

AM03 (Scot)

Notice of administrator's proposals



Companies House

SATURDAY



S895UHA8
SCT 06/07/2019 #345
COMPANIES HOUSE

1 Company details

Company number S C 2 4 1 3 9 2

Company name in full International Cable Management Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Geoffrey Isaac

Surname Jacobs

3 Administrator's address

Building name/number 37 Albyn Place

Street Aberdeen

Post town Grampian

County/Region

Postcode A B 1 0 1 J B

Country

4 Administrator's name ●

Full forename(s) Blair Carnegie

Surname Nimmo

● Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ●

Building name/number 37 Albyn Place

Street Aberdeen

Post town Grampian

County/Region

Postcode A B 1 0 1 J B

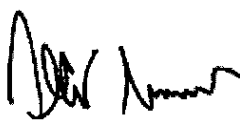
Country

● Other administrator

Use this section to tell us about
another administrator.

AM03 (Scot)

Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7	Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕</div> <div></div> <div>✕</div>	
Signature date	<div><div>^d0^d5</div><div>^y0^y1^y9</div></div>	

AM03 (Scot) Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Andrew Plenderleath
Company name	KPMG LLP
Address	37 Albyn Place Aberdeen
Post town	Grampian
County/Region	
Postcode	A B 1 0 1 J B
Country	
DX	
Telephone	Tel +44 (0) 1224 591000



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



Joint Administrators' proposals

International Cable
Management Limited (t/a
Interkab) - in Administration

26 June 2019

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

A glossary of the abbreviations used throughout this document is attached (Appendix 5).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+IJ51492847.html>. We hope this is helpful to you.

Please also note that an important legal notice about this statement of proposals is attached (Appendix 6).



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1 Executive summary

Background and events leading to insolvency

- International Cable Management Limited (t/a Interkab) (the "Company") was incorporated in December 2002 as a specialist cable supplier based in Aberdeen.
- From leased premises in Aberdeen, and via overseas branches, the Company supplied electrical cables to its "blue chip", global customer base comprising major oil and gas producers and oilfield services companies.
- *Peak trading occurring in 2015 when turnover of c£11.0 million was posted. We are advised that, historically, the Company was profitable and cash generative.*
- During recent years, the Company suffered from depressed trading conditions in the oil and gas sector. During early 2019, the Company identified a material funding requirement, for which the directors could not identify an external solution.
- The Company's sole secured lender is HSBC UK Bank Plc (the "Bank").
- With no options for additional external funding, the directors sought to achieve a solvent sale of the Company during April and May 2019. A sale could not be concluded.
- Having assessed the options available, and in light of cash flow pressure, the shareholders resolved to place the Company into administration.

Appointment

- The Company, acting by its shareholders, resolved on 10 May 2019 to appoint us as Joint Administrators.
- The Notice of Appointment was lodged with the Sheriff Court at Aberdeen (the "Court") on 13 May 2019 and we were duly appointed as Joint Administrators.

Strategy to date

- There was no option other than for the Company to cease trading upon appointment of the Joint Administrators, with all ten staff being made redundant.
- Shortly following our appointment, and after a focussed marketing exercise, we completed a sale of the Company's moveable and certain other assets to R&M Electrical Group Limited ("R&M") for an initial consideration of £32,000 plus VAT.
- R&M has also agreed to pay deferred consideration as a percentage of turnover which it generates from the acquired assets.
- The Company's remaining principal asset is its trade debtors, which totalled c£326,000 at appointment. We have collected c£53,000 to date and the recovery process is ongoing.

Dividend prospects

- Whilst the debtor recovery exercise is ongoing, it is uncertain if sufficient funds will be realised to enable a distribution to the Bank in respect of its principal indebtedness totalling approximately £85,000 (excluding potential trade finance exposure).
- It is also uncertain as to whether sufficient funds will be realised to enable a return to preferential creditors in respect of their claims totalling c£20,000.

- Based on the information on hand, it appears highly unlikely that sufficient funds will become available to enable a return to unsecured creditors, other than via a small potential Prescribed Part dividend distribution, which is also uncertain.

Exit route from administration

- We currently consider it prudent to retain all of the options available to us, as listed in Section 8, to bring the administration to a conclusion in due course.

Joint Administrators' remuneration, outlays and disbursements

- Agreement to the basis and amount of our remuneration and outlays and the drawing of Category 2 disbursements is subject to specific approval of the Bank and preferential creditors. They are not agreed as part of our proposals.
- We propose that our remuneration be drawn on the basis of time properly given by us and the various grades of our staff and that disbursements for services provided by KPMG (defined Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy.

Notice

- *This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 8 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.*



Geoffrey Jacobs
Joint Administrator

2 Background and events leading to the administration

2.1 Background information

The Company, previously known as Caspian International Cables Limited, was incorporated in December 2002 as a supplier of electrical cables, and associated products and accessories, to commercial customers, comprising, predominantly, oil and gas producers and oilfield services companies.

The Company had three employees at inception and operated from leased premises in Aberdeen.

During its early years of trading, the Company generated turnover of c£600,000, from which modest profits before tax were achieved. In 2007, the Company opened a branch in Dubai and in 2009 established a separate limited liability partnership in Kazakhstan.

Over the ensuing years, the Company's trading performance increased steadily, with peak turnover of £11.0 million occurring during 2015. At that time, the Company's had c25 employees.

During recent years, the Company had suffered from depressed trading conditions in the oil and gas sector and an inability to consistently obtain profitable orders from its key customers. By 2018, turnover had reduced to £5.2 million, from which a loss of c£130,000 was incurred.

In the face of resultant cash flow pressure, we understand the directors pared-back the Company's operations, making redundancies in Aberdeen and Dubai and moving to smaller leasehold office premises in Dubai. We understand the Company also sought to diversify its operations into the renewables sector.

Despite these efforts, the directors could not reverse the Company's deteriorating trading performance. During April and May 2019, and with no options for additional external investment, the directors elected to seek a sale of the Company on a solvent basis. Ultimately, a sale could not be achieved.

2.2 Funding and financial position of the Company

At appointment, the Company's sole funder was the Bank.

The Bank provided an overdraft facility, across four separate business current accounts, in relation to which we understand approximately £85,000, in total, was drawn by the Company at appointment.

The Bank also provided trade finance facilities by way of guarantees for sales to certain overseas customers, in relation to which we understand the Bank's potential total exposure at appointment was approximately \$60,000.

The Bank's lending is secured by way of a floating charge dated 23 April 2014.

During mid-2018, the Company and the Bank engaged the services of KPMG to undertake an independent business review.

KPMG's involvement with the Company prior to appointment of the Joint Administrators was disclosed to the Court at the time the administration appointment was filed by the Company.

We are satisfied that the work KPMG carried out before our appointment has not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

2.3 Events leading to the administration

The directors were unable to identify any potential sources of additional external funding as the Company's cash flow position became more constrained.

Accordingly, and as noted at Section 2.1, during April and May 2019, the directors sought to achieve a sale of the Company on a solvent basis. We understand the directors approached a number of potential purchasers, including certain competitor businesses.

Despite selecting a preferred bidder, and facilitating a period of due diligence, the directors were unable to achieve a solvent sale of the Company.

With no options for additional external investment, and with a material cash shortfall forecast to occur during mid-2019, the directors concluded the Company should be placed into Administration.

2.4 Appointment of Joint Administrators

On 10 May 2019, the Company, acting by its shareholders, resolved to place the Company into administration.

The Notice of Appointment was lodged at the Court on 13 May 2019 and we were duly appointed.

3 Strategy and progress of the administration to date

3.1 Strategy to date

Strategy

Upon appointment, we met with the directors at the Company's premises in Aberdeen in order to assess the operational and financial position of the business.

It quickly became apparent that post-appointment trading to any extent would not be possible, with the nature and status of work-in-progress ("WIP") necessitating working capital funding which was not available (notwithstanding the limited profitability of the orders-on-hand).

Accordingly, the Company ceased trading with immediate effect, with all ten staff being made redundant.

We immediately met with the available Aberdeen-based employees to advise them of their redundancy and also notified the Dubai-based employees.

Our employee specialists have assisted the employees with submission of their claims to the Redundancy Payments Service.

The Company's in-house accountant assisted us with bringing the books and records up-to-date as far as possible and compiling certain key financial information.

We identified the Company's key assets as comprising:- customer and order-related information; stock; limited plant and machinery; office equipment, fixtures and fittings; and trade debtors. Our efforts to realise these items are commented upon below.

Shortly after appointment, we instructed a valuation of the moveable assets by a specialist asset valuation agent, GMG Asset Management UK Limited ("GMG").

3.2 Asset realisations

Realisations from the date of our appointment to 21 June 2019 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations to date are provided below.

Sale of certain assets

Immediately following our appointment, and following detailed discussions with the directors, we contacted several potentially interested parties with whom the Company had been liaising regarding a potential solvent sale prior to our appointment. This included making contact with the preferred bidder previously selected by the directors, R&M.

We also issued notification of the potential opportunity to all KPMG Restructuring staff in the UK.

A formal offer for certain of the assets was received from R&M. No other formal offers were received.

Following a short period of negotiation, we secured a sale of certain assets to R&M, comprising whatever right, title and interest the Company held in the following:-

- all moveable items, comprising:- stock; office equipment, fixtures and fittings;
- customer order-related information;
- intellectual property; and
- goodwill.

The initial sale consideration of £30,000 plus VAT was paid upon completion of the transaction on 22 May 2019, with a further £2,000 plus VAT being paid on 24 May 2019.

The up-front consideration which R&M agreed to pay for the assets was in excess of GMG's valuation of the items on a break-up basis.

In addition, R&M has agreed to pay an amount equivalent to a percentage of turnover generated by the customer order information during the 12-month period following completion. An initial commission amount will be payable by R&M three months after completion and, thereafter, quarterly, in arrears.

Leasehold properties

The Company occupied two leasehold properties in Aberdeen, comprising an office and a nearby warehouse.

We understand the Company also rented a small office in Dubai.

None of the potentially interested parties with whom we liaised regarding acquisition of the Company's assets expressed any interest in the leasehold premises.

The keys to the Aberdeen properties have been returned to the landlords and the Company's non-utilisation of, or ongoing interest in, the Dubai office notified.

No realisations will become available from this source.

Trade debtors

Trade debtors at appointment totalled c£326,000 and were excluded from the sale to R&M.

We have secured trade debtor recoveries, to date, totalling c£53,000. These funds were paid into the pre-appointment bank account and are being transferred to us by the Bank.

Whilst the recovery process is ongoing, we cannot estimate the amount which will ultimately become available for the administration.

We will pursue recovery of trade debtors whilst it remains cost effective to do so, which will involve enlisting the assistance of a specialist debtor recovery agent.

Stock

All of the stock was sold to R&M.

We have received one claim to retention of title ("RoT") over stock located within the warehouse at appointment and we are progressing the claim, as necessary.

Cash at bank

There was no cash at bank at appointment.

Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Andrew Plenderleath at KPMG LLP, 37 Albyn Place, Aberdeen, AB10 1JB.

3.3 Costs

Payments made from the date of our appointment to 21 June 2019 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made to date are provided below.

Consultant's fee

We have paid £900 to the in-house accountant for assistance provided in relation to updating of the books and records during the days following our appointment.

Agent's fees

We have paid c£1,000 to GMG for its work in valuing the moveable assets.

We have also paid c£1,500 to Clark Computers Limited for its assistance in cleansing computer equipment which was part of the sale to R&M.

Legal fees

We have paid legal fees, totalling c£3,200, which were incurred in relation to the administration appointment.

4 Dividend prospects

4.1 Secured creditor

The Company's sole secured creditor is the Bank. The Bank has yet to confirm its total indebtedness at appointment.

The Bank provided an overdraft facility, across four separate business current accounts, in relation to which we understand approximately £85,000, in total, was drawn by the Company at appointment.

The Bank also provided trade finance facilities by way of guarantees for sales to certain overseas customers, in relation to which we understand the Bank's potential total exposure at appointment was approximately \$60,000.

The Bank's lending is secured by way of a floating charge dated 23 April 2014.

We understand the directors have not provided personal guarantees in respect of the Bank's lending and guarantees.

Whilst the debtor recovery process is ongoing, the outcome for the Bank cannot be estimated with certainty. However, based upon the information on hand, it appears any potential return to the Bank under the terms of its floating charge is likely to be very limited.

4.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

We estimate the amount of preferential claims at the date of our appointment to be c£20,000.

Based on current estimates, it is uncertain whether there will be a dividend to preferential creditors.

The availability of a dividend to preferential creditors will be dependent upon the level of debtor realisations achieved and the associated costs.

4.3 Unsecured creditors

The directors' statement of affairs indicates that an ordinary dividend distribution may become available to unsecured creditors.

Based upon the information on hand, it is highly unlikely that anything other than a small Prescribed Part dividend distribution may become available to unsecured creditors – albeit, the quantum and timing of any potential return cannot be estimated at this time. Updates will be provided within the Joint Administrators' progress reports.

5 Ending the administration

5.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 8 to bring the administration to a conclusion in due course.

However, at this stage, we anticipate that the most likely exit route will be dissolution.

5.2 Discharge from liability

We propose to seek approval from the Bank and preferential creditors that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

See Section 6 for details regarding the decision by deemed consent.

6 Approval of proposals

6.1 Deemed approval of proposals

The administrators' proposals will be deemed approved, with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors – other than by virtue of the Prescribed Part, as detailed in Appendix 1.

On expiry of eight business days from the date our proposals were delivered to the creditors, they will be deemed to have been approved by the creditors unless 10% in value of creditors request that a decision procedure is convened. Further details of the steps to convene a procedure are detailed below.

6.2 Creditors' right to request a decision

We will use a decision making procedure or deemed consent to seek approval of our proposals (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company, and (2) if the procedures set out below are followed.

Requests for a decision must be made within eight business days of the date on which our proposals were delivered. They must include:-

- a statement of the requesting creditor claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting.

If you wish to request a decision, please complete and return the decision requisition form which is available on the website.

7 Joint Administrators' remuneration/outlays and disbursements

7.1 Approval of the basis of remuneration and disbursements

We propose to seek approval from the Bank and preferential creditors that:-

- our remuneration will be set and drawn on the basis of time properly given by us and the various grades of our staff in accordance with the charge-out rates included in Appendix 3;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 3.

Agreement to the basis and amount of our remuneration and outlays the drawing of Category 2 disbursements is subject to specific approval. It is not part of our proposals.

Should the circumstances of the administration change, we reserve the right to revert to unsecured creditors in order to seek approval for the basis and amount of remuneration outlays and the drawing of Category 2 disbursements.

Time costs

From the date of our appointment to 21 June 2019, we have incurred time costs of £65,751 (exclusive of VAT). These represent 181.4 hours at an average rate of £362.46 per hour.

Disbursements

We have incurred disbursements of £417.30 (exclusive of VAT) during the period. None of these have yet been paid.

Additional information

We have attached (Appendix 3) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our appointment to 21 June 2019. We have also attached our charging and disbursements recovery policy.

8 Summary of proposals

As commented upon within Section 3, rescuing the Company in accordance with Paragraph 3(1)(a) was not achievable.

Therefore our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:-

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have; and
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the secured and preferential creditors where funds allow; and
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:-

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the directors;
- formulate a proposal for either a company voluntary arrangement (“CVA”) or a scheme of arrangement and put it to meetings of the Company’s creditors, shareholders or the Court for approval as appropriate;
- place the Company into creditors’ voluntary liquidation. In these circumstances, we propose that we, Geoff Jacobs and Blair Nimmo, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into liquidation and to consider, if deemed appropriate, appointing us, Geoff Jacobs and Blair Nimmo, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together; and
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators’ remuneration

We propose that:-

- our remuneration will be set and drawn on the basis of time properly given by us and the various grades of our staff in accordance with the charge-out rates included in Appendix 3;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG’s policy as set out in Appendix 3.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Appendix 1 Statutory information

Company information	
Company and Trading name	International Cable Management Limited
Date of incorporation	19 December 2002
Company registration number	SC241392
Trading address	Interkab House, Links Place, Aberdeen, AB11 5DY
Previous registered office	Interkab House, Links Place, Aberdeen, AB11 5DY
Present registered office	c/o KPMG LLP, 37 Albyn Place, Aberdeen, AB10 1JB
Company directors	Vicki Taylor, Christopher Knox and Michael McKenzie
Company secretary	Mackie & Dewar – Solicitors and Estate Agents
Administration information	
Administration appointment	The administration appointment granted in Aberdeen Sheriff Court, L40 of 2019
Appointor	The Company
Date of appointment	13 May 2019
Joint Administrators	Geoff Jacobs and Blair Nimmo
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	12 May 2020
Prescribed Part	The Prescribed Part is applicable on this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 4).
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £207,000; estimated Prescribed Part is £44,000, based on the director's statement of affairs.
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors if there is a Prescribed Part fund available, which is unknown at this time.
Application of EU Regulations	EU Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EU Regulation.

Appendix 2 Joint Administrators' receipts and payments account

International Cable Management Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs		From 15.06.2019 to 21.06.2019 (£)	From 15.06.2019 to 21.06.2019 (£)
ASSET REALISATIONS			
3,000.00	Plant & machinery	2,997.00	2,997.00
4,000.00	Furniture & equipment	4,000.00	4,000.00
25,000.00	Stock	25,000.00	25,000.00
195,000.00	Book debts	NIL	NIL
	Goodwill	1.00	1.00
	Intellectual property	1.00	1.00
	Customer orders	1.00	1.00
		32,000.00	32,000.00
COST OF REALISATIONS			
	Consultants fee	(900.00)	(900.00)
	Agents'/Valuers' fees	(2,513.35)	(2,513.35)
	Legal fees	(3,208.50)	(3,208.50)
	Statutory advertising	(73.00)	(73.00)
	Other property expenses	(15.00)	(15.00)
		(6,709.85)	(6,709.85)
PREFERENTIAL CREDITORS			
(20,100.00)	Employees' wage arrears & holiday pay	NIL	NIL
		NIL	NIL
FLOATING CHARGE CREDITORS			
(84,582.00)	HSBC UK Bank Plc	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(602,717.00)	Trade & expense	NIL	NIL
(80,500.00)	Employees	NIL	NIL
(35,000.00)	Pre-paid creditors	NIL	NIL
(15,000.00)	HMRC - Provision	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(50,000.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(660,899.00)		25,290.15	25,290.15

International Cable Management Limited - in Administration

Abstract of receipts & payments

	From 15/05/2019	To 31/05/2019
Statement of affairs for	To 31/05/2019	To 31/05/2019

REPRESENTED BY

Floating ch. VAT rec'able	1,133.17
Floating charge current	30,556.98
Floating ch. VAT payable	(6,400.00)
	25,290.15

Appendix 3 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employees and pensions.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

https://www.r3.org.uk/media/documents/technical_library/SIPS/Creditors'_Guide_to_Administrators'_Remuneration_Scotland.pdf

If you are unable to access this guide and would like a copy, please contact Andrew Plenderleath on 01224 416 870.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration, but is reflected in the general level of charge-out rates.

Charge-out rates (£) for: International Cable Management Limited (t/a Interkab)

Grade	From 01 Jan 2019 (per hour)
Partner	655
Director	590
Senior Manager	535
Manager	445
Senior Administrator	310
Administrator	225
Support	140

The hourly charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate.. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:-

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements during the period 13 May 2019 to 21 June 2019.

SIP 9 - Disbursements				
Disbursements	Category 1		Category 2	
	£	£	£	£
Accommodation	146.66		NIL	
Meals	50.94		NIL	
Professional and legal fees	100.00		NIL	
Travel	119.70		NIL	
Total	417.30		NIL	

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements are to be approved in the same manner as our remuneration.

Narrative of work carried out for the period 13 May 2019 to 21 June 2019

Key areas of work have been:-

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information and details of assets; ■ providing initial statutory notifications of our appointment to the Registrar of Companies, The Registrar of Inhibitions and Adjudications, creditors and other stakeholders and advertising our appointment; ■ posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy, including meetings with internal and external parties to agree the same; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to secured creditors	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of the Bank regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ setting up an administration bank account and dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ reviewing and processing employee expense requests; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing VAT related transactions.
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment; ■ responding to enquiries from shareholders regarding the administration; ■ providing copies of statutory reports to the shareholders.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ liaising with finance companies in respect of assets subject to finance agreements; ■ contacting potentially interested parties regarding acquisition of the Company's assets; ■ liaising with our appointed agent regarding the sale of assets; ■ negotiating terms of a sale with a preferred bidder; ■ dealing with issues associated with the sale of stock; ■ arranging for the Company's sales ledger to be brought up-to-date as far as possible; ■ obtaining copies of all debtor-related paperwork; ■ considering the most appropriate debtor collection strategy considering the extent and whereabouts of trade debtors; ■ obtaining quotations from and agreeing terms with a specialist debtor recovery agent; ■ liaising with the Bank regarding transfer of debtor monies received; ■ liaising with Company credit control staff and communicating with debtors.
Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties; ■ communicating with landlords regarding property occupation and other issues.

Health and safety	<ul style="list-style-type: none"> ■ liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; ■ communicating and corresponding with HM Revenue and Customs; ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; ■ managing claims from employees.
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes; ■ calculating employee pension contributions and review of pre-appointment unpaid contributions; ■ ensuring compliance with our duties to issue statutory notices.
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ dealing with suppliers with retention of title claims.
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; ■ reviewing the questionnaires submitted by the directors of the Company; ■ reviewing pre-appointment transactions; ■ submitting the online director conduct assessment to the relevant authority.

Time costs

SIP 9 – Time costs analysis (13/05/2019 to 21/06/2019)						
	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support		
					Total	
Administration & planning						
Bankrupt/Director/Member						
General correspondence			1.10		1.10	341.00
Notification of appointment		2.30	3.20		5.50	2,015.50
Cashiering						
General (Cashiering)			3.40		3.40	1,054.00
Reconciliations (& IPS accounting reviews)			1.80		1.80	558.00
General						
Books and records		1.50	15.00		16.50	5,317.50
Fees and WIP			0.40		0.40	124.00
Statutory and compliance						
Appointment and related formalities	7.25	1.20	10.50		18.95	8,404.50
Bonding & Cover Schedule		0.30	0.20		0.50	195.50
Checklist & reviews			5.90		5.90	1,829.00
Statutory advertising			4.20		4.20	1,302.00
Strategy documents	1.30	1.70	0.60		3.60	1,709.50
Creditors						
Creditors and claims						
General correspondence		1.90	20.80		22.70	7,293.50
Notification of appointment			2.30		2.30	713.00
Secured creditors		2.40			2.40	1,068.00
Statutory reports		0.40	7.30		7.70	2,398.50
Employees						
Correspondence		4.20	1.50		5.70	2,334.00
Pensions reviews			4.30		4.30	1,214.00
Investigation						
Directors						
Correspondence with directors		4.50	5.20		9.70	3,614.50
Directors' questionnaire / checklist			0.30		0.30	93.00

SIP 9 – Time costs analysis (13/05/2019 to 21/06/2019)							
	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner : Director	Manager	Administrator	Support	Total		
Statement of affairs		2.50			2.50	1,112.50	445.00
Investigations							
Mail redirection				1.20	1.20	304.00	253.33
Realisation of assets							
Asset Realisation							
Debtors	2.40	3.90		5.40	11.70	4,825.50	412.44
Health & safety				0.40	0.40	124.00	310.00
Insurance		0.20		0.30	0.50	182.00	364.00
Leasehold property		2.90		1.90	4.80	1,879.50	391.56
Office equipment, fixtures & fittings		0.20		4.20	4.40	1,391.00	316.14
Plant and machinery		1.00		8.70	9.70	3,142.00	323.92
Sale of business	1.70	10.00			11.70	5,453.00	466.07
Stock and WIP		0.80			0.80	356.00	445.00
Trading							
Employee Matters / PAYE	0.75			16.00	16.75	5,402.50	322.54
Total in period	13.40	41.90	126.10	0.00	181.40	65,751.00	362.46
Brought forward time (appointment date to SIP 9 period start date)					0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)					181.40	65,751.00	
Carry forward time (appointment date to SIP 9 period end date)					181.40	65,751.00	

Appendix 4 Statement of Affairs, including creditor list

One of the directors, Vicki Taylor, has provided the following notarised Statement of Affairs for the Company as at the date of our appointment.

The other directors have confirmed their agreement with the contents of the Statement of Affairs by way of notarised Statements of Concurrence.

We have not carried out anything in the nature of an audit on the information provided. The figures do not take into account the costs of the administration.

Statement of affairs

Name of Company International Cable Management Limited	Company number SC241392
In the Aberdeen Sheriff Court (Full name of court)	Court case number L40 of 2019

(a) Insert name and
address of registered
office of the company

Statement as to the affairs of (a) International Cable Management Limited (the
'Company'), Interkab House, Links Place, Aberdeen, AB11 5DY

(b) Insert date

On the 13 May 2019, the date that the Company entered administration.

Full name VICKI TAYLOR
Signed Vicki Taylor
Dated 19 JUNE 2019

SIGNED AT ABERDEEN ON 19TH JUNE 2019
IN THE PRESENCE OF MICHELLE GILLIAN
SHARP, NOTARY PUBLIC, 28 ALBYN PLACE,
ABERDEEN, AB10 14L

M Sharp

A – Summary of Assets

Assets

	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
NONE	-	-
Total assets subject to fixed charge	-	-
Less: Amount(s) due to fixed charge holder(s)	-	-
Shortfall/surplus to fixed charge holder(s) c/d	-	-
Assets subject to floating charge:		
PLANT AND MACHINERY	6,381	5,000
OFFICE EQUIPMENT, FIXTURES AND FITTINGS	3,448	4,000
STOCK (INC. FINISHED GOODS)	192,865	25,000
DEBTORS	325,669	196,000
DEPOSITS	264,329	0
OTHER DEBTORS	50,984	0
Total assets subject to floating charge	843,456	227,000
Uncharged assets		
NONE	-	-
Total uncharged assets	-	-
Estimated total assets available for preferential creditors	843,456	227,000

Signature *Vicki Taylor*

Date 19/06/2019

M. J. J. J.

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£ 227,000
Liabilities	
Preferential creditors:-	
Preferential (employee) creditors (No. 10)	(20,100)
Other preferential creditors	(20,100)
Estimated deficiency/surplus as regards preferential creditors	£ 206,900
Less uncharged assets	£ -
Net Property	£ 206,900
Estimated prescribed part of net property where applicable (to carry forward)	£ (44,390) (44,390)
Estimated total assets available for floating charge holders	£ 165,250
Debts secured by floating charges	£ (44,592) (44,592)
Estimated deficiency/surplus of assets after floating charges	£ 80,658
Estimated prescribed part of net property where applicable (brought down)	£ -
Uncharged assets	44,390 44,390
Total assets available to unsecured creditors	£ 125,048
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ -
H&M - provision for unpaid EMP. TAXES	(15,000)
Unsecured (trade) (non-preferential) creditors	(602,719) (602,719)
Unsecured (employee) creditors (No. 10)	(80,500)
Unsecured (pre-paid consumer) creditors (No. 2)	(35,000)
Estimated deficiency/surplus as regards unsecured creditors	(608,169) (608,169)
Shortfall to fixed charge holders (brought down)	£ -
Shortfall to preferential creditors (brought down)	£ -
Shortfall to floating charge holders (brought down)	£ -
Estimated deficiency/surplus as regards creditors	£ (608,169)
Issued and called up capital	£ (50,000)
Estimated total deficiency/surplus as regards members	£ (658,169)

Signature

Vicki Taylor

Date

19/06/2019

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EMPLOYEE CREDITORS - ESTIMATED

International Cable Management Limited - In Administration

1		1,000	5,000	6,000
2		1,800	800	2,600
3		1,700	12,000	13,700
4		1,000	6,000	6,000
5		2,300	7,100	9,400
6		1,000	5,000	6,000
7		1,800	800	2,100
8		2,800	18,000	20,800
9		4,000	20,000	24,000
10		3,000	7,000	10,000

Total	20,100	80,500	100,600
The Insolvency Service claims	11,000	6,000	17,000
Employee claims	9,100	74,500	83,600

Vicki Taylor 19/06/2019

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UNSECURED TRADE CREDITORS - ESTIMATED

International Cable Management Limited

Aberdeen City Council	80.83	None	
Aberdeen City Council	32,658.50	None	
Alba Office Cleaning	545.84	None	
Arabian Falcon Electrical	18,286.98	None	
Aramex Emirates L.L.C.	616.47	None	
Atradius Credit Insurance	1,632.20	None	
A-Fab Holdings Ltd	0.00	None	
Bell Cables Plc	16,317.51	None	Yes
Bell Cables	7,439.73	None	Yes
BSI	325.20	None	
Cablecraft Ltd	364.78	None	
Citation Pic	3,066.99	None	
DBG M/Est Freight	15,777.78	None	
DF Communications	205.25	None	
Dream Makers Club	134.16	None	
Dron & Dickson Ltd	5,879.28	None	
Electrol Solutions Worldwide	204.00	None	
Electric Way	7,640.85	None	
Europe Worldwide Logistics	378.00	None	
Enerflex	0.00	None	
FS Office Supplies	146.09	None	
Grampian Fasteners	15.67	None	
HM Revenue & Customs	0.00	None	
InXpress UK Ltd	144.88	None	
IT Work Solutions	930.00	None	
Kestralox	244.80	None	
Leasys	-63.80	None	
LMH Financial Services	1,017.91	None	
Muller Weisman Dairies	66.80	None	
Petraco	341.25	None	
Power Wholesale Ltd	3,642.78	None	
Redundancy Payments Service	0.00	None	
Rexel	721.80	None	
Royal Emirates	6,674.01	None	
Sage (UK) Ltd	172.60	None	
The Pension Protection Fund	0.00	None	
Towngate Insurance	5,980.72	None	
Wider Plan Ltd	137.12	None	
AEL (Aberdeen) Ltd	3,733.88	None	
Askern UK Ltd	428.10	None	
Ablech	0.00	None	
Belcom Cables Ltd	3,679.00	None	
Cardno's Window Cleaning	67.00	None	
C.F.Jennings	1,020.68	None	
EIC (Energy Industries)	4,765.60	None	
Fiat	103,284.75	None	
Mike McKenzie	52.00	None	
Nesane Turkey	239,285.92	None	
Ogleend	0.00	None	
Phoenix Trading Company	54,600.00	None	
Shade Logistics	3,444.50	None	
Provision for property-related costs	30,000.00	None	
Provision for invoices not received - Dubai	1,000.00	None	
Provision for invoices not received - Other	30,000.00	None	

Vicki Taylor

19/06/2019

with any

COMPANY PRE-PAID CONSUMER CREDITORS

Note: You must include all pre-paid consumer creditors (ie. customers claiming amounts paid in advance of the supply of goods or services) and show the total debt owed in the Summary of Liabilities (above), together with the number of creditors to which the total debt relates.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £
SICIM SPA	INDUSTRIAL BASE 12, KARABATAJ STATION AREA, OBOON, ATYRAU, REPUBLIC OF KAZAKHSTAN	30,000
SERE	QIARIE MALON, PO BOX 5166, JEDDAH 21422, SAUDI ARABIA	5,000
	Total pre-paid consumer creditor debt	35,000

Signature Uchi Taylor Date 19/06/2019

Uchi Taylor

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
AUBREY KNOX		40,000	40,000	
CHRISTOPHER KNOX		5,000	5,000	
VICCI TAYLOR		5,000	5,000	
TOTALS		50,000	50,000	

Signature

Vicki Taylor

Date 19/06/2019

May

Appendix 5 Glossary

Bank	HSBC UK Bank Plc
Company	International Cable Management Limited (t/a Interkab) – in Administration
Joint Administrators/we/our/us	Geoff Jacobs and Blair Nimmo
KPMG	KPMG LLP

Any references in these proposals to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 respectively.

Appendix 6 Notice: About this statement of proposals

This statement of proposals ("proposals") has been prepared by Geoff Jacobs and Blair Nimmo, the Joint Administrators of International Cable Management Limited (t/a Interkab) – in Administration (the "Company"), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

Geoffrey Isaac Jacobs and Blair Carnegie Nimmo are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of these proposals or the conduct of the administration.

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