



BUILDING ENGINEERING  
SERVICES ASSOCIATION

# Coronavirus Guidance Webinar

27th May, 2020

All slides and a recording of the webinar are available on the website later this afternoon

- Poll
- CBI Update
- Poll Results
- De-mystifying Insolvency – Gareth Roberts – Partner KRE Corporate Recovery
- Q&A

**POLL:**

*What percentage of pre Covid forecast did you invoice in April?*

- 80-100%
- 60-80%
- 40-60%
- 20-40%
- 0-20%

# Directors Responsibilities and Formal Insolvency Procedures

Presentation to BESA

27 May 2020

Gareth Roberts

KRE Corporate Recovery LLP



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- Directors Responsibilities
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# Background and Corporate Insolvency and Governance Bill





# Background & Corporate Insolvency & Governance Bill (“CIGB”)

- Deep Recession
- Sharp or Slow Exit?
- Casualties and opportunities
- CIGB

# Directors Responsibilities





# Directors Responsibilities

- “Reasonable Prospect” Test
- Forecast and reforecast
- Document, document, document
- Minimise loss to creditors
- Stakeholder engagement
- General guidance no substitute for specific advice

# Formal Insolvency Procedures





# Formal Insolvency Procedures

- Informal Agreements
- Liquidation: last man out turns the lights out
- Rescue culture (but HMRC preferential status!)
  - Administration – sale of business on a going concern basis
  - Company Voluntary Arrangement (“CVA”) – Long term deal with creditors



**Any questions?**



# KRE

corporate recovery

KRE Corporate Recovery was founded in November 2012 by Rob Keyes, Gareth Roberts and Paul Ellison with David Taylor joining as the fourth partner in April 2018. Ian Kings then set up KRE (North East) Limited on 3 August 2015.

All were formerly partners with RSM Tenon in Reading, their former business HMT Corporate Recovery, having been acquired by RSM Tenon in 2007. All three partners have spent more than 25 years each in Thames Valley.

KRE is the only independent firm in the Thames Valley which has three permanently based appointment taking Licensed Insolvency Practitioners.

This will ensure that you are always dealing with one of the principals. As a result of our very low overhead structure, our charge out rates are significantly less than our direct competitors.



**Rob  
Keyes**

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Rob's cornerstone philosophy when dealing with clients in a distressed position is to find a commercially sensible solution which benefits all of the stakeholders. This approach has, in the past meant that Rob can act on behalf of directors and Banks without conflict as all viewpoints are taken into account.

This approach can be seen in Rob's appointments which notably include the following:

- £10m wine retailer: Sale of business to third party, full repayment to the bank, no exposure on directors personal guarantees
- £15m Cosmetics Company: Share sale to foreign franchisor. All jobs secured
- Data company £24m net debt: Successful sale of business. Preserving jobs
- £7m Masts manufacturer: Sale of business
- £5m Hotel: Sale of business, full repayment to Bank with no exposure to directors guarantees.

Rob has over 25 years insolvency experience and has acted in a vast array of business sectors from retail, to construction to sports management and beyond.

When not working Rob divides his time between his family (wife and 3 young children) and the golf course (handicap of 9)



**Gareth  
Roberts**

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Gareth has considerable experience with a wide variety of businesses in many industry sectors in the Thames Valley and down the M4 corridor to Wales and the West, and has particular expertise with sporting clubs and manufacturing businesses. Gareth was previously a partner with HMT Corporate Recovery and prior to that a Senior Manager with Ernst & Young. He has 26 years experience in the Corporate Recovery field and qualified as a Licensed Insolvency Practitioner in 1998.

Career highlights include;

- Acting as Administrator to London Welsh Rugby Football Club, managing the business and liaising with the Rugby Football Union. This culminated in the refinancing of the business via a new investor leading the solvent exit from Administration and handing the Club back to the directors.
- Acting as Receiver for Reynard Motorsport Limited, a leading motorsport company in particular in Nascar racing in the USA. Various parts of the business were sold to competitors, leading to a significant and unexpected recovery for certain stakeholders.

Gareth is married with 3 children and his leisure interests include golf (social handicap of 18) and watching the Welsh rugby team win Grand Slams.



**Paul  
Ellison**

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Paul was the founding member of HMT Corporate Recovery in 1996, having formerly worked for Ernst & Young in Reading. A qualified Chartered Accountant and Insolvency License holder with over 25 years experience in all aspects of insolvency and recovery work.

Career highlights include;

- Advising three Championship Football Clubs, all of which were sold and avoided insolvency.
- Administrator of a £80 million turnover motor parts business.
- Administrator of a sub prime lender with a loan book of £8 million.
- Supervisor of the CVA of a multi office estate agency culminating in a sale for in excess of £12m, repayment in full to creditors and return to shareholders.
- Administrator of retail chain with 32 outlets resulting in a sale to management of slimmed down operation of 15 outlets.

Notwithstanding the above the majority of clients are small owner managed businesses across a variety of industries.

Paul is married with two girls and his leisure interests include golf (handicap 16) and following for his sins, Sunderland football club.



**David  
Taylor**

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David has worked in Restructuring for 15 years, initially within the "Big 4" before moving to RSM where he was latterly the Partner in the Reading office covering the Thames Valley. David is a qualified accountant and licensed insolvency practitioner with experience in all formal insolvency processes. In addition, David has extensive experience in providing Independent Business Reviews for both Companies and their Lenders.

Career highlights include;

- Acting as Administrator for a multi-jurisdiction online gambling firm, achieving a sale of part of the business for a consideration of £1.8m including the settlement of all outstanding player deposits.
- Acting as Administrator of an £80m turnover publishing firm based in Oxfordshire with 125 staff and group companies worldwide.
- Sale of a large high street clothing brand out of Administration for in excess of £1m. In addition, David has undertaken numerous small insolvent and solvent Liquidations which form the majority of his day to day work.

In his spare time, David plays golf (badly) and follows Wolverhampton Wanderers and Bristol Rugby in between watching his three children participate in various sports.

# Q&A

covid19@thebesa.com

## Coming Up:

**Thursday 28<sup>th</sup> – What's Happening in the Sector?** Neil Edwards, CEO – Builders Conference. Jason Hemmingway – BESA Membership Director will also share the results of the Q1 State of Trade survey conducted in association with the ECA, Select and SNIPEF, sponsored by Scolmore.

**Friday 29<sup>th</sup> – Admiral Bob is Back!** By popular demand, Rear Admiral Bob Tarrant returns to give us his thoughts and advice on leadership and how to deliver projects effectively.

## AIR AND DIRT SEPARATION

Theory use and application of air and dirt separation equipment, the principles of operation, theory behind air release and common symptoms of sealed system equipment containing too much air and dissolved air.

Rob Clemson, Flamco

Thursday 28 May 10am - 11am



Sign up on [www.theBESA.com/COVID19](http://www.theBESA.com/COVID19)

## SUPPORT FROM BESA

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[www.thebesa.com/covid19](http://www.thebesa.com/covid19)

- Access lots of guidance
- Latest news
- Slides and recording available on the website
- Daily webinar – forward programme and signup
- [Facebook](#) page for furloughed workers
- [Lockdown learning](#)

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- Email to send queries to
- If you want to join the WhatsApp group email us your mobile

Thank you

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