



## The Insolvency Service

Mr David Chapman  
Official Receiver  
The Insolvency Service  
4 Abbey Orchard Street  
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Rt Hon Frank Field MP  
Rachel Reeves MP  
Work and Pensions Committee  
Business, Energy and Industrial Strategy  
Committee  
House of Commons  
London, SW1A 0AA

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Date: 5 February 2018

Dear Mr Field and Ms Reeves

Thank you for your letter regarding the liquidation of Carillion Plc and a number of subsidiary companies in the group. I will address the matters you have raised in the same order as your letter.

### **Special Managers**

- As I understand, the company only reached a decision to put a number of the Carillion companies into compulsory liquidation on Sunday 14 January 2018. The court applications to put Carillion Plc and five of its subsidiary companies into compulsory liquidation were made by the company itself and the timing was out of my control. The court made the winding-up orders at 6:40am on Monday 15 January. Such timescales did not allow me to undertake a tendering process prior to my appointment as liquidator. In appointing the Special Managers, I took into account the need for a firm that was not conflicted; which had sufficient resources to undertake this complex liquidation; and that had some existing knowledge of the Carillion group. The appointments were approved by the court.
- The Special Managers remuneration has to be approved by the court, but I am yet to make an application to the court in respect of that remuneration. Given the scale and complexity of the liquidation, it is too early in the process for me to estimate the total cost of the Special Managers.
- Attached is the application supported by a report I made to the court for the appointment of the Special Managers in the matter of Carillion Plc. I made similar applications and reports to the court in respect to the other companies in the Carillion group subject to winding-up orders.

- In my role as liquidator of the company, I am an officer of the court and I am independent of government. The appointment of Special Managers was not recommended by or agreed with any government ministers.

### **Carillion information**

I asked that the former company secretary with the assistance of the Special Managers to locate the documents referred to in your letter and enclose what I hope are the documents you were seeking you will appreciate that the document from Slaughter and May will be subject to legal privilege and should be treated accordingly. I would stress that my investigations are at a very early stage and I have not reviewed any of this documentation myself or examined the circumstances or context in which they were created.

Yours sincerely,



**David Chapman**  
Official Receiver

### **Enclosed**

1. Application to appoint Michael Jervis and David Kelly of PricewaterhouseCoopers LLP as Special Managers of Carillion Plc.
2. The Official Receiver's supporting report to the application.
3. Regulated Appointment Arrangement Route 3 January 2018
4. Explanatory memorandum on the regulated apportionment arrangement route 31 December 2017
5. Group Business Plan January 2018.