



DATA GARDENER
Manage Risk. Grow Faster.

July 2022

What's happening in the UK

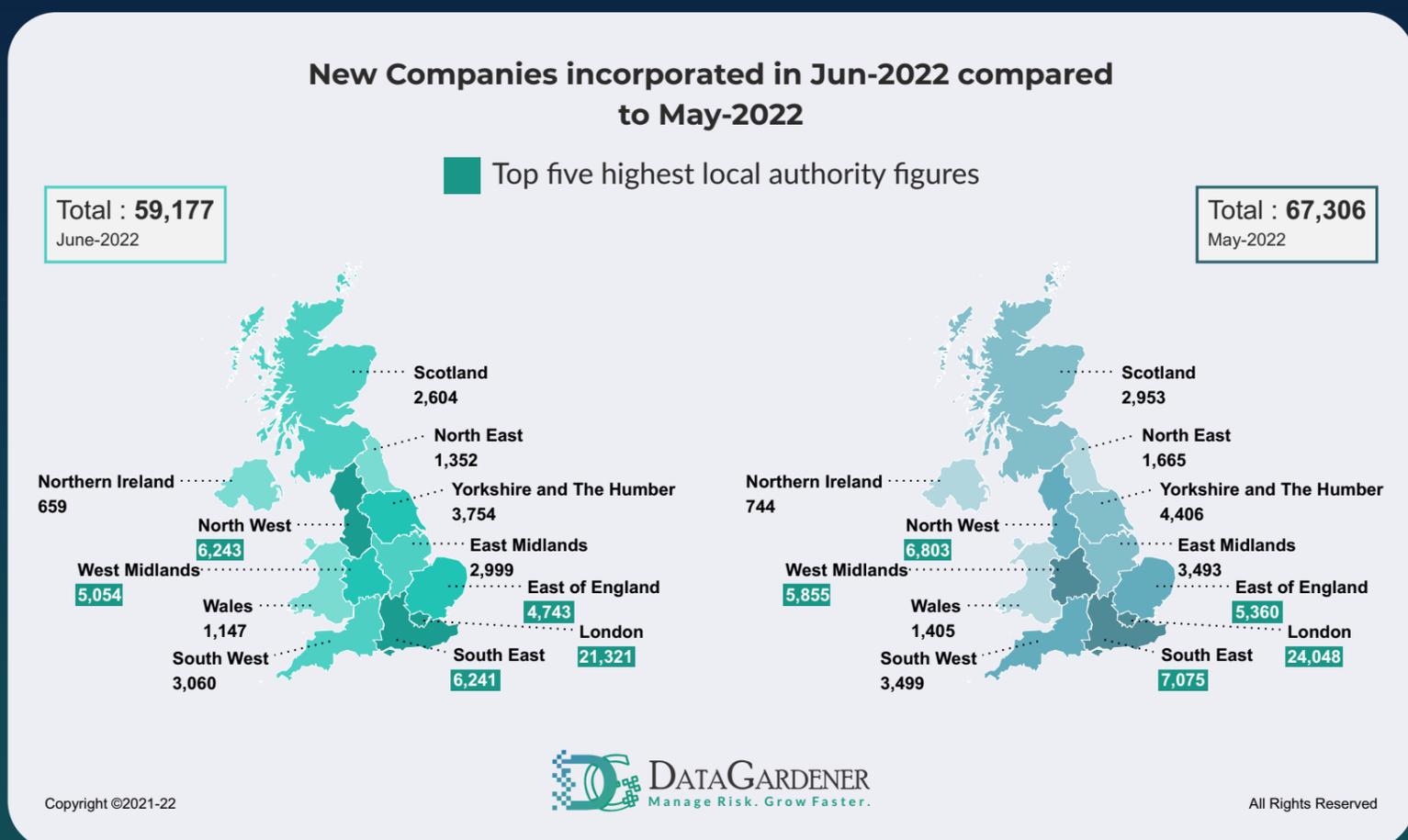
Our Perspective



Key Events of the Month

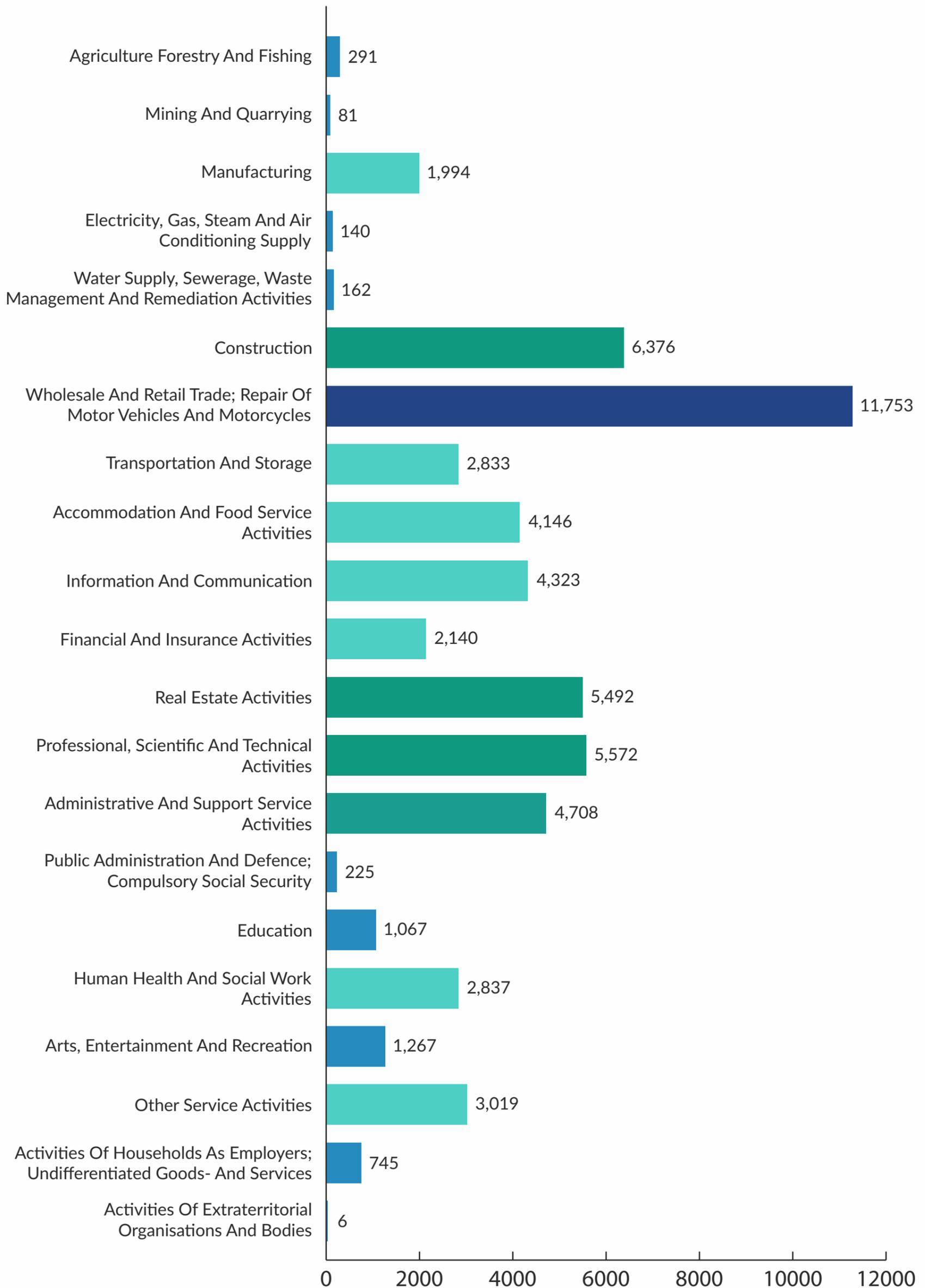
Once again, inflation and political instability were to the forefront in the month of June in a trend that is destined to last throughout the rest of the year. According to Eurostat, the official statistical branch of the European Commission, inflation hit highs of 8.6% this year, with these rates expected to continue well into the year 2023. Although inflation does not necessarily signal an economic downturn, it will certainly impact markets by increasing the volatility of prices of raw goods for a while yet.

Despite this, business owners remain undeterred in the UK with a healthy **59,177** companies registered throughout the month of June.



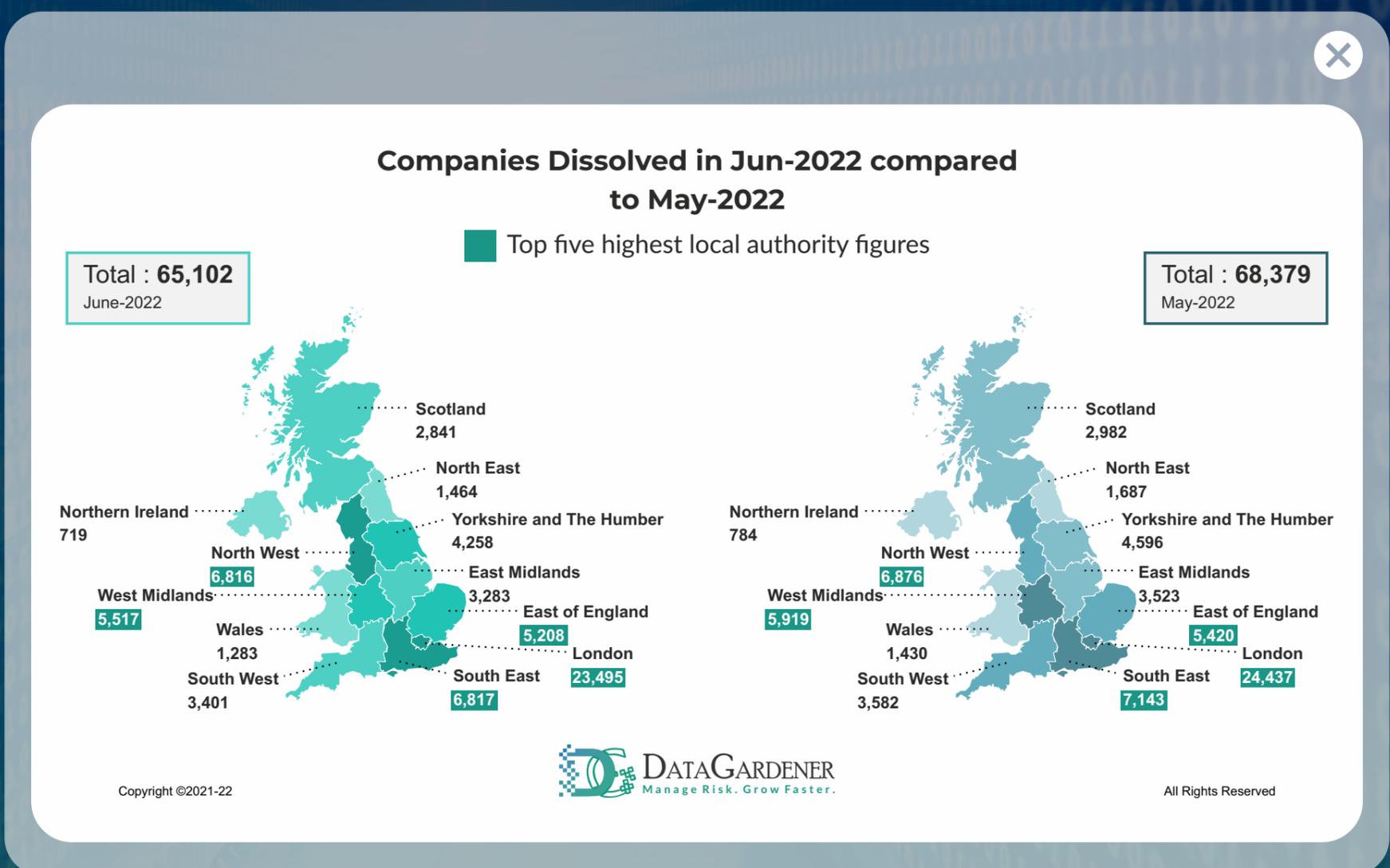
Surprisingly, the Accommodation and Food Services Activities sector made up one of the largest growing sectors this month, with 4,146 formed companies.

New Companies Registered in Different Industries In June 2022



With the significant volatility being seen in raw goods markets, it seems somewhat surprising to see so many entrepreneurs enter the space at a time when wholesale prices for cattle, grains and oils are at an all-time high. Since the volatility of grain prices in particular have been so heavily tied to the war in Ukraine, it also seems unlikely that these costs will fall any time soon.

The number of companies dissolved throughout June has also remained quite high and similar to previous months, with almost as many companies being dissolved as being created – around 65,102.

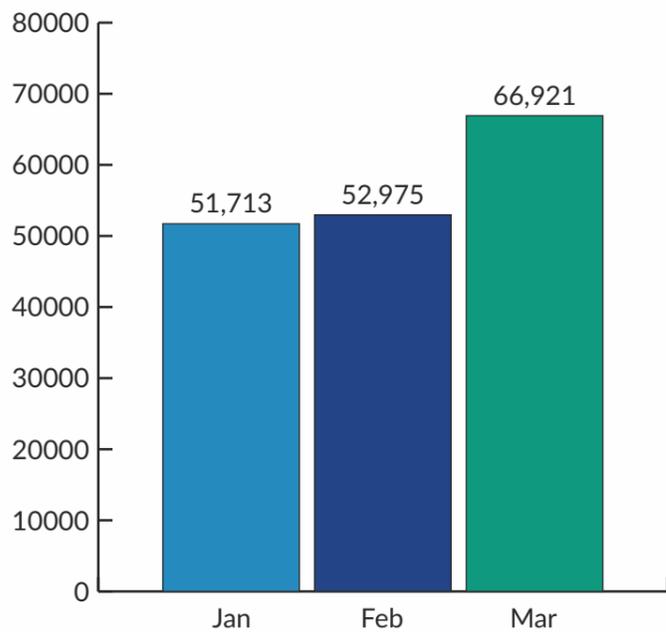


This is to be expected, especially seeing as inflation and geopolitical instability still seem to be heading out of control.

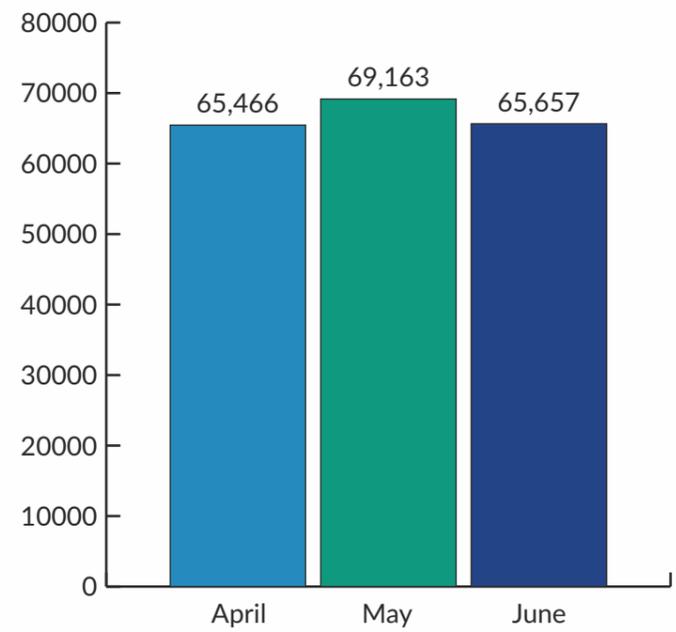
What's different in Q2 from Q1!

For the most part, Q2 of 2022 has by far made up for the slow start to the year seen in Q1. In total, only around 171,609 companies were formed in Q1 whilst a much larger 200,286 companies were formed in Q2 of this year.

New Companies Registered in Q1



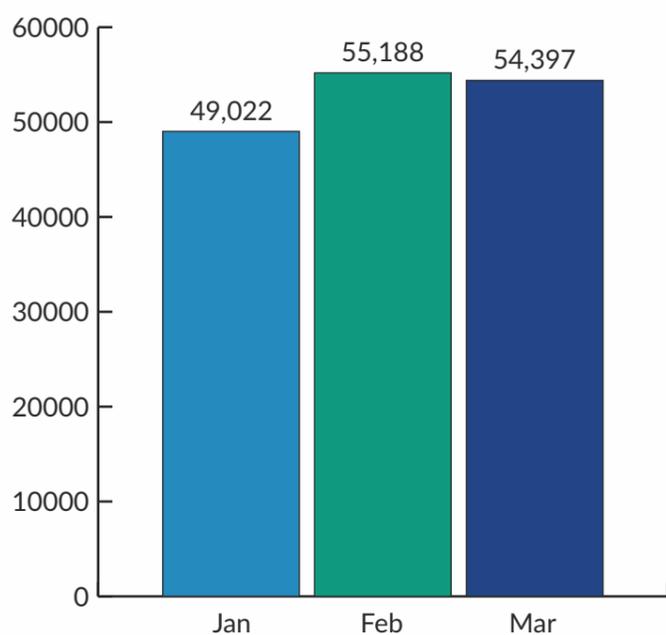
New Companies Registered in Q2



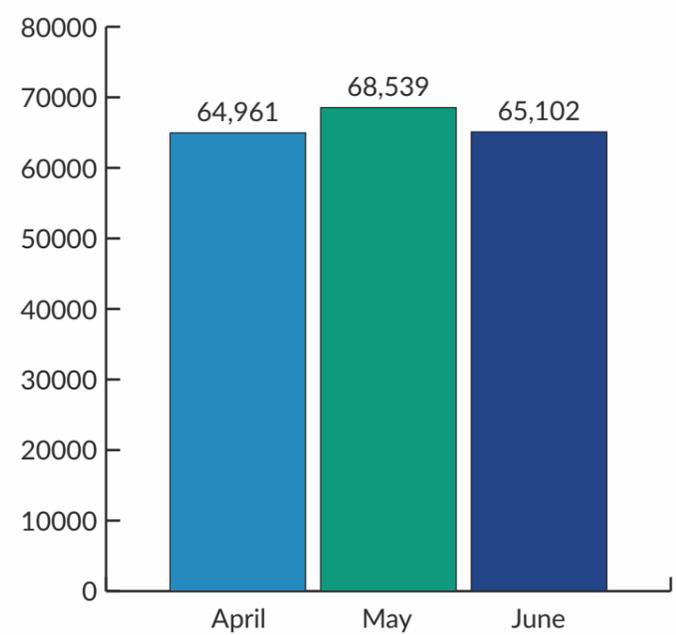
This seems counter-intuitive, especially since the cost-of-living crisis, the war in Ukraine and the rise in inflation all started around March – the tail end of Q1. Perhaps investors and entrepreneurs were attempting to take advantage of the less than the ideal economic situation, with niches in new markets opening up everywhere due to the increased volatility. However, this risky tactic seems to have not taken off all that well.

Especially since Q2 also saw a much larger number of companies being dissolved than Q1. 198,602 companies were dissolved in Q2, almost as many as created in the same amount of time. In contrast to this, Q1 only saw 158,607 companies dissolved – proportionally and numerically much less than Q2. Other figures between the two quarters are quite unremarkable.

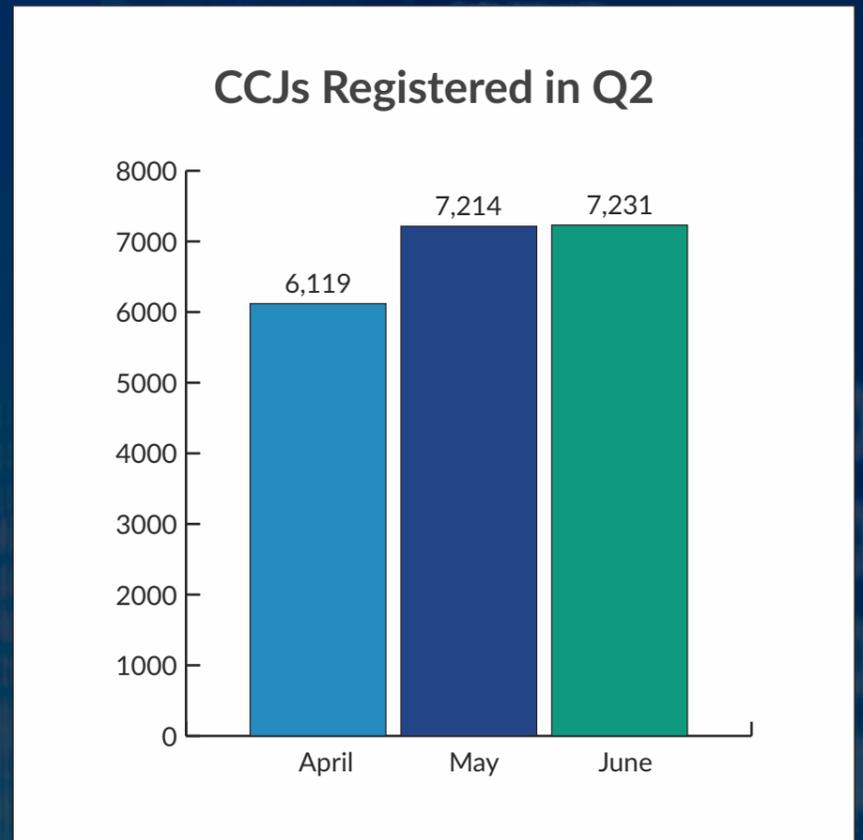
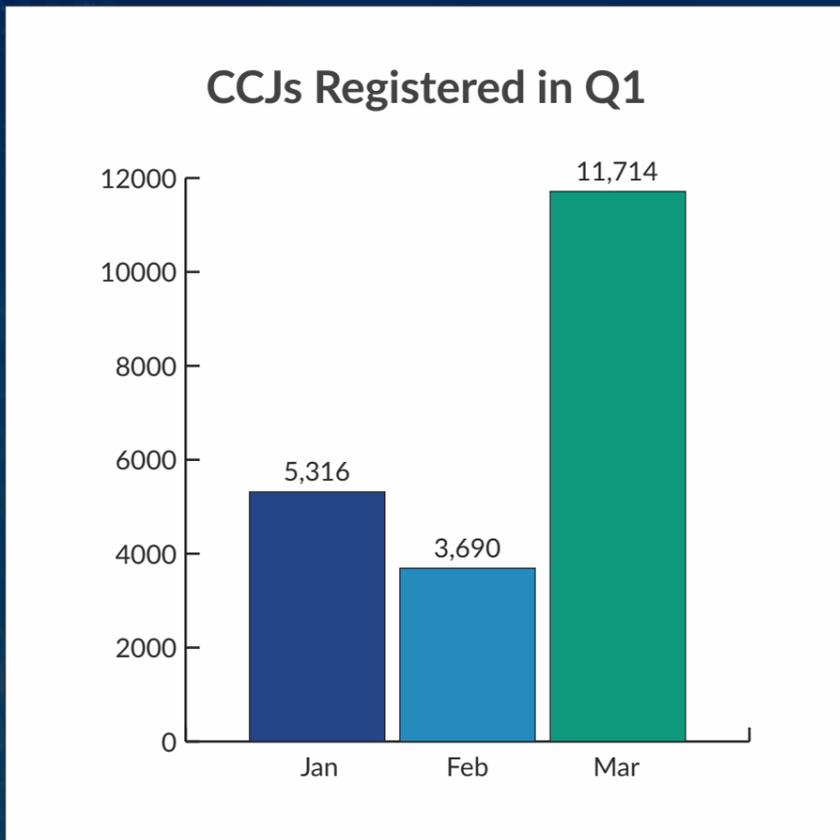
Companies Dissolved in Q1



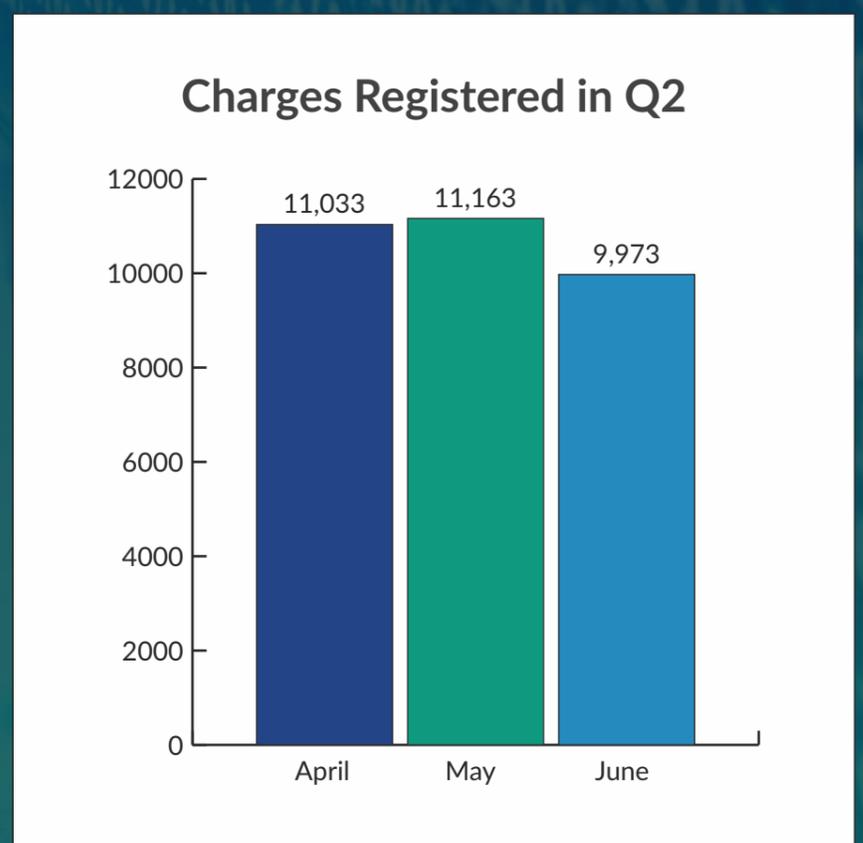
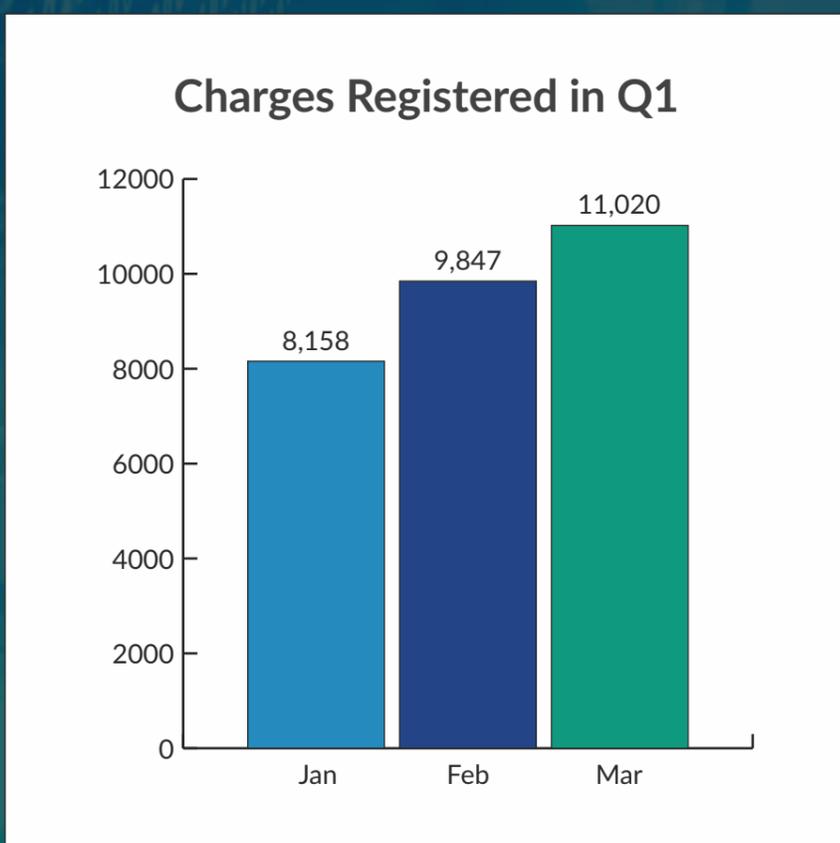
Companies Dissolved in Q2



CCJs filed were almost identical between Q1 and Q2 with 20,720 and 20,564 respectively.



Charges registered were also reasonably similar, with 29,025 in Q1 and 32,169 in Q2.



Monthly News

The Fintech World

More good news for the UK fintech scene this month as the Deputy Mayor for Business hails the capital as the 'fintech capital of the world'. Currently, London plays host to more than 3,000 fintech companies alone with \$6.3 billion raised in investment during the first 6 months of 2022. Compared to other European cities such as Berlin and Paris, London has more than tripled the total value in its tech market. Simultaneously, the Deputy Mayor called for the country to remain open to further stimulate this fast growth, calling on the UK to loosen immigration policy to fill the skills shortages currently being experienced by the sector. In fact, there are currently 150,000 tech vacancies in the UK – making it one of the most understaffed sectors in the country.

In similar news, London-based fintech Currensea recently raised £1.35 million on the crowdfunding platform Seedrs. This start-up is dedicated to helping customers save money whilst travelling, reducing the fees and charges levied by high-street banks. Another fintech start-up named Zeed which raised £205,000 this month focuses on using 'tik-tok style' videos to break down the investment and financial worlds for the Gen Z market. Salam Hussain, the CEO of Zeed says his company aims to increase the confidence of Gen Z in their financial and investing knowledge.

The ESG Movement

Critics of the ESG movement came out in force this month, accusing London of falling well behind its European counterparts despite a large number of so-called ESG companies. The teenage face of climate action, Greta Thunberg, previously criticized the city for playing catch-up on the green ESG front. Additionally, New Financial has estimated that London is around 4-5 years behind other European countries when it comes to green finance. This has led stakeholders in many major UK-based companies to put large amounts of pressure on businesses when it comes to environmental impact. This is in part due to the pressure that asset managers face to rebalance portfolios to include substantial numbers of green, carbon-neutral companies. This increase in pressure has also forced some to take action against companies and directors which perpetuate climate transgressions. The volume of these kinds of cases has increased in recent years, seemingly alongside the UK court's decision to entertain the prosecution for these cases.

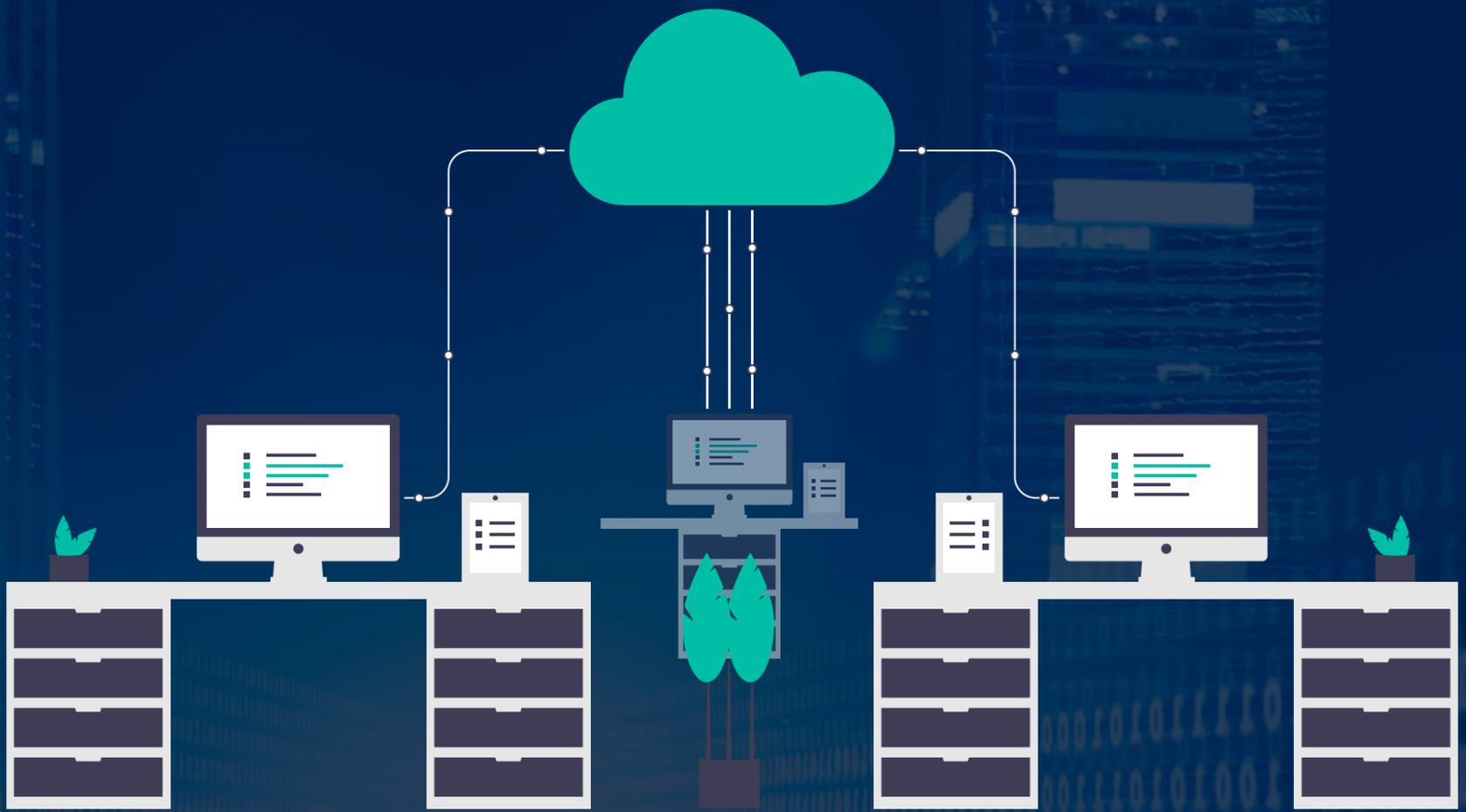
Economic Rundown

Finally, there can be no economic rundown written about June 2022 without mentioning the continual rising costs of goods and services in the UK. Although the UK economy grew by 0.5% this month, prices for fuel and groceries are continuing to rise for households across the country as disposable incomes fall further and further. Many worry that this signals the beginning of a recession for the country, and the current political instability with the resignation of Boris Johnson doesn't seem to be helping matters.

Additionally, there are also worries that the continual rise in salaries for London finance and fintech workers is only deepening this inequality. Whilst many workers are facing real cuts to salaries due to inflation, the salaries of finance professionals seem to be growing more than ever.

What's happening at DataGardener?

It's with great pride and excitement that we can announce that DataGardener has been listed in the AIFintech100 2022 companies. This organization is dedicated to recognizing FinTech companies using AI to transform financial services. To be recognized as one of the world's most innovative fintech companies using AI is a great achievement for us, and we're looking forward to pushing the boundaries even further into the future.



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