

# 2.17B

The Insolvency Act 1986

## Statement of administrator's proposals

Name of Company CIC Limited	Company number 02463674
In the High Court of Justice <small>(full name of court)</small>	Court case number 8279 of 2013

(a) Insert full name(s) and address(es) of administrator(s)

Michael Solomons of  
BM Advisory LLP  
82 St John Street  
London  
EC1M 4JN

Andrew Pear of  
BM Advisory LLP  
82 St John Street  
London  
EC1M 4JN

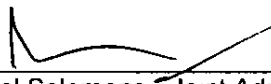
\*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 16 August 2013

Signed

  
Michael Solomons - Joint Administrator

Dated

16 August 2013

### Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give

Mandy Price BM Advisory LLP 82 St John Street London EC1M 4JN	DX Number +44 (0) 20 7549 8050	DX Exchange
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WEDNESDAY



A20 21/08/2013 #84  
COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at -  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

# BM Advisory.

Corporate Advisory & Restructuring

**TO THE MEMBERS AND ALL KNOWN CREDITORS**

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London EC1M 4JN

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Our ref: AB/CIC001AP

16 August 2013

Dear Sirs

**CIC Limited - In Administration ("the Company")**  
**Company Number: 02463674**  
**High Court of Justice No. 8279 of 2013**

I am writing following my initial circular to creditors dated 1 July 2013. This report to the Company's members and creditors and the Proposals enclosed, set out the information required by the Joint Administrators to discharge their duty pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and Rule 2.33 of the Insolvency Rules 1986 (as amended) ("the Rules").

## **JOINT ADMINISTRATORS' APPOINTMENT**

Michael Solomons and Andrew Pear of BM Advisory LLP of 82 St John Street, London, EC1M 4JN were appointed Joint Administrators of the Company on 25 June 2013 by the Director of the Company.

The Notice of Appointment was filed in the High Court of Justice under reference number 8279 of 2013.

The Joint Administrators' appointment specified that they would have the power to act jointly and severally. The Joint Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment.

## **STATUTORY INFORMATION**

Attached as **Appendix 1** are the statutory details of the Company as filed at Companies House.

Please note that the registered office of the Company was changed to c/o BM Advisory LLP, 82 St John Street, London, EC1M 4JN with effect from 16 July 2013.

## **BACKGROUND AND EVENTS LEADING TO THE APPOINTMENT OF JOINT ADMINISTRATORS**

The Company was incorporated on 26 January 1990 and traded from leasehold premises at Westminster House, 35 Pensbury Place, Wandsworth Road, London, SW8 4TR. The two shareholders are Yahya Mirjan and Yousef Mirjan, holding 3,000 ordinary shares each. Yahya Mirjan is also the sole director of the Company and Yousef Mirjan is a former director.

The Company has always operated in the construction industry, predominantly as marble and granite contractors. In June 2008, the Company entered into a contract with Mivan Limited for the supply and installation of stone and associated works. A dispute arose from an alleged termination of employment and adjudication was entered into.

An adjudication decision dated 27 April 2012 provided for retentions of £187,647 to be paid to the Company once it has achieved Practical Completion and/or Partial Possession. However, despite the adjudication decision, a statutory demand was issued against the Company and until the Company achieves Practical Completion and/or Partial Possession it does not have the funds to settle the demand. Accordingly, the director had no choice but to seek professional advice.

The director met with Michael Solomons of BM Advisory LLP on 12 June 2013 for advice and, in order to preserve the business as a whole while the retentions are being pursued, the Company was placed into Administration on 25 June 2013 at the High Court of Justice under the Court reference number 8279 of 2013.

## **OBJECTIVES OF ADMINISTRATION AND STRATEGY FOR ACHIEVEMENT BY THE JOINT ADMINISTRATORS**

The objective of the Administration process in the Act is to,-

- (a) rescue the Company as a going concern, or
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors

The Company would be rescued as a going concern should the retentions be paid to the company and therefore objective (a) would be the purpose of the administration

The purpose would be achieved through attaining the retentions due to the Company

## **STATEMENT OF AFFAIRS**

The director has not yet provided the Administrators with a Statement of Affairs ("SOA") and therefore enclosed at **Appendix 2** is an Estimated Statement of Affairs based on information from the Company's records

The SOA records the assets and liabilities at their estimated book value and realisable value at the date of the Administration, together with details of the names, addresses and the amounts due to the Company's creditors

The values at which creditor claims are stated in the SOA are those which are reflected in the books and records of the Company and may not be (wholly) correct. In addition, certain claims may be subject to reduction in respect of mitigation, set-off or retention of title. Creditors' claims will be adjudicated at such time if a dividend is made

## **CONDUCT OF THE ADMINISTRATION**

The administrators are currently investigating the viability and quantum of the retentions due to the Company which is currently with our solicitors.

## **RECEIPTS AND PAYMENTS**

There have been no receipts or payments during the administration to date

## **CREDITOR CLAIMS**

### **SECURED CREDITORS**

NatWest Bank Plc holds four registered charges over the assets of the Company, including a charge of deposit (registered on 27 April 2011), charge over credit balances (registered on 1 September 2000), mortgage debenture (registered 12 January 1996) and a charge over credit balances (registered 2 September 1991). The sum of £61,385.36 is currently owed to NatWest Bank.

### **PREFERENTIAL CREDITORS**

There are no preferential creditors

### **UNSECURED CREDITORS**

#### **Trade and Expense Creditors**

The Company's accounting records indicate that the Company has trade and expense creditors totalling £59,718.

## **DIVIDEND PROSPECTS**

Should the retention monies be paid to the Company, it is likely that unsecured creditors will be paid in full. However, the final position will depend on the level of recovery from the retentions. A Proof of Debt form is therefore attached at **Appendix 3** for the purpose of lodging your claim.

## **JOINT ADMINISTRATORS' PROPOSALS**

Pursuant to Paragraph 49 of Schedule B1 of the Act, enclosed with this report are the Joint Administrators' Proposals for achieving the purpose of the Administration as set out in **Appendix 4** of this report.

## **PROPOSED EXIT ROUTE FROM ADMINISTRATION**

In accordance with the provisions of the Act incorporated by the Enterprise Act 2002, all Administrations automatically come to an end after one year, unless an extension is granted by the Court or with the consent of the creditors.

There are several exit routes available to the Administrators and the exit route chosen will largely depend upon the circumstances of each Administration. If a distribution to unsecured creditors becomes available then the Company would exit in to Creditors' Voluntary Liquidation to enable the distribution.

Enclosed with this report are the Joint Administrators' proposals, which include at proposal (c) that, Michael Solomons and Andrew Pear be the proposed liquidators of the Company if the exit from Administration is into Creditors Voluntary Liquidation.

Pursuant to paragraph 83(7) of Schedule B1 to the Act and rule 2.117(3) of the Rules, the creditors may nominate a different person(s) as the proposed liquidator(s) provided that the nomination(s) is made after the receipt of the proposals but before the proposals are approved. If the Company exits into Compulsory Liquidation, the Joint Administrators propose to accept the appointment as Joint Liquidators pursuant to section 140(1) of the Act.

## **JOINT ADMINISTRATORS' INVESTIGATIONS**

Under the insolvency legislation, the Administrators have a duty to consider the conduct of those persons who have been directors of the Company at any time within three years preceding the Administration. The Administrators are also required to consider whether any civil proceedings should be taken. Please provide information, using the attached form at **Appendix 5**, if there is any matter of which you believe the Administrators should be aware when considering the director's conduct.

## **PRE-ADMINISTRATION COSTS**

Pre-Administration costs are defined as the remuneration, charges and expenses incurred by the Administrator before the Company entered into Administration but with a view to its doing so.

It was agreed that the Administrators' and Solicitor's pre-appointment costs for assisting with the application for administration would be paid by the director in the sum of £10,000 plus VAT. The sum of £5,000 plus VAT has been paid to date with the sum of £5,000 plus VAT outstanding, which is due to be paid over 5 monthly instalments.

## **JOINT ADMINISTRATORS' REMUNERATION**

Included within this report, is **Appendix 6** being a schedule of time costs to date and supporting information as required by Statement of Insolvency Practice 9.

Since the Administration commenced, a total of 14.30 hours at a cost of £2,827 and at an average hourly charge out rate of £197.69 have been incurred.

I have also incurred disbursements totalling £404.60 which can be broken down as follows;

Bonding	£300.00
Statutory Advertising	£76.20
Printing and Postage	£28.40

The Joint Administrators are proposing that they should be remunerated by reference to time properly spent by them and their staff in attending to the matters arising from the Administration of the Company pursuant to rule 2.106(2)(b) of the Rules. The Joint Administrators will be seeking agreement for such remuneration from the Creditors' Committee or, in the event that such a committee is not formed, the proposal will be deemed approved by the creditors within 8 business days of the date of this report.

BM Advisory LLP's policy on fees is attached at **Appendix 7** and a creditor's guide to fees can be located on the following website which provides information relating to Administrators' remuneration: <http://www.insolvency-practitioners.org.uk/uploads/Admin.pdf>

## **MEETING OF CREDITORS**

The Joint Administrators propose that there shall be no meeting of creditors under Paragraph 51(1) of Schedule B1 of the Act because the Company is either likely to have sufficient property to pay creditors in full or insufficient property to make a distribution to unsecured creditors other than by virtue of Section 176A(2)(a) of the Act.

Creditors may cause the Joint Administrators to summon an initial creditors meeting as follows -

1. At the least 10% of the creditors, measured against the Company's total debts, must request this meeting, and
2. The request must be made on Form 2.21B (available upon request) and made within 12 days of the date of this document. It must also include a list of the creditors concurring with the request, showing the amounts of their respective debts, and confirmation of concurrence.

Please note that the expenses of summoning and holding the meeting shall be paid by that person, in advance of the meeting.

## **EC REGULATION**

For the following reason it is considered that the EC Regulation on Insolvency Proceedings 2000 will apply. If it does apply, these proceedings will be the main proceedings as defined in article 3(1) of the EC regulation.

The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom.

## **FURTHER INFORMATION**

Should you require any further information, please do not hesitate to contact Adam Boyle on 020 7549 2932.

Yours faithfully  
For and on behalf of  
**CIC Limited**



**Michael Solomons**  
Joint Administrator

Enc

## CIC Limited

### Statutory Information

Company Number	02463674
Date of Incorporation	26 January 1990
Nature of Business	Marble and Granite Contractors
Trading Address	Westminster House 35 Pensbury Place Wandsworth Road London SW8 4TR
Registered Office	82 St John Street London EC1M 4JN
Changed from	Westminster House, 35 Pensbury Place, Wandsworth Road, London, SW8 4TR
Directors	The directors of the Company over the last 3 years are detailed below
	Yahya Mirjan 26/01/1992 to date
Company Secretary	Yahya Mirjan 26/01/1992 to date
Share Capital	The Company's authorised share capital consists of 100 ordinary shares with a nominal value of £1 each.
	Shareholdings as follows:
	Yousif Mirjan 3,000 Ordinary Shares
	Yahya Mirjan 3,000 Ordinary Shares
Registered charges	NatWest Bank Plc Charge of Deposit Created: 21/04/2011 Registered 21/04/2011
	NatWest Bank Plc Charge Over Credit Balances Created: 21/08/2000 Registered: 01/09/2000
	NatWest Bank Plc Mortgage Debenture Created 27/12/1995 Registered 12/01/1996
	NatWest Bank Plc Charge Over Credit Balances Created: 23/08/1991 Registered: 02/09/1991
Related entities	None

Insolvency Act 1986

CIC Limited  
 Estimated Statement Of Affairs as at 25 June 2013

	Book Value £	Estimated to Realise £
<b>ASSETS</b>		
Retentions	187,647 00	Uncertain NIL
<b>LIABILITIES</b>		
<b>PREFERENTIAL CREDITORS -</b>		NIL
<b>DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003</b>		
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>		
NatWest Bank plc - 12/01/1996		61,385 00
		<u>61,385 00</u> (61,385 00)
Estimated prescribed part of net property where applicable (to carry forward)		NIL (61,385 00)
<b>DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003</b>		
		NIL (61,385 00)
Estimated prescribed part of net property where applicable (brought down)		NIL (61,385 00)
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>		
Trade & Expense Creditors		59,718 00
		<u>59,718 00</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)		<u>(121,103 00)</u> (121,103 00)
Issued and called up capital Ordinary Shareholders		6,000 00
<b>TOTAL SURPLUS/(DEFICIENCY)</b>		<u>6,000 00</u> <u>(127,103 00)</u>

**BM Advisory LLP**  
**CIC Limited**  
**B - Company Creditors**

Key	Name	Address	£
CALH	Al Habtoor Marble Co	35851-Jebel Ali , DUBAI, United Arab Emirates	23,500 00
CE00	Endureshare Limited	Nine Elms, London, SW8 4TR	13,500 00
CHAM	Hamsun & Hogate	Suite 1, Excelsior House, 3-5 Balfour Road, Ilford, Essex, IG1 4HP	3,060 00
CHAN	HSBC Invoice Finance	Unit 1 Apex Court, Bristol, Avon, BS32 4JT	318 00
CHAO	HM Revenue & Customs	Insolvency, 3rd Floor, Euston Tower, 286 Euston Road, London, NW1 2UQ	0 00
CHAP	HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	0 00
CHAQ	HM Revenue & Customs	5th Floor, Regian House, James Street, Liverpool, L75 1AD	0 00
CMIV	Mivan Limited	Newpark, 65 Greystone Road, Antrim, BT41 2QN	11,371 50
CN00	NatWest Bank plc	Credit Management Services, Corporate Team, PO Box 16336, 10 Brindley Place, Birmingham, B2 2YG	61,385 36
CT00	Trett Contract	1 Norton Folgate, London, E1 6DB	7,968 53
<b>10 Entries Totalling</b>			<b>121,103.39</b>

Signature \_\_\_\_\_



**PROOF OF DEBT - GENERAL FORM****CIC LIMITED – IN ADMINISTRATION**

1	Name of Creditor (If a company please also give company registration number)	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation	£
4	Details of any document by reference to which the debt can be substantiated [Note the Liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show -  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

## **CIC Limited – In Administration**

### **Statement of Joint Administrators' proposals Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986**

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and The Insolvency Rules 1986 ("the Rules"), and the Joint Administrators ("Administrators") of CIC Limited ("the Company"), make the following proposals for achieving the purpose of the Administration.

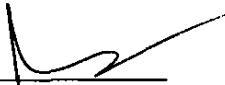
These proposals and the attached report to creditors together set out the information required by and to discharge the Administrators' duty pursuant to Paragraph 49 of Schedule B1 of the Act and Rule 2.33 of the Rules

#### **Proposals**

The Administrators propose that

- (a) they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that:
  - (i) they dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient;
  - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company
  - (iii) in addition, they do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals; and
- (b) the Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Administrators. At this stage the Company shall be dissolved or placed into liquidation as outlined above. If necessary, the Joint Administrators propose to seek an extension of their appointment as Administrators from the creditors and/or the Court pursuant to paragraph 76 of Schedule B1 to the Act
- (c) In the event that the Administrators are of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Joint Administrators be authorised to take steps to place the Company into whichever liquidation process they, at their discretion, deem appropriate. In either circumstance, it is proposed that the Joint Administrators would take the appointment as joint liquidators of the Company and that they will act jointly and severally in their duties. In relation to moving into creditors' voluntary liquidation, and in accordance with paragraph 83(7) and Rule 2.117 (3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before those proposals are approved.
- (d) Upon the Company proceeding into Liquidation as set out above, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following the Company entering into liquidation.
- (e) They be at liberty to incur and pay such costs and expenses, including professional fees, as considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Joint Administrators' statutory duties.

- (f) The Administrators propose to be remunerated by reference to time properly spent both for their services as Administrators and also for their staff in attending to the matters arising in the Administration of the Company, charged at the charge out rates prevailing at the time the work is undertaken. The Administrators' remuneration will be agreed by the Creditors' Committee or in the event that no Committee is formed by creditors at the first meeting of creditors, by way of resolution for the acceptance of these proposals
- (g) BM Advisory's costs and expenses relating to the appointment of Administrators as would fall within the definition of Rule 2.67(1)(c) be treated as an expense of the Administration (albeit incurred prior to the date of appointment) and calculated by reference to the charge out rates prevailing at the time the work is undertaken.
- (h) They be at liberty to recharge disbursements as detailed in the circulated Creditors guide to Administrators' fees
- (i) They be at liberty to pay costs and remuneration in relation to proposals (f), (g) and (h) above when funds become available.
- (j) They consult with the Creditors' Committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where they consider it expedient obtain the sanction of that Committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Administrators



Michael Solomons  
Joint Administrator

16 August 2013

**CIC Limited - In Administration**  
**Joint Administrators' Time Costs**  
**For the Period**  
**25 June 2013 to 15 August 2013**

Classification of Work	Hours by Staff Grade					Grand Total	Total Cost £	Average Hourly Rate £
	Work Analysis	Partner	Manager	Case Administrator				
Administration and Planning	Admin & Planning	0.40	0.00	0.50		0.90	242.00	268.89
	Case Accounting	0.00	0.00	0.20		0.20	36.00	180.00
Asset Realisation	Asset Realisation	0.00	0.00	1.40		1.40	252.00	180.00
	Debt Collection	0.40	0.00	0.00		0.40	152.00	380.00
Creditors	Unsecured Creditors	0.30	0.00	0.60		0.90	222.00	246.67
Legal and Litigation	Legal / Litigation	0.00	0.00	0.60		0.60	108.00	180.00
Statutory Compliance	Statutory Compliance	0.00	0.30	7.40		7.70	1,419.00	184.29
	Statutory Reporting	0.00	0.00	2.20		2.20	396.00	180.00
<b>Grand Total</b>		<b>1.10</b>	<b>0.30</b>	<b>12.90</b>		<b>14.30</b>	<b>2,827.00</b>	<b>197.69</b>

## BM ADVISORY LLP

### STATEMENT OF POLICY ON FEES IN INSOLVENCY PROCEEDINGS

#### Introduction

This statement has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Specialists (R3) as at 1 August 2005

The following information applies to all appointments of partners or staff of BM Advisory LLP, to act as any of the following -

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or Limited Liability Partnership  
Trustee in Bankruptcy  
Supervisor of an Individual, Company or Partnership Voluntary Arrangement  
Administrator under the Insolvent Estates Order

When acting as Nominee, the provisions of the Insolvency Act 1986 require that the amount of the fees payable to the Office Holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office Holder's expected time costs arising as referred to below

#### Policy on fees

Unless otherwise fixed in accordance with the Insolvency Act 1986, an Office Holder's fees are charged by reference to time costs, as incurred, charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of BM Advisory LLP, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory LLP to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum.

As at 1<sup>st</sup> March 2012 the rates applicable are

Grade	£
Partner	380
Associate	350
Manager	290
Assistant Manager	270
Senior Administrator	220
Administrator	180
Junior Administrator	125
Support staff	80

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory LLP may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act.

For further information on the manner in which an Office Holder's fees may be fixed, please refer to the attached guidance notes in relation to fees.

#### Disbursements

Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the case or BM Advisory LLP, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the case. These disbursements are recoverable in full from the case without the prior approval of creditors either by a direct payment from the case or, where BM Advisory LLP has made payment on behalf of the case, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage and specific bond insurance.

Category 2 expenses are incurred by BM Advisory LLP and recharged to the case, they are not attributed to the case by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the case, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, internal room hire and internal storage.

It is proposed that the following Category 2 disbursements are recovered by BM Advisory LLP

Meeting room hire	£200.00
Postage	£0.44 - £1.24
Mileage (per mile)	£0.45
Photocopies (per sheet)	£0.15
Storage (per box per month)	£0.35

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.