



The Insolvency
Service

Insolvency statistics: changes to the method for statistics on company insolvencies

Consultation

May 2015

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1 Summary

The Insolvency Service's statistics team is committed to continuous improvement of statistics on insolvencies, in collaboration with users of these statistics. To this end, we are consulting on changes to company insolvency statistics, which use data sourced from Companies House.

This consultation is likely to be most relevant to “expert” users of insolvency statistics.

Proposal 1: Change the method of counting company insolvencies

We have reviewed the method used to count the number of company insolvencies, and identified some weaknesses: some new insolvencies are captured in the statistics a long time after they began; and in a small number of cases insolvencies have been counted more than once.

We are consulting on whether to change the method, and have identified three alternative options:

- **Option 1** is to continue with the current method, which we do not recommend because of the weaknesses we have identified.
- **Option 2** would be similar to the existing method, but would eliminate any double counting and would ensure that company insolvencies are captured at the earliest possible date. The drawback in this option is that it would continue to count insolvencies in the time period in which they are registered, rather than when they actually begin. This means that the number of insolvencies in any one time period may be an over- or under-estimate of the actual figure, and turning points in the underlying trend may not be apparent until the quarter after they occur;
- **Option 3** would also eliminate double counting, and would count insolvencies in the period in which they actually begin. The drawback in this option is that around 10% of cases in any given calendar quarter are registered after the cut-off date for data extraction. We propose to use statistical methods to extrapolate from incomplete data, to provide an estimate of the latest statistics, and revise them the following quarter as data become almost complete.

Each of these options involves a quality trade-off: option 2 would provide “final” data more quickly, but at the expense of the accuracy of the number of insolvencies in any given time period. Option 3 would provide the most accurate statistics, but those for the most recent period would be estimated and would therefore have a degree of uncertainty.

Our recommended approach is to use **option 3**, because it would provide the most accurate data on the number of company insolvencies in any given period, albeit with estimated data for the most recent period. The statistics would also be consistent with those for compulsory liquidations, which are drawn from a different source.

We are seeking users' views on what further changes would be needed as a consequence of implementing one of these options, including the amount of historical data users would require, and how frequently the statistics should be revised.

Proposal 2: Change to statistics on receivership appointments

We are also consulting on changes to statistics on receivership appointments, which are mostly not formal insolvencies. We propose that we publish figures separately for administrative receiverships (formal insolvencies) and other receiverships. The latter would not be included in figures for total company insolvencies, but would still be available to users of the statistics.

2 How to respond

When responding please state whether you are doing so as an individual or whether you are representing the views of an organisation. If responding on behalf of an organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

This consultation was published on 29 May 2015 and will close on 30 June 2015. We encourage responses as early as possible to assist us in accelerating the process of considering replies.

A response can be submitted by email or letter to:

Email: statistics@insolvency.gsi.gov.uk

Post: Statistics Team, The Insolvency Service, 4 Abbey Orchard Street, London, SW1P 2HT

Telephone: 020 7637 6504

This consultation is relevant to insolvency practitioners, government officials, academics and anyone with an interest in data on company insolvency. The technical nature of the proposed changes mean that the consultation is likely to be most relevant to “expert” users of the statistics.

Additional copies

This consultation can be found at: www.gov.uk/insolvency-service. You may make additional copies without seeking permission. Under Cabinet Office guidelines consultations are digital by default but if required printed copies of the consultation document can be obtained using the contact details above.

Confidentiality and data protection

Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you would like information, including personal data that you provide, to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidentiality.

In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic disclaimer generated by your IT system, will not, of itself, be binding on The Insolvency Service.

Help with queries

Questions about the proposals outlined in the document can be addressed to the Statistics Team at The Insolvency Service (contact details as above).

What happens next?

The Statistics Team will consider the responses received in deciding how to best meet the needs of users. A response will be published on The Insolvency Service website at www.gov.uk/insolvency-service.

3 Proposal to change the method of counting company insolvencies

This consultation relates to statistics derived from data supplied by Companies House. Table 1 below shows which statistics on company insolvencies are included and excluded from this consultation.

Table 1: Statistics in the scope of this consultation

In scope	Out of scope
<i>England & Wales, Scotland and Northern Ireland</i> Creditors' voluntary liquidations (CVLs) Administrations Receiverships Company voluntary arrangements CVLs following administration <i>Scotland and Northern Ireland only</i> Compulsory liquidations	<i>England and Wales only</i> Compulsory liquidations (because statistics are based on administrative records held by the Insolvency Service)

3.1 How insolvency information is recorded at Companies House

It is a legal requirement that Companies House is notified of all company insolvencies, and of certain events during the insolvency. This is done by the licensed insolvency practitioner who is managing the insolvency, using certain forms as set out in the [Insolvency Rules](#) (as amended), and *Rules* for Scotland and Northern Ireland.

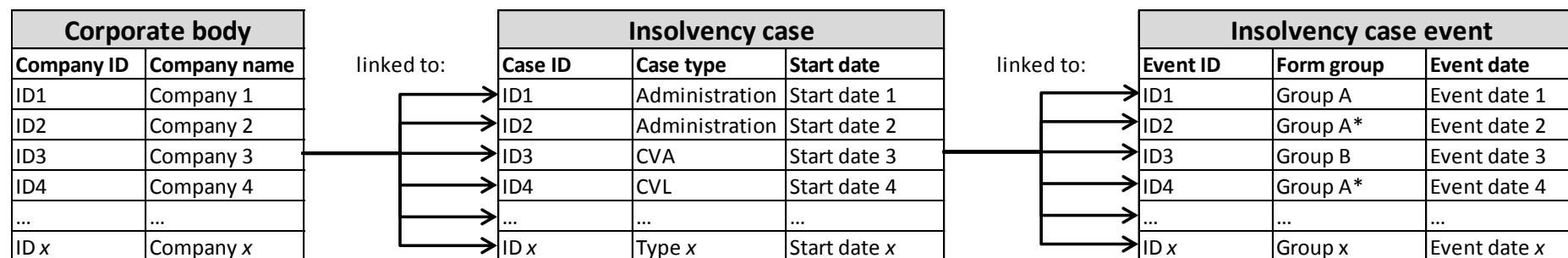
Certain forms are used to *initiate* insolvencies, and others provide information on *changes* or *progress*. Some forms are used both at the initiation stage, and again during the life cycle of the insolvency if appropriate, for example:

Creditors' voluntary liquidation (CVL)	<p>Forms used at the start of a CVL include:</p> <ul style="list-style-type: none"> 600 (appointment of liquidator) 4.20 (Statement of company's affairs) LRESEX (extraordinary resolution of shareholders to wind up the company) 2.34B (move from administration to CVL) <p>Other forms used during the course of the CVL include, among others:</p> <ul style="list-style-type: none"> 4.68 (liquidator's progress report) 4.72 (final meeting of creditors) <p>Form 600 can also be used partway through a CVL, if a new liquidator is appointed.</p>
Administration	<p>Forms used at the start of an administration include:</p> <ul style="list-style-type: none"> 2.12B (appointment of administrator) 2.16B (statement of affairs) <p>Other forms include, among others:</p> <ul style="list-style-type: none"> 2.24B (administrator's progress report) 2.17B (administrator's proposals) 2.23B (result of meeting of creditors) <p>Form 2.12B can also be used partway through administration, if new or additional administrators are appointed.</p>

These forms are registered by Companies House on its administrative database (CHIPS). The type of form and the date of registration are entered on the system. Depending on the specific form submitted, some of the content of the form may also be entered on the database (for example, the name and address of the insolvency practitioner managing the case).

The (simplified) structure of the relevant parts of the CHIPS database is shown in Figure 1.

Figure 1: Simplified structure of Companies House's insolvency database



One record per registered company.

(This also links to the table containing the company's industry classification, which is used to produce statistics by industry.)

One record per insolvency. A company can have multiple insolvencies over its lifetime, for example:

- Successive administrations
- Administration followed by CVA
- Administration followed by CVL

Sometimes a company can be in more than one type of insolvency at the same time (for example CVA and administration)

One record per event. For the purposes of this consultation, we have grouped these events as follows:

Group A – insolvency “initiation” forms. A new insolvency case cannot be created without one of these. But new forms in this group can also be added to existing insolvency cases.

Group A* – a subset of Group A. The specific set of forms currently used in the Insolvency Statistics as a proxy for new company insolvencies (see below).

Group B – “other” insolvency forms (progress reports etc.)

3.2 The case for changing the method of counting company insolvencies

In the Insolvency Statistics, the **registration of specific forms (Group A*)** is used as a **proxy** for company insolvencies. For example, CVLs are counted whenever form type LRESEX is registered; administrations are counted whenever form 2.12B is registered, and so on. Data are collated by Companies House on a monthly basis, and filtered to remove any duplicate companies in that monthly period. There is no checking of duplicates between periods.

This method has the following weaknesses:

- **Insolvencies are counted when forms are registered, rather than when the case started.** Forms initiating insolvency are usually registered by Companies House within a few weeks of the start date of the insolvency. In most cases, the insolvency is registered in the same calendar quarter. But in many cases it is registered in the next quarter (or later). This introduces potential **bias** in the statistics: when there is an increasing trend, the statistics for a given quarter will tend to be an *underestimate*; when there is a decreasing trend, the statistics for a given quarter will tend to be an *overestimate*.
- **Insolvency forms can change** as a result of changes to the *Insolvency Rules*, meaning that the list of forms used to query the database can become out of date.
- **Not all forms in Group A are used.** It is possible in a CVL for the liquidator to be appointed and the statement of affairs completed at the beginning of the insolvency (forms 600 and 4.20), but for the shareholders' resolution to wind up the company (LRESEX) to be registered much later. This means that the CVL is counted on the latter date, and not the former. In theory, if the LRESEX is never registered, then the CVL will never be counted under the current methodology.
- **Insolvencies can be counted more than once, in different time periods.** This occurs in administrations and receiverships, as the forms used as a proxy for these cases (appointment of administrator or receiver) are also used when there is a *change* or *addition* to the insolvency practitioner managing the case. This means that cases can be counted both at the start (the initial appointment), and at each subsequent appointment (if made in a different time period).

To illustrate the effects of these weaknesses, we have obtained data from Companies House showing the individual companies included in the Insolvency Statistics for January to March 2013 – i.e. those companies which had one or more of a specific set of forms registered in this period.

Note on aggregated data for the UK

We have aggregated data for the UK as a whole for simplicity in this analysis; however, UK figures are not included in the *Insolvency Statistics* as there are differences in law and policy for company insolvency for England and Wales, Scotland, and Northern Ireland.

In Q1 2013 in the UK, 4,129¹ companies were counted in CVL, administration, CVA, receivership, or CVL after administration. Most of these insolvencies (3,618 or 88%) also started in the January to March period. 511 (12%) did not; Table 2 gives a breakdown of those 511 cases.

- Most of these (438) can be classified as having been registered late, with the effect being greatest for CVAs – 17% of CVAs registered in Q1 2013 actually started before this period. Within these 438, most (387) had a start date in December 2012. Of the remainder, most had started slightly earlier in 2012.
- But 13 CVLs started between August 2008 and December 2011 – in these cases, the appointment of the liquidator and the statement of affairs had been registered at the beginning of the case, but the extraordinary resolution had not been registered until Q1 2013.
- About 3% of administrations, and about 10% of receiverships, were duplicate cases. They had all appointed new or additional administrators or receivers, and this had been registered in Q1 2013. The actual start dates for these 53 cases ranged from November 2003 to November 2012.
- A further 20 did not fall into either category.

Table 2: Analysis of errors in company insolvencies, United Kingdom, Q1 2013

Error type	Case type	Number of cases	% of cases ¹
Late	Creditors Voluntary Liquidation	300	11%
	Company voluntary arrangement	26	17%
	Administration	70	12%
	Receiver appointment	42	13%
Duplicate	Administration	21	3%
	Receiver appointment	32	10%
Other	Creditors Voluntary Liquidation	5	0%
	Company voluntary arrangement	7	5%
	Administration	3	0%
	Receiver appointment	4	1%
	CVL after administration	1	0%
Total		511	12%

¹ Percentage of total cases of that type in the period.

¹ The total published in the Insolvency Statistics for Q1 2013 is 4,142 – 13 more than the figure above. The difference is likely to be because this new extract was taken at a different point in time and for the quarter as a whole, so any duplicate cases between months have been removed.

3.3 Summary of options for counting company insolvencies

We have identified three options:

1. No change – keep the current method
2. Count using the “Insolvency Case Event” table, using the earliest Case Event Date associated with that case
3. **Recommended option:** count all objects in the “Insolvency Case” table, using the Case Start Date

The strengths and weaknesses of these options are summarised in Table 3, and described in further detail below. An illustrative comparison of methods in options 2 and 3 is shown in Figure 2.

Table 3: Summary of options for counting company insolvencies

	Option 1 (current method)	Option 2 (use earliest Case Event Date)	Option 3 (use Case Start Date)
Method	Count of specified insolvency forms (group A*) linked to date registered by Companies House.	Count of insolvency cases, linked to the date the first insolvency form (of any type) was registered by Companies House.	Count of insolvency cases, linked to the case start date entered by Companies House. Latest statistics extrapolated from incomplete data.
New time series required	No.	Yes – length to be determined as part of this consultation.	Yes – length to be determined as part of this consultation.
Scheduled revisions	None – nature of this method means that data will never be revised.	None – nature of this method means that data will never be revised.	Yes – first revision should capture nearly all cases which occurred in the period. Further revisions to be determined as part of this consultation.
Bias	Yes – late registration of cases could lead to cyclical bias.	Yes – late registration of cases could lead to cyclical bias.	No – insolvencies counted during period in which they began.
Double counting	Yes – receiverships and administrations. This is because of the insolvency forms specified in the database query.	No.	No.
Statistics by industry	Yes – available up to and including the latest quarter.	Yes – available up to and including the latest quarter.	Yes – but available with a lag of one quarter.
Best for...	Trends only (depending on the degree of double counting in any particular time period)	Trends only.	Levels and trends (though data for the most recent quarter estimated)

Figure 2: Illustrative comparison of options for counting company insolvencies in Q2 2014

Case ref	First "case event" date (Option 2)	Case start date (Option 3)
Case 1	2014 Q2	2013 Q4
Case 2	2014 Q2	2013 Q4
Case 3	2014 Q2	2013 Q4
Case 4	2014 Q2	2014 Q1
Case 5	2014 Q2	2014 Q1
Case 6	2014 Q2	2014 Q1
Case 7	2014 Q2	2014 Q1
Case 8	2014 Q2	2014 Q1
Case 9	2014 Q2	2014 Q2
Case 10	2014 Q2	2014 Q2
Case 11	2014 Q2	2014 Q2
Case 12	2014 Q2	2014 Q2
Case 13	2014 Q2	2014 Q2
Case 14	2014 Q2	2014 Q2
Case 15	2014 Q2	2014 Q2
Case 16	2014 Q2	2014 Q2
Case 17	2014 Q2	2014 Q2
Case 18	2014 Q2	2014 Q2
Case 19	2014 Q2	2014 Q2
Case 20	2014 Q2	2014 Q2
Case 21	2014 Q2	2014 Q2
Case 22	2014 Q2	2014 Q2
Case 23	2014 Q2	2014 Q2
Case 24	2014 Q2	2014 Q2
Case 25	2014 Q2	2014 Q2
Case 26	2014 Q2	2014 Q2
Case 27	2014 Q2	2014 Q2
Case 28	2014 Q2	2014 Q2
Case 29	2014 Q2	2014 Q2
Case 30	2014 Q2	2014 Q2
Case 31	2014 Q3	2014 Q1
Case 32	2014 Q3	2014 Q1
Case 33	2014 Q3	2014 Q1
Case 34	2014 Q3	2014 Q2
Case 35	2014 Q3	2014 Q2
Case 36	2014 Q3	2014 Q2
Case 37	2014 Q3	2014 Q2
Case 38	2014 Q3	2014 Q2
Case 39	2014 Q3	2014 Q2
Case 40	2014 Q3	2014 Q2
Case 41	2014 Q3	2014 Q3
Case 42	2014 Q3	2014 Q3
Case 43	2014 Q3	2014 Q3
Case 44	2014 Q3	2014 Q3
Case 45	2014 Q3	2014 Q3
Case 46	2014 Q3	2014 Q3
Case 47	2014 Q3	2014 Q3
Case 48	2014 Q3	2014 Q3
Case 49	2014 Q3	2014 Q3
Case 50	2014 Q3	2014 Q3

Option 2	Option 3
<p>The first estimate would count all company insolvencies that had a minimum case event date in Q2 2014 (30 cases). In this example, this will include 8 cases which started in previous quarters.</p>	<p>The first estimate would count all company insolvencies that both started AND were registered in Q2 2014 (22 cases), which would then be <u>multiplied by a constant</u> (B) in order to account for the estimated percentage of missing cases (22 * B cases).</p>
<p>There would be no revisions.</p>	<p>The second estimate would instead bring back all cases with a case start date in Q2 2014, which were registered in either Q2 or Q3 2014 (29 cases).</p>
	<p>Subsequent revisions would additionally bring back cases with a case start date in Q2 2014, which were registered in Q4 2014 and later (29+N cases).</p>

3.4 Option 1 (current method)

We do not recommend continuing with this method, because of the weaknesses described in section 3.2 above – in particular, the double counting of administrations and receiverships in different time periods.

3.5 Option 2 (count using the earliest “event date”)

Under this method, we would count insolvencies using the “Insolvency Case Event” table shown in Figure 1, and use the “event date” field. We would use the earliest event date against an insolvency case. It is similar to the current method, in that it uses dates from the “Insolvency Case Event” table, but as we would not be looking for specific forms to be registered, this option would not have the drawbacks of counting duplicates, or counting some cases a long time after they were initially registered.

This would have the benefit of capturing all cases as soon as they are registered at Companies House, and so would be a complete record of all insolvencies registered in any given time period.

To test the feasibility of this method, we have obtained from Companies House data on all companies which had a minimum case event date between January and March 2013. In the UK as a whole² there were 4,115 CVLs, administrations, CVAs, receiverships, and CVLs following administration – 44 fewer insolvencies than the current method. The difference between this option and the current method is mainly due to there being no duplicate cases, and no cases where a certain type of form was registered a long time after the initial forms were registered.

3.5.1 Weaknesses of this option

The weakness of this approach is that insolvencies are counted when they are registered, rather than when they occurred. Our analysis of the test dataset shows that around 11% of cases registered in Q1 2013 actually started earlier – mostly during the previous quarter.

This introduces a risk of **bias** into the statistics in the same way as the current method: when there is an increasing trend, the statistics for a given quarter will tend to be an *underestimate*; when there is a decreasing trend, the statistics for a given quarter will tend to be an *overestimate*.

3.5.2 Proposed methodology

We would obtain on a quarterly basis from Companies House a record of all companies which had a minimum case event date in the preceding quarter, and produce aggregated totals based on this company-level information.

An illustration of the methodology for counting cases in Q2 2014 is in Figure 2 on page 11.

3.5.3 Revisions

Data would not be revised. Seasonally adjusted statistics based on the raw data would be revised in line with our existing revisions policy.

² See the note on page 8 about aggregated data for the UK.

3.6 Option 3 (count insolvency cases) – RECOMMENDED

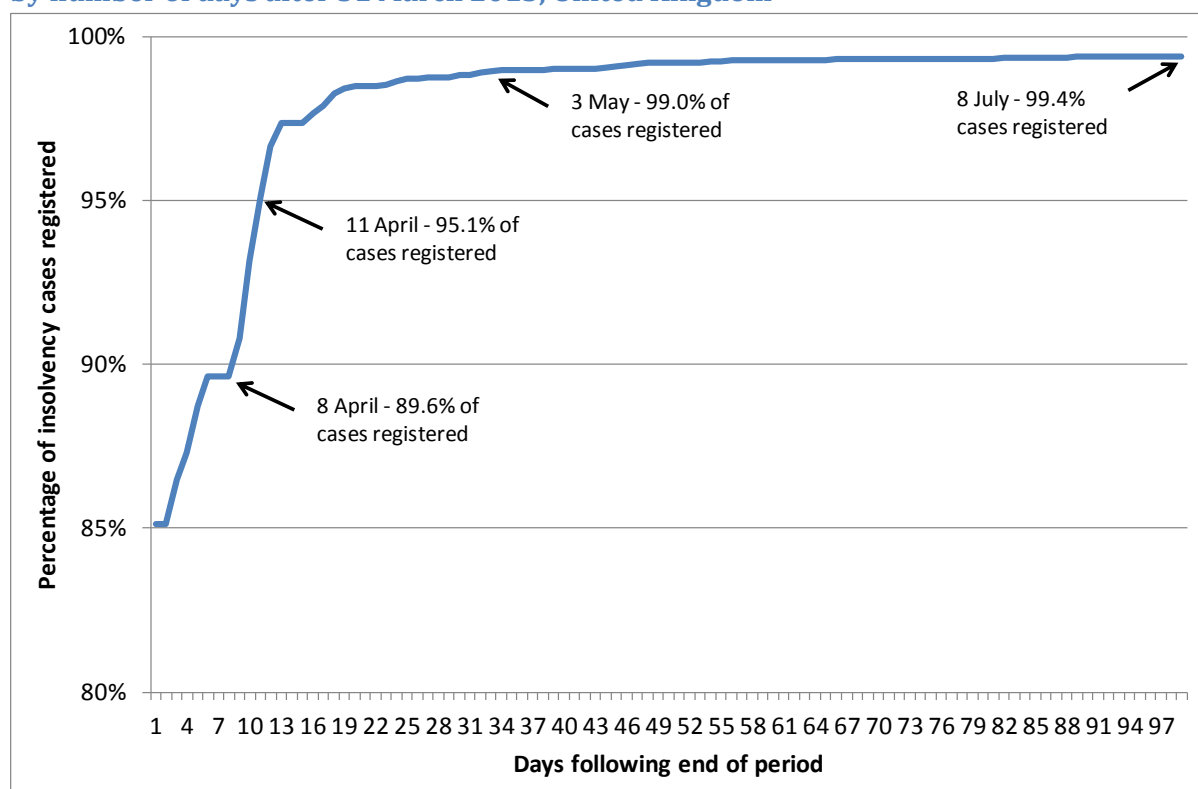
Under this method, we would count insolvencies using the “Insolvency Case” table shown in Figure 1, and use the “case start date” field. This method makes intuitive sense: insolvencies would be counted when they actually occurred, rather than when they recorded. This would make them consistent with the data on compulsory liquidations (which are sourced from our own administrative records rather than from Companies House).

To test the feasibility of this method, we have obtained from Companies House data on all companies which had a case start date between January and March 2013. In the UK as a whole³ there were 4,293 CVLs, administrations, CVAs, receiverships, and CVLs following administration – 164 more insolvencies compared with the current method.

3.6.1 Weaknesses of this option

Our analysis shows that this method does have a drawback (but one which can be accounted for using statistical methods): new insolvencies being registered after the cut-off date for data extraction. While most cases which started in Q1 2013 were registered with Companies House in the same calendar quarter, about 15% were registered later (of which, most cases started in March 2013). If Companies House extracted data on, say, 8 April 2013⁴ for us to use in the statistics, we would be missing around 10% of cases which started in this period (see Figure 3). The percentage of missing cases decreased to 5% on 11 April, and 1% on 3 May (over four weeks after the end of the calendar quarter).

Figure 3: Percentage of cases with start date in Q1 2013 registered at Companies House, by number of days after 31 March 2013, United Kingdom



³ See the note on page 8 about aggregated data for the UK..

⁴ Companies House currently supplies a data extract on the 8th of each month.

The percentage of “late” cases also varied by case type – on 8 April 2013 there were no late CVLs following administration⁵, while 11% of new CVLs, 15% of CVAs, 10% of administrations, and 14% of receiverships, were registered after this date.

We could address this problem by publishing statistics on company insolvencies one month later than current practice, in order to present a more complete picture of company insolvency. However, our preferred method is to produce statistics to the current timetable, using statistical methods to estimate the number of insolvencies using incomplete data.

3.6.2 Proposed methodology

To provide a better estimate of the number of new cases in the latest quarter, we could account for missing cases using previous data on the percentage of cases missing at any one time. This could be fixed for all case types, or vary by case type and/or jurisdiction (England & Wales, Scotland, and Northern Ireland). An example of how this might work is illustrated in Table 4 below.

Table 4: Example method of calculating the first estimate of company insolvencies from incomplete data

Case type	Number of cases at 1st extract (X)	Estimated % cases registered after 8 th of following quarter based on past data (A)	Multiplier (B) = (1-A) ⁻¹	First estimate of the number of cases X * B
Administration to CVL	276	0%	1.00	276
Creditors Voluntary Liquidation	2667	11%	1.12	2995
Corporate Voluntary Arrangement	127	15%	1.17	149
Administration	541	10%	1.11	599
Receiver appts	237	14%	1.16	274

This would be marked as an **estimate** and it would be explained that it would be subject to revision.

If this option is adopted, we would analyse data over a longer time span to determine the difference between actual insolvencies in a given period, and what we would have estimated given past data. In this way, we would be able to provide an estimate of the likely uncertainty around the initial estimate (expressed as plus or minus the number or percentage of the estimate).

An illustration of the methodology for counting cases in Q2 2014 is in Figure 2 on page 11.

3.6.3 Revisions

These estimates could apply to the first release of the statistics. The following quarter, we would expect nearly all cases to have been registered – for example, on 8 July 2013, 99.4% of cases starting in Q1 2013 had been registered at Companies House. This second estimate would therefore be likely to be a slight underestimate of the total.

⁵ This is because Companies House’s policy is to set the start date of this procedure to be the same as the registration date of the relevant form; this date is also used as the end date of the preceding administration.

We would therefore propose to provide **unmodified** counts of cases, marking them as “provisional”. Thereafter, these statistics could:

- Continue to be revised each quarter. After the initial revision, we would expect only a handful of cases to be added in successive quarters.
- Be revised for (say) four quarters after the initial estimate (so for Q1 2013, the final revision would be made in the Q1 2014 publication).
- Be revised once initially, with figures for the calendar year as a whole being marked as provisional until the Q2 publication the following year, when the whole calendar year would be revised for the final time.

The first option would mean that all insolvencies would be recorded, but on occasion statistics from much earlier time periods would require revision when a new case was added. This would also affect seasonally adjusted figures.

The other options would potentially mean that some insolvencies would never be counted in the statistics, but we would expect the number of missing cases to be minimal. The effect on interpretation of levels and trends would also therefore be minimal.

3.7 Questions for users

- 1) Which option for counting company insolvencies do you think is best?
 - Option 1 – no change (not recommended)
 - Option 2 – count using case event date, and never revise figures
 - Option 3 – count using case start date, and *estimate* the most recent quarter based on incomplete data
- 2) Why do you favour this option?
- 3) If Option 3 was implemented, what policy should we follow for revising the statistics?
 - a) Revise entire time series every quarter.
 - b) Revise each quarter for N quarters after the initial estimate (so if N was 4, then the final revision for Q1 2013 statistics would be made in the Q1 2014 publication).
 - c) Make the first revision in the quarter following the initial estimate, and then make the second, final, revision for the whole calendar year in the Q2 statistics the following year.
- 4) Unless Option 1 is selected, then the new method will be inconsistent with statistics published earlier. How far back in time would you require data on a consistent basis?
 - a) Q1 2008 (when Companies House moved to its current administrative database)
 - b) Q1 2005 (in order to have data on a consistent basis for 10 whole years)
 - c) Earlier (please specify)

4 Proposal to change the method of counting receiverships

4.1 The case for changing the current method

We have been told by some users that statistics on receiverships do not meet their needs, as there is no breakdown of the type of appointment. A receiver can be appointed in different ways, for example:

- **Administrative receivers** are licensed insolvency practitioners, and will usually take control over all of a company's assets. The Enterprise Act 2002 amended the Insolvency Act 1986, restricting the appointment of administrative receivers to companies where floating charges were created before September 2003, and to eight types of corporate insolvency.⁶
- **Fixed charge receivers** need not be licensed insolvency practitioners, and will usually be appointed by a lender with a mortgage, charge or other security over an asset.
- **Law of Property Act (LPA) receivers** also need not be licensed insolvency practitioners, and are appointed by a lender with a fixed charge over a property. Their powers are limited by the Law of Property Act 1925 but can be modified by provisions in the security document. Their function is usually to sell the asset or recover rental income from it for the lender.

Companies House must be notified of the appointment of any type of receiver, using the [RM01 form](#). This form records the name of the company; the lender; and the name of the receiver. It also records the **nature of the appointment**:

- Administrative receiver
- Receiver/manager

The nature of the appointment is captured on CHIPS, the Companies House administrative database. We have obtained from Companies House a record of all receiverships which started between January and March 2013, broken down by the nature of appointment. Of the 274 receiverships recorded in the UK as a whole, 11 were administrative receiverships, and 263 were appointments of receiver/managers.

Administrative receiverships are formal insolvencies. Other types of receiver can be appointed while a company is already in a formal insolvency (in liquidation, for instance), or without the company being insolvent.

4.2 Proposal for change

To make our statistics more accurately reflect insolvencies, we suggest that:

- Receiverships should be broken down by type.
- Administrative receiverships **only** should be displayed in tables and charts relating to company insolvency.
- Receiver/manager appointments should be provided in background tables only.

⁶ Insolvency Act 1986, Sections 72B to 72GA.

4.3 Questions for users

- 1) Should receiverships be broken down by type?
- 2) Do you require information on the number of receiver/manager appointments?