



Department for the

Economy

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Insolvency Service

**Annual Report and
Account for year
ended 31 March 2020**

DEPARTMENT FOR THE ECONOMY

The Insolvency Service Annual Report and Account

for the year ended 31 March 2020

The Accounting Officer authorised these
financial statements for issue
on 25 April 2023

Laid before the Northern Ireland Assembly on 5 May 2023 in accordance with Articles 372 and 358(4)
of the Insolvency (Northern Ireland) Order 1989 by the Department for the Economy

An Equal Opportunities Organisation

REPORT BY THE DEPARTMENT FOR THE ECONOMY ON MATTERS WITHIN THE INSOLVENCY (NORTHERN IRELAND) ORDER 1989

The Department for the Economy is required to prepare an annual general report under Article 372 of the Insolvency (Northern Ireland) Order 1989 on matters within the Insolvency Order. The Department is also required to prepare an account in such form and manner as the Department of Finance may direct, of sums credited and debited to the Insolvency Account during the year. The present report and account cover the year ended 31 March 2020.



Mike Brennan
Permanent Secretary
Department for the Economy

Date: 25 April 2023

STATUTORY BACKGROUND

The Bankruptcy Amendment (Northern Ireland) Order 1980¹ (“the 1980 Order”) and the relevant winding up provisions contained in the Companies (Northern Ireland) Order 1986² (“the 1986 Order”) were repealed and replaced by the Insolvency (Northern Ireland) Order 1989³ (“the 1989 Order”) and subordinate legislation made thereunder including the Insolvency Regulations (Northern Ireland) 1991⁴ (“the 1991 Regulations”) all of which came into operation on 1 October 1991 and the Insolvency Regulations (Northern Ireland) 1996⁵ which came into operation on 31 January 1997 and replaced and repealed the 1991 Regulations. Under the 1989 Order the Department for the Economy (“the Department”) is charged with administrative duties in relation to the insolvency of individuals, partnerships and companies being wound up by the High Court.

The Insolvency Account is kept pursuant to Article 358(1) of the 1989 Order. Trustees in bankruptcy and liquidators of companies wound up by the High Court must pay the money received by them as trustees or liquidators into the Insolvency Account kept at a bank agreed by the Department and the Department of Finance.

1 S.I. 1980/561 (N.I. 4)

2 S.I. 1986/1032 (N.I. 6)

3 S.I. 1989/2405 (N.I. 19) (Amended by S.I. 2002/3152 (N.I. 6) and by S.I. 2005/1455 (N.I.10) and by c.16(N.I.) and by 2016 c.2(N.I.)

4 S.R. 1991 No. 388

5 S.R. 1996 No. 574 (Amended by S.I. 2004 No 335 and by S.R 2006 No 461 and by S.R. 2006 No 23 and by S.R.2006 No 461 and by S.R. 2009 No 202)

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**Performance
Report**

FOREWORD BY THE DIRECTOR OF INSOLVENCY



1. It gives me great pleasure to present this report, my seventh as Director, on the work of the Insolvency Service, including that of the Official Receiver, for the year ended 31 March 2020.
2. This report has been prepared primarily for the information of the Northern Ireland Assembly but will also be of interest to users of the Insolvency Service, its staff and the wider public.
3. It was at the end of this reporting period that the biggest challenge we have faced in many years arose. The Coronavirus pandemic has impacted enormously on every aspect of life in Northern Ireland. We closed our Fermanagh House offices on 23 March 2020 to keep staff safe. Whilst most of our staff have been working from home, they continue to provide a quality service to all our stakeholders and those who avail of our services.
4. Ensuring a keen focus on our customers lies at the heart of all our operations. In the continuing challenging environment in which we work, I remain thankful to all the staff within the Insolvency Service for their continued endeavour, dedication and support throughout the year and the high quality and professional service they continue to provide to all our customers, many of whom are in difficult and vulnerable circumstances.
5. In terms of activity, the total number of new personal and corporate insolvency cases received from the High Court by the Insolvency Service saw a slight increase during the year of 4% compared with 2018/19. In total, 834 new cases were received by the Insolvency Service compared with 800 in the previous year.
6. Further analysis of those figures indicates that corporate insolvencies (compulsory liquidations) increased by 23% from 186 in the previous year to 229 in 2019/20. In contrast, there was a small reduction in bankruptcies of 1.5% from 614 in 2018/19 to 605 in 2019/20.
7. Prominent within the bankruptcy statistics, however, was an increase in the proportion of consumer bankruptcies. These result chiefly from individuals' inability to meet repayments arising from credit and store card debt and personal loans that had been taken out. This category represented 54% of total bankruptcies received during the year with the balance representing individuals who were involved in trading. This is an increase on the 42% of total bankruptcies represented by this category in 2018/19.
8. In 2019/20, 494 individuals took advantage of the Debt Relief Scheme which came into operation during 2011/12. This represented an increase of 2% on the previous year (482). Debt Relief Orders are not made through the court system, but are administered by the Official Receiver. They are a form of bankruptcy designed for individuals who have lower levels of debt, are unable to meet the cost of petitioning for their own bankruptcy and who meet certain eligibility criteria.
9. Another of the key responsibilities of the Insolvency Service is its enforcement operations to protect the public. This includes applying for bankruptcy restriction orders against individuals who have acted dishonestly or recklessly before or after they were made bankrupt. Similarly, individuals can be disqualified from being a company director if it was found that they did not meet their legal responsibilities. In the most serious cases, where a criminal offence is suspected, the Insolvency Service will refer matters to the Police Service of Northern Ireland or the Director of Public Prosecutions.

10. We are constantly shaping and adapting our operations to meet the needs and demands on our services in response to the continually changing insolvency environment. As part of this ongoing continuous development and improvement, the Insolvency Service introduced a new case management system in December 2019. The new system, ISAAC (Insolvency Service Application for Administration of Casework) is an integrated case workflow and financial information system which is improving the speed and effectiveness of how we administer all our casework.
11. Details of all main operational matters and key provisions of primary and subordinate legislation currently being developed, along with the key facts and figures relating to the work of the Insolvency Service during the year, are set out within the Statement of Purpose and Activities, Performance Summary and Performance Analysis sections of the report.
12. Finally, it was a great honour for the Insolvency Service to host the annual conference of the International Association of Insolvency Regulators (IAIR) in September 2019. IAIR promotes global co-operation and provides a forum for discussion amongst insolvency legislators and regulators to assist the development of insolvency systems within member countries.
13. As chair of IAIR's Executive Committee, it was my pleasure to welcome delegates from almost 30 countries, as well as representatives from the International Monetary Fund and the World Bank, to the three day conference. The conference's theme was "protecting the public" and delegates focused on oversight and enforcement in global insolvency regimes and the use of information to protect those affected by personal or corporate failures.



Richard Monds

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PERFORMANCE SUMMARY

PERFORMANCE SUMMARY

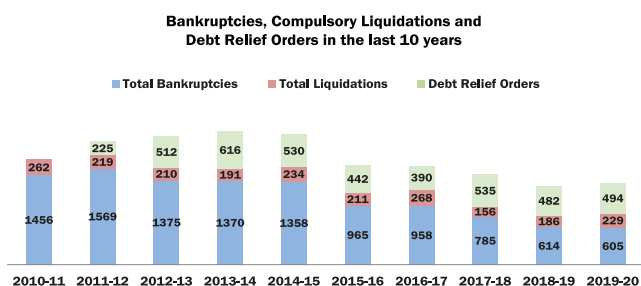
1. This section summarises the key areas of work of the Insolvency Service for the period 1 April 2019 to 31 March 2020.

RESOURCES

2. In 2019/20, the Insolvency Service employed 100 staff made up of 54 specialist grades, mainly examiner staff within the Official Receiver's office, and 46 administrative grades.

NUMBER OF INSOLVENCIES

3. The number of compulsory winding up orders, bankruptcy orders and debt relief orders made in each of the last 10 years is shown below.



4. The total number of bankruptcy, winding-up orders and debt relief orders made during the year was 1,328 (2019: 1,282). This represents an overall increase on the prior year of approximately 4% which ensures statistics are reasonably consistent.

CASE ADMINISTRATION

5. The table below shows that as at 31 March 2020, the Official Receiver was dealing with a total of 2,756 cases in respect of compulsory liquidations, bankruptcies and estates of deceased insolvents. These cases were at various stages of administration and investigation and represent an increase of approximately 12% on the previous year's cases of 2,466.

Total Number of Cases Administered in 2019/20

	2019/20
Total open cases at the beginning of the year	2,466
New bankruptcy cases	605
New company cases	229
Closed cases which were re-opened	41
Less	
Cases appointed via contract	(140)
Cases completed	(445)
Total open cases at year end	2,756

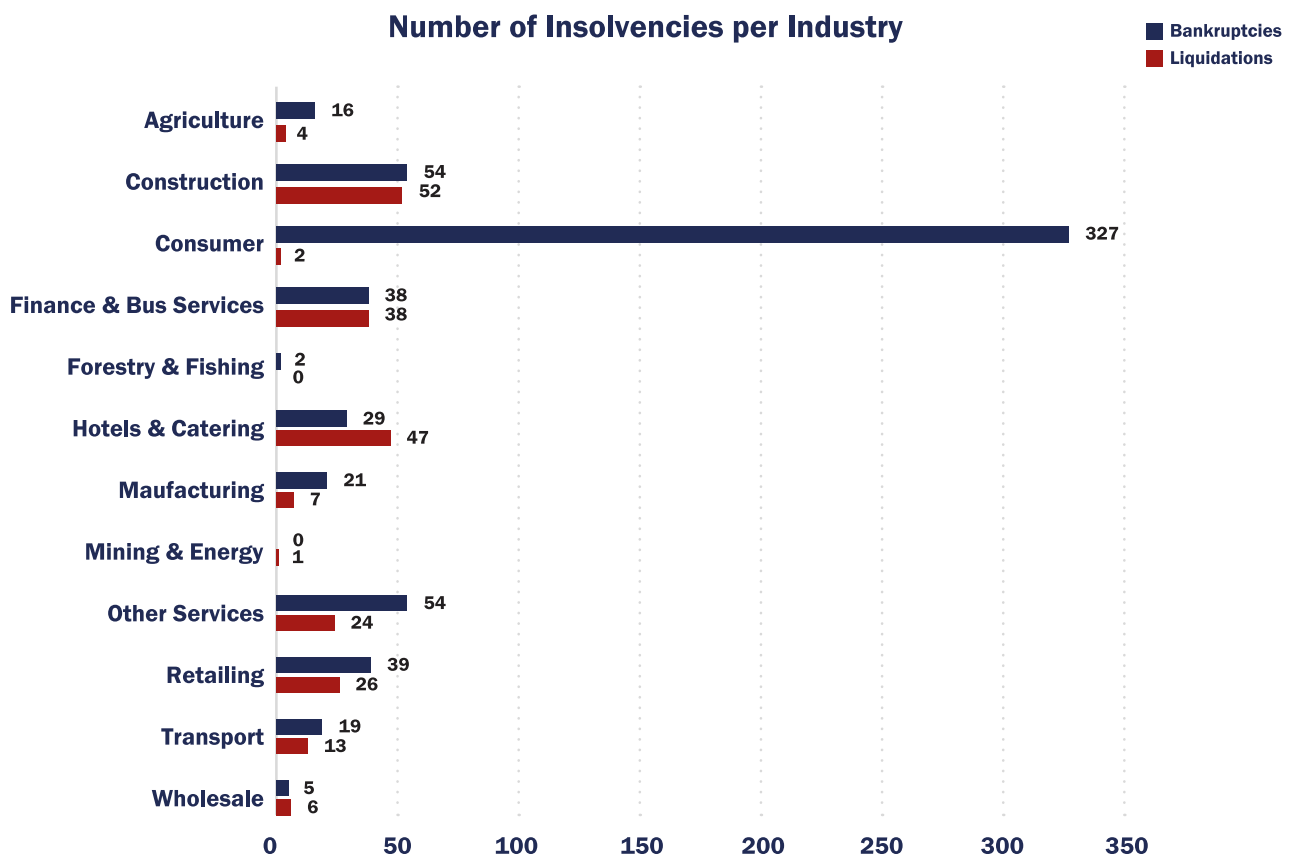
BUSINESS SECTOR ANALYSIS

6. An analysis of the orders made during the year, classified according to their business sector, is set out below. The complete table is set out at Appendix IV of this report.

- **Companies;** In 2019/20, the greatest number of failures occurred in the Construction sector with 52 cases followed by the Hotels & Catering sector with 47 cases and the Finance and Business Services sector with 38 cases. In 2018/19, the greatest number of failures occurred in the 'Other Services' sector with 36 cases.

- **Bankruptcies;** In 2019/20, the greatest number of failures occurred in the Consumer Bankruptcy⁶ sector, with 327 cases followed by the "Other Services"⁷ sector and the Construction sector with 54 cases each. In 2018/19, the greatest number of failures occurred in the Consumer Bankruptcy sector with 328 cases.

7. As a result of the work of the Insolvency Service, £16.6m of assets were identified for realisation and return to creditors. (2018/19: £12.7m).



6 "Consumer bankruptcies" are defined to include persons who are in employment, those with no occupation or who are unemployed, individuals whose occupation is unknown, and directors and promoters of companies whose bankruptcy has arisen through personal indebtedness.

7 "Other Services" comprises of recreational services, medical services, educational services, repair of consumer goods, laundry, hairdressing, beauty parlours and other services.

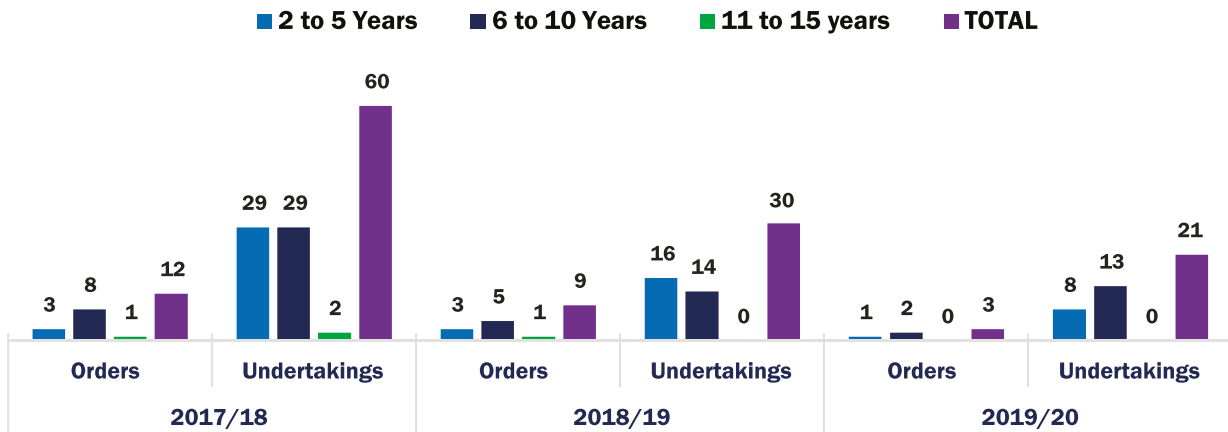
LEGISLATION

8. As the NI Assembly was only sitting from January 2020, we were unable to progress any primary or subordinate legislation in 2019/20. The legislation team has continued all preparatory work on drafting an insolvency bill which will modernise insolvency proceedings and bring Northern Ireland’s insolvency legislation into line with that in England & Wales.

DIRECTORS DISQUALIFICATION AND BANKRUPTCY RESTRICTION ORDERS

9. During the year, the Directors Disqualification Unit accepted 12 disqualification undertakings. In addition, 3 bankruptcy restriction orders were obtained and 9 bankruptcy restriction undertakings were accepted. The periods are set out below compared to previous years.

Number of disqualification and restriction cases before the Court and the number of orders made / undertakings given in the last 3 years



PERFORMANCE ANALYSIS FOR 2019/20

PERFORMANCE AGAINST TARGETS IN 2019/20

Key Target/Indicator	Target	2019/20 Achieved	2018/19 Achieved	Notes
To report to creditors on assets and liabilities within 12 weeks of the Order being made	100%	100%	100%	
To convene creditors' meetings within 12 weeks of the Order when it is considered appropriate that a meeting should be held	100%	100%	100%	
To complete the finalisation of 90% of Official Receiver bankruptcy cases within twelve months of receipt	90%	87%	93%	1
To complete the finalisation of 90% of Official Receiver company cases within twelve months of receipt	90%	94%	93%	
To submit all disqualification cases to the Departmental Solicitor for prospective proceedings within 2 years of relevant date	100%	100%	100%	
To submit all disqualification returns/reports to the Disqualification Unit within 3 months of the Order	100%	100%	100%	
To refer all identified prosecution cases to the PSNI within six months of receipt of a completed report	100%	N/a	N/a	2

1 Target was missed due to staff shortages in the Bankruptcy Vetting team during 2019/20.

2 No cases were identified as suitable for referral to PSNI in 2018/19 or 2019/20.

STATEMENT OF PURPOSE AND ACTIVITIES

1. OUR PURPOSE

1.1 In all modern developed economies, businesses will be constantly striving for continued growth and improved returns on their investments. Often, this will involve taking a measure of risk with the ultimate possibility that the business will fail and, as a result, suffer financial difficulty and distress.

1.2 On an individual level, there will also be those who, either through overstretching themselves or as a result of some external event, find themselves in a difficult financial position where they will require formal debt relief.

1.3 The Insolvency Service (the Service) provides a range of services to those who suffer financial distress or failure and, by doing so, helps to promote and maintain the integrity and working of the market place.

1.4 In practice, this is done by:

- providing a means for dealing with financial failure through the sensitive and impartial administration and investigation of the affairs of bankrupts and companies in compulsory liquidation;
- realising and returning funds to creditors, as quickly as possible;
- tackling fraud, misconduct and wrong-doing which might otherwise undermine confidence in the working of the market by ensuring that abuses of the system are dealt with as effectively as possible; and
- administering an efficient and effective debt relief system for those individuals with low level debts through the making of Debt Relief Orders.

1.5 The principal functions and objectives of the Service are, therefore:

- to preserve and protect assets and carry out the initial stage in the administration of all bankruptcies and compulsory liquidations;

- to investigate the conduct of bankrupts and directors of insolvent companies;
- to deal with the disqualification of directors in all corporate failures and consider applications for Bankruptcy Restrictions Orders;
- to act as trustee and liquidator in compulsory insolvencies where no private sector insolvency practitioner is appointed;
- to formulate policy and provide advice to the Department and the Minister;
- to operate the Insolvency Account;
- to prepare insolvency legislation; and
- to monitor and oversee the recognised professional bodies.

1.6 The Service essentially comprises five inter-linked functions. They are:

- **Official Receiver** – on the making of a Court Order the Official Receiver, and his staff, deal with the administration and investigation of all bankruptcies and compulsory corporate insolvencies and the making of Debt Relief Orders;
- **Enforcement** – dealing with reports of possible criminality and misconduct (arising out of bankruptcies, debt relief orders, compulsory liquidations, voluntary liquidations, administrative receiverships and administrations);
- **Insolvency Practitioner Regulation** - overseeing and monitoring the regulatory framework for recognised professional bodies and insolvency practitioners;
- **Banking** – maintaining the Insolvency Account and providing a banking service to its users; and
- **Legislation** – responsibility for drafting insolvency legislation and overseeing its passage through the NI Assembly.

OUR RELATIONSHIP WITH OUR USERS

1.7 These executive functions each work with one, or more, of the Service's users. Principally these are:

- **Bankrupts and directors of failed companies** - who are required to provide information for the Official Receiver's enquiries into the causes of failure and financial affairs of the individuals or companies;
- **Creditors (and contributories in failed companies)** - who receive a report on the insolvency, are called upon to assist the Official Receiver in his enquiries and have the opportunity to appoint a private sector insolvency practitioner in appropriate cases;
- **Banks, solicitors, accountants and other parties** - who have dealings with the bankrupt or failed company and are also called upon to assist the Service to resolve issues arising out of the failure;
- **Insolvency Practitioners** - who may be appointed by the creditors or the Department as trustee or liquidator and may take over the administration of an insolvency from the Official Receiver;
- **Department and Ministers** - providing advice and support to the Department and Ministers on insolvency issues; and
- **The High Court** - where insolvency petitions are presented, orders made and enforcement proceedings instituted.

1.8 There is a wide range of other users of the Service, specifically agencies which deal with prosecution and regulation, as well as other branches and agencies within the Department and other government departments and European Union institutions.

1.9 The public has a general interest in the efficiency and effectiveness of the Service, for example, in providing protection for consumers from the activities of unfit directors.

STATUTORY AUTHORITY

1.10 The main pieces of legislation that underpin the work of the Service are the Insolvency (Northern Ireland) Order 1989 and the Company Directors Disqualification (Northern Ireland) Order 2002. The statutory instruments listed in Appendix II to this report provide a more complete legal framework for the administration of insolvencies in Northern Ireland.

EQUAL OPPORTUNITIES

1.11 The Service is committed to the Department's equal opportunities policy. The Department undertakes yearly surveys on the Service's commitment to the above policy.

HEALTH AND SAFETY

1.12 The Service continued to comply with the Department's Health and Safety policy. The physical security guide was updated and issued to staff in February 2020.

INSOLVENCY SERVICE AUDIT SECTION

1.13 The Service's audit section audits a sample of all cases and highlights areas of concern in regular reports to management.

INFORMATION TECHNOLOGY

1.14 A new bespoke IT system was developed and launched within the Insolvency Service in December 2019 for use by both staff and Insolvency Practitioners. The system allows the management of casework and finance within the Insolvency Service whilst also facilitating the work of Insolvency Practitioners. The system also provides online facilities for members of the public to pay bankruptcy fees.

2. OUR ACTIVITIES

OFFICIAL RECEIVER OPERATIONS

STATUS AND RESPONSIBILITY

2.1 The Official Receiver is a civil servant and an officer of the High Court with responsibility for administering and investigating bankruptcies and companies wound up by the High Court. Since 30 June 2011 he is also responsible for the approval of Debt Relief Orders.

ADMINISTRATION

2.2 There are several types of insolvency procedures which operate within Northern Ireland. Compulsory liquidations, bankruptcies and debt relief orders are supervised by the Official Receiver operating within the Insolvency Service. Other insolvency events are supervised by private sector insolvency practitioners which include company administrations and voluntary liquidations, company voluntary arrangements and individual voluntary arrangements.

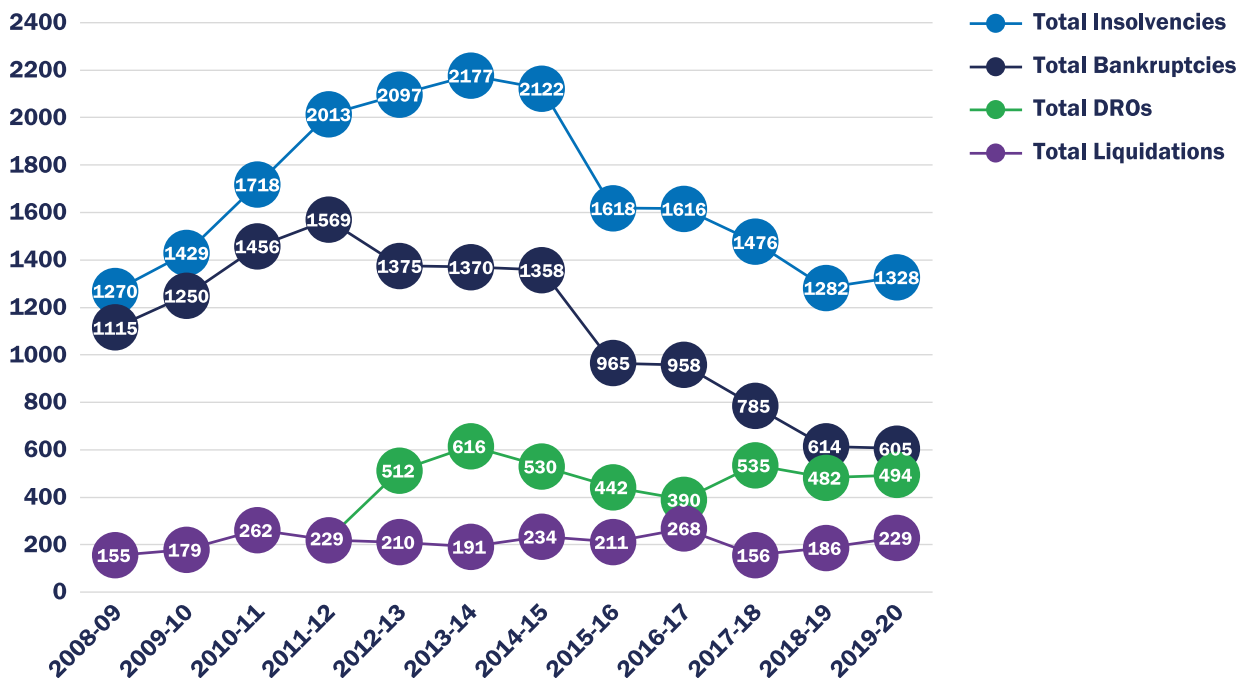
2.3 The Official Receiver becomes receiver and manager on the making of a bankruptcy order or first liquidator on the making of a winding up order and is responsible for the protection of the insolvent's assets.

2.4 In cases where there are assets or recoveries of any material value, the Official Receiver normally will seek the appointment of a private sector insolvency practitioner either by calling a creditors' meeting or by applying to the Department for an appointment from a rota.

2.5 Where an insolvency practitioner is not appointed, the Official Receiver remains as trustee/liquidator to undertake any realisations and distributions to creditors and complete the administration of the estate.

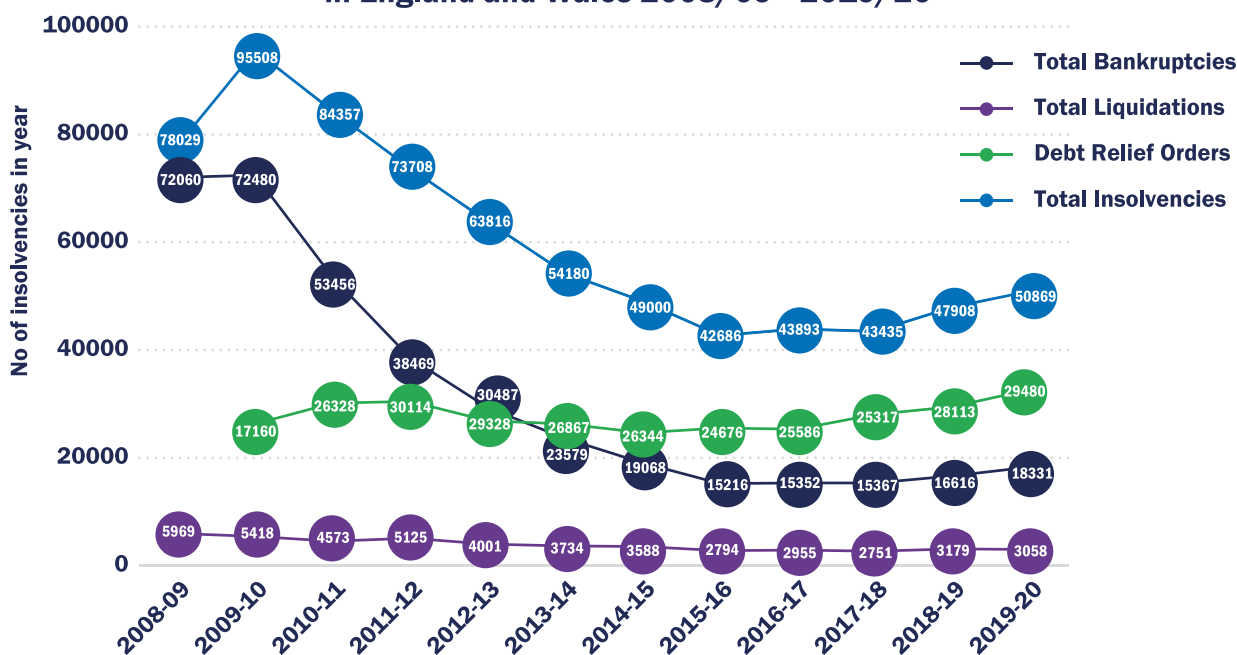
2.6 There was a 4% increase in the total number of new bankruptcy and liquidation cases administered by the Insolvency Service in 2019/20. The total number of new cases was 834 in 2019/20 against 800 in 2018/19. There was an increase of 2% in debt relief orders with 494 in 2019/20 against 482 in 2018/19.

Insolvency Service cases received from 2008/09 to 2019/20



- 2.7 In 2019/20, 54% of bankruptcies continued to occur in the consumer bankruptcy sector (327). Consumer bankruptcies are defined to include persons who are in employment, those with no occupation or who are unemployed, individuals whose occupation is unknown, and directors and promoters of companies whose bankruptcy has arisen through personal indebtedness.
- 2.8 The next largest groups of bankruptcies were in the Other Services (54) and Construction (54) sectors. The former comprises recreational services, medical services, educational services, repair of consumer goods, laundry, hairdressing and beauty parlours, and other services.
- 2.9 With regard to companies, the largest groups of winding up orders were in the Construction (52), Hotels and catering (47) and the Finance and Business Services (38) sectors. Construction comprises general construction and demolition, home improvement, decorating and small works, building repairs and electrical and plumbing services. Hotels and catering comprises residential accommodation, licensed premises, restaurants and other Catering whilst Finance and Business Services comprises of accounts and legal services, computer services, management services, real estate and other business services.
- 2.10 During the year, 494 individuals took advantage of the Debt Relief Scheme which came into operation during 2011/12. Debt Relief Orders are made by the Official Receiver and are a form of bankruptcy designed for individuals with lower levels of debt who are unable to meet the cost of petitioning for their own bankruptcy and who meet certain eligibility criteria in order to obtain an order from the Official Receiver.
- 2.11 Worthy of note also are the number of individuals who took advantage of the Individual Voluntary Arrangement (IVA) Scheme. This is an insolvency process whereby indebted individuals reach a voluntary agreement with their creditors to pay back a portion of what they owe in settlement of their debts. The Service plays no role in the administration of these cases, however, they are an important means for individuals to deal with problem debt. The number of individuals entering IVAs in recent years has been steadily increasing and, in 2019/20, the number increased substantially to 1,502 (2019: 1,206) which represents a 25% increase on the previous year.
- 2.12 In total, therefore, some 2,601 (2019: 2,302) individuals in Northern Ireland took advantage of an insolvency process during 2019/20 through bankruptcy, debt relief order or IVA. This represents an increase of 13% on the previous year.
- 2.13 The insolvency regime in Northern Ireland is modelled on the system that operates within England & Wales and, therefore, it is useful to compare the relative insolvency rates.
- 2.14 The table below shows that from the periods 2009/10 to 2015/16, total insolvencies in England & Wales have been decreasing steadily. The numbers for the periods 2016/17 to 2017/18 increased modestly, however, there was a marked increase in 2018/19 which saw bankruptcies and debt relief orders increasing by 8% and 11% respectively. There has been another marked increase in the numbers for 2019/20 with bankruptcies increasing to 18,331 and DROs increasing to 29,480. These increases represent rises of 10% and 5% respectively. In the same period, liquidations decreased by 4% from 3,179 to 3,058.

Insolvency Cases Received by Insolvency Service in England and Wales 2008/09– 2019/20

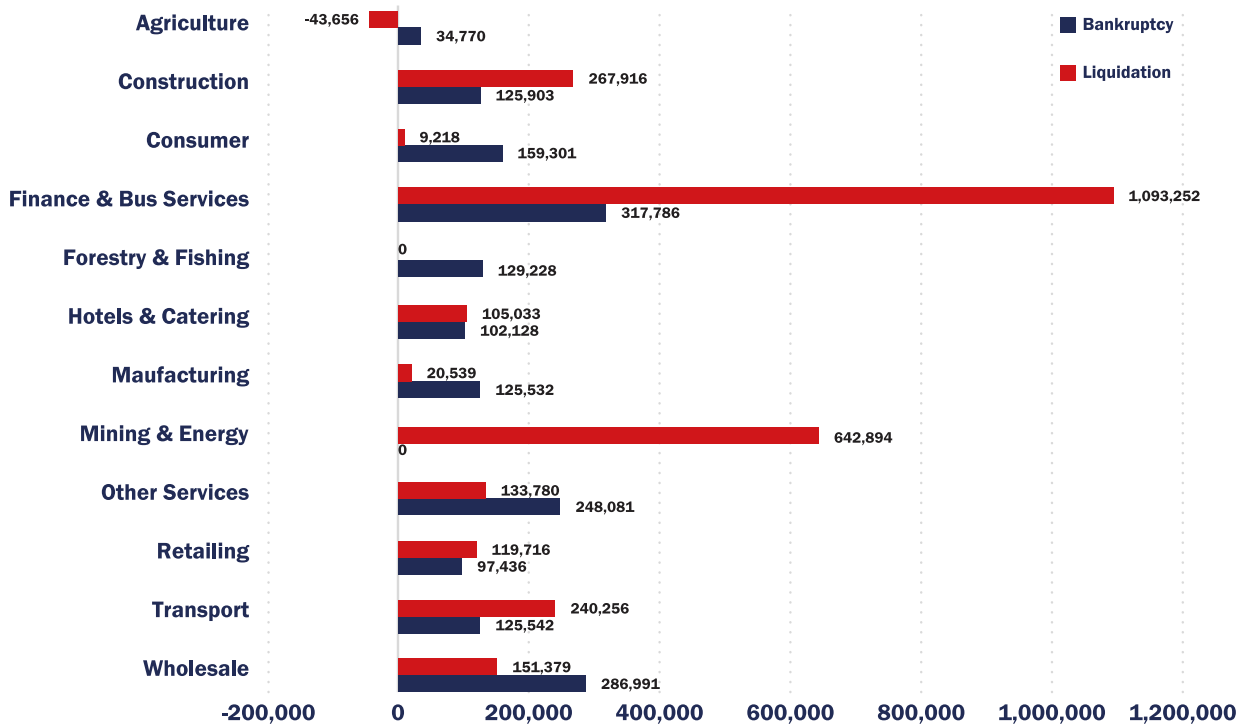


AVERAGE DEFICIENCY OF ASSETS AND LIABILITIES

2.15 An analysis of the average deficiency values of assets and liabilities during the year, classified according to business sector, is given in the chart below. The largest average deficiency for bankruptcies and companies occurred in the Finance and Business Services sector which comprises accounting and legal services, real estate, computer services, management services and other business services. Further details can be found in Appendix IV.

- **Companies;** the estimated total liabilities of companies which went into compulsory liquidation in the year amounted to £80.2m, and the estimated total assets were £8.8m, leaving an overall deficiency of £71.4m. This represents an average deficiency of approximately £325k per case.
- **Bankruptcies;** the estimated total liabilities of cases in which bankruptcy orders were made in the year amounted to £106.3m and the estimated total assets were £7.9m, leaving an overall deficiency of £98.4m. This represents an average deficiency of approximately £163k per case.

Average Deficiency 2019-20

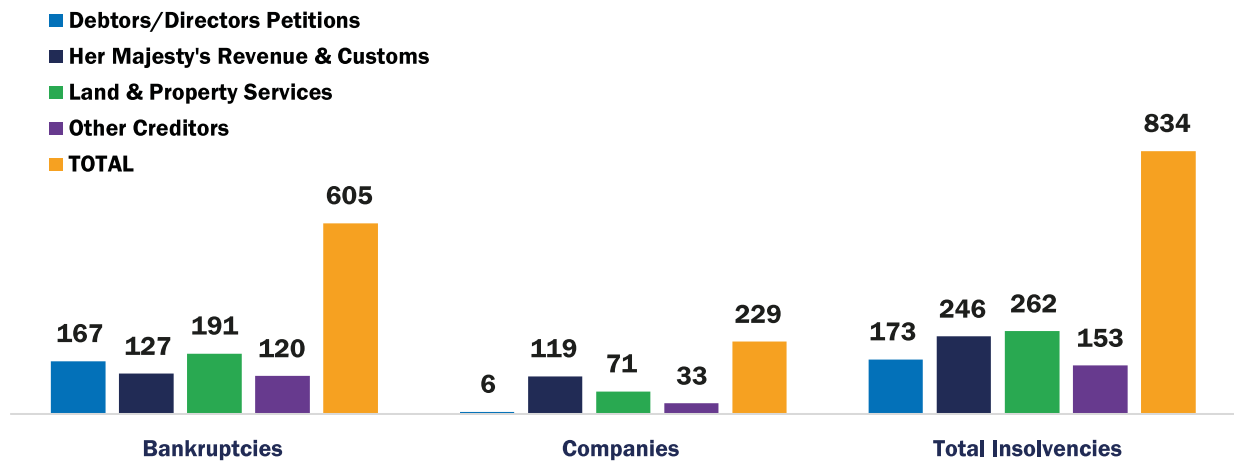


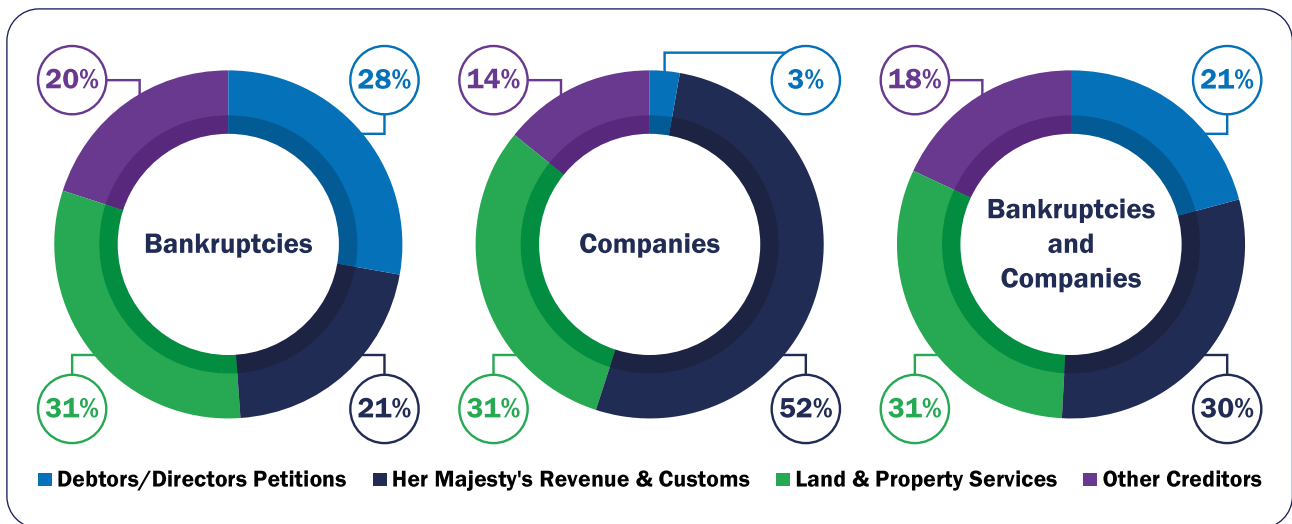
*Does not include Annulments or rescissions

INSOLVENCY PETITIONERS

2.16 An analysis of bankruptcy and winding up orders made during the year, classified according to the origin of the insolvency petition, is shown below.

Insolvency Petitioners





INVESTIGATION

2.17 Under Articles 112 and 262 of the Insolvency (Northern Ireland) Order 1989, the Official Receiver has a duty to investigate the affairs of bankrupts and companies in compulsory liquidation and the conduct of bankrupts and directors.

2.18 Under legislation, powers to require information and documentation are wide ranging, including the power to make applications to suspend automatic discharge from bankruptcy and to hold public examinations in the High Court to secure compliance and full disclosure of information.

2.19 Under the Company Directors Disqualification (Northern Ireland) Order 2002, the Official Receiver is required to report any unfit conduct by the directors of a company to the Insolvency Service's Directors Disqualification Unit (DDU). If, following an investigation, no unfit conduct is evident then a return of no unfit conduct must be submitted to the DDU.

2.20 When an investigation brings to light the possibility that criminal offences may have been committed, the Official Receiver reports the case to DDU.

2.21 Appendix V shows that during the year, the OR's investigation led to the making of 100 conduct returns on company directors to the DDU. The Official Receiver also applied to the High Court for:

- the suspension of automatic discharge in 26 bankruptcies; and

- the public examinations of 9 bankrupts and 79 company directors.

DEBT RELIEF ORDERS

2.22 The Debt Relief scheme came into operation on 30 June 2011. The scheme is to help individuals who cannot pay their debts and who cannot afford the cost of petitioning for bankruptcy. The scheme enables such individuals to apply to the Official Receiver for an Order similar to a Bankruptcy Order made by the Court. There is only one fee payable on application and it is £90, which is considerably less than the £525 deposit, plus the Court fee, to petition for bankruptcy. There are eligibility criteria, including a £20,000 ceiling on the total amount of debt (raised from £15,000 in November 2016), a £1,000 cap on the total value of assets (raised from £300 in November 2016) and an upper limit of £50 surplus income in the month. For the year ended 31 March 2020, 533 Debt Relief applications were received of which 494 were granted.

ENFORCEMENT

PROSECUTION

2.23 The Official Receiver submits reports to the Insolvency Service's Directors Disqualification Unit (DDU) regarding possible criminal offences.

2.24 Each report is considered and if it shows admissible, substantial and reliable evidence of the alleged offence(s), it is referred to the Police Service of Northern Ireland (PSNI) (formerly to the Public Prosecution Service (PPS)).

2.25 The table below shows the number of reports submitted by the Official Receiver and others to the DDU regarding possible criminal offences and the number of reports and investigation files referred to the PSNI in each of the last three financial years.

Numbers of Cases Referred Relating to Possible Criminal Offences

	2019/20	2018/19	2017/18
Reports submitted by Official Receiver to the Directors Disqualification Unit	0	0	0
Reports submitted by others to the Directors Disqualification Unit	0	0	0
Reports referred by the Directors Disqualification Unit to the PSNI	0	0	1

DISQUALIFICATION

2.26 When a company goes into creditors' voluntary liquidation, is wound up by the High Court, has an administrative receiver appointed or is the subject of an administration order, the office-holder is required to report to the Department any unfit conduct by the directors (including any shadow or de-facto directors) of the company.

2.27 The Insolvency Service's Directors Disqualification Unit (DDU) considers each report submitted by insolvency practitioners and the Official Receiver and recommends whether it is in the public interest to apply to the High Court for the disqualification of a particular director. The reports and associated correspondence are confidential but are subject to discovery by the respondent(s) in disqualification proceedings. The Directors Disqualification Unit is required to file proceedings in Court within 3 years of the date of the insolvency.

2.28 Where the Court finds that there is unfit conduct, it must (under Article 9 of the Company Directors Disqualification (Northern Ireland) Order 2002) make a disqualification order for a period of between 2 and 15 years.

2.29 The Company Directors Disqualification (Northern Ireland) Order 2002, which came into effect on 5 September 2003, allows directors, with agreement of the Department, to avoid the need for a court hearing by offering an acceptable disqualification undertaking. This has exactly the same legal effect as a

disqualification order made by the Court and will usually include a schedule identifying the director's unfit conduct. The consequences of breaching a disqualification undertaking are the same as those for breaching a disqualification order.

2.30 The first disqualification order was made by the High Court on 17 November 1994 and since then a total of 921 directors have been disqualified on the Department's application or have entered into an undertaking.

2.31 This includes all disqualification orders made by Criminal Courts after conviction and also disqualification undertakings accepted by the department. During the period 1 April 2019 to 31 March 2020, there was 1 order made by the Criminal Courts and 12 disqualification undertakings accepted by the department.

REGISTER OF DISQUALIFICATION ORDERS AND UNDERTAKINGS

2.32 The Department is required to maintain a Register of Disqualification Orders. This includes details of both disqualification orders made by Northern Ireland courts and disqualification undertakings accepted by the Department, which are currently in force and is available at the offices of the Insolvency Service, Fermanagh House, Ormeau Avenue, Belfast, BT2 8NJ. The register is also available on the Companies House website at <https://beta.companieshouse.gov.uk>

BANKRUPTCY RESTRICTIONS ORDERS

2.33 When the Official Receiver is appointed Receiver and Manager, or Trustee, of a bankruptcy he will carry out a statutory investigation into the bankrupt's assets and the reasons for his or her insolvency. If the Official Receiver considers that the conduct of a bankrupt has been dishonest, or blameworthy in some other way, he will report the facts to the Bankruptcy Restrictions Order (BRO) Team within the Directors Disqualification Unit. If it is deemed expedient and in the public interest, the BRO Team will make a report to the High Court asking for a Bankruptcy Restrictions Order to be made.

2.34 The court will consider this report and any other evidence brought before it and decide whether a BRO should be made. If it does decide to make an Order, the bankrupt will be subject to certain restrictions for the period stated in the Order and this will be between 2 and 15 years. Generally, the more harm a bankrupt's behaviour causes to their creditors, in the Court's opinion, the longer the BRO is likely to last.

2.35 If the bankrupt accepts the Official Receiver's allegations, he or she may offer to enter into a Bankruptcy Restrictions Undertaking (BRU). This has exactly the same effect as a BRO but does not involve the time and expense of a court hearing.

2.36 The restrictions include:

- they must disclose their status to a credit provider if they wish to obtain credit of more than £500;
- they must disclose to those with whom they wish to do business the name (or trading style) under which they were made bankrupt;
- they may not act as the director of a company or take part in its promotion, formation or management unless they obtain the Court's permission to do so; and
- they may not act as an insolvency practitioner or as receiver or manager of the property of a company on behalf of debenture holders.

2.37 Bankruptcy Restrictions Orders/Undertakings came into effect under Schedule 2A of the Insolvency (Northern Ireland) Order 1989 on 27 March 2006. The first Bankruptcy Restrictions Undertaking was given on 14 April 2008 and since then a total of 214 Bankruptcy Restrictions Orders/Undertakings have been made by the High Court or accepted by the Department.

2.38 In the year 2019/2020, there were 3 Bankruptcy Restrictions Orders made by the High Court and 9 Bankruptcy Restrictions Undertakings accepted by the Department.

INSOLVENCY PRACTITIONER REGULATION

2.39 The Insolvency Service has, through its Insolvency Practitioner Unit (IPU), responsibility for monitoring the standards set by Recognised Professional Bodies (RPBs) which are the bodies that licence and authorise insolvency practitioners. This includes checking the effectiveness and robustness of the RPBs in their monitoring and review of the performance of their own licensees.

2.40 IPU staff attend quarterly meetings of monitoring officers chaired by a member of the Insolvency Service (E&W). These meetings are attended by monitoring officers employed by:

- each of the RPB's (Chartered Accountants Ireland, Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants in Scotland, Association of Chartered Certified Accountants* and the Insolvency Practitioners Association),
- the Insolvency Service (E&W), and
- the Insolvency Service Northern Ireland.

* The Association of Chartered Certified Accountants (ACCA) voluntarily ceased all regulatory activities as a Recognised Professional Body effective from 1 January 2020.

2.41 The meetings are convened to allow discussion of matters noted during the course of monitoring visits carried out by any of these officers, to ensure consistency of standards in the approach to the monitoring/regulation of insolvency practitioners and to promote “best practice” issues in case administration by practitioners. The meetings also provide a forum for making representations to other bodies such as the Joint Insolvency Committee.

2.42 The Insolvency Service continues to operate a desktop monitoring process which involves monitoring insolvency practitioners for failure to report or comply with the Insolvency Rules and legislation. The table below lists the indicators and gives the number of cases in each category where IPU has informed an RPB of an IP’s default under the desktop monitoring system during 2019/20.

Indicators	Triggers	No of cases referred to RPB /Investigated by the Department 2019/20	No of cases referred to RPB /Investigated by the Department 2018/19
Failure to report details of individual voluntary arrangements to the Department pursuant to Rule 5.27 of the Insolvency Rules (NI) 1991	2 failures to report	3	0
Failure to comply with provisions regarding the advertisement of meetings, appointments and dividend payments	2 failures to advertise properly	0	0
Failure to submit returns to the Department pursuant to The Insolvent Companies (Reports on Conduct of Directors) Rules (NI) 2003	1 failure to submit returns on time	0	0
Drawing Unauthorised Remuneration – Breach of SIP 9	Automatic referral	0	0
Failure to pay funds into the Insolvency Account pursuant to Regulations 5 and 20 of the Insolvency Regulations (NI) 1996	Automatic referral	0	0
Complaints from third parties	Automatic referral	6	7
Non-response to correspondence	Failure to reply to 3 letters	0	0
Inaccurate fees calculations	Submission of 3 inaccurate fees calculations	0	0
TOTAL		9	7

REMUNERATION AND STAFF REPORT

2.43 The Insolvency Service is a division in the Management Services and Regulation Group within the Department for the Economy and details of its remuneration policy is included within the Department's resource accounts.

2.44 A summary of the staff running costs is as follows:

Resources	2019/20	2018/19
Staff Costs	£3.903M	£3.623M
Staff in post at 31 March comprising:		
Specialist grades	54	55
Administrative grades	46	47
	100	102

JOINT INSOLVENCY COMMITTEE

2.45 The Joint Insolvency Committee (JIC) is made up of representatives of all Recognised Professional Bodies (RPBs) and the Insolvency Service of England and Wales, and the Accountant for Bankruptcy, Scotland. It is a forum for the discussion of insolvency issues, promoting consistency across the profession and, in discussion with the Insolvency Service, for standard setting. It develops, improves and maintains insolvency standards from a regulatory, ethical and best practice perspective.

2.46 The Director of Insolvency and Head of the Insolvency Practitioner Unit, on behalf of the Insolvency Service Northern Ireland, are invited members of this Committee having full participatory powers and voting rights.

2.47 It is incumbent on the Director of Insolvency and Head of the Insolvency Practitioner Unit and the Northern Ireland RPBs represented on the committee to ensure that these standards are complied with by all NI practitioners.

2.48 During the year, 4 meetings of the Committee were held.

STATEMENTS OF INSOLVENCY PRACTICE (SIPS)

2.49 These provide practitioners with guidance on required practice and are directed at ensuring a high and consistent standard is maintained by all practitioners.

2.50 A total of fifteen SIPS have now been adopted and issued to licensees. The matters dealt with by these SIPS are as follows:

- SIP 1** An Introduction to Statements of Insolvency Practice;
- SIP 2** Investigations by Officeholders in Administrations and Insolvent Liquidation and Submissions of Conduct Reports by Officeholders;
- SIP 3** Voluntary Arrangements;
- SIP 4** Disqualification of Directors;
- SIP 7** Presentation of Financial Information in Insolvency Proceedings;
- SIP 8** Summoning and Holding of Meetings of Creditors Convened Pursuant to Article 84 of the Insolvency (Northern Ireland) Order 1989;
- SIP 9** Remuneration of Insolvency Officeholders;
- SIP 10** Proxy Forms;
- SIP 11** The Handling of Funds in Formal Insolvency Appointments;
- SIP 12** Records of Meetings in Formal Insolvency Proceedings;
- SIP 13** Acquisition of Assets of Insolvent Companies by Directors;
- SIP 14** A Receivers Responsibility to Preferential Creditors;
- SIP 15** Reporting and Providing Information on their Functions to Committees and Commissioners;
- SIP 16** Pre-packaged Sales in Administrations; and
- SIP 17** An Administrator Receiver's Responsibility for the Company Records.

INTERNATIONAL ASSOCIATION OF INSOLVENCY REGULATORS

2.51 The Insolvency Service is a member of the International Association of Insolvency Regulators (IAIR) which is an international body that offers the opportunity to explore and benefit from other Regulators' approaches to insolvency policy, legislation, operations and management.

2.52 Current membership/Associated membership comprises Australia (Australian Securities & Investment Commission and Australian Financial Services Authority), Bermuda, British Virgin Islands, Canada, Chile, Czech Republic, Finland, Hong Kong, India (Insolvency and Bankruptcy Board of India and Ministry of Corporate Affairs India), Ireland (Insolvency Service of Ireland and Office of the Director of Corporate Enforcement Ireland), Jersey, Kenya, Malta, Mauritius, New Zealand, Peru, Poland, Romania, Russia, Serbia, Singapore, South Africa, Thailand, Trinidad and Tobago, Uganda, USA and the UK (The NI Insolvency Service, together with the Insolvency Service of England and Wales and the Accountant in Bankruptcy, Scotland).

2.53 In September 2019, the Director of Insolvency, as chair of the IAIR Executive Committee, hosted the IAIR Annual Conference and AGM in Belfast. The theme of the conference was 'Protecting the Public – Information, Oversight and Enforcement' and delegates were welcomed to Northern Ireland from almost 30 countries, as well as representatives from the International Monetary Fund and the World Bank, to the three day conference. Delegates were provided with the opportunity to meet and discuss their key roles and responsibilities in relation to protecting the public through a wide range of key note speeches, plenaries and workshops.

2.54 Full details of the work of IAIR can be found at its website: <http://www.insolvencyreg.org/>



APPOINTMENTS REQUIRING INSOLVENCY PRACTITIONER AUTHORISATION

2.55 Under the Insolvency (Northern Ireland) Order 1989, only authorised persons may act as insolvency practitioners. Authorisation may be granted by a professional body recognised by the Department. The bodies currently recognised, together with the numbers of their members who take cases in Northern Ireland, are:

	2019/20	2018/19
Law Society of Northern Ireland	3	3
Insolvency Practitioners Association	618	551
Association of Chartered Certified Accountants	0	83
Institute of Chartered Accountants in England and Wales	805	794
Chartered Accountants Ireland	42	45
Institute of Chartered Accountants in Scotland	88	92
Total	1,556	1,568

2.56 The number of bodies which licence and regulate insolvency practitioners has been reduced with the ending of insolvency practitioner authorisation by the Secretary of State for Business, Innovation and Skills (effective from 30 September 2016), the ending of insolvency practitioner authorisation by the Department, (effective from 31 March 2017) and the ending of insolvency practitioner authorisation by the Association of Chartered Certified Accountants (effective from 1 January 2020).

REGISTER OF INDIVIDUAL VOLUNTARY ARRANGEMENTS

2.57 The Department is required to maintain a register of individual voluntary arrangements which is open to public inspection.

2.58 During the year ended 31 March 2020, 1,502 voluntary arrangements were reported to the Department for registration which represented a 25% increase on the corresponding figure for the previous year of 1,206.

The register can be accessed via our website at: <https://www.economy-ni.gov.uk/services/individual-voluntary-arrangement-register>

2.59 The Department is also required:

- to keep a register of Debt Relief Orders, Debt Relief Restrictions Orders and Debt Relief Restrictions Undertakings; and
- to keep registers of Bankruptcy Restrictions Orders, interim Bankruptcy Restrictions Orders and Bankruptcy Restrictions Undertakings.

These can be accessed via our website at: <https://www.economy-ni.gov.uk/articles/insolvency-service-do-it-online>

BANKING

CENTRAL ACCOUNTING UNIT AND THE INSOLVENCY ACCOUNT

2.60 The Central Accounting Unit has responsibility for insolvency estate banking within the Service.

2.61 Trustees and liquidators, including the Official Receiver for Northern Ireland, must pay all funds from the realisation of the assets of bankrupts or companies wound up by the High Court into the Insolvency Account which is maintained by the Department.

2.62 Details of receipts and payments into that account are set out from page 37 of the report. The funds held at 31 March 2020 in the Account amounted to £23,601,290.

2.63 Any monies standing to credit of bankruptcy and liquidation estate accounts are entitled to interest received in respect of those accounts. The remaining interest earned on funds in the Insolvency Account is paid to the Department.

LEGISLATION

2.64 The Service's Legislation Unit is responsible for:

- making legislation needed to update the Insolvency (Northern Ireland) Order 1989 and the Company Directors Disqualification (Northern Ireland) Order 2002 and related subordinate legislation;
- carrying out equality and rural impact screening and privacy and regulatory impact assessments on proposed legislation and considering any human rights implications;
- producing consultation documents for proposed changes to insolvency legislation and considering any replies received;
- carrying out procedures required for the production of primary legislation, including preparing policy memoranda, drafting instructions to counsel and preparing explanatory memoranda;
- preparing Executive papers to seek approval to carry out consultation, have draft bills prepared and introduce bills in the Assembly;
- taking forward Legislative Consent Motions for insolvency related matters to be dealt with in Westminster legislation;
- preparing draft subordinate legislation and carrying out Departmental procedures to make it;
- advising other Departments on the insolvency implications of their legislation;
- considering the insolvency aspects of other legislation including European Union and other international matters; monitoring developments in EU legislation on insolvency and taking the necessary action to ensure that it is implemented in Northern Ireland; and
- preparing information about legislation for insolvency practitioners.

INSOLVENCY LEGISLATION

Primary Legislation

New Bill to amend Insolvency and Disqualification legislation

2.65 The Insolvency Service has continued with its work on the drafting of a new Insolvency Bill and has completed all the relevant documents required to carry out the consultation. The Bill, once enacted, will keep Northern Ireland's insolvency legislation in parity with that in England & Wales.

Subordinate Legislation

2.66 In addition, work on the following pieces of subordinate legislation, mentioned in last year's report, has now re-commenced:

- The Insolvency (Amendment) Act 2016 (Consequential Amendments) Order (Northern Ireland) 2016.
- The Insolvent Companies (Disqualification of Unfit Directors) Proceedings (Amendment) Rules (Northern Ireland).
- The Disqualified Directors Compensation Orders (Fees) Order (Northern Ireland).
- The Insolvency Practitioners (Amendment) Regulations (Northern Ireland).
- Replication of the Insolvency (Amendment) Rules 2009 (S.I. 2009/642) dealing with advertising requirements.
- Replication of the Insolvency (Amendment) Rules 2010 (S.I. 2010/686).
- The Postal Administration Rules.
- An Order to enable Industrial and Provident Societies to enter a company arrangement or administration.
- Fees Orders - Due to the delay in making the legislation, an exercise to reassess the levels of fees is being undertaken, and the legislation will be amended accordingly.

2.67 We are also continuing to work on a draft of the consolidated Rules in line with those in England and Wales.

The Insolvency (Amendment etc.) (EU Exit) Regulations 2019, (S.I. 2019/146)

2.68 These Regulations were made at Westminster on 30 January 2019 to address failures of retained EU law to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union, should there be a “No Deal” exit. The Regulations, which include amendments to legislation in the field of insolvency, extend to the whole of the UK. Provisions made under section 7 of the European Union (Withdrawal) Act 2018 are due to come into force on exit day.

2.69 The SI addresses deficiencies that arise in relation to cross-border insolvency, specifically the EU Insolvency Regulation (EU 2015/848) (the “EUIR”). It has been expanded to address deficiencies created by the UK’s exit from the EU in relation to the Employment Rights Act 1996, Pension Schemes Act 1993, Employment Rights (Northern Ireland) Order 1996 and the Pension Schemes (Northern Ireland) Act 1993 which set out certain guaranteed employee protections that arise on the insolvency of any employer. It also sets out transitional provisions for insolvency proceedings that are opened under EUIR before exit day.

2.70 The SI also makes amendments under section 2(2) of the European Communities Act 1972 as follows. Article 239 of the Insolvency (Northern Ireland) Order is amended to align the bankruptcy jurisdiction in Northern Ireland with the EUIR. Part 12 amends the transposition of Directive 2008/94/EC in Northern Ireland which also aligns the Northern Ireland legislation with the legislation applying to England, Wales and Scotland. Provisions made under section 2(2) came into force on 31 January 2019.

2.71 The Legislation Unit liaised with the Department for Business, Energy & Industrial Strategy to have necessary amendments to the Insolvency (Northern Ireland) Order 1989, the Insolvency Rules (Northern Ireland) 1991 and the Cross-Border Insolvency Regulations (Northern

Ireland) 2007 included in the Regulations.

The Insolvent Companies (Disqualification of Unfit Directors) Proceedings (Amendment) Rules (Northern Ireland)

2.72 A draft set of rules has been prepared now that the Assembly has been restored. Once approved, these rules will be used by the Department when applying for compensation orders against disqualified directors. These are to be based on the Compensation Orders (Disqualified Directors) Proceedings (England and Wales) Rules 2016 (S.I. 2016 No. 1048).

MEETING THE NEEDS OF OUR USERS

WHO ARE OUR USERS?

2.73 The Service’s principal users are:

- individuals that have been declared bankrupt or that have applied for debt relief;
- directors of companies in liquidation who are required to provide information to the Official Receiver about their own, or their company’s financial affairs;
- creditors who receive reports on the insolvency; and
- insolvency practitioners who may be appointed, by creditors or the Department, as trustee or liquidator to take over the administration of an insolvency from the Official Receiver.

2.74 Other users include Ministers, elected representatives, the wider Department for the Economy and other government departments, the High Court and advice organisations. The Service seeks to ensure that:

- information about processes and procedures is as comprehensive as possible;
- plain language is used in both written and oral communication;
- flexibility is offered where possible (e.g. appointment times); and
- it responds efficiently and effectively to matters raised by users.

USER SURVEYS

2.75 The Service carries out quarterly postal, appointment and telephone surveys. The results of these surveys are as follows:

Target	% Achieved
All correspondence to be answered within 11 working days of receipt. If this is not possible, acknowledgement to be sent within 5 working days of receipt.	100%
All callers to office to be seen within 9 minutes of any appointment time which has been made for them.	100%
All telephone calls to be answered within 9 seconds.	100%

PUBLISHED STANDARD

2.76 The Service's "Published Standard" gives details of the standards of service which can be expected by its users. It also gives details of the Service's complaints procedure. It is available in leaflet form and is published on our website at

<https://www.economy-ni.gov.uk/publications/insolvency-service-published-standard>

Large print versions are also available.

INSOLVENCY SERVICE CHARTER

2.77 The Service's "Charter" sets out for users what the Insolvency Service does and what they can expect from it together with our complaints procedure. The Charter is published on our website at:

<https://www.economy-ni.gov.uk/publications/insolvency-service-charter-0>.

Large print versions are also available.

GUIDES TO INSOLVENCY

2.78 The Insolvency Service has produced a series of guidance leaflets. The leaflets address some of the concerns, and seek to remove or reduce some of the negative perceptions, surrounding bankruptcy and company liquidation. They address, for example, the main questions that a bankrupt or debtor will wish to have answered

about the administration of a bankruptcy case and can be accessed via our website at

<https://www.economy-ni.gov.uk/articles/insolvency-guidance>.

2.79 Some of the leaflets currently on our website are:

- [A guide to bankruptcy](#)
- [A guide to debt relief orders](#)
- [A guide to debt relief restrictions orders](#)
- [A guide for creditors](#)
- [A guide for directors](#)
- [Alternatives to bankruptcy](#)
- [Insolvency Service Registers](#)
- [What will happen to my home?](#)
- [What will happen to my bank account?](#)
- [What will happen to my pension?](#)
- [What will happen to my motor vehicle?](#)
- [Can my bankruptcy be cancelled?](#)
- [When will my bankruptcy end?](#)
- [Bankruptcy restrictions orders](#)
- [Fast-track voluntary arrangements](#)
- [In debt - dealing with your creditors](#)
- [How to petition for your own bankruptcy](#)
- [How to make someone bankrupt](#)
- [How to wind-up your own company](#)
- [How to wind-up a partnership](#)
- [How to wind-up a company that owes you money](#)

PUBLICATIONS

2.80 The following guidance notes are available for our customers:

- Completion of Statement of Affairs - Debtors Bankruptcy Petition
- Insolvency Service Charter
- Guidance to Insolvency Practitioners

2

Accountability Report

STATEMENT OF THE RESPONSIBILITIES OF THE DEPARTMENT FOR THE ECONOMY AND THE ACCOUNTING OFFICER

Under Article 358(3) of the 1989 Order the Department is required to prepare an account for each financial year in a form and on a basis approved by the Department of Finance. The account is prepared on a cash basis and must properly present the receipts and payments of the Insolvency Account in the financial year and the balances at the year end.

The Department is required to send the account to the Comptroller and Auditor General for Northern Ireland, who is required to examine and certify it under Article 358(4) of the 1989 Order.

The Permanent Secretary of the Department for the Economy is the Accounting Officer for the Insolvency Account. His relevant role and duties as an Accounting Officer, including his responsibility for ensuring the regularity and proper recording of financial transactions and for keeping of proper records, are set out in the Accounting Officers' Memorandum issued by the Department of Finance and published in Managing Public Money Northern Ireland.

INSOLVENCY SERVICE - GOVERNANCE STATEMENT 2019/20

Introduction

1. The Governance Statement sets out the governance structures, the risk management and internal control arrangements for the Insolvency Service during the 2019/20 financial year. It also provides details of future actions planned by the Insolvency Service to mitigate risks and to address any internal control weaknesses that have been identified.
2. The Insolvency Service is a division within the Department for the Economy's (DfE), Management Services and Regulation Group, formerly Infrastructure and Regulation Group. DfE's Governance Statement is published in its Resource Accounts and reflects the overall governance, risk management and internal control environment in which the Insolvency Service operates.

The Governance Framework

3. Corporate Governance refers to the way in which organisations are directed and controlled. DfE's governance framework, which ensures the effectiveness of the direction and control of the Department, is set out in detail in its governance statement which the Insolvency Service follows.

Individual Responsibilities

The DfE Minister

4. The DfE Minister leads the Department and is responsible and accountable to the Northern Ireland Assembly for the policies, programmes and actions of the Department.

The Accounting Officer

5. The Permanent Secretary, as the Departmental Accounting Officer, is responsible for the overall organisation, management and staffing of the Department and for ensuring that there is a high standard of financial management in the Department as a whole. He is accountable to the Minister and the Assembly.

Organisation and Structures

6. The key organisational structures which support the delivery of corporate governance in the Department are the:
 - Departmental Board;
 - Departmental Audit and Risk Assurance Committee;
 - Leadership Team;
 - Senior Management Team;
 - Casework Committee;
 - Delivery Committee; and
 - Resource & People Committee.

Management Team

7. The Insolvency Service Management Team meets monthly to discuss ongoing operational issues. It is chaired by the Director of Insolvency and membership comprises of the Official Receiver and deputy Official Receivers; the Principal Examiner and Senior Examiners responsible for Directors Disqualification and Bankruptcy Restriction Orders, Insolvency Practitioner Unit, Finance and Central Accounting Unit; the IT Project Manager and the Deputy Principals responsible for legislation.

Risk Management

8. The Department places significant emphasis on risk management. Risk management is viewed as an essential element of the Department's Corporate Governance Framework, and is managed at corporate and divisional levels.
9. Corporate risks are managed collectively by the Departmental Board.

10. Risks relating to the Insolvency Service are reflected in their divisional risk register. Insolvency divisional risks being managed at 31 March 2020 related to:

- Delivery of our commitments;
- Compliance with EU Directives/Regulations;
- Governance standards;
- Financial management;
- Information management; and
- Service standards of our suppliers.

11. Controls were in place and action taken to mitigate the above risks.

Six-Monthly Assurance Statements

12. Each Deputy Secretary and NDPB Chief Executive is required to provide six-monthly Assurance Statements to the Permanent Secretary as Departmental Accounting Officer. The statements provide important assurances about the efficacy of the systems of internal control within their areas of responsibility and, where appropriate, draw the attention of the Permanent Secretary to any significant internal control issues.

13. The Insolvency Service had two internal control disclosures during the 2019/20 which were as follows:

- Deviation from Budget – Our fee income was likely to be £386,000 under budget. Fee income is inherently volatile and difficult to predict with any degree of certainty. The issue was also compounded by the fact that the Insolvency Service lost fee income from 23 March 2020 to 31 March 2020 as a result of the service shut down due to COVID-19.
- Failure to Implement Internal Audit Recommendations – Internal Audit recommendations were due to be implemented by 31 March 2020. These recommendations were not met by the deadline due to the COVID-19 shut down. Actions were put in place to have these recommendations addressed upon the re-opening of the Insolvency Service.

Data Security

14. The Insolvency Service is fully committed to complying with the Data Protection Act 2018 and follows the departmental guidance on data sharing and the data breach management plan. During the reporting period the Director of the Insolvency Service reviewed information security compliance in the six-monthly assurance statements. The Insolvency Service had no data security breaches during the year.

Business Continuity Management (BCM)

15. The Department has in place a Business Continuity Management (BCM) process, whereby each Branch/Division and Departmental building has a dedicated and managed Business Continuity Plan (BCP). All Branch/Divisional BCPs are reported on in the six-monthly Assurance statement and the BCM process is subject to an annual review by Internal Audit Service. The BCP for Fermanagh House is updated on a regular basis, when required.

Internal Audit

16. Internal Audit Service's main remit is to provide the Accounting Officer with an independent and objective opinion on the overall adequacy and effectiveness of the Department's risk management, control and governance processes. The Internal Audit Annual Opinion and Report is a key element of the framework of assurance that the Accounting Officer needs to inform this Governance Statement. Internal Audit Service operates in accordance with HM Treasury's Public Sector Internal Audit Standards.

17. During 2019/20, the departmental Internal Audit team commenced two reviews within the Insolvency Service to include The Directors Disqualification Unit (DDU) and the Insolvency Practitioner Unit (IPU). The review on the internal risks and controls within the DDU was finalised and the departmental Head of Internal Audit concluded his findings by issuing a satisfactory audit opinion. The review on the other area was delayed due to the Coronavirus pandemic, however, subsequently a satisfactory audit opinion was issued.

18. The Insolvency Service has its own Audit Section which audits, on a risk basis, a sample of those cases administered internally by the Official Receiver as well as cases which are administered by private sector insolvency practitioners.
19. During 2019/20, Audit Section met with the Official Receiver Unit to discuss areas of concern and to highlight trends. Audit Section also issued monthly reports for the attention of all Unit heads and an annual report was produced setting out the main issues arising during the year, which included:
- Bankruptcy Restriction Orders not being pursued due to excessive workload;
 - Income Payment Agreements not being calculated within time limit; and
 - Loss of funds to the Department due to underpaid fees in annulment cases.

New IT System

20. A new caseload IT system (ISAAC) went live in December 2019. The original go-live date was 29 December 2016, however, due to the complexity of the work processes within the Insolvency Service this date proved unrealistic. Another significant factor which contributed to the delay was issues with the procurement of Kofax licenses. Additionally a total of 375 bugs were raised during testing, following resolution of the bugs, the supplier deployed a further 20 versions of the system for Insolvency Service to carry out re-testing. The project was delivered within budget.

Compliance with the Corporate Governance Code

21. Within Northern Ireland, Departments are required to operate under the “Corporate Governance in Central Government Departments: Code of Good Practice NI 2013”. The Code outlines a model Board Operating Framework that can be used to document a Departmental Board’s roles and responsibilities. It also sets out departmental responsibilities in the oversight of Sponsored Bodies. Departments are required to either comply with the Code or explain any significant departures from it.

Quality of Data Used by the Departmental Board

22. The Departmental Board uses information based on a number of data sources. The standard of information, particularly financial and performance information, presented to the Board is consistently good quality. Data relating to financial information and performance is derived from NICS-wide systems such as Account NI and HR Connect. The Departmental Board takes assurance on the quality of this data from the internal controls in place in the Department and the scrutiny of the Account NI and HR Connect systems by Department of Finance’s Internal Audit Service.

Ministerial Directions

23. No Ministerial Directions were issued during the 2019/20 financial year relating to the Insolvency Service.

Conclusion

24. DfE’s Insolvency Service has a rigorous system of corporate governance on which I rely, as Permanent Secretary and Accounting Officer, to form an opinion on the probity and use of public funds, as detailed in Managing Public Money Northern Ireland.
25. Having considered the accountability framework within the Department in general, and the Insolvency Service in particular, and in conjunction with assurances given to me by the Departmental Audit and Risk Committee, I am content that a sound system of internal governance has been in operation during the period 2019/20.



Mike Brennan
Permanent Secretary
Department for the Economy

Date: 25 April 2023

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Insolvency Service for the year ended 31 March 2020 under the Insolvency (Northern Ireland) Order 1989. The financial statements comprise: the Receipts and Payments Account, Statement of Balances and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

In my opinion the financial statements:

- properly presents the receipts and payments of the Insolvency Service for the year then ended and the balances as held at 31 March 2020; and
- have been properly prepared in accordance with the Insolvency (Northern Ireland) Order 1989 and Department of Finance's directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the receipts and payments recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Insolvency Service in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the

audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Other Information

The Department for the Economy and the Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion the information given in the Foreword, Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Department and Accounting Officer for the financial statements

As explained more fully in the Statement of Responsibilities of the Department for the Economy and the Accounting Officer, the Department and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they properly present the receipts and payments during the year and the balances at the year end.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine and certify the financial statements in accordance with the Insolvency (Northern Ireland) Order 1989.

My objectives are to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the receipts and payments recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Report

I have no observations to make on these financial statements.



Dorinnia Carville
Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

4 May 2023

3

Financial Statements

STATEMENT OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 31 MARCH 2020

Prepared under Article 358(3) of the Insolvency (Northern Ireland) Order 1989 in respect of Company Liquidations, Bankruptcies and Estates of Deceased Insolvents, including Arrangements under the control of the Court up to 30 September 1991.

RECEIPTS	Notes	2019-20 £	2018-19 £
Sums received in respect of realisation of company assets etc. (Article 503(2) of the 1986 Order and Regulation 5(1) of the 1996 Regulations)	(1)	2,573,193	2,434,294
Sums received in respect of realisation of estates of bankrupts etc. (Article 6(1) of the 1980 Order and Regulation 20(1) of the 1996 Regulations)	(2)	8,431,449	7,764,032
Interest credited to individual accounts under Articles 611(2) of the 1986 Order, 7(2) of the 1980 Order and regulations 9 and 24 of the 1996 Regulations	(3)	138,806	102,410
Unclaimed dividends and undistributed balances paid to the Dept. under Articles 595(1) of the 1986 Order, 6(2) of the 1980 Order and Regulations 18 and 32 of the 1996 Regulations	(4)	125,474	447,597
Sums received to which the Official Receiver does not have clear title	(5)	5,263	210,447
Sums received in respect of prescribed fees	(6)	163,225	116,691
		<u>11,437,410</u>	<u>11,075,471</u>

PAYMENTS	Notes	2019-20 £	2018-19 £
Sums paid in respect of expenses and distributions under Article 502(3) of the 1986 Order, Regulations 7(2) and 22(1) of the 1996 Regulations and Article 361(2a) of the 1989 Order			
Company liquidations		£1,641,776	
Bankruptcy		£5,896,643	
	(7)	7,538,419	8,031,720
Fees and remuneration charged and appropriated in aid of the Dept. for the Economy	(8)	2,463,118	2,547,242
Unclaimed dividends and undistributed balances surrendered to consolidated fund under Articles 595(3) of the 1986 Order, 24(3) of the 1980 Order and 358(5) of the 1989 Order	(9)	0	47,828
Unclaimed dividends ordered to be refunded under Articles 595(2) of the 1986 Order, 24(2) of the 1980 Order and Regulation 33 of the 1996 Regulations	(10)	23,224	223,399
Sums paid to parties with clear title	(11)	147,474	147,494
Sums surrendered to the Crown Solicitor under Article 605(1) of the 1986 Order and Section 1012(1) of the Companies Act 2006	(12)	2,318	3,424
		<u>10,174,553</u>	<u>11,001,107</u>
EXCESS OF RECEIPTS OVER PAYMENTS FOR THE FINANCIAL YEAR		1,262,857	74,364

STATEMENT OF BALANCES AS AT 31 MARCH 2020

STATEMENT OF BALANCES AS AT 31 MARCH 2020	Notes	2019-20 £	2018-19 £
Balance at beginning of financial year in respect of:			
Liquidations: cash at bank and in hand		8,496,651	8,146,547
Bankruptcies: cash at bank and in hand		13,841,782	14,117,522
	(13)	<u>22,338,433</u>	<u>22,264,069</u>
Excess of receipts over payments for the financial year		1,262,857	74,364
Balance at end of financial year in respect of:	(13)	<u>23,601,290</u>	<u>22,338,433</u>
Liquidations: cash at bank and in hand		9,026,282	8,497,916
Bankruptcies: cash at bank and in hand		14,575,008	13,840,517
	(13)	<u>23,601,290</u>	<u>22,338,433</u>

The notes on pages 37-41 form part of the account.



Mike Brennan
Accounting Officer
Department for the Economy
DATE 25 April 2023

NOTES TO THE ACCOUNTS

ACCOUNTING POLICIES

The account is prepared in accordance with Article 358(3) of the Insolvency (Northern Ireland) Order 1989 and is in a form approved by the Department of Finance (DoF). The account is prepared on a cash basis and must properly present the receipts and payments for the financial year and the cash balances at the year end.

RECEIPTS

1. REALISATION OF COMPANY ASSETS, ETC.

Sums received during the period (other than fees fixed by Regulations) can be summarised as follows:

	2019-20	2018-19
	£	£
Realisation of assets etc.		
Company Liquidations	2,013,993	2,060,474
Deposits paid by Petitioners	559,200	373,820
	2,573,193	2,434,294

2. REALISATION OF ESTATES OF BANKRUPTS, ETC.

Sums received during the period (other than fees fixed by Regulations) can be summarised as follows:

	2019-20	2018-19
	£	£
Realisation of assets etc. in the Estate of bankrupts, arranging debtors and deceased insolvents	7,749,299	7,120,357
Deposits paid by Petitioners	682,150	643,675
	8,431,449	7,764,032

3. INTEREST CREDITED

The total amount of interest received in respect of funds in the Insolvency Account during the year was £176,699 (previous year £133,206). During the year £138,806 (previous year £102,410) has been credited to the Insolvency Account and has been allocated as follows:

	2019-20	2018-19
	£	£
Amounts credited to Companies in liquidation	56,217	41,930
Amounts credited to Estates of bankrupts, arranging debtors and deceased insolvents	82,589	60,480
	138,806	102,410

Of the balance of interest received on the funds in the Insolvency Account during the year £17,674 is due to be surrendered to the Department. Interest amounting to £20,219 was received at the end of the financial year and had yet to be allocated by 31 March 2020.

4. UNCLAIMED DIVIDENDS ETC.

Sums received during the period can be summarised as follows:

	2019-20	2018-19
	£	£
Unclaimed dividends etc. in respect of company estates	40,946	247,997
Unclaimed dividends in respect of bankruptcy estates	84,528	199,600
	125,474	447,597

5. SUMS RECEIVED WITHOUT CLEAR TITLE

A separate suspense sub-account is kept of such receipts which, when clear title is established, are either placed to the credit of the appropriate insolvent or paid to the party who has title. During 2019-20, £5,263 (previous year £210,447) was received in respect of receipts where clear title was not yet established.

6. PRESCRIBED FEES

The sum of £163,225 (previous year £116,691) does not represent the total of fees charged by the Official Receiver but consists only of fees taken in cash. This figure represents fees paid on the registration of Individual Voluntary Arrangements (Article 4 of the Insolvency (Fees) Order (Northern Ireland) 2006⁸) fees paid on the application for the renewal of the authorisation to act as an insolvency practitioner and RPB maintenance payments (The Insolvency Practitioners and Insolvency Account (Fees) Order (Northern Ireland) 2006⁹) and fees paid on the application for a Debt Relief Order (The Insolvency (Fees) Order (Northern Ireland) 2006)¹⁰.

8 S.R. 2006 No.54 (Amended by S.R. 2009 No 201)

9 S.R. 2006 No.53 (Amended by S.R. 2009 No 204, S.R. 2009 No 402 and S.R 2011 No 389)

10 S.R. 2006 No 54 (Amended by S.R. 2011 No 14)

PAYMENTS

7. EXPENSES AND DISTRIBUTIONS

The authority for the making of payments out of the Insolvency Account in connection with the administration of the estates of bankrupts and the winding up of companies are set out in Regulations 7(2) and 22(1) of the 1996 Regulations and for the Debt Relief Scheme, Article 361 (2a) of the 1989 Order. Payments made during the period can be summarised as follows:

	2019-20		2018-19	
	Companies £	Bankruptcy £	Companies £	Bankruptcy £
Costs & expenses	918,707	4,109,073	1,272,016	4,300,225
Dividend distribution	696,403	1,694,850	277,221	1,999,839
Income tax & Corporation tax	26,666	85,095	150,588	29,421
Debt relief expenses	0	7,625	0	2,410
	1,641,776	5,896,643	1,699,825	6,331,895

The figure for bankruptcy distributions includes undistributable balances of £8,053. In 2018-19 this balance equated to £12,112.

8. PRESCRIBED FEES

	2019-20 £	2018-19 £
Companies	496,208	469,871
Bankruptcy	1,805,396	1,955,440
Registration of voluntary arrangements	26,370	20,031
Renewal of IP licences by DfE and RPB maintenance payments	88,560	53,040
Debt relief scheme	45,000	47,000
Other	1,584	1,860
	2,463,118	2,547,242

The total figure for fees charged to estate accounts and taken in cash includes £5,947 Value Added Tax for which the Department is accountable (previous year £7,955).

During the 2019-20 financial year, write-off approval was received in relation to the loss of fees totalling £443,165 in 349 bankruptcy and 248 company estates (previous year £452,790 in 394 bankruptcy and 201 company estates). These sums are not included in the total figure for fees.

9. TRANSFERS TO CONSOLIDATED FUND

Article 358(5) of the 1989 Order provides for unclaimed dividends, and unapplied or undistributed balances which have remained unclaimed for a period of two years from the date of lodgement to the Insolvency Account, to be transferred to the Consolidated Fund.

	2019-20	2018-19
	£	£
Companies	0	12,575
Bankruptcy	0	35,253
	0	47,828

The total amount to be transferred into the consolidated fund by 31 March 2020 was £181,677 (£59,303 for companies and £122,374 for bankruptcies). As the Insolvency Service closed on 23 March 2020 due to the 2019 Coronavirus Pandemic, the transfer was not made to the consolidated fund until 15 June 2020.

10. UNCLAIMED DIVIDENDS REFUNDED

Payments made during the year to persons establishing title to unclaimed dividends or unapplied or undistributed balances previously lodged in the Insolvency Account can be summarised as follows:

	2019-20	2018-19
	£	£
Companies	2,741	187,486
Bankruptcy	20,483	35,913
	23,224	223,399

11. SUMS PAID TO PARTIES WITH CLEAR TITLE

Payments totalling £147,474 (previous year £147,494) were made to parties who established title to monies held in the Insolvency Account or who, already having title, were traced.

12. SUMS SURRENDERED TO THE CROWN SOLICITOR

Article 605(1) of the 1986 Order states that all property and rights of a dissolved company shall be deemed to be bona vacantia and accordingly belong to the Crown.

	2019-20	2018-19
	£	£
Companies	0	3,095
Bankruptcy	2,318	329
	2,318	3,424

13. BALANCE AT YEAR END

	2019-20	2018-19
	£	£
Cash at Bank and in hand	23,601,290	22,338,433
Represented by:		
Amounts received from Insolvency Practitioners and the Official Receiver in respect of company unclaimed dividends or unapplied or undistributed balances but not yet transferred to the Consolidated Fund (Article 358(5))	158,019	119,813
Amounts received from Insolvency Practitioners and the Official Receiver in respect of bankruptcy unclaimed dividends, or unapplied or undistributed balances but not yet transferred to the Consolidated Fund (Article 358(5))	334,890	270,845
Net funds held in the Insolvency Account in respect of companies in which a final dividend has not yet been paid	8,868,263	8,378,103
Net funds held in the Insolvency Account in respect of bankruptcy estates in which a final dividend has not yet been paid	14,240,118	13,569,672
	23,601,290	22,338,433

Note:

This balance does not include £2,500 in the Insolvency Service's separate interest account. Interest from the main account is paid monthly. At quarter end the interest due to the estate accounts is calculated and paid into the main bank account. A contingency of £2,500 has been retained for several years to cover banking fees. This will eventually be payable to DfE and should not be considered as part of the Insolvency Service accounts.

APPENDIX I

ABBREVIATIONS USED IN REPORT

DDU	Directors Disqualification Unit
De facto director	Any person occupying the position of a director
Department	Department for the Economy from 9 May 2016 Department for Enterprise, Trade and Investment until 8 May 2016
High Court	Northern Ireland High Court
IAIR	International Association of Insolvency Regulators
ATI	Accounting Technicians in Ireland
IPU	Insolvency Practitioner Unit
Minister	Up until 14 October 2002 the Minister for Enterprise, Trade and Investment in the Northern Ireland Assembly. From 15 October 2002 until 7 May 2007 the Northern Ireland Office Minister with responsibility for Enterprise, Trade and Investment. From 8 May 2007 until 7 May 2016 the Minister for Enterprise, Trade and Investment in the Northern Ireland Assembly. From 8 May 2016 until 16 January 2017 the Minister for the Economy. There was no Minister from 17 January 2017 until 10 January 2020. From 11 January 2020 the Minister for the Economy.
PDP	Personal Training and Development Plan
CPS	Crown Prosecution Service
RPB	Recognised Professional Body
Service	Insolvency Service
Shadow director	A person in accordance with whose directions or instructions the directors of the company are accustomed to act
SIP	Statement of Insolvency Practice

APPENDIX II

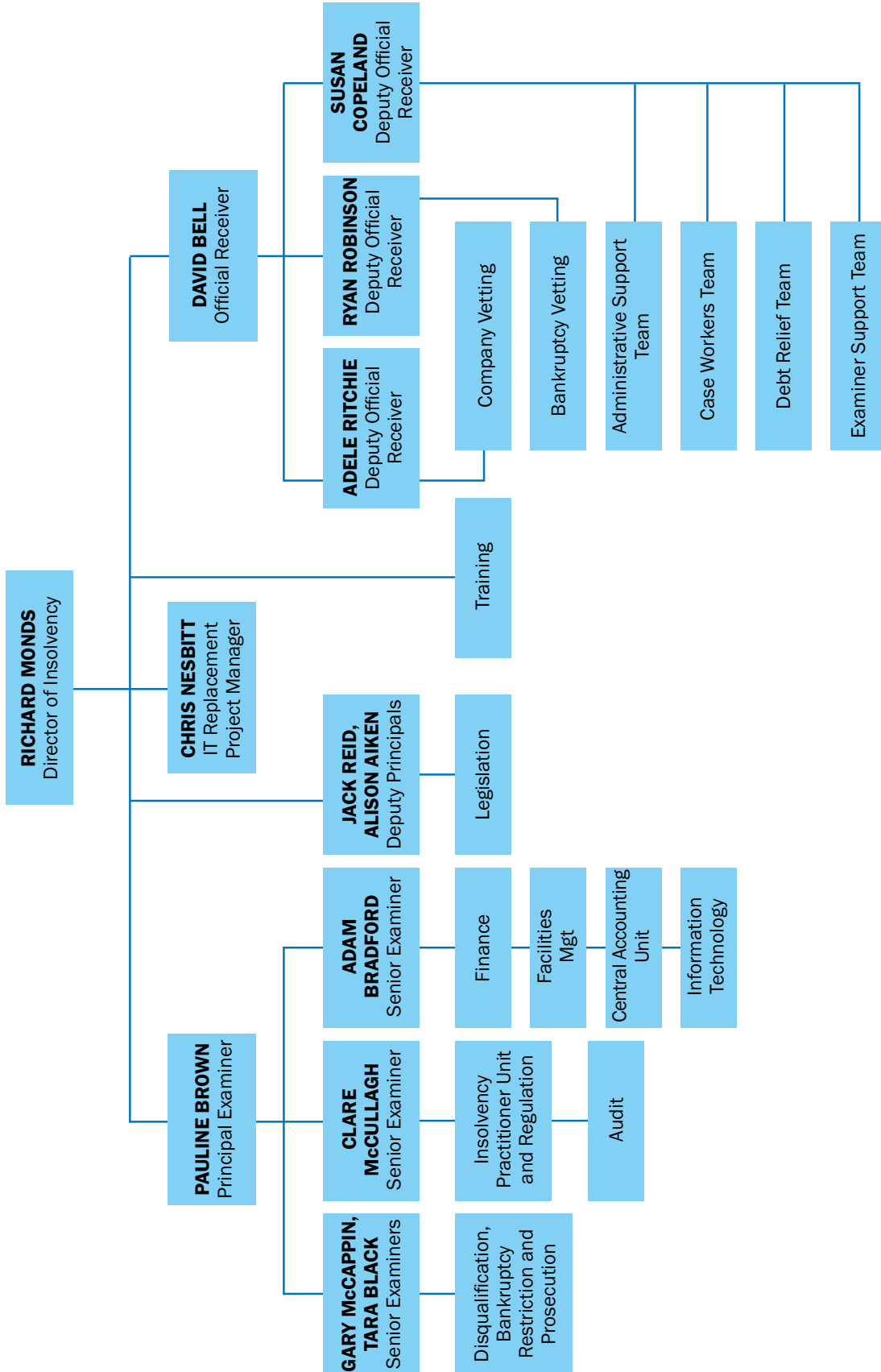
Primary Legislation in existence at 31 March 2020:

- The Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19))¹¹
- The Insolvency (Northern Ireland) Order 2002 (S.I. 2002/3152 (N.I. 6))
- The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10))
- The Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4))
- The Company Directors Disqualification (Amendment) (Northern Ireland) Order 2005 (S.I. 2005/1454 (N.I. 9))
- The Debt Relief Act (Northern Ireland) 2010 (Chapter 16)
- The Insolvency (Amendment) Act (Northern Ireland) 2016 (Chapter 2)

11 This Order was amended during 1994 by two U.K. wide Acts
- The Insolvency Act 1994 (c.7)
- The Insolvency (No. 2) Act 1994 (c.12)

APPENDIX III

MANAGEMENT STRUCTURE



APPENDIX IV

NUMBER, ESTIMATED LIABILITIES, ESTIMATED TO REALISE/REALISED ASSETS OF COMPANIES WOUND UP AND FAILURES IN PRINCIPAL TRADES AND OCCUPATIONS DURING YEAR ENDED 31 MARCH 2020

	Bankruptcy Orders and Orders for Administration of Estates of Deceased Insolvents			Company Winding-Up Orders		
	No.	Liabilities £	Assets £	No.	Liabilities £	Assets £
Agriculture						
Agriculture	16	2,635,486.37	2,079,166.19	4	2,093,161.00	2,267,783.87
Agriculture Total	16	2,635,486.37	2,079,166.19	4	2,093,161.00	2,267,783.87
Construction						
Building repairs	9	406,858.08	4,355.22	2	78,061.00	14,500.00
Decorating and small works	7	1,492,514.75	66,450.00	5	427,353.43	19,303.94
Electrical and plumbing	10	1,054,992.06	32,550.89	10	4,731,237.90	387,051.42
General construction and demolition	22	4,017,090.14	529,234.86	30	10,213,309.74	1,207,766.34
Home improvements	6	517,887.74	57,991.65	5	171,652.46	61,373.47
Construction Total	54	7,489,342.77	690,582.62	52	15,621,614.53	1,689,995.17
Consumer Insolvencies						
Directors and promoters of companies	6	2,066,406.01	408,156.00	2	18,435.32	
Employees	123	14,774,829.20	597,028.36	0		
No occupation or unemployed	120	23,101,557.12	1,218,290.58	0		
Occupation unknown	78	14,773,828.18	401,875.79	0		
Consumer Insolvencies Total	327	54,716,620.51	2,625,350.73	2	18,435.32	0.00
Finance and Business Services						
Accounts and legal services	9	5,377,485.59	261,179.27	2	310,000.53	92,544.82
Computer services	4	967,586.54	266.60	5	487,615.69	6,186.39
Management services	2	442,369.38		5	27,309,324.50	867,542.11
Other business services	16	2,488,260.21	85,815.56	14	3,103,070.65	299,894.15
Real estate	7	3,155,121.53	7,689.00	12	11,940,020.63	340,295.87
Finance and Business Services Total	38	12,430,823.25	354,950.43	38	43,150,032.00	1,606,463.34
Forestry and Fishing						
Forestry and Fishing	2	322,929.58	64,472.60	0		
Forestry and Fishing Total	2	322,929.58	64,472.60	0	0.00	0.00
Hotels and Catering						
Licensed premises	7	526,911.36	138,950.58	10	788,682.61	477,014.60
Other catering	6	239,074.81	199,297.55	7	406,836.01	450.00
Residential Accommodation	2	625,617.26	1,720.45	3	2,060,190.37	357.53
Restaurants	14	1,977,397.14	67,321.89	27	2,545,329.46	386,675.84
Hotels and Catering Total	29	3,369,000.57	407,290.47	47	5,801,038.45	864,497.97
Manufacturing Industries						
Engineering and allied industries	12	2,064,244.82	244,395.00	0		
Manufacture of food, drink, tobacco	2	26,325.02	17,642.00	0		
Manufacture of timber and furniture	3	740,447.34	79,796.00	0		

APPENDIX IV (Cont)

NUMBER, ESTIMATED LIABILITIES, ESTIMATED TO REALISE/REALISED ASSETS OF COMPANIES WOUND UP AND FAILURES IN PRINCIPAL TRADES AND OCCUPATIONS DURING YEAR ENDED 31 MARCH 2020

	Bankruptcy Orders and Orders for Administration of Estates of Deceased Insolvents			Company Winding-Up Orders		
	No.	Liabilities £	Assets £	No.	Liabilities £	Assets £
Metal Manufacture	0			1	54,914.60	
Other Manufacture	3	171,915.98	25,647.00	4	311,487.20	226,495.00
Paper, printing and publishing	1	722.20		2	3,869.11	0.00
Manufacturing Industries Total	21	3,003,655.36	367,480.00	7	370,270.91	226,495.00
Mining and Energy Industries						
Mining and Energy Industries	0			1	642,893.51	
Mining and Energy Industries Total	0	0.00	0.00	1	642,893.51	0.00
Other Services						
Educational Services	6	1,731,583.84	22,218.08	2	7,945.98	
Hairdressing and beauty parlours	8	2,047,000.79	41,544.28	4	80,768.43	10,367.00
Laundry	1	9,844.56		0		
Medical Services	8	1,381,456.98	164,705.54	2	18,893.17	896.00
Other services	26	7,873,486.27	560,125.29	11	2,899,059.67	69,333.05
Recreational Services	5	1,149,975.17	8,359.74	3	288,189.92	0.00
Repair of consumer goods	0			2	164,107.27	167,639.00
Other Services Total	54	14,193,347.61	796,952.93	24	3,458,964.44	248,235.05
Retailing						
Motor vehicles and petrol sales	5	464,431.15	4,253.80	4	396,808.82	2,033.43
Other retail	15	1,920,550.94	228,870.70	11	1,281,362.29	188,503.92
Retail of electrical	1	16,468.70		0		
Retail of food, drink and tobacco	14	1,395,016.85	60,673.06	7	1,240,048.19	45,851.37
Retail of furniture	2	127,035.01		2	358,033.99	64,397.00
Retail of textiles and clothing	2	175,150.61	4,849.17	2	137,567.48	417.54
Retailing Total	39	4,098,653.26	298,646.73	26	3,413,820.77	301,203.26
Transport and Communications						
Air transport	1	146,817.83		0		
Other transport and communications	2	40,824.21	99,375.00	1	905,595.60	4,000.00
Road transport	14	2,256,633.41	43,114.49	12	3,351,693.65	1,129,963.69
Shipping	1	32,281.69		0		
Travel agents	1	51,224.04		0		
Transport and Communications Total	19	2,527,781.18	142,489.49	13	4,257,289.25	1,133,963.69
Wholesale Distribution						
Motor vehicle wholesalers	4	1,408,824.22	29,124.61	1	59,615.00	30,888.26
Other wholesale	0			2	781,679.12	
Wholesale of food and drink	0			3	489,561.46	391,690.96

APPENDIX IV (Cont)

NUMBER, ESTIMATED LIABILITIES, ESTIMATED TO REALISE/REALISED ASSETS OF COMPANIES WOUND UP AND FAILURES IN PRINCIPAL TRADES AND OCCUPATIONS DURING YEAR ENDED 31 MARCH 2020

	Bankruptcy Orders and Orders for Administration of Estates of Deceased Insolvents			Company Winding-Up Orders		
	No.	Liabilities £	Assets £	No.	Liabilities £	Assets £
Wholesale of textiles and clothing	1	55,257.70		0		
Wholesale Distribution Total	5	1,464,081.92	29,124.61	6	1,330,855.58	422,579.22
GRAND TOTAL	604	106,251,722.38	7,856,506.80	220	80,158,375.76	8,761,216.57

* Does not include Orders rescinded or annulled

APPENDIX V

OFFICIAL RECEIVER'S INVESTIGATION WORK

	2019/20	2018/19
Prosecution - Reports of Possible Offences		
Main Offence per Report:-		
• Credit Offences	0	0
• Removal of property	0	0
• Acting as a director whilst disqualified by bankruptcy	0	0
• Failure to pay monies to OR	0	0
Total Prosecution Reports	0	0
Disqualification		
Total Conduct Reports on Company Directors	100	167
Applications to suspend bankrupt's automatic discharge	26	47
Applications for public examination		
• Bankruptcies	9	16
• Liquidations	79	27
Total applications for public examination	88	43



Department for the
Economy
www.economy-ni.gov.uk

Insolvency Service

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