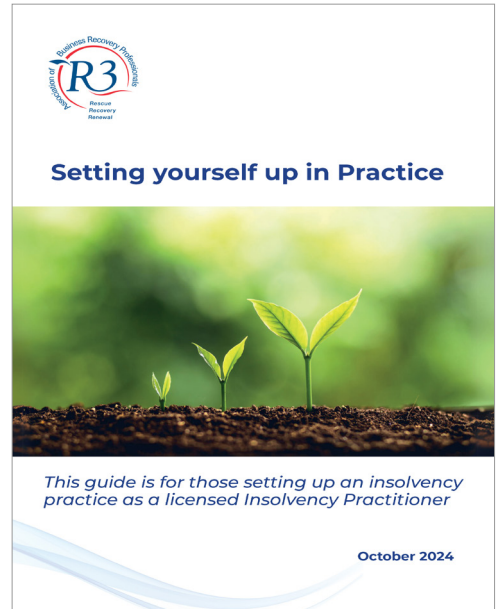




Impact Statement 2024



Promoting, supporting and connecting members of the restructuring, turnaround and insolvency profession.

About R3

As the trade association for restructuring, turnaround and insolvency professionals, R3 is at the heart of the profession providing a home for our community of members throughout their careers.

What we do...

- Strive to ensure that the work of our members is publicly recognised, understood and valued.
- Give our members a united voice on the issues and legislation which affect them and the hundreds of thousands of businesses and individuals with whom they work.
- Work to develop and maintain the highest standards across the profession.
- Provide access to career long learning and personal development crucial to our members reaching the top of the profession.
- Bring the profession together to collaborate and share expertise and best practice.
- Provide timely access to newsletters, email updates and informative resources to help our members stay on top of recent developments.

For more information about R3, visit: www.r3.org.uk

Welcome to R3's Impact Statement for 2024



Caroline Sumner
Chief Executive Officer,
R3

Tim Cooper
R3 President,
Addleshaw Goddard

2024 has seen a busy year for the restructuring, turnaround and insolvency profession with formal insolvency appointments remaining steady after the record highs seen at the end of 2023. If our members are busy, it follows that the teams here at R3 are busy too, supporting the profession with technical updates, training courses and opportunities to connect with others in the profession at our many regional and national events.

A new Government has led to increased opportunities to engage positively with MPs and through our lobbying work we secured a meeting with the new Insolvency Minister, Justin Madders MP, in November of this year. As we move into 2025, and the launch of the Audit Reform and Corporate Governance Bill, we expect to have increased engagement

as it is widely anticipated that the Bill will include reforms relating to IP regulation, firm regulation and other changes which will impact on the restructuring and insolvency profession.

Our members, now numbering over 3,250 are at the heart of everything we do. We would like to thank all of you for your continued support, with particular thanks to the over 250 volunteers on R3's regional and national committees and R3 Council, who play a vital role in making R3's work with and on behalf of members possible.

As always, we look forward to working together with all members and stakeholders during the coming year to shape a positive and forward looking future for the profession and to ensure that your voices are heard.

Promoting and protecting the profession

Throughout 2024, R3 promoted and protected the profession and the work that you do, with Government, sector stakeholders, the media and public, highlighting the support restructuring, turnaround and insolvency professionals provide to businesses, individuals and the economy across the UK every day.

Lobbying and Government engagement

Prior to July's general election, we hosted MPs and peers at our annual president's lunch event and whilst the election placed a temporary halt on policymaking across Westminster and Whitehall, we used the opportunity to refine our positions on key issues for members and refocus on the expected priorities of the incoming Government.

The day after Parliament returned from its summer recess, R3 attended Westminster to meet with the All-Party Parliamentary Group for Fair Banking, which remains one of the main forums for policy discussions between MPs and the financial services sector. We have been invited to contribute to the work of the group going forward, which will enable us to raise awareness amongst MPs of the positive role the profession plays.

In November, we secured a meeting with the new Minister responsible for insolvency, Justin Madders MP, at the Department for Business and Trade. At the meeting, senior R3 representatives discussed the value that the profession brings to the UK economy and its



Justin Madders MP, the Insolvency Minister, who R3 met with in November.

support for the Government's aim of creating the conditions for sustained economic growth. The UK's world leading insolvency regime, alongside the professionals working within it, creates the confidence to trade and lend, has extensive powers to investigate and disrupt fraud, and helps indebted individuals and business get back on their feet. Specific policy issues we discussed with the Minister included: Insolvency Sector Regulation; The Personal Insolvency Framework and Employment Law and Insolvency. We emphasised the willingness of the profession to play an active role in supporting Government in developing policy and regulation that will support an effective regulatory framework in the best interests of creditors, employees, those in financial distress and the wider economy.

As the significant number of newly elected MPs establish themselves, we are encouraging R3 members across the country to seek meetings with their local constituency MPs, which R3 can support with briefings and attendance where appropriate.

Beyond Westminster, we continue to engage with third-sector organisations including other financial services trade bodies and the debt advice charities. We will always seek to partner with these organisations, where our goals align, to amplify the voices of our members.

Leading the way on policy development

Our member-informed policy work is a powerful tool that is used to instigate engagement with Government and to help us influence how policy develops.

R3 continues to hold regular meetings with officials at the Insolvency Service. This year we built closer relationships with other agencies such as Companies House and HM Land Registry, ensuring that our technical team and member-led committees have advanced sight of, and can input the profession's views on, upcoming legislative and regulatory changes prior to their release.

In 2024 we established our Public Sector Faculty as a forum for discussion between the insolvency profession and public sector bodies including regulators, local authorities and law enforcement agencies. The faculty held two roundtables which were attended by representatives from HMRC, the National Crime Agency, National Trading Standards, City of London Police, the Financial Services Compensation Scheme (FSCS), the Financial Conduct Authority (FCA), the Information Commissioner's Office (ICO) and Westminster City Council among others.



Caroline Sumner, R3 CEO with Heather Buchanan, Director of the APPG for Fair Business Banking.

"It's useful to have a body representing us who understands our role, difficulties and issues."

R3 membership survey respondent

As part of our response to the 2022 Personal Insolvency Framework review consultation, R3 called on the Government to remove the fee for entering bankruptcy or a Debt Relief Order (DRO) for debtors that meet the criteria for these solutions and are on income-related benefits. This year we were pleased to see the previous Government completely abolish the £90 DRO administration fee while also expanding eligibility criteria.

We are currently in the process of responding to the Government's consultation on strengthening remedies against abuse of rules on collective redundancy and fire and rehire.

We continue to await further policy developments following previous consultations on insolvency sector regulation and the Personal Insolvency Framework review. We will work closely with members to formulate our responses to consultations and proposals as they are brought forward during 2025.

The voice of insolvency and restructuring in the media

This year, R3 has continued to act as the voice of the profession in the UK media. We have appeared in more than 1,000 stories across regional, national and specialist press commenting on a range of insolvency and

business distress issues and promoting the value of early engagement with the profession wherever possible.

R3 has appeared in stories in outlets that include the Times, Financial Times, the Guardian, The Telegraph, The i and BBC Regional News, commenting on topics that include the insolvency statistics, trends in liquidations, and company registration levels. We have also briefed journalists on areas like payments to creditors, director conduct in administrations and HMRC's approach to recovering monies owed, to ensure they have as full a picture as possible of these issues and others.



“As a small, specialist profession, R3 provides an educated and educational voice – essential to all our futures.”

R3 membership survey respondent

“Great to see our trade association assisting the profession with day to day practical issues such as this - well done”

via LinkedIn

Representing members with stakeholders

Seeking clarification from The Insolvency Service

Working in unison with the Recognised Professional Bodies (ICAEW, IPA and ICAS), R3 sought urgent clarification on the IS view that 'a creditor is set at the point of entry to the procedure and that this remains, even if payment in full is subsequently made' following two decisions where the court determined that the administration period had been validly extended and the consent of the paid secured creditors was not required. It is unsatisfactory for insolvency practitioners to have to rely on these unopposed decisions when seeking to extend the period of administration.

Energy accounts of companies in liquidation

R3 wrote to the Energy Ombudsman on behalf of R3 members to raise concerns that had been reported about the difficulties members had experienced with a certain energy supplier. These concerns relate to companies in liquidation and to the liquidators' often difficult and time-consuming communications with the supplier.

Review of Scotland's statutory debt solutions – Stage 3 Consultation

R3 responded to the Scottish Government's review of Scotland's statutory debt solutions - Sequestration (known by some as Bankruptcy), Minimal Asset Procedure, Protected Trust Deeds and Debt Arrangement Scheme.

The response provided a comprehensive overview of the current debt solutions landscape in Scotland, identified areas for improvement, and offered recommendations for enhancing the effectiveness of the insolvency regime. Importantly, the response advocates for a balanced approach that considers the needs of both debtors and creditors while leveraging technology and collaboration with other government services.

Providing practical support and solutions

Technical updates and guidance

Providing practical advice and guidance continues to remain a key area of support for members. The team have responded to over 400 queries on a number of issues.

We have issued over 36 Technical Alerts, including monthly round-ups, covering a range of specific topics including important case law, HMRC updates, relevant legislation, pensions and AML.

Our monthly technical round-ups have given members direct and instant access to the latest developments in the profession and what this means for you all in one place.

New and updated guides and resources for members during 2024 included:

- An overview of digital assets – Highlighting key focus areas for any officeholder in relation to crypto assets
- Updated creditor guides – A key resource for creditors who have a desire to learn about the insolvency process they are experiencing
- Case summaries – Digestible summaries of legal judgments that highlight important considerations for R3 members

- ‘Setting yourself up in Practice’ guide - This guide has been produced for those who are intending to set up an insolvency practice as a licensed appointment taking Insolvency Practitioner
- Podcast episode titled ‘Myths and Legends with HMRC’.



Coming soon to members:

- Remuneration - A proposal for changes to the rules relating to fees for CVL liquidators.
- A revamped ‘Back to Business’ website – Linking directors directly to the services of R3 members.
- Updated R3 Technical Bulletin, issue 104 ‘The Capture, Storage, Maintenance and Destruction of Records’
- Tax in Bankruptcy – Guidance on tax affairs in agreement with HMRC.

Working together with stakeholders

R3 continues to work closely with a number of organisations on behalf of members to address issues and concerns, including:

- The Insolvency Service
- The Recognised Professional Bodies (RPBs)
- Financial Conduct Authority (FCA)



- HMRC
- Companies House
- Information Commissioner’s Office (ICO)
- The UK Jurisdiction Taskforce
- Nest on pensions

“This note is to thank R3 for your assistance with Companies House regarding the (inappropriate) filing penalties. The Registrar, on an exceptional basis, applied her discretion to waive the claims. This was a tremendous result for common sense, which would not have been achieved so quickly had it not been for Ben Luxford’s tenacity and R3’s gravitas”

R3 Member

Training

R3's Training Academy has continued to expand its offering, from certificated training on the essentials of insolvency and restructuring through to sharing best practice on emerging areas of work. Our training is available in a range of online, on-demand and face-to-face formats to meet the different needs of members at every stage of their career.

Training Academy programmes, designed and delivered by leading subject experts drawn from across R3's membership and beyond, have delivered training to over 800 delegates so far during 2024, with over 450 delegates also attending the face-to-face training events.

Highlights of the programme have included:

- Introduction to insolvency e-learning series – updated and refreshed content for 2024
- In conversation with webinar series:
 - Construction Sector - Driving the rise of insolvencies - Construction sector specialist insights
 - FCA - The insolvency regime for payment and e-money services firms
- One-day forums:
 - Contentious Insolvency and Creditors Forum
 - R3 & INSOL Europe International Restructuring Conference 2024
 - Personal Insolvency Forum
 - Restructuring Forum



- New Professionals' Forum – attended by over 100 delegates

In addition to our ongoing Insolvency and Restructuring bootcamps we introduced new programmes:

- Leadership Development Programme – aimed at professionals looking to take the next step in their career
- Director's Duties – essential learning for insolvency practitioners and their teams
- On demand webinars
 - Property possession proceedings in the context of insolvency
 - CIG Act processes: Moratorium
 - CIG Act processes: Part 26A Restructuring Plans

“Highly relevant course for appointment taking IPs with direct practical application”

Directors' Duties delegate

Supporting emerging talent

One of the recurring themes when talking to members is the need to attract and nurture the talent of the future. Working with members R3 has been developing a number of initiatives to address some of the challenges raised.

Equity, Diversity and Inclusion (EDI)

Through our work with the Insolvency Service, and our D and I Champions, R3 has brought senior figures from across the profession together to discuss barriers to entry and progression, share best practice and provide a platform for a range of individuals and organisations to share their stories, ideas and initiatives in this area.

New professional support

R3 continues to be committed to supporting new professionals as they develop in their careers. We encourage all of our regional committees to set up new professional committees, delivering events for new professionals to mix with like-minded people from across the restructuring, turnaround and insolvency profession, establishing networks and connections to support them throughout their career. We held the New Professional Forum in May, delivering a mix of technical and personal development sessions as well as a fantastic networking opportunity.

We are also mindful of the challenges faced by those seeking to enter the profession and through our network of D and I Champions are promoting the different routes into, and career opportunities provided by, the restructuring, turnaround and insolvency profession.

Earlier this year we held a series of roundtables with younger members of the profession sharing their recent experiences of studying for, and sitting, the professional JIEB exams. We shared the results of those discussions with the RPBs and the JIE Board so that improvements to the qualification process for insolvency practitioners could be developed with the profession.



R3 Bursary Scheme

In November 2024 we launched the R3 Bursary Scheme to seek to address the cost barrier sometimes associated with attending R3 events and training. The scheme is open to all R3 members, regardless of age, firm, specialism or experience. Through the scheme we aim to improve accessibility to R3 members who would otherwise be unable to attend an R3 event or training course due to the cost of attending. Full details of how the scheme operates can be found on the R3 website.

R3 Leadership Development Programme

Launched in November 2024 this is the first programme of this type to be delivered by R3. The programme, developed in collaboration with project leader Antoinette Dale Henderson of Gravitas, delivers a series of masterclasses designed specifically for our profession, enabling delegates to develop alongside their peers.

Showcasing emerging talent

A key focus of R3's national and regional conferences in 2024 has been showcasing a range of the emerging talent from across our profession and we will be building on this approach throughout 2025.

Making connections - bringing the profession together

Over 7,000 delegates attended R3 events and training during the last year, as R3 demonstrated its central role in bringing the restructuring, turnaround and insolvency profession together in every region of the UK. We deliver a range of events, providing a trusted environment where like-minded individuals can come together to share ideas, strengthen ties, collaborate and make connections.

R3's regional networks

Our 10 regional committees support engagement with the local restructuring, turnaround and insolvency profession across all of the nations and regions of the UK, through a tailored programme of activities, providing representation of the membership and ensuring regional views are heard throughout R3 and beyond.

With over 60 regional events held across the R3 regions during 2024, highlights included:

- Four regional forums – in Eastern, Northern, Northern Ireland and Southern regions
- Free to member regional meetings



- Major social events from lunches, dinners and quizzes each attracting over 250 guests
- New Professional led social, technical, soft skills and career development events
- International Women's Day events
- Activity based opportunities for networking including: golf, cycling, archery and treasure hunts.

A big thank you to R3's regional committee members for making these happen.

"It was a great event – well organised and it's a brilliant opportunity to meet with other insolvency professionals in a relaxed environment"

R3 lunch guest

"Great opportunity to network with existing contacts and make new ones whilst obtaining CPD"

R3 Annual Conference delegate

Our National events programme included:

- **The R3 Annual Conference** at St Andrews *Forging global pathways: UK insolvency and restructuring in a post-Brexit world.* In addition to sessions on the key themes shaping the future of the profession, Ted-style talks from the Class of 2024 showcased some of the emerging talent within the profession
- **The Smaller Practice Group (SPG) Forum**, bringing together over 200 members from the smaller practice community, delivered a programme focused on providing practical support for smaller practices
- **The R3 Business Lunch** in October, attended by over 500 members and their guests, remains the "must attend" social event in the profession's calendar.

A big thank you to all of our committees, key sponsor partners, national and regional event sponsors who make these events possible for our members.



Recovery magazine and Recovery News

Our publications offer a platform for members to share experiences and expertise with colleagues on the big issues facing the profession.

Social media

Engagement with members and the profession through social media continues to grow and R3's LinkedIn and X (formerly Twitter) accounts now reach over 11,500 followers.



"Comprehensive, wide ranging, and professional looking"

Feedback from reader survey

Modernising R3 for the future

In September 2024 R3 members voted to approve the immediate adoption of our new Articles of Association at our Extraordinary General Meeting (EGM). The adoption of the new Articles represents the culmination of an extended Governance improvement project commenced by R3 Council in 2022.

The new Articles enable R3 to modernise our governance framework to reflect the evolving needs of the restructuring, turnaround and insolvency profession and more easily adapt to changes as the environment within which we operate continues to evolve into the future. Alongside the new By-Laws approved by R3 Council, the modernised Articles will enable R3 to continue delivering for our members in an efficient and effective way.

Copies of the new Articles of Association and By-laws can be found on the R3 website at: www.r3.org.uk.

Alongside the Governance improvement project, we have also undertaken a comprehensive membership review during 2024 to reflect the agreed desire of R3's Council to have a broader, more diverse range of membership, drawn from across the restructuring, turnaround and insolvency profession.

The overall aim of the review has been to develop a membership proposition which is transparent, easy to understand and that provides a platform for future growth of R3 and our membership.



We will be bringing the new approach forward from the 2025 membership year.

Extending INSOL International Membership

During 2024 we also extended the INSOL International Membership offer so that all R3 members were automatically eligible for membership of INSOL International – the international federation with over 12,000 accountants and lawyers who specialise in turnaround and insolvency with a global, cross-border perspective.

Looking forward to 2025

Our updated membership proposition, launched at the end of 2024, and the changes made to our Articles during the year will enable more people from across the profession to join R3. Our overall aim is to be a home for all those who have an interest in the restructuring, turnaround and insolvency profession, with minimal restrictions to joining being imposed. The strength of R3 has always been how we bring the entire profession together, with a broad range of views and expertise, and all of our members will benefit from us having a broad and diverse membership going forward.

We say this every year, however R3's role as the voice of the restructuring, turnaround and insolvency profession will be more important during 2025 than ever. The Audit Reform and Corporate Governance Bill is expected to be launched in Spring 2025 and it is widely anticipated that this will include reforms to the regulation of insolvency practitioners and firms, and power for the Government to take control over ethical and professional standards. We also expect 2025 to bring a consultation on reforms to the Personal Insolvency Framework. R3 will work closely with members on preparing evidenced and robust responses to the changes proposed, ensuring that regulation is proportionate and that changes made do, ultimately, benefit creditors.



R3's technical guidance will continue to keep members briefed on the important technical and regulatory issues which impact on members and your firms. Our events, both regionally and nationally, will continue to provide a range of opportunities for you to connect with others from across the profession, developing strong and effective networks to support you in your careers. And we will continue our work to champion the restructuring, turnaround and insolvency profession as an exciting, challenging and rewarding career for all those with an interest in the valuable work that our members do.

Join us as we strive to shape the future of the profession, championing the valuable work that you, our members do day to day, and ensuring positive change that benefits everyone in the profession.

Promoting, supporting and connecting the restructuring, turnaround and insolvency profession in 2024

Supporting the profession



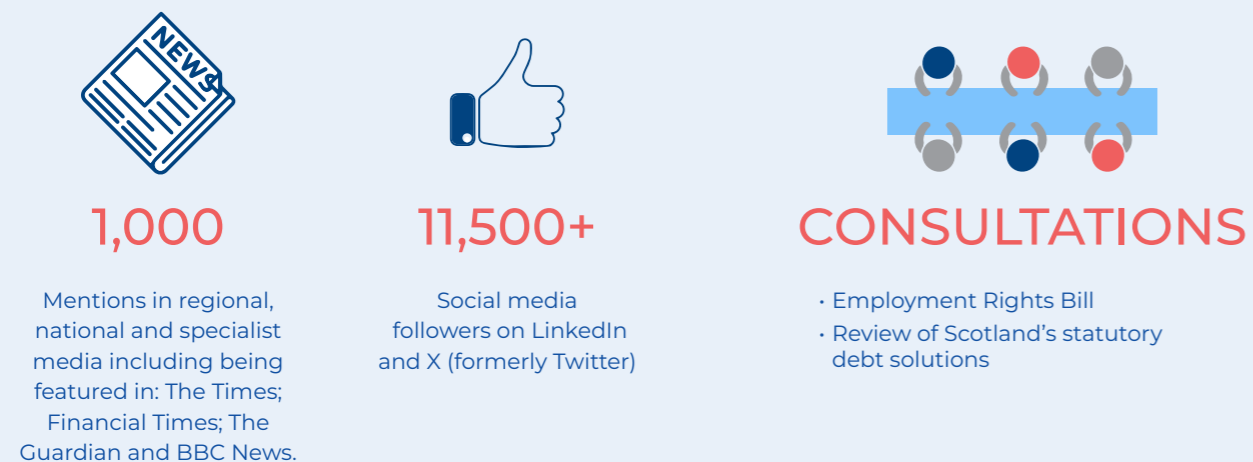
NEW AND UPDATED RESOURCES INCLUDE:

- An overview of digital assets
- Updated creditor guides
- Case summaries
- 'Setting yourself up in Practice' guide
- Podcast episodes on:
 - 'Myths and Legends with HMRC'.

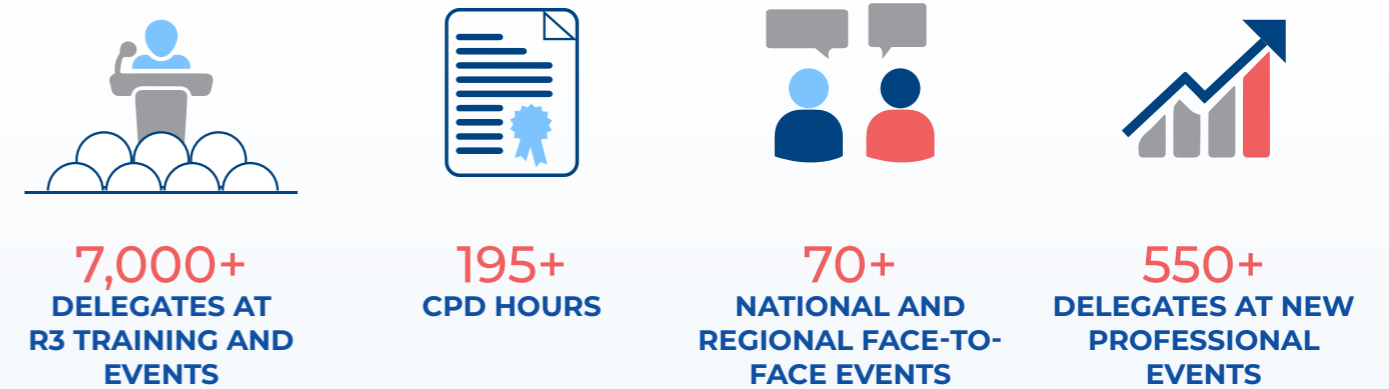
ACCESS TO:

- The Insolvency Service
- The Recognised Professional Bodies (RPBs)
- Financial Conduct Authority (FCA)
- HMRC
- Companies House
- Key stakeholders

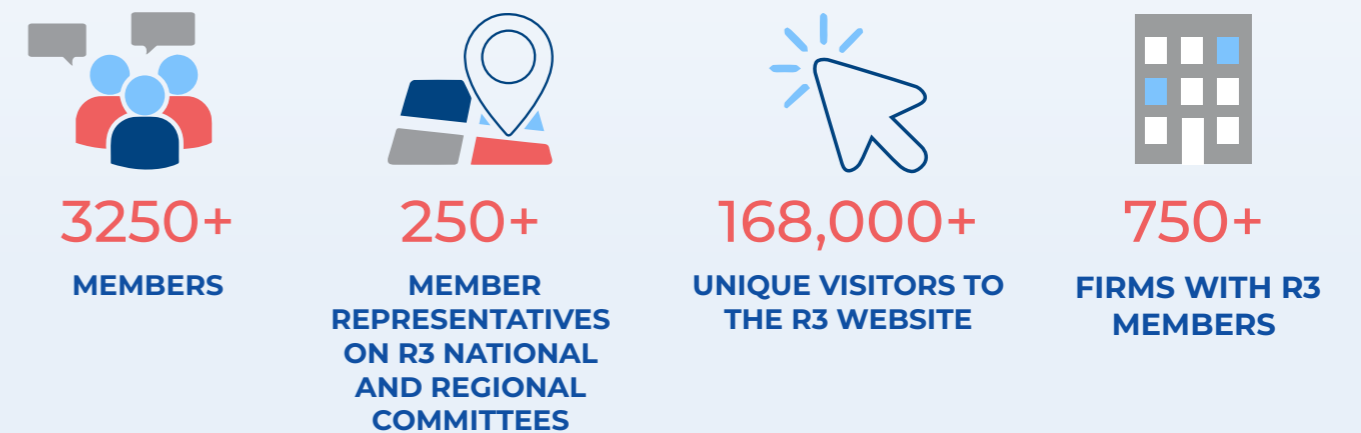
Promoting the profession



Connecting the profession



Representative and inclusive association



"R3 helps us be the best we can in terms of keeping up to date with everything in terms of law, regulation, profession, business climate and the economy. It opens up opportunities for staff at all levels to grow a network of contacts."

R3 membership survey respondent

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