



Department for the

Economy

www.economy-ni.gov.uk

Insolvency Service

**Annual Report and
Account for year
ended 31 March 2021**

DEPARTMENT FOR THE ECONOMY

The Insolvency Service Annual Report and Account

for the year ended 31 March 2021

The Accounting Officer authorised these
financial statements for issue
on 17 May 2023

Laid before the Northern Ireland Assembly on 26 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 2021.



Mike Brennan
Permanent Secretary
Department for the Economy

Date: 17 May 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the relevant winding up provisions contained in the Companies (Northern Ireland) Order 1986² (“the 1986 Order”) were repealed and replaced by the Insolvency (Northern Ireland) Order 1989³ (“the 1989 Order”) and subordinate legislation made thereunder including the Insolvency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and the Insolvency Regulations (Northern Ireland) 1996⁵ which came into operation on 31 January 1997 and replaced and repealed the 1991 Regulations.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)

CONTENTS

Performance Report

Overview

• Foreword by the Director of Insolvency	5
• Performance Summary	7
• Performance Analysis	10
• Statement of Purpose	11
• Report on Activities	13

Accountability Report

Corporate Governance Report

• Statement of Accounting Officer's Responsibilities	28
• Governance Statement	29
• Certificate of the Comptroller and Auditor General	32

Financial Statements

• Statement of Receipts and Payments	36
• Statement of Balances	37
• Notes to the Accounts	38

APPENDICES

• Appendix I Abbreviations used in the Report	43
• Appendix II Primary Legislation	44
• Appendix III Management Structure	45
• 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 2021	46
• Appendix V Official Receiver's Investigation Work	48

1

**Performance
Report**

FOREWORD BY THE DIRECTOR OF INSOLVENCY



1. It gives me great pleasure to present this report on the work of the Insolvency Service, including that of the Official Receiver, for the year ended 31 March 2021.
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 shortly before the beginning 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. From then, to the date of this report's production, most of our staff have had to adapt to working from home whilst also continuing to provide a quality service to all our stakeholders and those who avail of our services.
4. Ensuring a keen focus on our customers continues to lie 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 significant decrease during the year of 87% compared with 2019/20 due to the pandemic. In total, 110 new cases were received by the Insolvency Service compared with 834 in the previous year.
6. Further analysis of those figures indicates that corporate insolvencies (compulsory liquidations) decreased by 97% from 229 in the previous year to 6 in 2020/21. There was also a reduction in bankruptcies of 83% from 605 in 2019/20 to 104 in 2020/21.
7. The main cause of this decrease was the reduced capacity of the High Court to accommodate face to face hearings. In addition, the Corporate Insolvency and Governance Act 2020 contained permanent and temporary measures to protect businesses and allow them to trade through the pandemic. These measures included a virtual prohibition on the presentation of winding-up petitions and the making of winding-up orders during the pandemic.
8. 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 92% of total bankruptcies received during the year with the balance representing individuals who were involved in trading. This is an increase on the 54% of total bankruptcies represented by this category in 2019/20.
9. In 2020/21, 251 individuals took advantage of the Debt Relief Scheme which came into operation during 2011/12. This represented a decrease of 49% from 494 the previous year. 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.

10. 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, directors of companies 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.
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.



Richard Monds

Director of Insolvency
Insolvency Service
Fermanagh House
Ormeau Avenue
Belfast BT2 8NJ

PERFORMANCE SUMMARY

PERFORMANCE SUMMARY

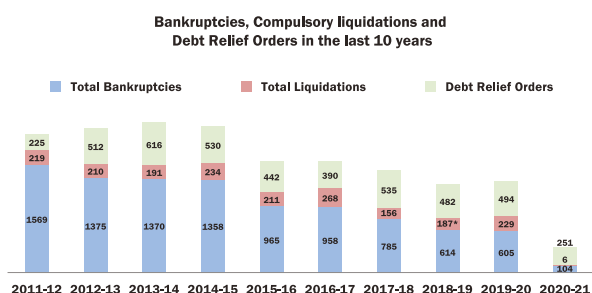
1. This section summarises the key areas of work of the Insolvency Service for the period 1 April 2020 to 31 March 2021.

RESOURCES

2. In 2020/21, the Insolvency Service employed 89 staff made up of 45 specialist grades, mainly examiner staff within the Official Receiver's office and 44 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 below⁶.



4. The total number of bankruptcy, winding-up orders and debt relief orders made during the year was 361. This represents an overall decrease on the prior year of approximately 73% from 1,328. This major decrease was due to the reduced capacity within the NI courts and emergency legislation which put in place a virtual prohibition on the presentation of winding-up petitions and the making of winding-up orders during the Coronavirus pandemic.

CASE ADMINISTRATION

5. With the decrease in new cases being received, the focus of the Official Receiver and his staff has been on the finalisation and closure of existing cases. The table below shows that as at 31 March 2021, the Official Receiver was dealing with a total of 1,797 cases in respect of compulsory liquidations, bankruptcies and estates of deceased insolvents. These cases were at various stages of administration and investigation and represent a decrease of approximately 35% on the previous year's caseload of 2,757.

Total Number of Cases Administered in 2020/21

	2020/21
Total Open cases at the beginning of the year	2,757
New bankruptcy cases	104
New company cases	6
Closed cases which were re-opened	15
Less	
Cases appointed via contract	(360)
Cases completed	(725)
Total open cases at year end	1,797

⁶ The figure of 186 reported for total liquidations in the year-ended 2019 Annual Report has been adjusted to 187 to take account of a further Winding up Order made in January 2019 which the Insolvency Service has been advised of in this financial year.

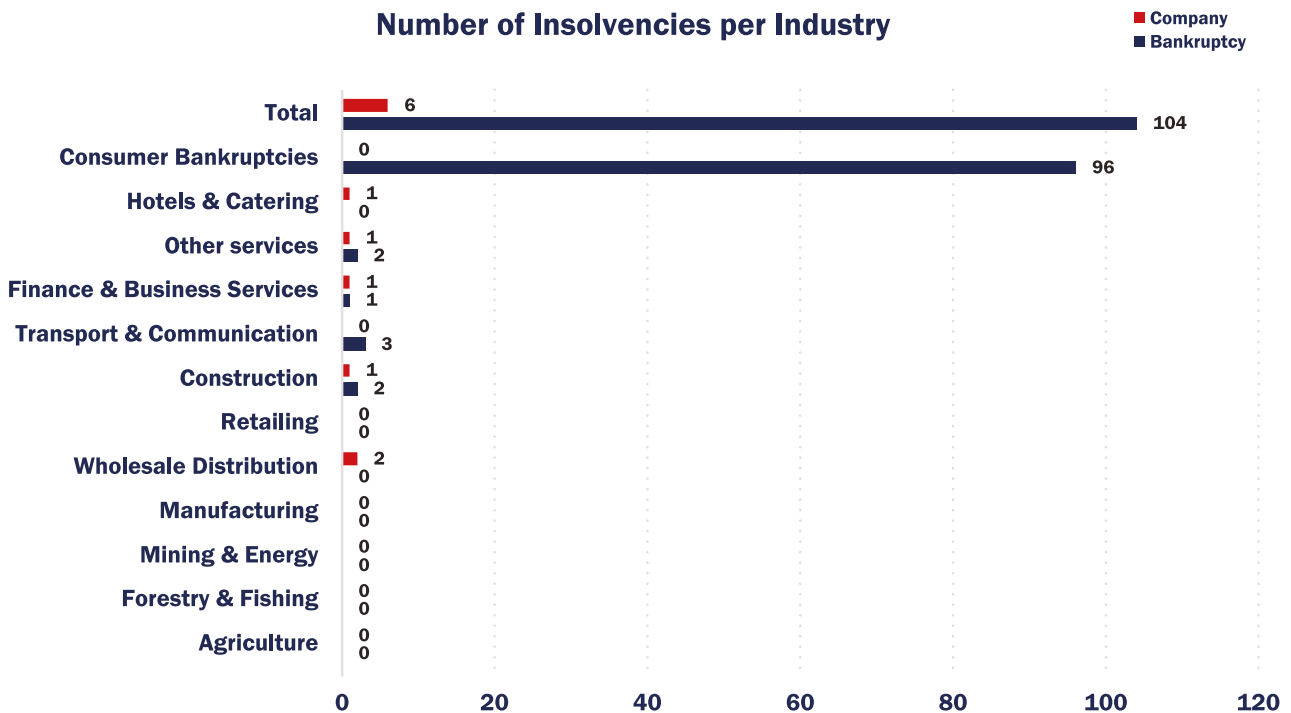
BUSINESS SECTOR ANALYSIS

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. There was a major decrease in compulsory liquidations and bankruptcies due to the Coronavirus pandemic which has impacted enormously on every aspect of life in Northern Ireland.

- **Companies;** In 2020/21, the greatest number of failures occurred in the Wholesale Distribution sector with 2 cases. In 2019/20, the greatest number of failures occurred in the Construction sector with 52 cases.

- **Bankruptcies;** In 2020/21, the greatest number of failures occurred in the Consumer Bankruptcy⁷ sector, with 96 cases followed by the Transport and Communications sector with 3 cases. In 2019/20, the greatest number of failures occurred in the Consumer Bankruptcy sector with 327 cases.

7. As a result of the work of the Insolvency Service, £5.04m of assets were identified for realisation and return to creditors, compared with £16.6m in 2019/20.



⁷ “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.

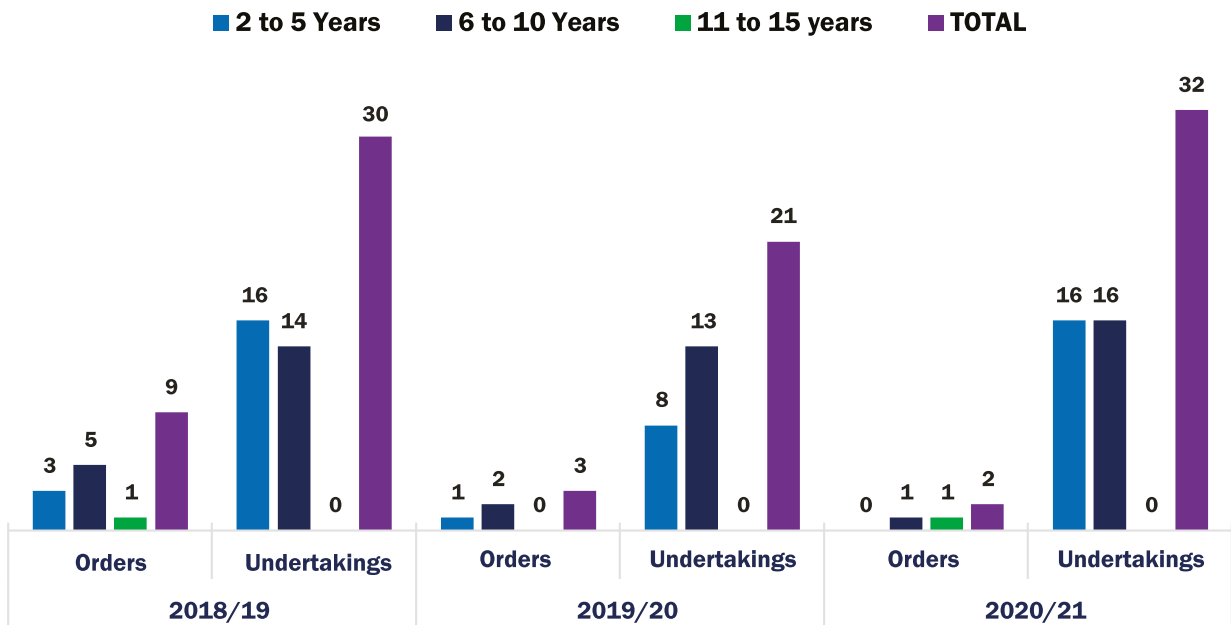
LEGISLATION

8. Work on drafting an insolvency bill, which will modernise Northern Ireland’s insolvency legislation in line with changes made to that applying in England & Wales, had to be largely suspended. This was because the legislation team had to switch to working on legislation which needed to be made urgently in connection with the coronavirus pandemic.

DIRECTORS DISQUALIFICATION AND BANKRUPTCY RESTRICTION ORDERS

9. During the year, the Directors Disqualification Unit accepted 20 disqualification undertakings. In addition, 2 bankruptcy restriction orders were obtained and 12 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 2020/21

PERFORMANCE AGAINST TARGETS IN 2020/21

Key Target/Indicator	Target	2020/21 Achieved	2019/20 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%	60%	87%	1
To complete the finalisation of 90% of Official Receiver company cases within twelve months of receipt	90%	68%	94%	
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 not being IT enabled for working from home during the first month of the year and as a result of the adaptation of staff to working remotely from home, rather than a team environment, during the rest of the year.
2. No cases were identified as appropriate for referral to PSNI in 2019/20 or 2020/21.

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 overstressing themselves or as a result of some unforeseen or unexpected 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.
- 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 2021.

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.

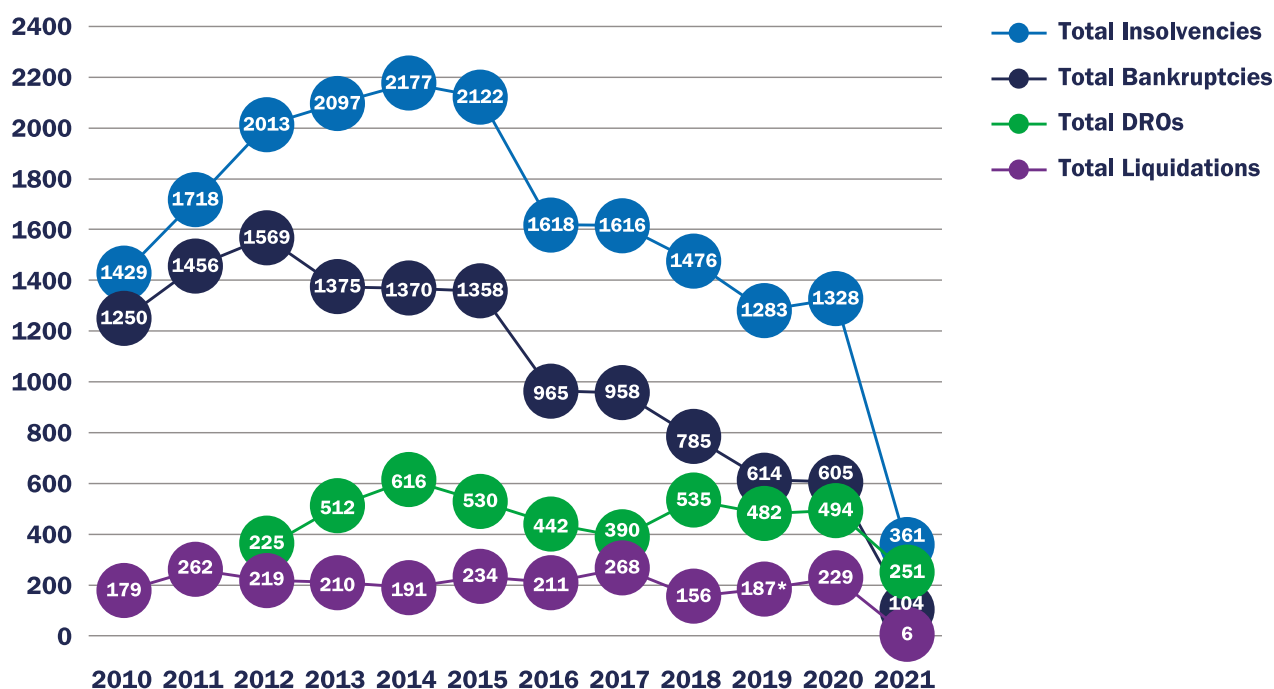
2.3 The Official Receiver becomes receiver and manager on the making of a bankruptcy order or first liquidator on the making of a winding up order and is responsible for the protection of the insolvent's assets.

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 Due to the pandemic there was an 87% decrease in the total number of new bankruptcy and liquidation cases administered by the Insolvency Service in 2020/21. The total number of new cases was 110 in 2020/21 against 834 in 2019/20. There was a decrease of 49% in Debt Relief Orders, with 251 in 2020/21 against 494 in 2019/20.

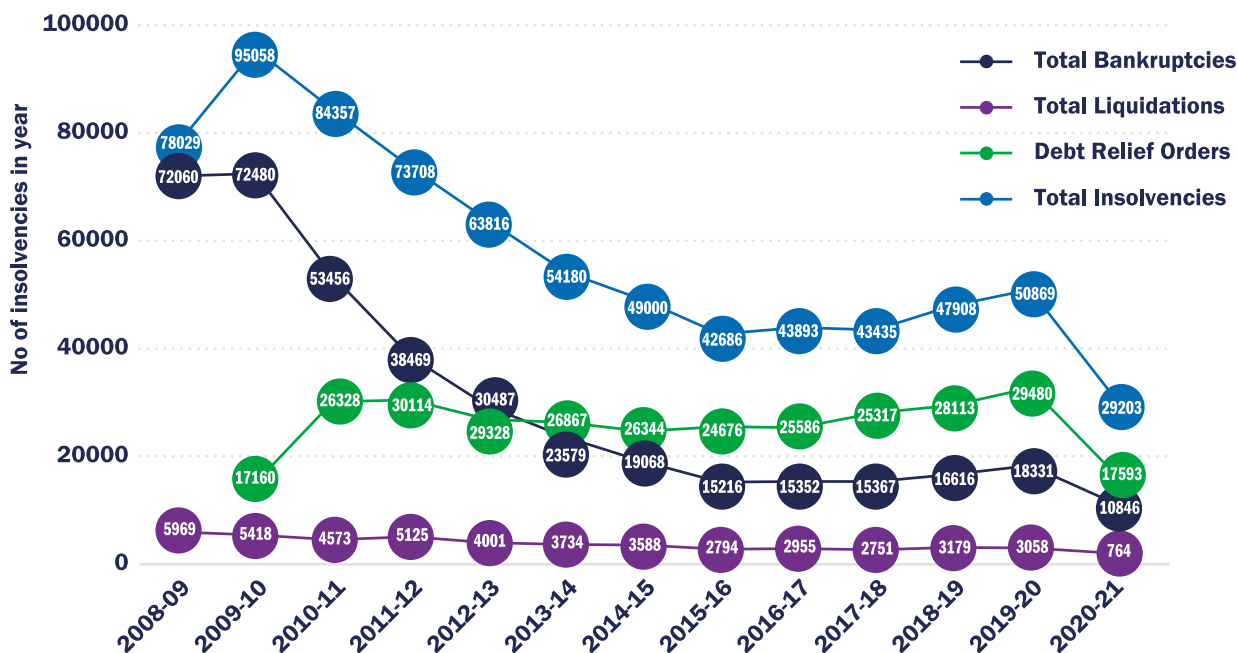
Insolvency Service cases received from 2009/10 to 2020/21



* The figure of 186 reported for total liquidations in the year-ended 2019 Annual Report has been adjusted to 187 to take account of a further Winding up Order made in January 2019 which the Insolvency Service has been advised of in this Financial Year.

- 2.7 In 2020/21, 92% of bankruptcies continued to occur in the consumer bankruptcy sector (104). 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 group of bankruptcies was in the Transport and Communication (3) sector. Transport and Communication comprises air transport, other transport and communications, road transport, shipping and travel agents.
- 2.9 With regard to companies, the largest groups of winding up orders were in the Wholesale Distribution sector. Wholesale Distribution comprises motor vehicle wholesalers, other wholesale, wholesale of food and drink and wholesale of textiles and clothing.
- 2.10 During the year, 251 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. Whilst the number of individuals entering IVAs in recent years has been steadily increasing, in 2020/21 the number reduced to 1,219 (2020: 1,502) which represents a 19% decrease on the previous year.
- 2.12 In total, therefore, some 1,574 (2020: 2,601) individuals in Northern Ireland took advantage of an insolvency process during 2020/21 through bankruptcy, debt relief order or IVA. This represents a decrease of 39% 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 was another marked increase in the numbers for 2019/20 with bankruptcies increasing to 18,331 and debt relief orders 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. Due to the pandemic there was a major decrease in the numbers for 2020/21 with bankruptcies decreasing to 10,846 and DROs decreasing to 17,593. These decreases represent falls of 41% and 40% respectively. In the same period, liquidations decreased by 75% from 3,058 to 764.

Insolvency Cases Received by Insolvency Service in England and Wales 2008/09– 2020-21

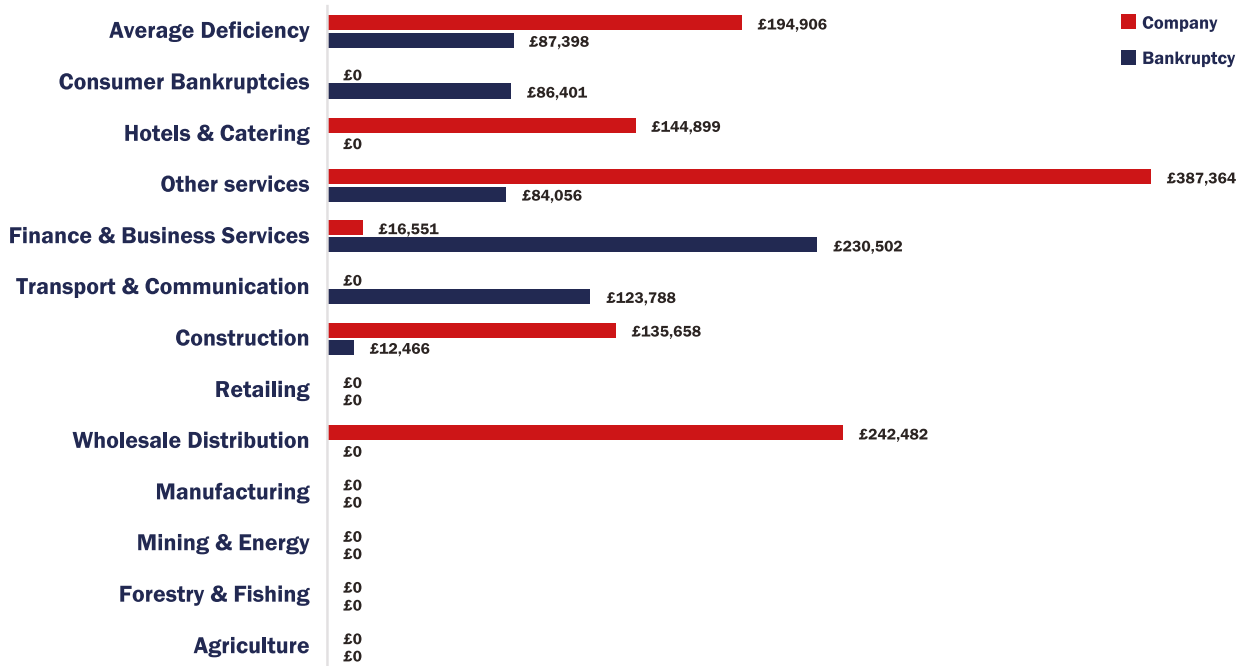


AVERAGE DEFICIENCY OF ASSETS AND LIABILITIES

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 occurred in the Finance and Business Services sector which comprises accounting and legal services, real estate, computer services, management services and other business services. The largest average deficiency for companies occurred in the “Other Services” sector which comprises of recreational services, medical services, educational services, repair of consumer goods, laundry, hairdressing, beauty parlours and other 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 £1.3m, and the estimated total assets were £0.13m, leaving an overall deficiency of £1.17m. This represents an average deficiency of approximately £195k per case.
- **Bankruptcies;** the estimated total liabilities of cases in which bankruptcy orders were made in the year amounted to £9.4m and the estimated total assets were £0.35m, leaving an overall deficiency of £9.05m. This represents an average deficiency of approximately £87k per case.

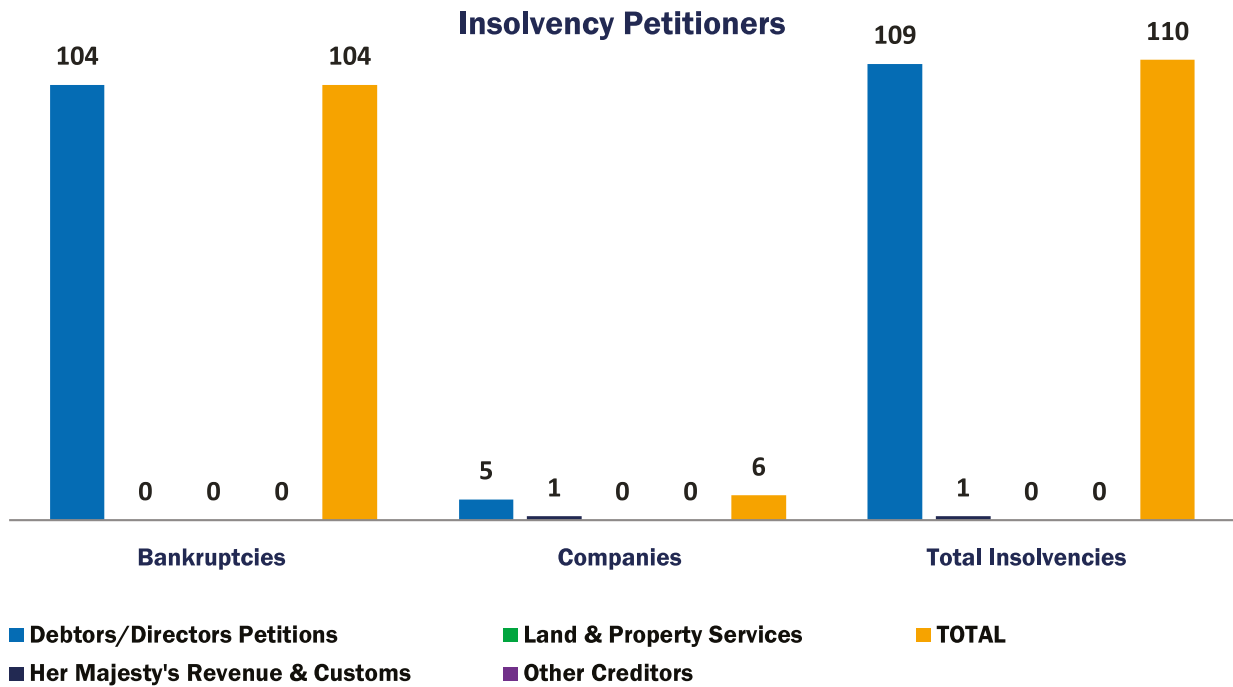
Average Deficiency 2020-21

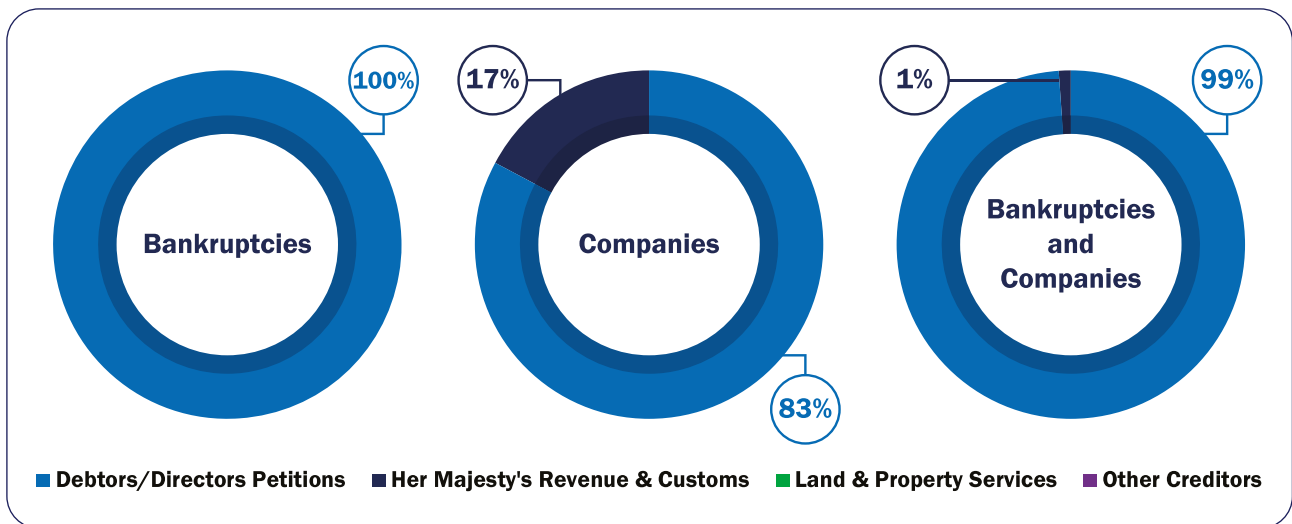


*Does not include Annulments or rescissions

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.





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 Official Receiver's investigation led to the making of 118 conduct returns on company directors to the DDU. The Official Receiver also applied to the High Court for:

- the suspension of automatic discharge in 40 bankruptcies; and

- the public examinations of 1 bankrupt and 14 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 2021 254 Debt Relief applications were received, of which 233 were granted. In total 251 Debt Relief Orders were made in the financial year, which will include applications made and not yet approved towards the end of the previous financial year.

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

	2020/21	2019/20	2018/19
Reports submitted by Official Receiver to the Directors Disqualification Unit	1	0	0
Reports submitted by others to the Directors Disqualification Unit	1	0	0
Reports referred by the Directors Disqualification Unit to the PSNI	2	0	0

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 941 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 2020 to 31 March 2021, there were no orders made by the Criminal Courts and 20 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 both of 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 228 Bankruptcy Restrictions Orders/Undertakings have been made by the High Court or accepted by the Department.

2.38 In the year 2020/2021, there were 2 Bankruptcy Restrictions Orders made by the High Court and 12 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 and the Insolvency Practitioners Association);
- the Insolvency Service (E&W); and
- the Insolvency Service (Northern Ireland).

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 2020/21.

Indicators	Triggers	No of cases referred to RPB /Investigated by the Department 2020/21	No of cases referred to RPB /Investigated by the Department 2019/20
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	0	3
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	3	6
Non-response to correspondence	Failure to reply to 3 letters	1	0
Inaccurate fees calculations	Submission of 3 inaccurate fees calculations	0	0
TOTAL		4	9

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	2020/21	2019/20
Staff Costs	£3.817M	£3.903M
Staff in post at 31 March comprising:		
Specialist grades	45	54
Administrative grades	44	46
	89	100

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 Liquidations 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** Disposal of Assets to Connected Parties in an Insolvency Process;
- 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 Administrative 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 Security Authority), Barbados, 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, Serbia, Singapore, South Africa, Thailand, Trinidad and Tobago, Uganda, United Arab Emirates, 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 As a result of the pandemic, all activity of the IAIR was carried out on-line and included a number of events aimed at assisting its membership through the challenges of the pandemic. This included:

- Two meetings to enable IAIR members to share experiences in relation to COVID in relation to National Legislative Responses and Practical Responses (i.e. non legislative changes that have been needed to manage the workloads and ensure staff safety).
- IAIR & World Bank Group Webinar on "Early evidence on business insolvency filings after the onset of COVID-19" which was based on information provided by IAIR members on insolvencies.
- IAIR Webinar - Predicted volumes and strategies for dealing with increased volumes of insolvencies.

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:

	2020/2021	2019/2020
Law Society of Northern Ireland	3	3
Insolvency Practitioners Association	615	618
Institute of Chartered Accountants in England and Wales	820	805
Chartered Accountants Ireland	46	42
Institute of Chartered Accountants in Scotland	87	88
Total	1,571	1,556

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 2021, 1,219 voluntary arrangements were reported to the Department for registration which represented a 19% decrease on the corresponding figure for the previous year of 1,502.

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 38 of the report. The funds held at 31 March 2021 in the Account amounted to £21,119,126.

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 other legislation dealing with international matters; and
- preparing information about legislation for insolvency practitioners.

INSOLVENCY LEGISLATION

Primary Legislation

New Bill to amend Insolvency and Disqualification legislation

2.65 During the year, the Insolvency Service continued to correspond with Legislative Counsel on the drafting of a new Insolvency Bill. Due to the need to work on other urgent legislation in connection with the Coronavirus pandemic it was not possible to get this Bill passed during the current Assembly mandate.

Corporate Insolvency and Governance Act 2020

2.66 The Legislation Unit's main achievement during the year was the inclusion of provision for Northern Ireland in the Corporate Insolvency and Governance Act 2020 which achieved Royal Assent on 26 June 2020. The Act inserts provision into the Insolvency (Northern Ireland) Order 1989 for a new free-standing moratorium for companies in financial difficulty giving them an opportunity, free from creditor pressure, to explore options for rescue and recovery. The Act also includes a number of other permanent and temporary changes to insolvency legislation intended to assist companies adversely affected by the pandemic.

2.67 The Legislation Unit was responsible for preparing drafting instructions to Legislative Counsel, settling the resulting drafts and carrying out the necessary procedure to have a Legislative Consent Motion passed by the Northern Ireland Assembly to enable provision for Northern Ireland to be included in the Act.

SUBORDINATE LEGISLATION

2.68 A total of six pieces of subordinate legislation were made in connection with the Corporate Insolvency and Governance Act 2020. Four were to extend temporary provisions in the Act. They were:

- The Corporate Insolvency and Governance Act 2020 (Amendment of Certain Relevant Periods) Regulations (Northern Ireland) 2020, S.R. 2020 No. 199, made on 15 September 2020;

- The Corporate Insolvency and Governance Act 2020 (Amendment of Certain Relevant Periods) (No. 2) Regulations (Northern Ireland) 2020, S.R. 2020 No. 321, made on 10 December 2020;

- The Corporate Insolvency and Governance Act 2020 (Coronavirus) (Amendment of Relevant Period in Schedule 8) Regulations (Northern Ireland) 2021, S.R. 2021 No. 61, made on 9 March 2021; and

- The Corporate Insolvency and Governance Act 2020 (Amendment of Certain Relevant Periods) Regulations (Northern Ireland) 2021, S.R. 2021 No. 75, made on 29 March 2021.

2.69 One was to switch off some of the temporary provisions in Schedule 8 to the Act. It was:

- The Corporate Insolvency and Governance Act 2020 (Coronavirus) (Schedule 8) (Early Termination of Certain Temporary Provisions) Regulations (Northern Ireland) 2020, S.R. 2020 No. 214, made on 9 October 2020.

2.70 One was to reinstate a temporary measure in the Act which had been allowed to lapse. It was:

- The Corporate Insolvency and Governance Act 2020 (Coronavirus) (Suspension of Liability for Wrongful Trading) Regulations (Northern Ireland) 2020, S.R. 2020 No. 320, made on 10 December 2020.

2.71 In addition, work was carried out on three further sets of Regulations. One was to change the expiry date in section 32(1) of the Act, another was to renew suspension of liability for wrongful trading for a further period and the third was to regulate the sale of property to connected persons during administrations.

2.72 A set of Rules was drafted to replace temporary rules in Schedule 8 to the Corporate Insolvency and Governance Act 2020 which are needed to work with the provisions in primary legislation relating to the new moratorium for companies brought in by that Act.

2.73 One piece of subordinate legislation was made which was not related to the Corporate Insolvency and Governance Act 2020. It was the Insolvency (Amendment) (2016 Act) (Commencement No. 2 and Saving Provision) Order (Northern Ireland) 2020, S.R. 2020 No. 236, which was made on 3 November 2020 and which brought into operation certain provisions in the Insolvency (Amendment) Act (Northern Ireland) 2016.

2.74 Work has begun to replicate for Northern Ireland the Insolvency Act 1986 (Prescribed Part) (Amendment) Order 2020, S.I. 2020/211.

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

- The Insolvency (Amendment) (2016 Act) (Consequential Amendments and Revocations) Order (Northern Ireland) 2016;
- The Compensation Orders (Disqualified Directors) Proceedings Rules (Northern Ireland);
- The Disqualified Directors Compensation Orders (Fees) Order (Northern Ireland);
- The Insolvency Practitioners (Amendment) Regulations (Northern Ireland);
- The Postal Administration Rules; and
- An Order to enable co-operative and community benefit societies and credit unions to enter a company arrangement or administration and which will now include provisions to allow co-operative and community benefit societies to avail of the moratorium provisions in the Corporate Governance and Insolvency Act 2020.

2.76 Work continued on a draft of the consolidated Rules in line with those in England and Wales.

2.77 Work commenced:

- on a set of Insolvency Rules to establish a special administration regime for transmission and distribution for electricity licence holders; and
- to replicate for Northern Ireland the Insolvency Act 1986 (Prescribed Part) (Amendment) Order 2020, S.I. 2020/211.

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

2.78 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.

2.79 The provisions of the Regulations which relate to EU Exit apply from 1 January 2021.

MEETING THE NEEDS OF OUR USERS

WHO ARE OUR USERS?

2.80 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.

2.81 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

2.82 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

2.83 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

2.84 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

2.85 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>.

2.86 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

2.87 The following guidance notes are available for our customers:

- Completion of Statement of Affairs - Debtors Bankruptcy Petition;
- Insolvency Service Charter; and
- 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 2020/21

Introduction

1. The Governance Statement sets out the governance structures, the risk management and internal control arrangements for the Insolvency Service during the 2020/21 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 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 2021 related to:

- Delivery of our commitments;
- 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. The Insolvency Service had no internal control disclosures during the 2020/21 year.

Data Security

13. The Insolvency Service is fully committed to complying with Data Protection regulation (UKGDPR) and 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 3 data security breaches during the year. None of these breaches represented a risk to the rights and freedoms of the individuals concerned and therefore none of these required to be reported to the Information Commissioner's Office.

Business Continuity Management (BCM)

14. 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

15. 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.

16. During 2020/21, the departmental Internal Audit team completed one review, within the Insolvency Service, of the Insolvency Practitioner Unit (IPU). The review concluded with a satisfactory audit opinion.

17. The Insolvency Service has its own Audit Section which audits, on a compliance and 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.

18. During 2020/21, Audit Section continued to raise queries with examiners on cases. 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.

Compliance with the Corporate Governance Code

19. 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

20. 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

21. No Ministerial Directions were issued during the 2020/21 financial year relating to the Insolvency Service.

Conclusion

22. DfE’s Insolvency Service has a rigorous system of corporate governance on which I, as Permanent Secretary and Accounting Officer, rely to form an opinion on the probity and use of public funds, as detailed in Managing Public Money Northern Ireland.
23. 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 2020/21.



Mike Brennan

Permanent Secretary
Department for the Economy

Date: 17 May 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 2021 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 2021; 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 2019, 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 other information comprises the information included in the annual report other than the financial statements and my audit certificate and report. The Accounting Officer is responsible for the other information included in the annual 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.

Matters on which I report by exception

In the light of the knowledge and understanding of the Insolvency Service and its environment obtained in the course of the audit, I have not identified material misstatements in Foreword, Performance Report and Accountability Report.

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.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Responsibilities of the Accounting Officer, the Accounting Officer is responsible for:

- the preparation of the financial statements and for being satisfied that they properly present the receipts and payments during the year; and
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Insolvency Service through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Insolvency (Northern Ireland) Order 1989, the Insolvency Regulations (Northern Ireland) 1996, the Company Directors Disqualification (Northern Ireland) Order 2002, The Debt Relief Act (Northern Ireland) 2010 and the Insolvency (Amendment) Act (Northern Ireland);

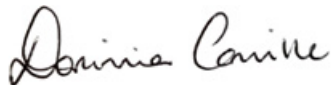
- making enquires of management and those charged with governance on Insolvency Service's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Insolvency Service's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in management override of control (posting of unusual journals);
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments; and
 - investigating significant or unusual transactions made outside of the normal course of business.

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.

Report

I have no observations to make on these financial statements.



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

25 May 2023

3

Financial Statements

STATEMENT OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 31 MARCH 2021

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	2020-21 £	2019-20 £
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)	607,712	2,573,193
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)	4,435,329	8,431,449
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)	50,915	138,806
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)	184,779	125,474
Sums received to which the Official Receiver does not have clear title	(5)	71,655	5,263
Sums received in respect of prescribed fees	(6)	191,865	163,225
		5,542,255	11,437,410

PAYMENTS	Notes	2020-21 £	2019-20 £
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	(7)	5,590,095	7,538,419
Fees and remuneration charged and appropriated in aid of the Dept. for the Economy	(8)	1,915,914	2,463,118
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)	408,654	0
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)	20,143	23,224
Sums paid to parties with clear title	(11)	69,840	147,474
Sums surrendered to the Crown Solicitor under Article 605(1) of the 1986 Order and Section 1012(1) of the Companies Act 2006	(12)	19,773	2,318
		8,024,419	10,174,553
EXCESS OF PAYMENTS OVER RECEIPTS FOR THE FINANCIAL YEAR		-2,482,165	1,262,857

STATEMENT OF BALANCES AS AT 31 MARCH 2021

	Notes	2020-21 £	2019-20 £
Balance at beginning of financial year in respect of:			
Liquidations: cash at bank and in hand		9,026,282	8,496,651
Bankruptcies: cash at bank and in hand		14,575,008	13,841,782
	(13)	23,601,290	22,338,433
Add Excess of receipts over payments for the financial year		-2,482,165	1,262,857
Balance at end of financial year in respect of:	(13)	21,119,126	23,601,290
Liquidations: cash at bank and in hand		8,121,112	9,026,282
Bankruptcies: cash at bank and in hand		12,998,014	14,575,008
	(13)	21,119,126	23,601,290

The notes on pages 38-42 form part of the account.



Mike Brennan
Accounting Officer
Department for the Economy
DATE 17 May 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:

	2020-21	2019-20
	£	£
Realisation of assets etc.		
Company Liquidations	593,732	2,013,993
Deposits paid by Petitioners	13,980	559,200
	607,712	2,573,193

2. REALISATION OF ESTATES OF BANKRUPTS, ETC.

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

	2020-21	2019-20
	£	£
Realisation of assets etc in the Estate of bankrupts, arranging debtors and deceased insolvents	4,367,954	7,749,299
Deposits paid by Petitioners	67,375	682,150
	4,435,329	8,431,449

3. INTEREST CREDITED

The total amount of interest received in respect of funds in the Insolvency Account during the year was £61,337 (previous year £176,699). During the year £50,915 (previous year £138,806) has been credited to the Insolvency Account and has been allocated as follows:

	2020-21	2019-20
	£	£
Amounts credited to Companies in liquidation	18,615	56,217
Amounts credited to Estates of bankrupts, arranging debtors and deceased insolvents	32,300	82,589
	50,915	138,806

Of the balance of interest received on the funds in the Insolvency Account during the year £5,512 is due to be surrendered to the Department. Interest amounting to £4,910 was received at the end of the financial year and had yet to be allocated by 31 March 2021.

4. UNCLAIMED DIVIDENDS ETC.

Sums received during the period can be summarised as follows:

	2020-21	2019-20
	£	£
Unclaimed dividends etc. in respect of company estates	85,409	40,946
Unclaimed dividends in respect of bankruptcy estates	99,370	84,528
	184,779	125,474

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 2020-21, £71,655 (previous year £5,263) was received in respect of receipts where clear title was not yet established.

6. PRESCRIBED FEES

The sum of £191,865 (previous year £163,225) 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:

	2020-21		2019-20	
	Companies £	Bankruptcy £	Companies £	Bankruptcy £
Costs & expenses	850,322	3,282,643	918,707	4,109,073
Dividend distribution	188,059	1,145,686	696,403	1,694,850
Income tax & Corporation tax	39,592	75,824	26,666	85,095
Debt relief expenses	0	7,969	0	7,625
	1,077,973	4,512,122	1,641,776	5,896,643

The figure for bankruptcy distributions includes undistributable balances of £14,050. In 2019-20 this balance equated to £8,053.

8. PRESCRIBED FEES

	2020-21 £	2019-20 £
Companies	402,617	496,208
Bankruptcy	1,360,892	1,805,396
Registration of voluntary arrangements	17,025	26,370
Renewal of IP licences by DfE and RPB maintenance payments	98,400	88,560
Debt relief scheme	35,000	45,000
Other	1,980	1,584
	1,915,914	2,463,118

The total figure for fees charged to estate accounts and taken in cash includes £1,305 Value Added Tax for which the Department is accountable (previous year £5,947).

During the 2020-21 financial year, write-off approval was received in relation to the loss of fees totalling £230,952 in 273 bankruptcy and 67 company estates (previous year £443,165 in 349 bankruptcy and 248 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.

	2020-21	2019-20
	£	£
Companies	120,561	0
Bankruptcy	288,093	0
	408,654	0

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:

	2020-21	2019-20
	£	£
Companies	15,755	2,741
Bankruptcy	4,388	20,483
	20,143	23,224

11. SUMS PAID TO PARTIES WITH CLEAR TITLE

Payments totalling £69,840 (previous year £147,474) 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

Section 1012(1) of the Companies Act 2006 states that all property and rights of a dissolved company shall be deemed to be bona vacantia and accordingly belong to the Crown or to the Duchy of Lancaster or to the Duke of Cornwall for the time being.

	2020-21	2019-20
	£	£
Companies	0	0
Bankruptcy	19,773	2,318
	19,773	2,318

13. BALANCE AT YEAR END

	2020-21	2019-20
	£	£
Cash at Bank and in hand	21,119,126	23,601,290
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))	107,113	158,019
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))	141,778	334,890
Net funds held in the Insolvency Account in respect of companies in which a final dividend has not yet been paid	8,013,999	8,868,263
Net funds held in the Insolvency Account in respect of bankruptcy estates in which a final dividend has not yet been paid	12,856,236	14,240,118
	21,119,126	23,601,290

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

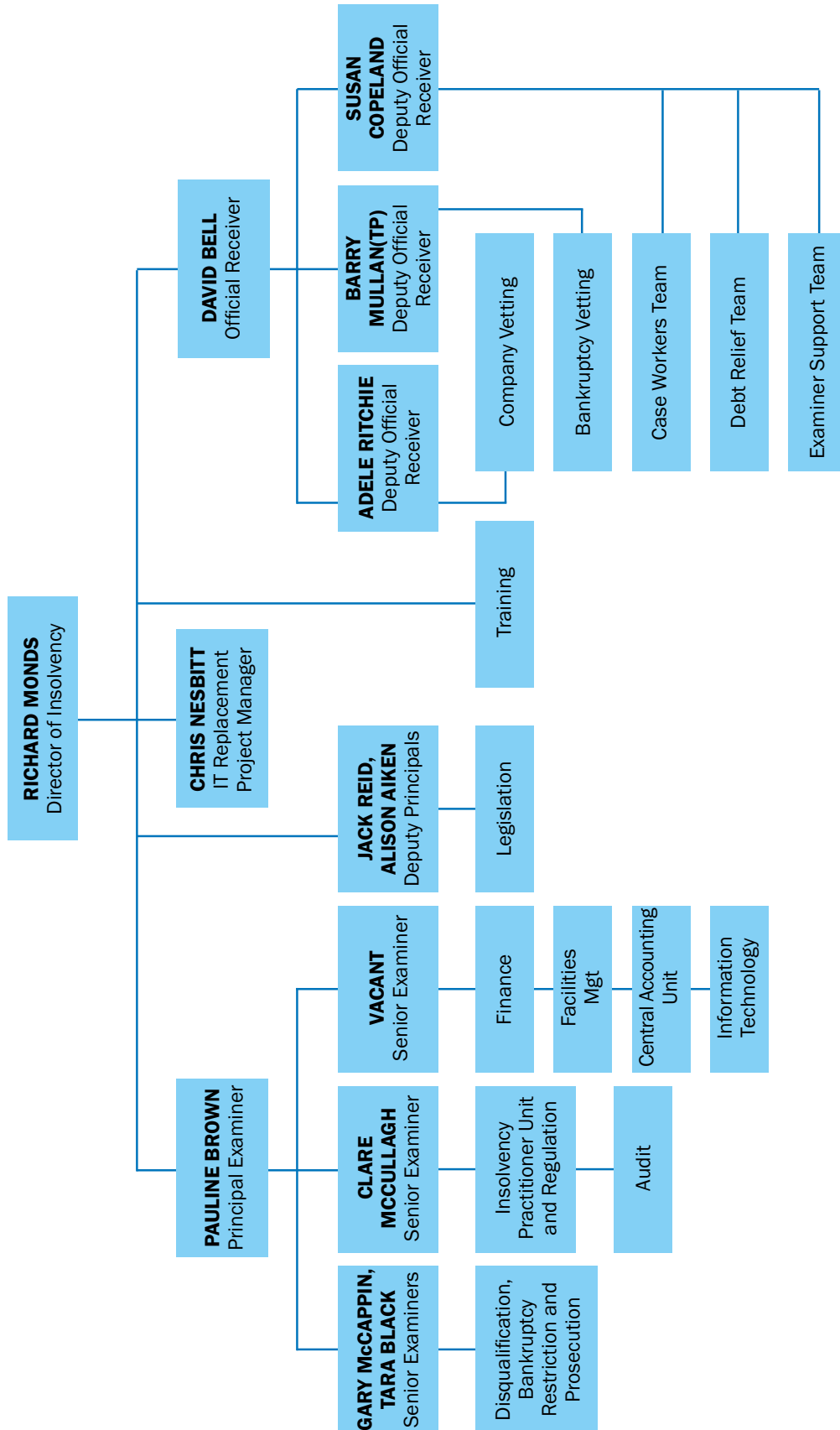
Primary Legislation in existence at 31 March 2021:

- 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

MANAGEMENT STRUCTURE



Appendix IV

NUMBER, ESTIMATED LIABILITIES, ESTIMATED TO REALISE/REALISED ASSETS OF COMPANIES WOUND UP AND FAILURES IN PRINCIPAL TRADES AND OCCUPATIONS DURING THE YEAR ENDED 31 MARCH 2021

	Bankruptcy Orders and Orders for Administration of Estates of Deceased Insolvents			Company Winding-Up Orders		
	No.	Liabilities £	Assets £	No.	Liabilities £	Assets £
Agriculture						
Agriculture						
Agriculture Total						
Construction						
Building repairs	1	151,323.88	141,136.85	1	135,658.05	
Decorating and small works						
Electrical and plumbing	1	14,745.90				
General construction and demolition						
Home improvements						
Construction Total	2	166,069.78	141,136.85	1	135,658.05	
Consumer Insolvencies						
Directors and promoters of companies						
Employees	45	5,479,010.74	103,643.40			
No occupation or unemployed	51	2,973,397.91	54,247.96			
Occupation unknown						
Consumer Insolvencies Total	96	8,452,408.65	157,891.36			
Finance and Business Services						
Accounts and legal services	1	247,162.50	16,660.70			
Computer services						
Management services						
Other business services						
Real estate				1	20,329.30	3,778.42
Finance and Business Services Total	1	247,162.50	16,660.70	1	20,329.30	3,778.42
Forestry and Fishing						
Forestry and Fishing						
Forestry and Fishing Total						
Hotels and Catering						
Licensed premises						
Other catering						
Residential Accommodation				1	145,561.40	662.05
Restaurants						
Hotels and Catering Total				1	145,561.40	662.05
Manufacturing Industries						
Engineering and allied industries						
Manufacture of food, drink, tobacco						
Manufacture of timber and furniture						
Metal Manufacture						

APPENDIX IV (Cont)

NUMBER, ESTIMATED LIABILITIES, ESTIMATED TO REALISE/REALISED ASSETS OF COMPANIES WOUND UP AND FAILURES IN PRINCIPAL TRADES AND OCCUPATIONS DURING THE YEAR ENDED 31 MARCH 2021

	Bankruptcy Orders and Orders for Administration of Estates of Deceased Insolvents			Company Winding-Up Orders		
	No.	Liabilities £	Assets £	No.	Liabilities £	Assets £
Other Manufacture						
Paper, printing and publishing						
Manufacturing Industries Total						
Mining and Energy Industries						
Mining and Energy Industries						
Mining and Energy Industries Total						
Other Services						
Educational Services						
Hairdressing and beauty parlours	1	73,036.87	57.30			
Laundry						
Medical Services	1	105,032.20	9,899.72			
Other services				1	387,365.14	1.00
Recreational Services						
Repair of consumer goods						
Other Services Total	2	178,069.07	9,957.02	1	387,365.14	1.00
Retailing						
Motor vehicles and petrol sales						
Other retail						
Retail of electrical						
Retail of food, drink and tobacco						
Retail of furniture						
Retail of textiles and clothing						
Retailing Total						
Transport and Communications						
Air transport						
Other transport and communications	2	346,922.73	26,822.91			
Road transport						
Shipping						
Travel agents	1	51,683.09	418.20			
Transport and Communications Total	3	398,605.82	27,241.11			
Wholesale Distribution						
Motor vehicle wholesalers				1	299,394.06	2,315.00
Other wholesale				1	309,994.96	122,109.44
Wholesale of food and drink						
Wholesale of textiles and clothing						
Wholesale Distribution Total				2	609,389.02	124,424.44
GRAND TOTAL	104	9,442,315.82	352,887.04	6	1,298,302.91	128,865.91

APPENDIX V

OFFICIAL RECEIVER'S INVESTIGATION WORK

	2020/21	2019/20
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	118	100
Applications to suspend bankrupt's automatic discharge	40	26
Applications for public examination		
• Bankruptcies	1	9
• Liquidations	14	79
Total applications for public examination	15	88



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

Insolvency Service

Insolvency Service
Fermanagh House
Ormeau Avenue
Belfast
BT2 8NJ
Telephone: 028 9054 8531
Text Relay: 18001 028 9054 8531
Email: insolvency@economy-ni.gov.uk