

Appendix 1: Update on Bad debt recovery

The figures below are the same figures which are to be reported the Economic Development Cabinet Committee on 22 March 2017 and cover the period up to 31 December 2016.

The cumulative total of the companies who have defaulted on the loans is as follows:-

Cumulative Bad Debts	No of Companies	Percentage of number of companies supported	Loan Value	Percentage of overall defrayed funds £56,383,859
Previous Bad Debt	21	8.7%	£3,453,143	
Current Quarter Bad Debt	1	0.4%	£90,000	
Total Bad Debt	21*	8.7%	£3,528,143	6.26%

* One company which had been previously classified as bad debt is now repaying the loan due to action taken by officers. Therefore, although there was one additional company which is now classified as bad debt, another company has been removed from the total with a total loan of £15,000.

Of the 21 companies which have gone into liquidation or in the process of going into administration, KCC Legal and Internal Audit have been advised if appropriate and are working with the RGF manager to recover the maximum amount of loan value.

Although the total outstanding debt is currently recorded as £3,528,143, equated to 6.28% of overall funds defrayed, it is important to note:

- £352,254 has been recovered/agreed with the administrators.
- £1,498,729 is confirmed as being non recoverable.
- The recovery of the remaining debt (£1,677,160) is being pursued.
- £15,000, which was previously reported as bad debt, is now being repaid due to action taken by officers in pursuing the debt.