Background pattern

Description automatically generated

A magnifying glass over a graph

Description automatically generated

InfolinkGazette

Annual Report - 2023

Profit Warnings, HM Courts Filings, and Initial Stage Winding Up Petitions.

New analysis from InfolinkGazette confirms the number of Insolvency notices and Company profit warnings remains high.

**Profit Warnings:**

Figures released by InfolinkGazette confirm our prediction that company profit warnings would continue to rise in 2023.

In 2022, Profit warnings had already quadrupled, up from 65 in 2021 to 386 in 2022; an increase of over 490%.

As predicted, that number went up by 23.5% over the previous year to a new high of 477 profit warnings in 2023.

Our data confirms there were at least 150 instances of UK companies warning of a Material Uncertainty. 115 of these are stand-alone going concern events which accounted for nearly a third of all profit warnings in 2023.

127 warnings were instances where a company had revised their guidance, significantly. 30% of profit warnings cited impacted sales and 10% of profit warnings noted inflation and increased costs as the reason for the downturn in expectations. References to energy prices in the warnings tripled when compared to the previous year.

Ben Sims, Managing Director at Tech City Labs, the company behind InfolinkGazette commented:

"We knew 2022 was going to be a difficult year and all the data we have confirms that 2023 has seen things get worse for many businesses. Whilst profit warnings in Q4 2023 (76) were lower than the previous year indicating that things may be starting to level off (Q4 2022: 96), the overall picture suggests that we are still in the middle of a storm”

**HMCourts Filings:**

Debtor driven filings increased by 37% year on year from 1823 in 2022 to 2494 filings in 2023. Although the number of filings was slightly lower in Q4 2023 than in Q3, the data confirms that there was a 12% increase In Q4 2023 compared to Q4 2022.

As expected, for 2023 we saw Notices of Intention to Appoint an Administrator (1136) and Notice of Appointment to appoint an administrator (955) continue to make up the majority of notices filed.

Administration Applications went up by 46% from 155 in 2022 to 226 in 2023 and Company Voluntary Arrangements were up by 53% from 109 in 2022 to 167 in 2023.

The second half of 2022 saw the first occurrence of a Moratorium being filed since the start of 2021 (3 in total). As expected, this has increased to 10 Moratoriums during 2023.

**Initial Stage Winding Up Petitions:**

InfolinkGazette published figures showing a huge increase in Initial Stage Winding Up petitions in 2023. Up by 87% to 6494 filings in 2023, compared to 3465 filings the previous year.

S. Kaler, Head of Data & Operations at InfolinkGazette commented:

“The increase in Winding up Petitions continues to be driven by HMRC actioned filings. Numbers tripled from 982 petitions in 2022 compared to 2856 petitions brought by HMRC in 2023. Similarly, winding up Petitions not initiated by HMRC went up by 56% from 2483 in 2022 to 3638 in 2023. The picture remains tough for many businesses.”

InfolinkGazette collates this information and provides it to our clients as soon as it is available, helping our clients stay ahead of potential damage.

You can visit our website: [www.infolinkgazette.co.uk](about:blank) for more information or contact us at: sales@infolinkgazette.co.uk

Rebecca Halifax

*Commercial & Operations Director*

*M:* 07939 088 082

*E:* rebecca@techcitylabs.com