

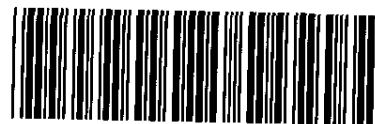
# AM10

## Notice of administrator's progress report



Companies House

WEDNESDAY



A28 \*A744E0B5\* 18/04/2018 #131  
COMPANIES HOUSE

### 1 Company details

Company number 0 3 1 9 5 4 4 5

Company name in full Tesla Exploration International Limited (In Administration)

→ Filling in this form  
Please complete in typescript or in  
bold black capitals

### 2 Administrator's name

Full forename(s) Samuel James

Surname Woodward

### 3 Administrator's address

Building name/number Ernst & Young LLP

Street 2 St Peter's Square

Post town Manchester

County/Region

Postcode M 2 3 D F

Country UK

### 4 Administrator's name <sup>①</sup>

Full forename(s) Colin Peter

Surname Dempster

① Other administrator  
Use this section to tell us about  
another administrator

### 5 Administrator's address <sup>②</sup>

Building name/number Ernst & Young LLP

Street 144 Morrison Street

Post town Edinburgh

County/Region

Postcode E H 3 8 E X

Country

② Other administrator  
Use this section to tell us about  
another administrator

AM10

Notice of administrator's progress report

6

Period of progress report

From date

d 2 d 1 m 0 m 9 y 2 y 0 y 1 y 7

To date

d 2 d 0 m 0 m 3 y 2 y 0 y 1 y 8

7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's  
signature

Signature

X



X

Signature date

i 1 d 8 m 0 m 4 y 2 y 0 y 1 y 8

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Kristian Rowlands**

Company name **Ernst & Young LLP**

Address **No 1 Colmore Square**

Post town **Birmingham**

County/Region

Postcode **B 4 6 H Q**

Country

E-mail

Telephone

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

**All information on this form will appear on the public record.**

**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



## ***Property, Plant and Equipment***

### ***Ethiopia assets***

As previously reported, we entered into an agreement with a purchaser ("Purchaser") who acted as an agent of the Company to export the assets from Ethiopia

During the Period, the assets were successfully exported and the conditions for the demobilisation fee (see 'Contingent assets' section below) to become payable have been met. As a result, £5k of funds have been received from the Purchaser, to complete the sale

The demobilisation process has been outlined below.

### ***Contingent assets***

#### ***Demobilisation fee***

A demobilisation fee of c. \$800k (c £656k) (net of VAT) is due to the Company on export of the Ethiopian plant and machinery, or on transfer of the assets off the Profit Sharing Agreement ("PSA") to which they are currently attached

We entered into an agreement with the Purchaser who acted as an agent of the Company to export the assets. All assets have now been exported from Ethiopia

During the Period, the Purchaser confirmed the export documents had been passed to the PSA holder with the exception of 8 documents that are being held at the Ethiopian border. We are in the process of engaging a local agent to collect the remaining 8 documents and deliver them to the PSA holder

The PSA holder has also requested formal verification of our Notice of Appointment by the Ethiopian embassy as a condition of releasing the demobilisation fee. This has been completed and we are currently in the process of sending these documents to the PSA holder

As outlined previously, there remain further administrative challenges to realising the demobilisation fee. Therefore, while tangible progress has been made, there is still significant uncertainty regarding the realisation value and date.

We will provide further updates in our next progress report to creditors

## **Joint Administrators' remuneration and expenses**

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the

Insolvency (England and Wales) Rules 2016) Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

The Administrators' remuneration was fixed on a time-cost basis by a resolution of the creditors passed on 8 February 2017 by the secured creditor and the preferential creditors

During the Period, the Administrators have incurred time costs of £23,415 Total time costs incurred since the beginning of the administration are £348,482. Of this sum, £210,000 has been billed and paid The administrators' remuneration is not currently expected to exceed the amount provided for in the fee estimate of £397,486.50 At Appendix 3 to this report there is an analysis and narrative explanation of the time spent

## Joint administrators' statement of expenses incurred

### Cost of realisations

During the Period, the Administrators have incurred and paid expenses totalling £1,843 18 plus VAT, offset by net interest received of £107 07 A further £35 50 has been incurred but remains outstanding The expenses can be summarised as follows.

Type of Expense	Per Estimate Dated 8 November 2016 (£)	Paid as at 20 Sept 2017 (£)	Paid in Period (£)	Outstanding (£)	Total (£)
<b>Payments made by the estate</b> (see notes 1 and 2 at the end of this table)					
Insurance	20,000	2,067	-	-	2,067
Advertising	200	85	-	-	85
Company staff costs	10,632	10,563	-	-	10,563
Agent's costs	5,000	5,000	500	-	5,500
Legal costs	5,000	31,284	-	-	31,284
Rent, rates and utilities	4,500	5,915	-	-	5,915
Books and records storage and /or destruction	5,000	3,779	775	-	4,554
Statement of affairs fee	-	-	-	-	-
Bank charges and interest	1,000	602	(107)	-	495
<b>Category 1 disbursements</b>					
Travel and accommodation costs	5,000	4,421	-	-	4,421
Specific penalty bond	420	210	10	-	220
Document verification	-	-	-	36	36
<b>Category 2 disbursements</b>					
Mileage	1,000	846	-	-	846
Internal bulk copying, printing and postage	550	153	558	-	711
<b>Total</b>	<b>58,302</b>	<b>64,925</b>	<b>1,736</b>	<b>36</b>	<b>66,697</b>

## Notes

- Statement of Insolvency Practice 9 (SIP 9) defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors

2. SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
  - Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment
  - Category 2 disbursements are expenses which are directly referable to the appointment but *not a payment to an independent third party. They may include shared and allocated costs.*

### ***Wind down costs***

#### **Pre-administration costs**

As previously reported, unpaid pre-Administration costs were approved for payment and have been drawn

#### **Distributions to creditors**

##### **Preferential Creditors**

A payment of £60k has been made to preferential creditors in the period covered by this report. No further contingency is required to be held in this regard

##### **Secured Creditor**

HSBC Bank PLC had a total indebtedness estimated at c. £1.4m in the Directors' Statement of Affairs as at 21 September 2016 which is secured against the assets of the Company. In the Period, an interim distribution of £75,000 has been paid to the Secured Creditor

##### **The Prescribed Part**

The prescribed part is a proportion of floating charge asset set aside for the non-preferential creditors pursuant to section 176A of the Insolvency Act 1986. The Prescribed Part applies to floating charges created on or after 15 September 2003. The charge in respect of the Company is dated 31 October 2007 and as such the provisions of the Prescribed Part will apply

We currently estimate that the value of the Prescribed Part will be between £29k and £115k, depending upon whether the demobilisation fee is received. This is stated before costs of dealing with the Prescribed Part

##### **Unsecured non-preferential Creditors**

We do not currently estimate that there will be sufficient funds to enable a distribution to the respective non-preferential creditors other than by virtue of the Prescribed Part.

##### **Remaining work**

- Realisation of the demobilisation fee

- Continue to explore options to realise the outstanding trade debtor
- Agreeing and paying distributions to various classes of creditors (secured and the Prescribed Part)
- Settlement of all Administration costs
- Completing statutory returns to HM Revenue & Customs, including those in relation to VAT, corporation tax and employee returns.
- Potential extension of the Administration to the 30 September 2019

### **Next report**

I will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner

Yours faithfully  
for the Company



S Woodward  
Joint Administrator

C Dempster and S Woodward are licensed in the United Kingdom to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales

The affairs, business and property of the Company are being managed by the Joint Administrators C Dempster and S Woodward, who act as agents of the Company only and without personal liability

We may collect, use, transfer store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998



## Appendix 1

### Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court	High Court of Justice
Court reference	8326 of 2016
Registered name of the company	Tesla Exploration International Limited (In Administration) ("the Company")
Registered office address of the company	c/o Ernst & Young LLP, No 1 Colmore Square, Birmingham, B4 6HQ
Registered number	03195445
Country of incorporation (for a company incorporated outside the United Kingdom)	N/A
Date of appointment of the joint administrators	21 September 2016
Details of any changes of administrator	On 7 April 2017 Tomislav Lukic resigned and was replaced by Colin Peter Dempster
Full names of the administrators	Samuel James Woodward and Colin Peter Dempster
Office holder number(s)	Samuel James Woodward (12030) Colin Peter Dempster (8908)



Administrators' address(es)

Colin Peter Dempster c/o Ernst & Young LLP,  
144 Morrison Street, Edinburgh EH3 8EX

Samuel James Woodward c/o Ernst & Young LLP,  
2 St Peter's Square, Manchester M2 3DF

Telephone number.

0121 535 2239

Name of alternative person to contact with  
enquiries about the case

Kristian Rowlands

**Tesla Exploration International Limited (In Administration) ("the Company")**

**Joint Administrators' Abstract of Receipts and Payments from 21 September 2016 to 20 March 2018**

	Realisable value as per Statement of Affairs	Fixed charge 21 September 2016 to 20 September 2017	Floating charge 21 September 2016 to 20 September 2017	Fixed charge 21 September 2017 to 20 March 2018	Floating charge 21 September 2017 to 20 March 2018	Total 21 September 2016 to 20 March 2018
	£	£	£	£	£	£
<b>Receipts</b>						
Cash and cash equivalents	-	-	3,045 93	-	-	3 045 93
Accounts Receivable	429,303 91	-	27,709 46	-	-	27 709 46
Property, Plant and Equipment	500 000 00	-	345 000 00	-	5 000 00	350 000 00
Contingent assets	-	-	148,826 58	-	-	148 826 58
Other income	-	-	11 646 88	-	-	11 646 88
VAT Payable	-	-	-	-	175 93	175 93
	929,303 91	-	536 228 85	-	5 175 93	541 404 78
<b>Payments</b>						
Direct Labour	-	-	(10 562 81)	-	-	(10 562 81)
Trading	-	-	(5 915 00)	-	-	(5 915 00)
Agents Fees	-	-	(10 421 17)	-	(775 48)	(11 196 65)
Other Expenses	-	-	(1,088 75)	-	(415 93)	(1 504 68)
VAT Receivable	-	-	(151 66)	-	(14 292 91)	(14 444 57)
Preferential Creditor Distribution	-	-	-	-	(59,776 77)	(59 776 77)
Secured Creditor Distribution	-	-	-	-	(75 000 00)	(75 000 00)
Joint Administrators Fees	-	-	(145 630 33)	-	(70,567 70)	(216 198 03)
Legal Fees	-	-	(31,283 93)	-	-	(31 283 93)
	-	-	(205 053 65)	-	(220 828 79)	(425 882 44)
<b>Balance in hand</b>		-	<b>331,175.20</b>	-	<b>(215,652.86)</b>	<b>115,522.34</b>

**Notes**

- 1 Receipts and payments are stated net of VAT
- 2 The Directors included costs lodged at court of £149k within Accounts Receivable. In line with previous report, we have presented this in the 'Contingent assets' row
- 3 Funds held are across two bank accounts. One of these accounts is interest-bearing with interest received presented net of bank charges within the 'Other expenses' row

**Joint Administrators' time costs for the period from 21 September 2016 to 20 March 2018 and a comparison with the fee estimate dated 8 November 2016.**

Type of work	Per fee estimate dated 08 November 2016			Actual to 20 March 2018		
	Total hours	Time cost (£)	Average hourly rate (£)	Total hours	Time cost (£)	Average hourly rate £
Accounting & Administration	177.00	40,270.00	227.50	198.30	46,321.50	233.59
Bank & Statutory Reporting	100.00	26,250.00	262.50	129.80	33,551.50	258.49
Creditors	150.00	34,425.00	229.50	207.10	51,875.50	249.52
Debtors	22.00	5,670.00	257.70	40.20	9,928.50	246.98
Employee Matters	104.00	27,510.00	264.50	192.50	48,026.00	249.49
Immediate Tasks	57.00	14,320.00	251.20	53.50	13,406.50	250.59
Investigation & CDDA	52.00	13,250.00	254.80	29.00	6,933.50	239.09
Job Acceptance & Strategy	24.00	7,310.00	304.60	11.60	4,156.00	358.28
Legal Issues	120.00	33,325.00	277.70	5.60	1,288.00	230.00
Other Assets	90.00	26,550.00	295.00	98.70	29,437.00	298.25
Other Matters	20.00	5,675.00	283.80	15.70	4,057.00	258.41
Pre-Appointment	75.90	19,556.50	257.70	75.90	19,556.50	257.66
Property	35.00	9,125.00	260.70	26.10	6,033.00	231.15
Retention of Title	15.00	3,740.00	250.00	7.00	1,610.00	230.00
Sale of Business	210.00	56,775.00	270.40	74.30	17,089.00	230.00
Statutory Duties	165.00	42,550.00	257.90	126.90	30,132.50	237.45
Trading	25.00	6,825.00	273.00	27.30	6,821.50	249.87
VAT & Taxation	80.00	22,350.00	279.40	84.90	18,818.50	221.65
<b>Total Hours</b>	<b>1,521.90</b>	<b>397,486.50</b>	<b>261.20</b>	<b>1,404.40</b>	<b>348,842.00</b>	<b>248.39</b>

**Accounting & Administration:** this includes general administrative duties, preparation for the Company entering Administration, processing receipts and payments and maintaining the Joint Administrators' accounting records

**Bank & Statutory Reporting:** this includes statutory reporting to all classes of creditors. Reports include the Joint Administrators Proposals to creditors, six monthly progress reports, report for change in the office holder, matters relating to the extension of Administration and filing of documents with the Registrar of Companies.

**Creditors:** this relates to correspondence with creditors and specific creditor matters. There were c 120 trade creditors of the Company per the Statement of Affairs

**Debtors:** this relates to time spent in collecting the outstanding debtor book which is due to the Company.

**Employee Matters:** this relates to correspondence and calls with employees, answering queries, filing forms, liaising with the Redundancy Payments Office and processing claims. There were 13 employees who were made redundant prior to the Joint Administrators' appointment with all remaining employees made redundant during the administration period. Time spent also relates to the investigation of the employment status of certain individuals.

**Immediate Tasks:** this relates to carrying out tasks and duties on appointment, for example, business stabilization, matters in relation to physical security of Company assets, placing Company documentation in storage, notifying the insurance broker of the Administration.

**Investigation & CDDA:** time spent carrying out Administrators' investigations into the directors' conduct and any issues which the Administrators were made aware by creditors or other parties

**Job Acceptance & Strategy:** time spent in complying with our firm's internal compliance, job acceptance procedures prior to accepting an appointment and the strategy pursued in the Administration



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**Legal Issues:** time spent in relation to realisations of the contingent asset as well as the £1 6m receivable balance. Details of these issues can be found in the report above

**Other Assets:** relates to assets other than debtors and plant and machinery of the business. This includes matters relating to the demobilization fee

**Other Matters:** time spent on other matters arising in the Administration, for example, matters in relation to the subsidiary and immediate parent of the Company which are not in Administration.

**Pre-Appointment:** time spent prior to the appointment of the Joint Administrators in relation to preparation for the insolvency, planning for employee matters and negotiations with interested parties for potential sale of the business and/or assets of the Company

**Property:** time spent conducting site visits, arranging for third parties to collect assets and arranging vacation of the property, including negotiations with landlords.

**Retention of Title:** *relates to adjudicating Retention of Title claims made against the Company and claims made by third parties that the Company is controlling plant and machinery which belongs to the third party*

**Sale of Business:** time spent in relation of sale of assets of the business.

**Statutory Duties:** time spent in complying with statutory matters including filing letters and forms advising of the Joint Administrators' appointment

**Trading:** time spent in relation to the wind down of the business during the period for which employees were retained

**VAT & Taxation:** investigating the Company's VAT and corporation tax position up to the date of appointment, preparation and submission of VAT and corporation tax returns for the post appointment period.