

The economy looks set
for take-off, are you
ready for it?

ANNUAL REVIEW

Business Barometer 2016

Vision-net 
Every Decision Matters

Executive Summary



Last year was a remarkable one of resurgence and growth. Indeed, it was the best year for start-up companies since the millennium. A total of 19,472 were established in 2015, beating 2006's record of 19,306.

Ireland's path to economic recovery began meekly in 2013, continued on more confidently in 2014 and found a firm stride in 2015. In terms of start-ups and insolvencies, growth and sustainability have been felt in most major industries across the country. Sectors that were hit especially hard in the recession - most notoriously construction, as well as hospitality, real estate and retail - have grown consistently throughout 2015 and in the current climate, should continue to do so in 2016.

Take construction: in 2015, the sector grew by 24% on 2014, with 1,643 start-up companies compared to 1,323. Compare this with 2011, deep in recession time, and the difference is profound. Just 924 were established, a difference of 719 start-ups.

Last year also saw an overall drop of 28% in the number of corporate insolvencies. This reduction may indicate a level of

further forbearance in the banks with receiverships down 30%.

While we are recovering, and recovering quickly, we have only just staggered back from the precipice of the biggest economic disaster in the history of the state.

If we grow too quickly, banks and the Government risk playing loose with credit and repeating the mistakes of the past; if we grow too slowly, we risk the embers of our recovery dying out. Striking a careful balance built on long-term sustainability and economic diversity is essential.

The ESRI expects a healthy 4.8% rate of GDP growth and a drop in unemployment to just under 8% by the end of the year. We must also continue to support indigenous start-up business. Almost 70% of all Irish private sector employees are employed by a small or medium-sized business.

Business debt remains a live issue and a growth inhibitor. For the self-employed and entrepreneurs in particular, access to credit remains a thorny problem and in many cases kills off viable ideas before they are ever given a chance to flourish.

Budget 2016 went some way to aiding start-up growth in Ireland, but a great deal remains to be done, particularly in terms of CGT reductions and tax relief for the self-employed.

The outlook for 2016 is positive and it's one built on economic reality. 2015 was in many respects a record-breaking year for growth and new business, and at our current pace, we look set to surpass it this year.



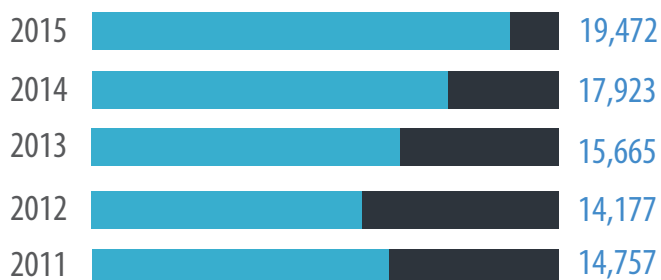
Christine Cullen, MD,
Vision-net.ie

Company Start-Ups

Highest Levels Recorded

In 2015 we saw 19,472 new companies formed, which was up over 8.5% on 2014 and was the highest recorded in Ireland during the "noughties" – beating the previous high of 19,306 in 2006. Today over 194,000 companies are trading as normal in Ireland.

TREND - NEW COMPANY START-UPS

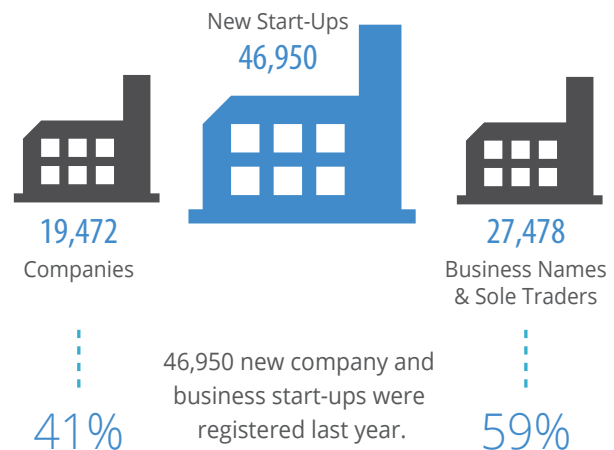


8.5%
increase

1,549 more companies formed during 2015.

Total Start-Ups

- Professional Services was the most popular industry accounting for 26% of all company start-ups.
- Wholesale and Retail was the next most popular sector. 2,191 start-ups - an increase of 21%.
- The Construction sector consistently saw more start-ups. Up 24% on 2014's total (1,643 VS 1,323)
- Last year was another strong period for the Hospitality sector with an 11% increase in new companies formed.



5 KEY INDUSTRIES FOR START-UPS

SOCIAL & PERSONAL

(1,835 vs 1,555)

18% ↑

11% ↑

PROFESSIONAL SERVICES

(5,104 vs 4,589)

WHOLESALE & RETAIL

(2,191 vs 1,808)

21% ↑

24% ↑

9% ↑

CONSTRUCTION

(1,643 vs 1,323)

HOSPITALITY

(1,278 vs 1,150)

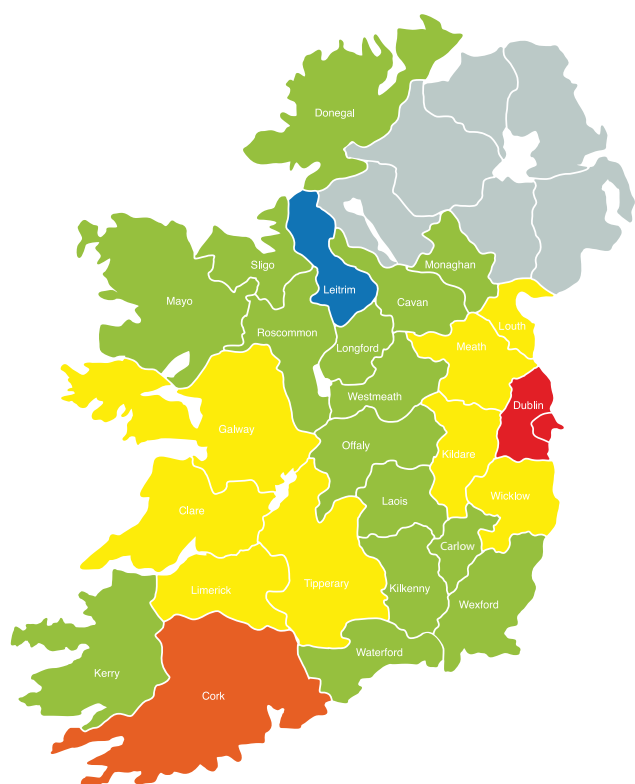
Business Name Registrations increased in 2015 by 7%. (27,478 vs 25,663).

"highest recorded in Ireland beating the previous high during the "noughties" of 19,306 start-ups in 2006."

Company Start-Ups By County

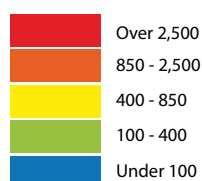
Company Start-Ups - Nationwide Heat Map

For start-up companies in regional areas of the country, fewer investment opportunities and generally poor infrastructure continue to limit growth potential. The gap between urban and rural economies simply refuses to close. As we highlighted throughout the year in our monthly reports, Dublin, Cork and Galway were the focal points for growth in 2015, while more rural counties failed to keep pace. Dublin alone accounted for nearly half of all start-up companies last year.



- Dublin was the most popular location for company start-ups – accounting for almost 47% of all start-ups, up 5% on 2014 figure.
- Cork is in second place on the list – with 2,079 start-ups, this figure is up 24% on 2014 – an increase of 397 companies.
- Galway, Kildare and Limerick account for 2,160 company start-ups – these counties saw increases of 11%, 16% and 6% respectively on their start-up figures from 2014

Company Start-Ups - Jan - Dec 2015



THE 5 MOST POPULAR COUNTIES FOR COMPANY START-UPS IN 2015

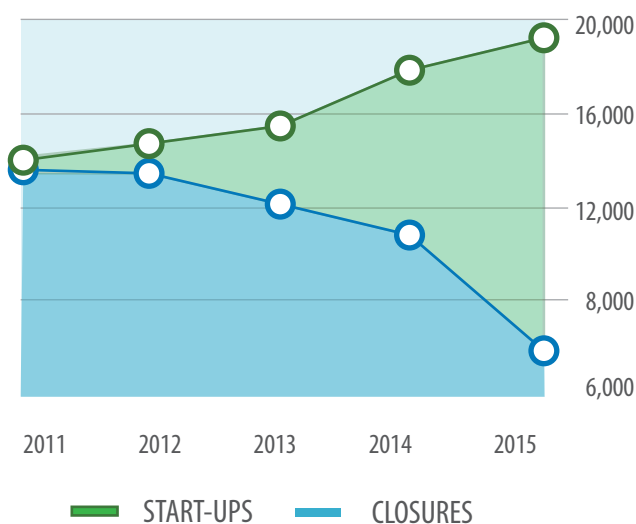
COUNTY	START-UPS 2014	START-UPS 2015	DIFF	% DIFF
Dublin	8,673	9,059	386	5%
Cork	1,682	2,079	397	24%
Galway	723	803	80	11%
Kildare	605	701	96	16%
Limerick	617	656	39	6%

Company Closures

Company Closures Down 40%

7,188 Irish companies were dissolved in 2015 which is down 40% on the figure for 2014 of 11,882. As a result there was a net increase of 6.3% in the number of companies operating in Ireland during 2015 - which can only be viewed as positive news.

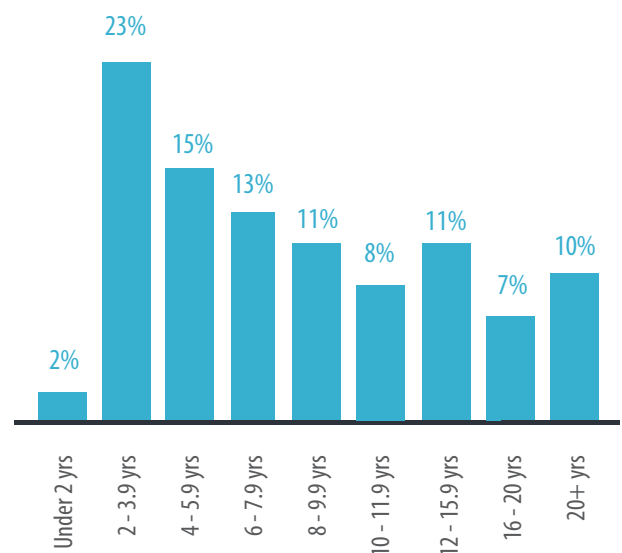
COMPANY START-UPS vs COMPANY CLOSURES



YEAR	START-UPS	CLOSURES	DIFF
2015	19,472	7,188	12,284 ↑
2014	17,923	11,882	6,041 ↑
2013	15,665	12,923	2,742 ↑
2012	14,177	13,254	923 ↑
2011	14,757	14,225	532 ↑

- Company start-ups have outnumbered company closures for the past 5 years.
- 2015 saw a widening of the gap between start-ups and closures to 12,284
- With 194,700 companies now trading in Ireland this represented a 6.3% net gain in Irish companies.
- Company closures were down 40% on the figure for 2014 of 11,882
- Percentage breakdown for affected industries is largely in line with 2014 figures.
- 1 in 4 companies closed by year 4 in business. 40% failed by year 6. Once past year 6 the probability of failure fell substantially.

CLOSURES - LENGTH OF TIME IN BUSINESS

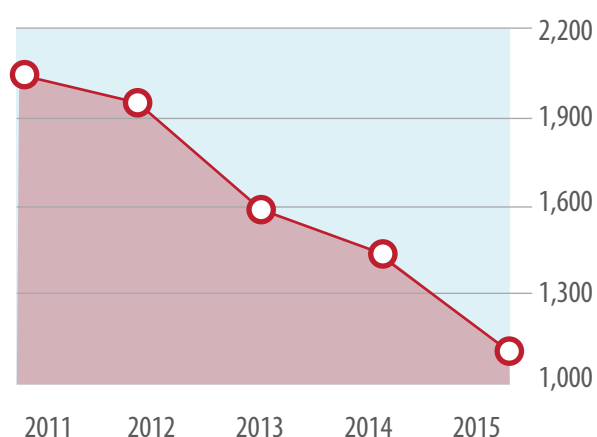


Company Insolvencies

Company Failures Fall By 28%

Further positive news with the percentage of Irish companies that collapsed in 2015 down by 28% on the previous year. 1,070 Irish companies were declared insolvent last year – compared to 1,479 insolvencies in 2014. These are companies that collapsed in 2015 and had an examiner, receiver or liquidator appointed where no declaration of solvency was filed.

COMPANY FAILURES - TREND



- 1,070 Irish companies failed in 2015, down 28% on figures for 2014 (1,479)
- December saw the most companies fail (160) last year
- Average of 89 failures per month in 2015
- The number of company failures has fallen each year for the past 5 years.

BREAKDOWN OF COMPANY INSOLVENCIES 2015

725

COMPANIES IN
LIQUIDATION

27% ↓

725 liquidations include court ordered wind-ups and companies that appointed a liquidator and filed no Declaration of Solvency.

Positive signs of a resurgence as the number of liquidators of insolvent companies continues to fall.

26

COMPANIES IN
EXAMINERSHIP

33% ↓

26 Companies sought court protection from their creditors and had an examiner or interim examiner appointed.

This is down from 39 companies in the previous year showing continued strong survival prospects for ailing companies.

319

COMPANIES IN
RECEIVERSHIP

30% ↓

The number of Receivers appointed to Irish companies in 2015 was down 30% on 2014 figures (319 vs 455).

This may be an indicator of banks less forcefully pursuing their debts.

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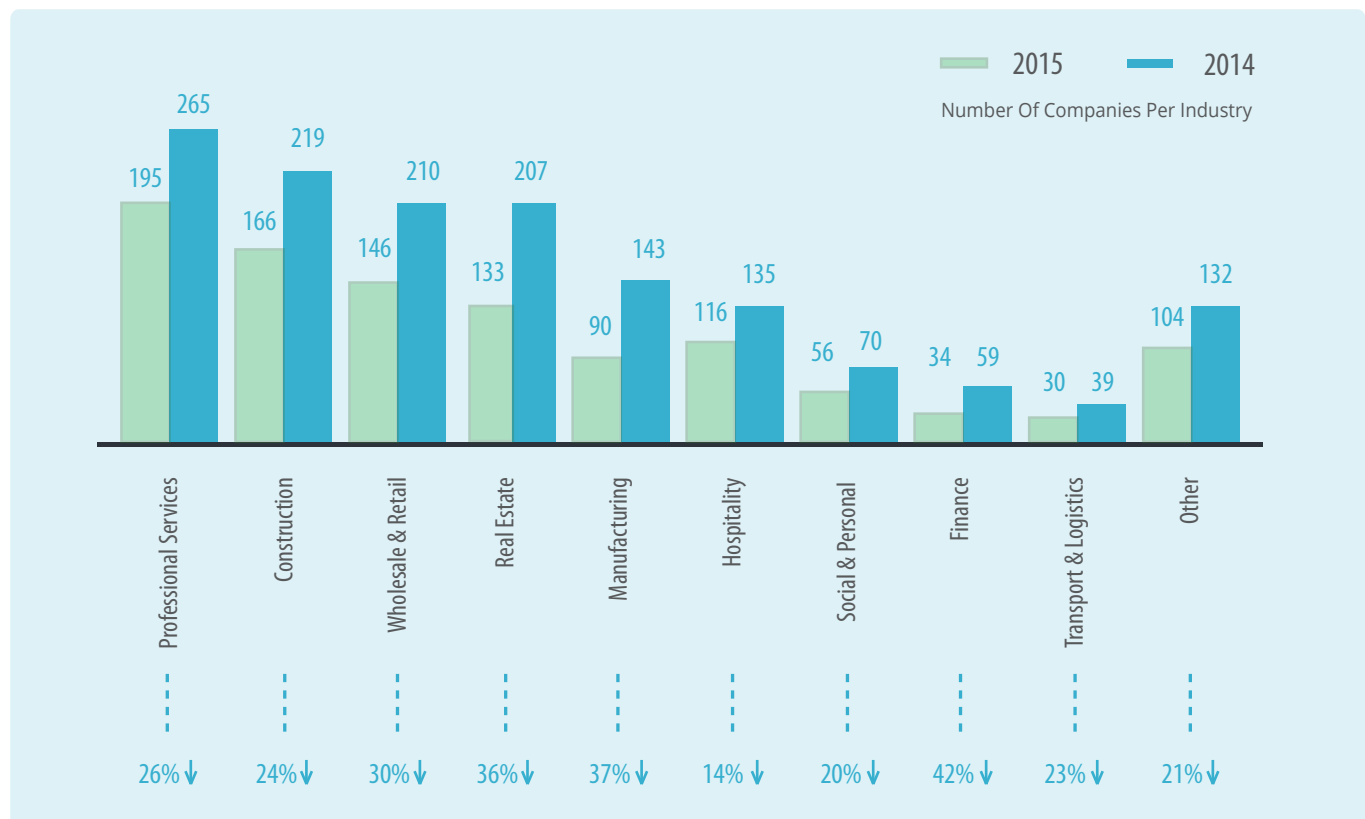
YEAR	INSOLVENCIES	DIFF
2015	1,070	409 ↓
2014	1,479	107 ↓
2013	1,586	390 ↓
2012	1,976	43 ↓
2011	2,019	

Corporate Failure Analysis

Sectors Most Affected By Insolvencies in 2015

The overall reduction in the number of company closures as a result of insolvency was evident across all industry sectors, with some sectors showing greater stability than others.

SECTORS MOST AFFECTED BY INSOLVENCIES IN 2015



- There was a 24% drop in the number of insolvencies affecting the construction sector last year. That's a drop of 41% over the past two years. (166 v 219 v 284)
- 195 companies in the professional services sector were declared insolvent in 2015 – a drop of 26% on 2014's figure (265)
- Insolvencies affecting the Manufacturing sector dropped below 100 in 2015 – 90 were recorded, down 37% on 2014's figure (143)
- Industries in "Other" include IT, motor, health & social services, agriculture, leasing, education, utilities, mining and public admin.

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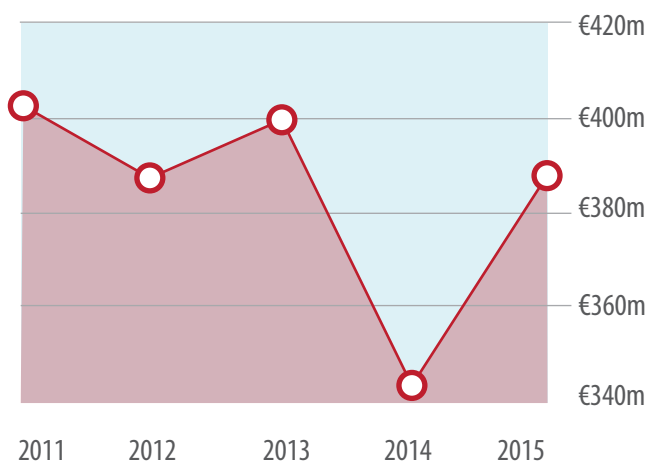
Bad Debt Judgments

Registered Bad Debt Judgments In 2015

4,143 Registered Commercial and Consumer Judgments were awarded in 2015. 3 out of every 4 of these were registered against Consumers with the remainder being Commercial Judgments. These Judgments totalled €384m which represents a 13% increase on 2014 figures of €341m.

So while the number of Judgment cases taken against consumers were down marginally on 2014 the overall value was up considerably. In fact it was higher in 2015 than at any point in the last 5 years. By comparison when you look at the Corporate Judgments, both the number of cases and the value, continue on a downward trajectory.

BAD DEBT JUDGMENTS - TREND BY VALUE



- The value of Judgments registered in 2015 increased by 13%.

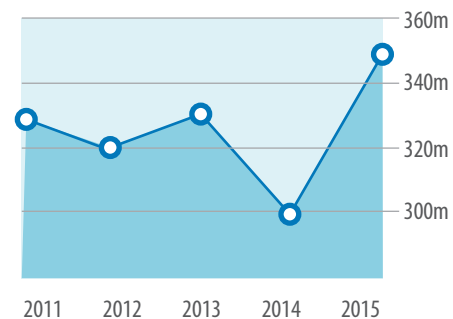
AVERAGE VALUE OF BAD DEBT

against Individuals			€111K
against Companies			€36K
combined			€93K

TOTAL JUDGMENTS BY VALUE

YEAR	VALUE	NO
2015	€384m	4,143
2014	€341m	4,321
2013	€399m	5,486
2012	€383m	5,884
2011	€405m	7,306

CONSUMER JUDGMENTS BY VALUE



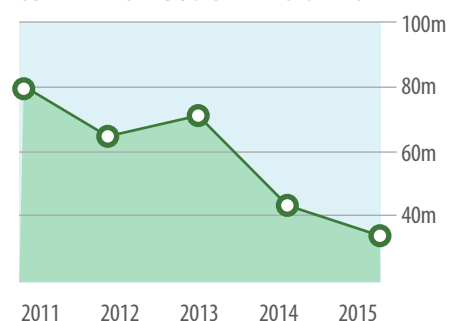
CONSUMER JUDGMENTS

YEAR	VALUE	NO
2015	€347m	3,137
2014	€300m	3,235
2013	€327m	3,732
2012	€320m	3,905

COMMERCIAL JUDGMENTS

YEAR	VALUE	NO
2015	€37m	1,006
2014	€41m	1,086
2013	€72m	1,754
2012	€63m	1,979

COMMERCIAL JUDGMENTS BY VALUE



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Better enable your decisioning
and boost your business in

2016



Protect and Grow your business...

2016

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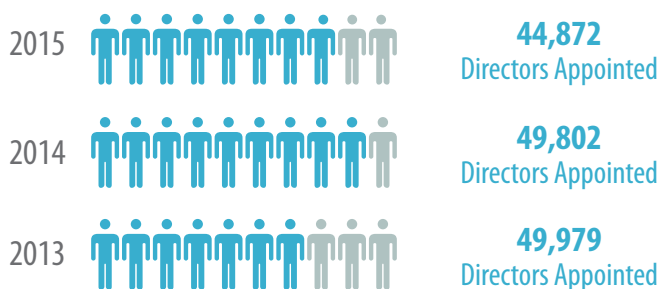


Directors In Ireland

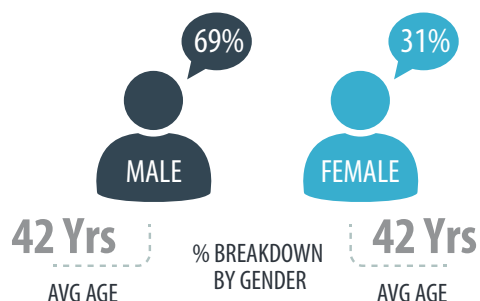
New Directors In 2015

There are currently over 321,500 Directors of Irish companies. Which means one person in every 11 people in the country is a director of an Irish company. Just under 45,000 Directors were appointed in 2015, 60% of these were first time directors which is in-line with 2014.

DIRECTORS APPOINTED

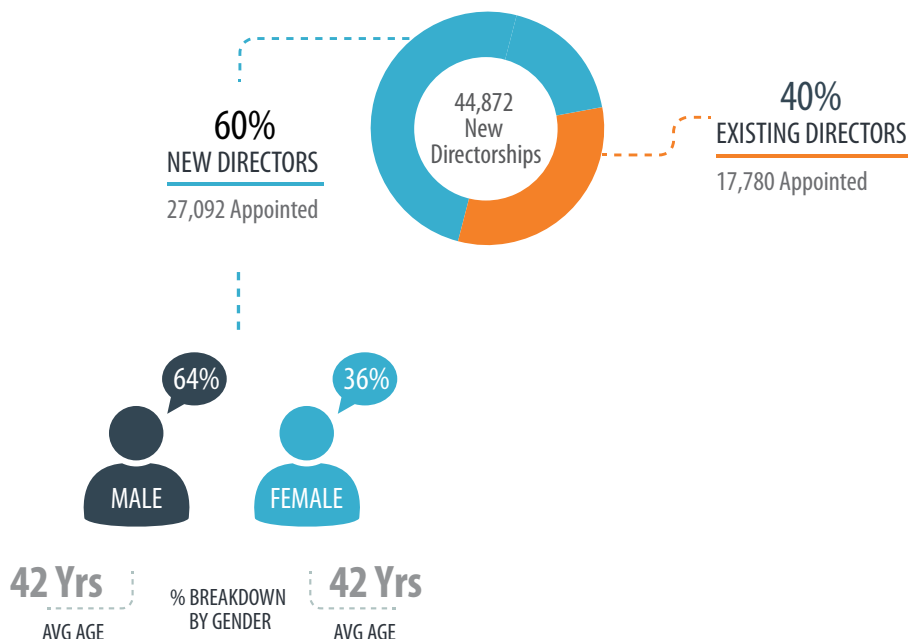


AGE / GENDER - 2015



Entrepreneurial Spirit

60% of Directors appointed in 2015 were first time directors which is in-line with 2014 figures. The gender breakdown changes slightly when focusing on first time directors to 64% Males and 36% Females.



Ask us about
Compliance and KYC
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Personal Insolvency Overview

Personal Insolvency Take-up in 2015

2015 saw the first full year of the new Personal Insolvency legislation in full effect in Ireland. Previously, if a person was insolvent, bankruptcy was the only formal mechanism available to settle their debts and get protection from creditors.

There was a much greater take up of the new debt resolution mechanisms introduced under the Personal Insolvency Act 2012 for people who cannot afford to pay their personal and mortgage debts. These are administered by the Insolvency Service of Ireland which became fully operational during mid-2014.

PERSONAL INSOLVENCY - 2015

INSOLVENCY TYPE	2014 NO OF CASES	2015 NO OF CASES	MOVEMENT
Consumer Judgments	3,235	3,137	(98)
Bankruptcy Database	410	446	36
Personal Insolvency Arrangements	199	641	442
Debt Settlement Arrangements	97	221	124
Debt Relief Notices	252	346	94
Protective Certificates	661	1,371	710



Over three thousand Personal Insolvency agreements or bankruptcies were entered into in 2015. This is almost twice the number that were administered the previous year.

The number of individuals opting for bankruptcy increased in 2014 as the new rules came into effect reducing the term from 12 years to 3 years. This initial jump in 2014 has continued into 2015 with a further increase of 9%, bringing the total number in the year to 446 bankruptcies.

New Bankruptcy legislation was also proposed late last year, which we are likely to see come into effect during 2016. The main feature of this new legislation is to further reduce the bankruptcy term from three years to one year.

Collectively 3,025 people have availed of one of the new personal insolvency mechanisms or the revised bankruptcy process. While the figures are more positive in 2015 for people using these mechanisms, they still appear quite low relative to the high levels of mortgage arrears still present in Ireland today. According to the latest Central Bank report in September 2015 over 65,000 principal dwelling mortgages were over 90 days in arrears.

3,025 people
availed of
personal
insolvency
mechanisms
in 2015.

The economy looks set for take-off, are you ready for it?

8.5% ↑
Company Start-Ups

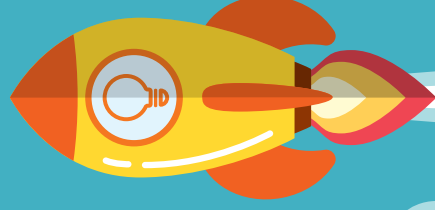
28% ↓
Business Failures

40% ↓
Company Closures

87% ↑
In Personal Insolvency Arrangements

24% ↓
Insolvencies In Construction

13% ↑
In Bad Debt Judgments



2016
Business in Ireland

START-UPS

NEW COMPANY START-UPS ARE UP 8.5% IN 2015

2015
19,472
New Companies

2014
17,923
New Companies

HIGHEST NO. OF START-UPS
IN THE PAST 15 YEARS



BUSINESS START-UPS INCREASED BY 7% TO 27,478

NEW DIRECTORS

27,092 PEOPLE BECAME DIRECTORS FOR THE FIRST TIME

64% MALE
36% FEMALE
% BREAKDOWN BY GENDER

42 Yrs
AVG AGE

42 Yrs
AVG AGE

49,802 DIRECTORS APPOINTED, 60% FOR FIRST TIME

JUDGMENTS

4,143 JUDGMENTS WERE REGISTERED IN 2015 WORTH €384M



NO. OF JUDGMENTS DOWN BY 4%
VALUE OF JUDGMENTS UP BY 13%

€347M
REGISTERED AGAINST
INDIVIDUALS

3,137 Cases

€37M
REGISTERED AGAINST
COMPANIES

1,006 Cases

3 OUT OF EVERY 4 JUDGMENTS ARE AGAINST INDIVIDUALS

BUSINESS FAILURES

1,070 COMPANIES DECLARED INSOLVENT IN 2015

28% ↓



28% DOWN ON 2014
33% DOWN ON 2013



On average 89 companies per month became insolvent in 2015

TREND - INSOLVENT COMPANIES



BREAKDOWN 2015



PERSONAL INSOLVENCY

PERSONAL INSOLVENCY ARRANGEMENTS & BANKRUPTCIES

87% ↑

1,619

TOTAL NUMBER OF
CASES IN 2014

3,025

TOTAL NUMBER OF
CASES IN 2015

9% INCREASE IN BANKRUPTCY CASES (446 vs 410)
113% INCREASE IN PIAs IN 2015 (2,579 vs 1,209)

About Vision-net

Great data drives everything!

Success is easier with great data! Vision-net are Ireland's leading provider of official company, director and shareholder information along with the latest credit/risk ratings, bad debt judgments and insolvency notices.

Our system is used daily by thousands of business professionals across a wide range of industry sectors including Manufacturing, Wholesale, Accounting, Banking, Legal etc. to assist with their Compliance, Due Diligence, and Credit Checking requirements for Irish, UK, European and Worldwide entities.

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194,000

Companies trading with a Normal status in the Republic of Ireland

321,500

Directors of Irish companies with a Normal Status

532,000

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