

Type of Order: DISCIPLINARY CONSENT ORDER

Date of Order: 26 February 2020

Committee name: REGULATION AND CONDUCT COMMITTEE

Details of IP: **Philip Watkins**, of **FRP Insolvency** an IPA member and Licensed Insolvency Practitioner (IP).

Summary of complaint: This Order is made in relation to a complaint that Mr Watkins in his role as Administrator of a Company, breached the fundamental principle of competence and due care and the requirements of SIP16, when he failed to:

- 1) Issue the SIP16 report within seven calendar days of the transaction.
- 2) Provide creditors with;
 - a. The names and professional qualifications of any valuers and/or advisors together with confirmation that they have confirmed their independence and that they carry adequate professional indemnity insurance.
 - b. The valuations obtained for the business or its underlying assets, where goodwill has been valued, an explanation and basis for the value given.
 - c. A summary of the basis of valuation adopted by the administrator or the valuers and/or advisors.
 - d. The rationale of the basis of the valuations obtained and an explanation of the value achieved of the assets compared to those valuations.
- 3) Disclose the sales consideration under broad asset valuation categories and split between fixed and floating charge realisations.

Accordingly, Mr Watkins was found liable to disciplinary action under the IPA's Articles of Association.

Summary of sanctions: The Common Sanctions Guidance provides for a Severe Reprimand and fine commensurate with the breach where there has been a material breach of the fundamental principles of the Insolvency Ethics Code. When considering sanction the Committee confirmed that the concern here was not about how the Administration had been conducted, but the quality of the disclosure when reporting the business sale.

The Regulation and Conduct Committee imposed a disciplinary order that Mr Watkins be reprimanded, fined £1,500 and contribute £650 towards costs.