	1,818
<b>2005</b>	Q1	3,010	1,101	1,909	2,940	1,103	1,837
	Q2	3,407	1,422	1,985	3,375	1,324	2,052
	Q3	3,306	1,454	1,852	3,380	1,520	1,860
	Q4	3,170	1,256	1,914	3,198	1,287	1,911
<b>2006</b>	Q1	3,564	1,473	2,091	3,432 r	1,421 r	2,011 r
	Q2 p	3,235	1,263	1,972	3,265	1,226	2,038
<b>Percentage change, latest qtr on corresponding qtr of previous year</b>							
<b>2006</b>	Q2 p	-5.0	-11.2	-0.7	-3.3	-7.4	-0.6

\* including partnerships.

p provisional.

r revised, reflecting update of seasonally adjusted figures.

## 2. INDIVIDUAL INSOLVENCIES IN ENGLAND AND WALES

Not Seasonally Adjusted				Seasonally Adjusted			
Years	Total	Bankruptcy Orders	Individual Voluntary Arrangements *	Total	Bankruptcy Orders	Individual Voluntary Arrangements *	
<b>1998</b>	24,549	19,647	4,902				
<b>1999</b>	28,806	21,611	7,195				
<b>2000</b>	29,528	21,550	7,978				
<b>2001</b>	29,775	23,477	6,298				
<b>2002</b>	30,587	24,292	6,295				
<b>2003</b>	35,604	28,021	7,583				
<b>2004</b>	46,650	35,898	10,752				
<b>2005</b>	67,584	47,291	20,293				
<b>1998</b>	Q1	5,953	4,938	1,015	5,746	4,697	1,049
	Q2	5,855	4,755	1,100	5,776	4,676	1,100
	Q3	6,380	5,113	1,267	6,306	5,075	1,231
	Q4	6,361	4,841	1,520	6,721	5,199	1,522
<b>1999</b>	Q1	7,025	5,799	1,226	6,785	5,511	1,275
	Q2	7,120	5,527	1,593	7,042	5,441	1,601
	Q3	7,592	5,365	2,227	7,503	5,334	2,169
	Q4	7,069	4,920	2,149	7,476	5,326	2,150
<b>2000</b>	Q1	7,837	5,667	2,170	7,612	5,361	2,251
	Q2	7,532	5,414	2,118	7,440	5,326	2,114
	Q3	7,316	5,451	1,865	7,200	5,393	1,808
	Q4	6,843	5,018	1,825	7,276	5,471	1,805
<b>2001</b>	Q1	7,750	6,078	1,672	7,480	5,741	1,739
	Q2	7,714	6,115	1,599	7,594	6,001	1,593
	Q3	7,434	5,817	1,617	7,308	5,751	1,557
	Q4	6,877	5,467	1,410	7,393	5,985	1,409
<b>2002</b>	Q1	7,411	6,027	1,384	7,280	5,836	1,444
	Q2	7,861	6,269	1,592	7,592	6,002	1,590
	Q3	7,892	6,249	1,643	7,772	6,177	1,595
	Q4	7,423	5,747	1,676	7,944	6,278	1,666
<b>2003</b>	Q1	8,426	6,912	1,514	8,117	6,547	1,570
	Q2	8,889	6,948	1,941	8,699	6,741	1,958
	Q3	9,291	7,221	2,070	9,156	7,148	2,007
	Q4	8,998	6,940	2,058	9,632	7,584	2,048
<b>2004</b>	Q1	10,665	8,524	2,141	10,284	8,070	2,214
	Q2	11,535	9,060	2,475	11,243	8,750	2,493
	Q3	12,227	9,315	2,912	12,070	9,245	2,825
	Q4	12,223	8,999	3,224	13,053	9,834	3,220
<b>2005</b>	Q1	13,190	10,188	3,002	13,467	10,175	3,292
	Q2	16,873	12,338	4,535	15,645	11,259	4,386
	Q3	18,010	12,256	5,754	17,793	12,182	5,611
	Q4	19,511	12,509	7,002	20,679	13,675	7,004
<b>2006</b>	Q1	23,939	16,283	7,656	23,653 r	15,418 r	8,235 r
	Q2 p	26,722	15,489	11,233	26,021	14,915	11,105
<b>Percentage change, latest qtr on corresponding qtr of previous year</b>							
<b>2006</b>	Q2 p	58.4	25.5	147.7	66.3	32.5	153.2

\* including Deeds of Arrangement

p provisional.

r revised, reflecting update of seasonally adjusted figures.

**3. ADMINISTRATIONS, COMPANY VOLUNTARY ARRANGEMENTS AND  
RECEIVERSHIPS IN ENGLAND AND WALES REGISTERED AT  
COMPANIES HOUSE (not seasonally adjusted)**

Year		Receivership Appointments*	Administrator Appointments**	In Administration (Enterprise Act 2002)**	Company Voluntary Arrangements
<b>1998</b>		1,713	338		470
<b>1999</b>		1,618	440		475
<b>2000</b>		1,595	438		557
<b>2001</b>		1,914	698		597
<b>2002</b>		1,541	643		651
<b>2003</b>		1,261	497	247	726
<b>2004</b>		864	1	1,601	597
<b>2005</b>		590	4	2,257	604
<b>1998</b>	Q1	516	85		54
	Q2	395	46		127
	Q3	443	105		153
	Q4	359	102		136
<b>1999</b>	Q1	419	193		106
	Q2	397	81		128
	Q3	375	64		120
	Q4	427	102		121
<b>2000</b>	Q1	454	89		124
	Q2	429	135		160
	Q3	355	101		121
	Q4	357	113		152
<b>2001</b>	Q1	649	125		132
	Q2	435	141		163
	Q3	369	146		141
	Q4	461	286		161
<b>2002</b>	Q1	455	176		151
	Q2	346	151		151
	Q3	377	162		181
	Q4	363	154		168
<b>2003</b>	Q1	315	160		178
	Q2	298	167		165
	Q3	334	154	14	171
	Q4	314	16	233	212
<b>2004</b>	Q1	224	1	331	176
	Q2	199	0	392	154
	Q3	203	0	421	137
	Q4	238	0	457	130
<b>2005</b>	Q1	114	0	489	179
	Q2	167	4	568	183
	Q3	170	0	620	130
	Q4	139	0	580	112
<b>2006</b>	Q1	180	0	753	124
	Q2 p	153	0	653	147

p provisional

\*Includes administrative receiverships and others, for example under the Law of Property Act 1925

\*\* See paragraph 8 of the Press Release "Notes to Editors" for changes wef 15 September 2003 under the Enterprise Act 2002

#### 4. COMPANY LIQUIDATIONS\* IN ENGLAND AND WALES - INDUSTRIAL ANALYSIS

##### NOT SEASONALLY ADJUSTED

INDUSTRY	1998	1999	2000	2001	2002	2003	2004	2005	2005				2006
									Q1	Q2	Q3	Q4	Q1
<i>AGRICULTURE AND HORTICULTURE</i>	65	75	67	90	76	52	35	35	7	8	9	11	12
<i>MANUFACTURING</i>													
Food, drink and tobacco	89	67	104	71	61	69	38	43	11	9	12	11	9
Chemicals	57	35	61	37	46	30	21	34	8	11	12	3	8
Metals and engineering	594	698	683	704	739	828	630	591	147	149	153	142	127
Textiles and clothing	526	419	423	320	304	244	168	172	43	42	50	37	45
Timber and furniture	149	190	187	199	179	92	69	85	17	23	25	20	16
Paper, printing and publishing	426	387	386	484	545	376	291	253	59	68	59	67	81
Other	652	780	678	717	768	430	379	441	97	120	136	88	100
<b>TOTAL</b>	<b>2,493</b>	<b>2,576</b>	<b>2,522</b>	<b>2,532</b>	<b>2,642</b>	<b>2,069</b>	<b>1,596</b>	<b>1,619</b>	<b>382</b>	<b>422</b>	<b>447</b>	<b>368</b>	<b>386</b>
<i>CONSTRUCTION AND TRANSPORT</i>													
Construction	1,325	1,529	1,474	1,509	1,840	1,728	1,653	1,775	429	453	440	453	517
Transport and Communication	504	443	526	481	652	694	596	624	153	166	152	153	150
<b>TOTAL</b>	<b>1,829</b>	<b>1,972</b>	<b>2,000</b>	<b>1,990</b>	<b>2,492</b>	<b>2,422</b>	<b>2,249</b>	<b>2,399</b>	<b>582</b>	<b>619</b>	<b>592</b>	<b>606</b>	<b>667</b>
<i>WHOLESALE</i>													
Food, drink and tobacco	139	187	150	125	142	108	124	82	26	17	22	17	23
Motor vehicles	60	38	29	24	64	208	210	198	46	40	47	65	72
Other	364	394	391	363	512	788	486	487	118	141	114	114	124
<b>TOTAL</b>	<b>563</b>	<b>619</b>	<b>570</b>	<b>512</b>	<b>718</b>	<b>1,104</b>	<b>820</b>	<b>767</b>	<b>190</b>	<b>198</b>	<b>183</b>	<b>196</b>	<b>219</b>
<i>RETAILING</i>													
Food, drink and tobacco	186	193	200	114	132	159	121	176	42	47	41	46	45
Motor vehicles and filling stations	120	142	141	172	174	59	45	59	19	8	13	19	12
Other	847	919	853	833	902	578	548	626	160	160	156	150	194
<b>TOTAL</b>	<b>1,153</b>	<b>1,254</b>	<b>1,194</b>	<b>1,119</b>	<b>1,208</b>	<b>796</b>	<b>714</b>	<b>861</b>	<b>221</b>	<b>215</b>	<b>210</b>	<b>215</b>	<b>251</b>
<i>SERVICES</i>													
Insurance	101	118	57	28	35	48	49	60	14	18	16	12	13
Other financial & business services	1,617	1,831	1,605	1,618	3,215	3,886	3,392	3,462	775	931	934	822	869
Hotels and Catering	626	562	530	538	740	566	511	584	132	145	148	159	192
<b>TOTAL</b>	<b>2,344</b>	<b>2,511</b>	<b>2,192</b>	<b>2,184</b>	<b>3,990</b>	<b>4,500</b>	<b>3,952</b>	<b>4,106</b>	<b>921</b>	<b>1,094</b>	<b>1,098</b>	<b>993</b>	<b>1,074</b>
<i>OTHERS</i>													
	4,756	5,273	5,772	6,545	5,180	3,241	2,826	3,106	707	851	767	781	955
<b>TOTAL</b>	<b>13,203</b>	<b>14,280</b>	<b>14,317</b>	<b>14,972</b>	<b>16,306</b>	<b>14,184</b>	<b>12,192</b>	<b>12,893</b>	<b>3,010</b>	<b>3,407</b>	<b>3,306</b>	<b>3,170</b>	<b>3,564</b>

\* including partnerships.

## 5. BANKRUPTCIES IN ENGLAND AND WALES - INDUSTRIAL ANALYSIS

### NOT SEASONALLY ADJUSTED

INDUSTRY	1998	1999	2000	2001	2002	2003	2004	2005	2005				2006	
									Q1	Q2	Q3	Q4	Q1	
<b>SELF EMPLOYED</b>														
<i>AGRICULTURE AND HORTICULTURE</i>	157	183	173	183	132	151	204	195		51	68	39	37	58
<i>MANUFACTURING</i>														
Food, drink and tobacco	21	17	18	10	19	14	7	15		5	3	4	3	3
Chemicals	7	4	2	2	6	2	6	2		0	1	0	1	0
Metals and engineering	378	385	306	339	257	242	376	228		52	62	76	38	65
Textiles and clothing	81	87	81	75	33	46	27	28		6	12	4	6	13
Timber and furniture	96	94	90	88	59	82	65	82		17	18	23	24	21
Paper, printing and publishing	101	112	80	75	70	58	63	67		19	24	15	9	16
Other	110	111	84	79	111	100	90	140		33	27	42	38	30
<b>TOTAL</b>	<b>794</b>	<b>810</b>	<b>661</b>	<b>668</b>	<b>555</b>	<b>544</b>	<b>634</b>	<b>562</b>		<b>132</b>	<b>147</b>	<b>164</b>	<b>119</b>	<b>148</b>
<i>CONSTRUCTION AND TRANSPORT</i>														
Construction	1,919	1,911	1,741	1,783	1,637	1,781	1,658	1,976		474	500	531	471	617
Transport and communication	1,060	1,187	1,120	1,134	1,095	1,116	1,249	1,334		297	391	330	316	382
<b>TOTAL</b>	<b>2,979</b>	<b>3,098</b>	<b>2,861</b>	<b>2,917</b>	<b>2,732</b>	<b>2,897</b>	<b>2,907</b>	<b>3,310</b>		<b>771</b>	<b>891</b>	<b>861</b>	<b>787</b>	<b>999</b>
<i>WHOLESALE</i>														
Food, drink and tobacco	53	45	49	40	48	33	28	29		2	2	15	10	10
Motor vehicles	20	22	29	20	14	15	13	12		4	4	0	4	3
Other	92	83	83	61	44	47	40	40		11	12	7	10	14
<b>TOTAL</b>	<b>165</b>	<b>150</b>	<b>161</b>	<b>121</b>	<b>106</b>	<b>95</b>	<b>81</b>	<b>81</b>		<b>17</b>	<b>18</b>	<b>22</b>	<b>24</b>	<b>27</b>
<i>RETAILING</i>														
Food, drink and tobacco	514	438	424	347	311	251	280	256		55	77	58	66	70
Motor vehicles and filling stations	238	241	237	199	138	128	136	121		22	33	35	31	36
Other	971	1,032	801	792	680	609	621	772		162	173	233	204	243
<b>TOTAL</b>	<b>1,723</b>	<b>1,711</b>	<b>1,462</b>	<b>1,338</b>	<b>1,129</b>	<b>988</b>	<b>1,037</b>	<b>1,149</b>		<b>239</b>	<b>283</b>	<b>326</b>	<b>301</b>	<b>349</b>
<i>SERVICES</i>														
Insurance	79	54	45	39	31	24	28	22		3	9	6	4	7
Other financial & business services	1,057	1,162	1,127	1,107	1,057	1,023	1,242	1,416		338	368	385	325	386
Hotels and catering	1,309	1,376	1,263	1,187	1,041	1,038	951	1,125		202	271	278	374	308
<b>TOTAL</b>	<b>2,445</b>	<b>2,592</b>	<b>2,435</b>	<b>2,333</b>	<b>2,129</b>	<b>2,085</b>	<b>2,221</b>	<b>2,563</b>		<b>543</b>	<b>648</b>	<b>669</b>	<b>703</b>	<b>701</b>
<i>OTHER</i>	2,157	2,179	2,199	2,279	2,071	2,379	2,480	2,979		693	780	769	737	868
<b>TOTAL SELF EMPLOYED</b>	<b>10,420</b>	<b>10,723</b>	<b>9,952</b>	<b>9,839</b>	<b>8,854</b>	<b>9,139</b>	<b>9,564</b>	<b>10,839</b>		<b>2,446</b>	<b>2,835</b>	<b>2,850</b>	<b>2,708</b>	<b>3,150</b>
<b>OTHER INDIVIDUALS</b>														
Employees	3,141	4,357	4,601	5,525	5,900	7,101	9,528	13,626		2,774	3,449	3,623	3,780	5,155
No occupation and unemployed	3,384	4,457	4,856	5,848	6,965	8,978	12,643	17,105		3,681	4,304	4,532	4,588	6,035
Directors & promoters of companies	272	330	296	328	323	420	458	503		113	137	97	156	117
Occupation unknown	2,430	1,744	1,845	1,937	2,250	2,383	3,705	5,218		1,174	1,613	1,154	1,277	1,826
<b>TOTAL OTHER INDIVIDUALS</b>	<b>9,227</b>	<b>10,888</b>	<b>11,598</b>	<b>13,638</b>	<b>15,438</b>	<b>18,882</b>	<b>26,334</b>	<b>36,452</b>		<b>7,742</b>	<b>9,503</b>	<b>9,406</b>	<b>9,801</b>	<b>13,133</b>
<b>TOTAL BANKRUPTCIES</b>	<b>19,647</b>	<b>21,611</b>	<b>21,550</b>	<b>23,477</b>	<b>24,292</b>	<b>28,021</b>	<b>35,898</b>	<b>47,291</b>		<b>10,188</b>	<b>12,338</b>	<b>12,256</b>	<b>12,509</b>	<b>16,283</b>

## 6. INSOLVENCIES IN SCOTLAND (not seasonally adjusted)

Years	Individuals			Companies			
	Total	Sequestrations	Protected Trust Deeds	Total	Compulsory Liquidations	Creditors' Voluntary Liquidations	
<b>1998</b>	4,465	3,016	1,449	566	338	228	
<b>1999</b>	5,339	3,195	2,144	572	364	208	
<b>2000</b>	5,766	2,965	2,801	583	344	239	
<b>2001</b>	6,827	3,048	3,779	602	378	224	
<b>2002</b>	8,389	3,215	5,174	788	556	232	
<b>2003</b>	8,780	3,328	5,452	631	436	195	
<b>2004</b>	9,321	3,297	6,024	621	431	190	
<b>2005</b>	11,846	4,965	6,881	569	420	149	
<b>1998</b>	Q1	1,016	702	314	150	79	71
	Q2	1,171	756	415	151	93	58
	Q3	1,172	830	342	124	82	42
	Q4	1,106	728	378	141	84	57
<b>1999</b>	Q1	1,213	776	437	153	83	70
	Q2	1,311	807	504	136	89	47
	Q3	1,451	842	609	144	98	46
	Q4	1,364	770	594	139	94	45
<b>2000</b>	Q1	1,395	751	644	136	75	61
	Q2	1,527	751	776	153	92	61
	Q3	1,391	712	679	139	85	54
	Q4	1,453	751	702	155	92	63
<b>2001</b>	Q1	1,503	709	794	166	102	64
	Q2	1,746	750	996	141	82	59
	Q3	1,881	839	1,042	108	75	33
	Q4	1,697	750	947	187	119	68
<b>2002</b>	Q1	1,858	832	1,026	240	170	70
	Q2	2,136	797	1,339	175	123	52
	Q3	2,247	834	1,413	184	139	45
	Q4	2,148	752	1,396	189	124	65
<b>2003</b>	Q1	2,015	799	1,216	183	133	50
	Q2	2,189	858	1,331	168	118	50
	Q3	2,367	845	1,522	154	109	45
	Q4	2,209	826	1,383	126	76	50
<b>2004</b>	Q1	2,154	720	1,434	153	95	58
	Q2	2,160	851	1,309	147	110	37
	Q3	2,441	923	1,518	168	113	55
	Q4	2,566	803	1,763	153	113	40
<b>2005</b>	Q1	2,462	908	1,554	140	103	37
	Q2	2,830	1,307	1,523	159	120	39
	Q3	3,593	1,461	2,132	151	115	36
	Q4	2,961	1,289	1,672	119	82	37
<b>2006</b>	Q1	3,111	1,241	1,870	128	96	32
	Q2 p	3,544	1,305	2,239	133	99	34
<b>Percentage change, latest qtr on corresponding qtr of previous year</b>							
<b>2006</b>	Q2 p	25.2	-0.2	47.0	-16.4	-17.5	-12.8

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The Bankruptcy (Scotland) Act 1993, amending the Bankruptcy (Scotland) Act 1985, came into force on 1 April 1993 and will have affected the number of sequestrations in the Scottish Courts from the second quarter of 1993 onwards.

## 7. COMPANY LIQUIDATIONS IN SCOTLAND - INDUSTRIAL ANALYSIS

### NOT SEASONALLY ADJUSTED

INDUSTRY	1998	1999	2000	2001	2002	2003	2004	2005	2005		2006		
									Q2	Q3	Q4	Q1	Q2p
<i>AGRICULTURE AND HORTICULTURE</i>	11	5	8	9	2	5	1	3	0	1	1	0	0
<b>MANUFACTURING</b>													
Food, drink and tobacco	17	4	4	5	6	6	6	4	4	0	0	1	0
Chemicals	6	1	3	6	1	0	0	0	0	0	0	0	0
Metals and engineering	28	15	28	20	24	20	14	16	5	4	3	0	1
Textiles and clothing	23	32	14	13	14	5	15	4	1	1	0	1	0
Timber and furniture	18	9	5	5	15	1	5	2	0	0	1	0	1
Paper, printing and publishing	15	14	6	9	15	13	8	6	1	2	3	0	2
Other	18	29	24	22	28	30	35	26	9	8	6	7	8
<b>TOTAL</b>	<b>125</b>	<b>104</b>	<b>84</b>	<b>80</b>	<b>103</b>	<b>75</b>	<b>83</b>	<b>58</b>	<b>20</b>	<b>15</b>	<b>13</b>	<b>9</b>	<b>12</b>
<b>CONSTRUCTION AND TRANSPORT</b>													
Construction	104	108	120	124	84	76	80	91	32	25	10	13	13
Transport and Communication	24	16	23	22	13	9	11	16	5	4	2	4	4
<b>TOTAL</b>	<b>128</b>	<b>124</b>	<b>143</b>	<b>146</b>	<b>97</b>	<b>85</b>	<b>91</b>	<b>107</b>	<b>37</b>	<b>29</b>	<b>12</b>	<b>17</b>	<b>17</b>
<b>WHOLESALE</b>													
Food, drink and tobacco	9	12	6	8	4	5	7	12	3	5	1	0	0
Motor vehicles	0	7	16	10	6	2	3	3	2	0	0	0	0
Other	20	16	25	24	17	18	20	18	4	4	5	2	3
<b>TOTAL</b>	<b>29</b>	<b>35</b>	<b>47</b>	<b>42</b>	<b>27</b>	<b>25</b>	<b>30</b>	<b>33</b>	<b>9</b>	<b>9</b>	<b>6</b>	<b>2</b>	<b>3</b>
<b>RETAILING</b>													
Food, drink and tobacco	1	8	5	2	8	2	6	9	5	2	0	0	1
Motor vehicles and filling stations	9	6	4	2	5	10	4	10	3	0	6	0	1
Other	18	34	33	24	27	31	28	34	10	8	7	12	8
<b>TOTAL</b>	<b>28</b>	<b>48</b>	<b>42</b>	<b>28</b>	<b>40</b>	<b>43</b>	<b>38</b>	<b>53</b>	<b>18</b>	<b>10</b>	<b>13</b>	<b>12</b>	<b>10</b>
<b>SERVICES</b>													
Insurance	6	7	4	8	4	11	4	7	0	6	1	1	1
Other financial & business services	60	54	44	88	79	59	116	69	12	24	24	17	40
Hotels and Catering	26	22	25	23	56	37	39	39	9	4	12	7	8
<b>TOTAL</b>	<b>92</b>	<b>83</b>	<b>73</b>	<b>119</b>	<b>139</b>	<b>107</b>	<b>159</b>	<b>115</b>	<b>21</b>	<b>34</b>	<b>37</b>	<b>25</b>	<b>49</b>
<b>OTHERS</b>	<b>153</b>	<b>173</b>	<b>186</b>	<b>178</b>	<b>380</b>	<b>291</b>	<b>219</b>	<b>200</b>	<b>54</b>	<b>53</b>	<b>37</b>	<b>63</b>	<b>42</b>
<b>TOTAL</b>	<b>566</b>	<b>572</b>	<b>583</b>	<b>602</b>	<b>788</b>	<b>631</b>	<b>621</b>	<b>569</b>	<b>159</b>	<b>151</b>	<b>119</b>	<b>128</b>	<b>133</b>

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**8. ANNUAL RATE OF COMPANY LIQUIDATIONS (for latest 12 months) - COMPANY LIQUIDATIONS AS A PERCENTAGE OF THE NUMBER OF COMPANIES REGISTERED**

		<b>England &amp; Wales</b>		<b>Scotland</b>	
		<u>% of Active Register</u>	<u>% of Total Register</u>	<u>% of Active Register</u>	<u>% of Total Register</u>
<b>1998</b>	Q1	1.2	1.0	0.8	0.7
	Q2	1.2	1.0	0.8	0.7
	Q3	1.2	1.0	0.8	0.7
	Q4	1.2	1.0	0.9	0.8
<b>1999</b>	Q1	1.2	1.1	0.8	0.8
	Q2	1.2	1.1	0.8	0.7
	Q3	1.2	1.1	0.8	0.8
	Q4	1.2	1.0	0.8	0.7
<b>2000</b>	Q1	1.1	1.0	0.8	0.7
	Q2	1.1	1.0	0.8	0.7
	Q3	1.1	1.0	0.8	0.7
	Q4	1.1	1.0	0.8	0.7
<b>2001</b>	Q1	1.1	1.0	0.8	0.7
	Q2	1.1	1.0	0.8	0.7
	Q3	1.1	1.0	0.7	0.7
	Q4	1.1	1.0	0.8	0.7
<b>2002</b>	Q1	1.1	1.0	0.9	0.8
	Q2	1.1	1.0	0.9	0.8
	Q3	1.1	1.0	1.0	0.9
	Q4	1.1	1.0	1.0	0.9
<b>2003</b>	Q1	1.1	1.0	0.9	0.8
	Q2	1.0	0.9	0.8	0.8
	Q3	1.0	0.9	0.8	0.7
	Q4	0.9	0.8	0.7	0.6
<b>2004</b>	Q1	0.8	0.8	0.6	0.6
	Q2	0.8	0.7	0.6	0.5
	Q3	0.7	0.7	0.6	0.5
	Q4	0.7	0.6	0.6	0.6
<b>2005</b>	Q1	0.7	0.6	0.6	0.5
	Q2	0.7	0.6	0.6	0.5
	Q3	0.7	0.6	0.6	0.5
	Q4	0.7	0.6	0.5	0.5
<b>2006</b>	Q1	0.7	0.6	0.5	0.5
	Q2 p	0.7	0.6	0.5	0.4

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Notes:

1. The total register includes companies being wound up or dormant.
2. Calculated from company liquidations in the latest twelve month period divided by the average number of companies in that period.