

AM25

Notice of court order ending administration



Companies House

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refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 7 0 2 3 5 9 8

Company name in full Valaris Plc

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Jonathan

Surname Marston

3 Administrator's address

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country

4 Administrator's name ①

Full forename(s) Mark Granville

Surname Firmin

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country

② Other administrator

Use this section to tell us about
another administrator.

AM25

Notice of court order ending administration

6 Administration end date

End date

^d2^d4^m0^m4^y2^y0^y2^y3

7 Date of court order

Court order date

^d2^d4^m0^m4^y2^y0^y2^y3

8 Attachments

- ☒ I have attached a copy of the court order
- ☒ I have attached a copy of the final progress report

9 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d0^d2^m0^m5^y2^y0^y2^y3

**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 **Greg Clifford**

Company name **Alvarez & Marsal Europe LLP**

Address **Suite 3 Regency House**

91 Western Road

Post town **Brighton**

County/Region

Postcode **B N 1 2 N W**

Country

DX

Telephone **+44 (0) 20 7715 5200**

**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 all 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 or email 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

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)



CR-2021-000772

Before ICC Judge Burton

Monday, 24th April 2023

IN THE MATTER OF VALARIS PLC (IN ADMINISTRATION)

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

ORDER

UPON THE APPLICATION of Jonathan Charles Marston and Mark Granville Firmin of Alvarez & Marsal Europe LLP, Suite 3 Regency House, 91 Western Road, Brighton BN1 2NW, the joint administrators (the “**Joint Administrators**”) of Valaris plc (in administration) (the “**Company**”) dated 6 March 2023.

AND UPON HEARING Counsel for the Joint Administrators

AND UPON READING the witness statement of Jonathan Charles Marston dated 6 March 2023, together with the exhibit thereto

AND UPON THE COURT BEING SATISFIED on the evidence filed that the EU Regulation on Insolvency Proceedings (No. 848/2015) (recast) applies, as it has effect in the law of the United Kingdom, and the winding-up of the Company is a “COMI proceeding” within Article 1(1A)(a) of the said Regulation

IT IS ORDERED THAT:

1. The Company shall be wound up by this Court under the provisions of the Insolvency Act 1986 (the “**Act**”) with effect from 1:09pm on 24 April 2023.
2. Jonathan Charles Marston and Mark Granville Firmin be appointed as joint liquidators of the Company under section 140(1) of the Act with effect from 1:09pm on 24 April 2023, with any act required or authorised under any enactment being done by all or any one or more of them.

3. The appointment of the Joint Administrators shall cease to have effect as at 1:09pm on 24 April 2023, pursuant to paragraphs 79(1) and 79(3) of Schedule B1 to the Act.
4. Each of the Joint Administrators shall be discharged from liability in respect of any action of his as joint administrator of the Company, with effect from the date falling 28 days after the date of the filing of the Joint Administrators' final receipts and payments account and the final progress report with the Registrar of Companies, save for any claim or claims made against them (or either one of them) prior to that date, pursuant to paragraph 98(2)(c) of Schedule B1 to the Act.
5. The production of any further progress report be dispensed with.
6. The costs and expenses of this application be paid as an expense of the administration of the Company, pursuant to paragraph 99(3) of Schedule B1 to the Act.

Service of this order

The Court has provided a sealed copy of this order to the solicitors for the Joint Administrators:

Slaughter and May, One Bunhill Row, London EC1Y 8YY (c/o Alexander MacIver, Alexander.MacIver@slaughterandmay.com, 020 7090 3289)

VALARIS PLC – IN LIQUIDATION (FORMERLY IN ADMINISTRATION)

Joint Administrators' final progress report

For the period from 30 October 2022 to 24 April 2023

2 May 2023

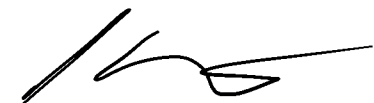
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1 Executive summary

- On 30 April 2021, Jonathan Charles Marston and Mark Granville Firmin of Alvarez & Marsal Europe LLP (“A&M”) were appointed as Joint Administrators (“we”/“us”/“our”) of Valaris Plc (“the Company”).
- This progress report covers the period from 30 October 2022 to 24 April 2023.
- During the period, our work has continued to focus on attending to the ongoing statutory requirements of the administration, and liaising with Valaris Holdco 2 Limited (“Newco”) regarding the outstanding pre-appointment corporation tax returns which require filing in order to obtain tax clearance from HMRC, prior to our exit from office (Section 2 – Strategy and outcome of the administration).
- As noted in our last progress report, we have received a notification from His Majesty’s Revenue and Customs (“HMRC”) that it has opened an enquiry into the pre-appointment tax affairs of the Company and certain of its former subsidiary companies. As a result of this enquiry, we are unable to seek tax clearance from HMRC until such time that the enquiry position has been resolved (Section 2 – Strategy and outcome of the administration).
- Given the above, and in order to minimise the costs associated with extending the Company’s administration, we applied to Court to seek to exit the administration via a conversion to Compulsory Liquidation (“Liquidation”). This approach will ensure that the residual matters are dealt with in the most efficient manner for all parties (Section 2 – Strategy and outcome of the administration).
- We are not aware of any outstanding secured claims against the Company (Section 3 – Outcome for creditors).
- The Company had no direct employees or preferential Crown debts at the date of appointment and, accordingly, there are no known preferential claims (Section 3 – Outcome for creditors).
- Following the UK transaction (as detailed in our previous reports), and releases provided by certain unsecured creditors, the only unsecured creditor balances remaining are amounts due to Ensco Jersey Finance Limited and Ensco Incorporated (former subsidiaries of the Company). These claims rank as unsecured claims in the administration. There is no prospect of a distribution to the unsecured creditors (Section 3 – Outcome for creditors).
- Following our application to Court, a hearing took place on 24 April 2023 where the Court granted an order to end the administration and move the Company to Liquidation. The Company was subsequently placed into Liquidation on 24 April 2023. We therefore ceased to act as Joint Administrators on 24 April 2023 and will be discharged from liability in respect of any actions of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.
- Please note you should read this progress report in conjunction with our previous progress reports and the Joint Administrators’ statement of proposals (“Proposals”) which were issued to the Company’s creditors and are available on the Portal.

- Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT. Currency values included within this document are reported in United States Dollar (“\$”).

A handwritten signature in black ink, appearing to read 'Jonny Marston', with a stylized flourish extending to the right.

Jonny Marston
Former Joint Administrator and Joint Liquidator

2 Strategy and outcome of the administration

This section provides a final update on the administration. It follows the information provided in our Proposals and previous progress reports.

2.1 Strategy and outcome

2.1.1 Sale of business

Shortly following our appointment as administrators on 30 April 2021, we implemented a pre-packaged transaction, comprising three interrelated steps (the “UK Transaction”) which transferred or released substantially all assets and liabilities of the Company. This resulted in the release of unsecured actual and contingent liabilities owed by the Company, exceeding \$7.3 billion (including accrued interest). Full details of the UK Transaction can be found in Appendix 5 of our Proposals.

2.1.2 HMRC tax enquiry

As noted in our last progress report, we received a notification from HMRC that it had opened an enquiry into the pre-appointment tax affairs of the Company and certain of its former subsidiary companies. As a result of this enquiry, we are unable to seek tax clearance from HMRC until such time that the enquiry position has been resolved.

Given the above, and in order to minimise the costs associated with extending the Company’s administration, we applied to Court to seek to exit the administration via a conversion to Liquidation. This approach will ensure that the residual matters are dealt with in the most efficient manner for all parties.

Following our application to Court, a hearing took place on 24 April 2023 where the Court granted an order to end the administration and move the Company to Liquidation. The Company was subsequently placed into Liquidation on 24 April 2023.

We will remain in office, as Joint Liquidators, to liaise with Newco and resolve HMRC’s tax enquiry. Once HMRC’s enquiry has concluded, we will take steps to conclude the liquidation, via dissolution of the Company.

2.1.3 Exit route

On 24 April 2023, the Company was placed into Liquidation.

We ceased to act as Joint Administrators on 24 April 2023 and will be discharged from liability in respect of any actions of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

2.1.4 Funding

Following the UK Transaction, the Company had no assets from which to fund the costs of the administration. Accordingly, we negotiated a funding arrangement whereby Newco provided funding to meet the costs and expenses of the administration (the “OF Funding Loan”). In addition, there was the provision for additional funding to be drawn upon in specific circumstances, if necessary. Further details of this are provided in our Proposals.

The OF Funding Loan was held in the administration bank account, as detailed in our previous reports.

As set out in the attached receipts and payments account, £1.0m of the OF Funding Loan was returned to Newco, in a prior period of the administration. The remaining balance has been utilised to settle the costs and expenses of the administration.

Following the utilisation of the OF Funding Loan, it has been necessary to secure third party funding to meet the incurred and future costs of the Liquidation. This third party funding has been negotiated during the period of this report.

Certain costs incurred during the administration (including Joint Administrators' fees and legal fees) remain unpaid. Any such outstanding costs will be paid during the Liquidation from the third party funding noted above.

2.2 Asset realisations

Realisations during the administration are set out in the attached receipts and payments account (Appendix 3).

The only asset realisation during the period was bank interest, with a total of £909 received in the reporting period.

Other significant realisations during the administration are detailed in our previous progress reports.

2.2.1 Investigations

We have reviewed the affairs of the Company to identify any actions that can be taken against third parties to increase recoveries for creditors. No such causes of action have been identified during the administration.

2.3 Expenses

2.3.1 Payments

Payments made during the administration are set out in the attached receipts and payments account (Appendix 3).

A summary of the most significant payment made during the period is provided below. Other significant payments made during the administration are detailed in our previous progress reports.

Post-appointment Legal Fees – Slaughter and May

Post-appointment legal fees of \$136,023 have been paid to Slaughter and May during the period, in respect of assistance with ad-hoc legal matters, including the preparation of the Court application to convert the administration to Liquidation.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

Post-appointment Legal Fees – Slaughter and May

During the period, Slaughter and May has continued to provide assistance with ad-hoc legal matters arising following completion of the UK Transaction.

Fees and disbursements totalling \$231,444 have been incurred by Slaughter and May during the period. We anticipate further legal fees and disbursements being incurred by Slaughter and May in relation to ongoing legal advice and the conversion of the administration to Liquidation.

Irrecoverable VAT

As detailed in our previous reports, as we are unable to re-register the Company for VAT purposes, any input VAT incurred on expenses of the administration is irrecoverable.

During the period, a total of \$75,779 in irrecoverable VAT has been incurred.

3 Outcome for creditors

3.1 Secured creditors

As detailed in our Proposals, we are not aware of there being any outstanding secured claims against the Company.

3.2 Preferential creditors

As detailed in our Proposals, the Company was the holding entity of all its subsidiaries and affiliates (together, the "Former Group") and had no employees as at the date of appointment. On this basis, we are not aware of any ordinary preferential claims against the Company.

We are not aware of any amounts owed to HMRC that would rank as secondary preferential claims.

3.3 Unsecured creditors

As detailed in our Proposals, the Company's trade creditors have all transferred to, and will be satisfied by the go-forward Valaris Group, as part of the UK Transaction. Following the UK Transaction, all intercompany payables were either assumed by an entity within the go-forward Valaris Group, or released, with the exception of two intercompany payables:

- an amount of approximately \$850 million due to Ensco Jersey finance Limited; and
- an amount of approximately \$192 million due to Ensco Incorporated.

These balances rank as unsecured claims in the administration.

As substantially all assets and liabilities of the Company were transferred or released, as part of the UK Transaction, we do not anticipate any further asset realisations. Consequently, based on current estimates, there are insufficient funds to enable a distribution to be made to unsecured creditors.

4 Joint Administrators' remuneration, category 2 expenses

4.1 Joint Administrators' remuneration and category 2 expenses

4.1.1 Basis of remuneration and category 2 expenses

During the administration, the Company's unsecured creditors have provided approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate and charge-out rates provided to creditors;
- category 2 expenses (as defined in Statement of Insolvency Practice 9 and disclosed to creditors) will be paid as an expense of the estate, including disbursements paid directly by A&M and charged in accordance with our charging policy as set out in Appendix 4; and
- unpaid pre-administration costs will be paid as an expense of the estate.

4.1.2 Time costs

During the period we have incurred time costs of \$147,573. These represent 203 hours at an average rate of \$726 per hour.

From the date of our appointment to 24 April 2023, we have incurred time costs of \$829,738. These represent 1,192 hours at an average rate of \$696 per hour.

4.1.3 Remuneration

During the administration we have drawn remuneration of \$532,543.

Subsequent to this reporting period, a further \$254,010 of Joint Administrators' time costs has been paid from the third party funding referenced in section 4.1.4.

This brings the total remuneration drawn in respect of the administration to \$786,553. We have therefore recovered the time costs approved in our revised fees estimate, in full. As noted in section 4.1.4, we have incurred time costs in excess of this figure during the administration, however, no further administration time costs will be recovered.

4.1.4 Additional information

Fees estimate

Our revised fees estimate was based on the Company's administration being converted to Liquidation in January 2023. However, the move to Liquidation has taken longer and involved a greater level of time costs than we had originally anticipated, resulting in us exceeding our revised fees estimate of \$786,553 during the administration.

Expenses estimate

The expenses incurred during the administration have exceeded our original expenses

estimate of \$215,659. This still remains the case, for the same reasons previously reported, but primarily due to the extended duration of the administration.

Liquidation fees and expenses

In accordance with legislation, as the former Joint Administrators have been appointed as Joint Liquidators, the basis of our remuneration which was fixed for the administration is treated as being fixed for the Liquidation, i.e. on the basis of time properly given by us and the various grades of our staff.

However, we will need to seek approval from the Company's creditors during the Liquidation for our liquidation fees estimate and category 2 expenses (as defined in SIP 9). We will provide creditors with our liquidation fees and expenses estimate in due course.

Time spent and charging policy

We have attached at Appendix 4 an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Alvarez & Marsal Europe LLP for the period of this report. We have also attached our charging policy.

Appendix 1 – Statutory information

Company information

Company name	Valaris PLC
Date of incorporation	18 September 2009
Company registration number	07023598
Present registered office	Suite 3 Regency House, 91 Western Road, Brighton, BN1 2NW

Administration information

Administration appointment	The administration appointment granted in the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD), CR-2021-000772
Appointor	The Court on the application of the directors of the Company
Date of appointment	30 April 2021
Joint Administrators	Jonathan Charles Marston and Mark Granville Firmin
Joint Administrators' contact details:	Address: Suite 3, Regency House, 91 Western Road, Brighton BN1 2NW Tel: 0113 360 6700 Email: INS_VALARP@alvarezandmarsal.com
Functions	The functions of the Joint Administrators have been exercised by them individually or together in accordance with Paragraph 100(2)
Administration end date	24 April 2023

Appendix 2 – Summary of our Proposals

	Summary of our Proposals	Major amendments to, or deviations from, our Proposals
Strategy and asset realisation	<p>The strategy of the administration was to implement the UK Transaction (as agreed in the Fourth Plan and confirmed in the US Bankruptcy Court)</p> <p>The overall financial benefit for the Company from entering into the UK Transaction was the release of unsecured actual and contingent liabilities owed by the Company exceeding \$7.3 billion.</p> <p>Our subsequent strategy was to wind down the Company in an orderly fashion and in accordance with the purpose of the administration.</p>	<p>The Company has now been placed into Liquidation in order to resolve HMRC's tax enquiry.</p> <p>Once this has been concluded, we will be taking steps to wind down the Company in an orderly fashion, via its dissolution.</p> <p>On this basis, we do not consider there to have been any major amendments to, or deviations from, our Proposals.</p>
Primary objective of the administration	Pursuing the statutory objective of Paragraph 3(1)(b), which is to 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).	No major amendments to, or deviations from, our Proposals.
Investigations	Assessing the affairs of the Company in order to review and report upon the conduct of the directors.	No major amendments to, or deviations from, our Proposals.
Secured creditors	At the time our Proposals were issued, we were not aware of there being any secured claims against the Company.	No major amendments to, or deviations from, our Proposals.
Preferential creditors	At the time our Proposals were issued, we were not aware of there being any preferential claims against the Company.	No major amendments to, or deviations from, our Proposals.
Unsecured creditors	At the time our Proposals were issued, there was no prospect of a dividend being paid to the Company's unsecured creditors.	No major amendments to, or deviations from, our Proposals.
Exit route	At the time of issuing the proposals the most likely exit route was anticipated to be via dissolution of the Company however alternative exit routes were outlined in our Proposals, in the event dissolution was not deemed to be an appropriate exit route strategy.	<p>Petitioning the Court for a winding-up order and placing the Company into Liquidation was a potential exit route summarised in our Proposals.</p> <p>On this basis, we do not consider there to have been any major amendments to, or deviations from, our Proposals.</p>

	Summary of our Proposals	Major amendments to, or deviations from, our Proposals
Discharge from liability	We proposed to seek approval from the Court that we would receive our discharge from liability upon filing our receipts and payments account with the Registrar.	No major amendments to, or deviations from, our Proposals.
Approval of Proposals	We intended to seek approval of our Proposals via deemed approval.	No major amendments to, or deviations from, our Proposals.
Basis of remuneration	We proposed to seek approval from the unsecured creditors that our remuneration would be drawn on the basis of time properly given by us and the various grades of our staff in accordance with our fees estimate.	No major amendments to, or deviations from, our Proposals.

Appendix 3 – Receipts and payments account

Valaris Plc
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs USD	From 30/10/2022 To 24/04/2023 USD	From 30/04/2021 To 24/04/2023 USD
OTHER REALISATIONS		
Bank Interest	908.85	1,893.11
OF Funding Loan	NIL	2,000,000.00
	908.85	2,001,893.11
COST OF REALISATIONS		
Administrators' Disbursements		
Post-appointment Administrators' Disbursements	NIL	2,290.25
Administrators' Fees		
Post-appointment Administrators' Fees	NIL	532,542.50
Agents/Valuers Fees/Disbursements		
Pre-administration Agents/Valuers Fees	NIL	33,000.00
Bank Charges	21.19	332.53
Contractor Costs		
Post-appointment Contractor Costs	NIL	6,218.24
Irrecoverable VAT	27,204.53	161,358.47
Legal Fees/Disbursements		
Post-appointment Legal Fees	136,022.69	253,049.04
Post-appointment Legal Disbursements	NIL	12,542.32
Repayment of OF Funding Loan	NIL	1,000,000.00
Specific Bond	NIL	280.48
Statutory Advertising	NIL	279.28
	(163,248.41)	(2,001,893.11)
UNSECURED CREDITORS		
(1,055,806,225.00) Intercompany - Remaining creditors	NIL	NIL
	NIL	NIL
(1,055,806,225.00)	(162,339.56)	0.00
REPRESENTED BY		
		NIL

Please note that funds have been held in an interest-bearing United States dollar (\$ USD) bank account throughout the administration, on trust for Newco.

The above receipts and payments account excludes costs paid from funding, which was provided outside of the administration estate by a third party.

As detailed above and as outlined in section 2.1, as there is no residual OF Funding Loan held in the estate, the outstanding costs of the administration and future costs of the Liquidation are to be met from funding, which has been provided outside of the Liquidation estate by a third party.

Appendix 4 – Schedule of expenses

A3.1 Schedule of expenses

Schedule of expenses for the period from 30 October 2022 to 24 April 2023	
Category	Incurred in the period (USD)
Joint Administrators' disbursements	2.89
Legal fees	226,007.89
Legal disbursements	5,435.71
Bank charges	21.19
Irrecoverable VAT	75,778.99
Total	307,246.67

In addition, Joint Administrators' fees of \$1,093 have been incurred in the period in relation to the US claim that, as discussed in section 2.1.1 of our previous progress report, has now concluded. These costs have been paid outside the reporting period from funding provided by a third party, which is held outside the estate. These costs have therefore not been included in the schedule of expenses above or our receipts and payments account (Appendix 2).

A3.2 Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Greg Clifford at Alvarez & Marsal Europe LLP, Suite 3, Regency House, 91 Western Road, Brighton, BN1 2NW, or at INS_VALARP@alvarezandmarsal.com.

Appendix 5 – Charging policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT and investigations by A&M in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (USD/hour) for: Restructuring

Grade	From 30 April 2021
Managing Director	1,175
Senior Director	825
Director	725
Associate Director	700
Senior Associate	675
Associate	575
Analyst	475
Support	400

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the insolvency appointment. In our next report, we will inform creditors of any material amendments to these rates.

A copy of "Administration: A Guide for Creditors on Insolvency Practitioner Fees" from SIP 9 produced by the Association of Business Recovery Professionals is available via the Portal.

If you are unable to access this guide and would like a copy, please contact Greg Clifford at INS_VALARP@alvarezandmarsal.com.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover disbursements falling into both category 1 and category 2 expenses from the estate. For the avoidance of doubt, such disbursements are defined within SIP 9 as payments which are first met by the office holder, and then reimbursed to the office holder from the estate. These are divided in SIP 9 as follows:

- *Disbursements within category 1 expenses:* These are payments which do not have any element of shared costs and are made to persons who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.
- *Disbursements within category 2 expenses:* These are payments to associates or which have an element of shared costs. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Disbursements within category 2 expenses charged by A&M include mileage at a rate of 45p per mile. When carrying an A&M passenger, no additional cost per passenger will be charged.

We have the authority to pay disbursements falling within category 1 expenses without the need for any prior approval from the creditors of the Company.

Disbursements falling within category 2 expenses have been approved in the same manner as our remuneration.

Disbursements falling within category 1 expenses:

Nature of disbursement	Amounts incurred in the period (£)	Amounts paid in the period (£)
Search fees	2.89	2.89
Total	2.89	2.89

Disbursements falling within category 2 expenses:

No disbursements falling within category 2 expenses have been incurred or paid during the period.

Our time cost summary in accordance with SIP 9

Please refer to the tables below for a detailed breakdown and narrative of our time costs to 24 April 2023 in accordance with SIP 9.

Valaris Plc - in administration

Time costs for the period 30 October 2022 to 24 April 2023

Classification of Work Function	Hours	Time cost (USD)	Average Hourly Rate (USD)
Engagement Control	10.70	7,535.00	704.21
Appointment & Risk	2.20	1,805.00	820.45
Reports, Decision Making & Remuneration	61.20	41,390.00	676.31
Correspondence & Statutory Filing	7.00	5,847.50	835.36
Costs of Realisation	4.40	2,910.00	661.36
Tax	9.90	7,752.50	783.08
Cashiering	4.00	3,017.50	754.38
Exit Routes & Closure	103.80	77,315.00	744.85
Total time costs – 30 October 2022 to 24 April 2023	203.20	147,572.50	726.24
Brought forward time costs - 30 April 2021 to 29 October 2022	988.90	682,165.00	689.82
Carried forward time costs - 30 April 2021 to 24 April 2023	1,192.10	829,737.50	696.03

SIP 9 narrative for the period from 30 October 2022 to 24 April 2023

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
Engagement control	<ul style="list-style-type: none"> Monitoring and reviewing the administration strategy Briefing our staff on the administration strategy and matters in relation to various work-streams Regular case management and reviewing of process, including regular team update meetings and calls Reviewing and authorising junior staff correspondence and other work Dealing with queries arising during the appointment Reviewing matters affecting the outcome of the administration Allocating and managing staff/case resourcing and budgeting exercises and reviews Liaising with legal advisers regarding the various instructions Complying with internal filing and information recording practices, including documenting strategy decisions 	To ensure appropriate oversight, decision making and overall control of the administration, which will help to progress the case efficiently	No direct financial benefit
Appointment & risk	<ul style="list-style-type: none"> Ensuring ongoing compliance of the case with internal risk policies 	To comply with statutory requirements and protect Company assets	No direct financial benefit
Reports, decision making & remuneration	<ul style="list-style-type: none"> Preparing statutory receipts and payments accounts Drafting and publishing our progress reports Ensuring compliance with all statutory obligations within the relevant timescales Preparing for the creditors' decision relating to our revised fees estimates Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9 Preparing and reviewing the revised fees estimate Seeking approval to our revised fees estimate from the relevant parties 	To comply with statutory requirements and to ensure that creditors are advised of the progress of the administration	No direct financial benefit
Correspondence & statutory filing	<ul style="list-style-type: none"> Uploading information to the Portal Email and telephone correspondence with Company stakeholders regarding the administration process Liaising with Newco and legal advisers regarding the administration's conversion to Liquidation and reviewing draft Court application documents. 	To comply with statutory requirements and to ensure that creditors are advised of the progress of the administration	No direct financial benefit

SIP 9 narrative for the period from 30 October 2022 to 24 April 2023

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
Costs of realisation	<ul style="list-style-type: none"> Providing statutory notifications to the Registrar of Companies, creditors and other stakeholders in regards to the administration and the extension Liaising with third parties regarding costs incurred Reviewing costs incurred to ensure these are recorded accurately Arranging payment of the costs in a timely manner as and when funds allow 	To settle costs of third parties who have facilitated the administration process	No direct financial benefit
Tax	<ul style="list-style-type: none"> Gathering information from the Company's records in relation to the taxation position of the Company Submitting relevant notifications to HMRC Reviewing the Company's pre-appointment corporation tax position Working on tax returns relating to the periods affected by the administration Dealing with post appointment tax compliance Liaising with Newco and other professional advisers regarding the group relief claims and tax compliance matters 	To comply with statutory requirements and ensure mitigation of the tax liabilities / expenses of the administration	Minimising the costs/liabilities of the administration may increase the dividend prospect for creditors
Cashiering	<ul style="list-style-type: none"> Preparing and processing vouchers for the payment of post-appointment invoices Creating remittances and sending payments to settle post-appointment invoices Reconciling post-appointment bank accounts to internal systems Ensuring compliance with appropriate risk management procedures in respect of receipts and payments Arranging for the closure of the administration bank accounts 	To effectively manage funds, receive asset realisations and discharge the costs of the administration	No direct financial benefit
Exit routes & closure	<ul style="list-style-type: none"> Planning and dealing with the closure of the administration, including the conversion to Liquidation Preparing and reviewing draft Court application documents 	In order to comply with statute and bring the administration to a close in a timely manner	No direct financial benefit

SIP 9 narrative for the period from 30 October 2022 to 24 April 2023

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any, financial benefit will the work provide to creditors?
	<ul style="list-style-type: none">▪ Liaising with legal advisors regarding closure matters and the conversion to Liquidation▪ Planning and drafting this final progress report		

Appendix 6 – Glossary

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016 respectively.

Defined Terms	Definition
A&M	Alvarez & Marsal Europe LLP
Chapter 11 Proceedings	The voluntary cases commenced by the Debtors on 19 August 2020 under Chapter 11 of the US Bankruptcy Code
Company	Valaris PLC – in liquidation (formerly in administration)
HMRC	His Majesty's Revenue and Customs (the UK tax authority)
Debtors	The Company and 89 subsidiaries and affiliates, which entered into the Chapter 11 Proceedings on 19 August 2020
Former Group	The Company together with its subsidiaries and affiliates prior to the UK Transaction
Fourth Plan	The Debtor's Fourth Amended Joint Chapter 11 Plan of Reorganisation filed in the US Bankruptcy Court on 6 February 2021 and confirmed by the US Bankruptcy Court on 3 March 2021 [Docket Entry No. 1139]
Joint Administrators/we/our/us	Jonathan Charles Marston and Mark Granville Firmin
Liquidation	Compulsory Liquidation
Newco	Valaris Holdco 2 Limited
OF Funding Loan	The \$2 million in funding provided by Newco, to meet the costs and expenses of the administration
Proposals	The Joint Administrators' statement of proposals, delivered to all known creditors on 14 May 2021
Senior Note Holders	Holders of the Former Group's 15 series of senior unsecured notes, as more particularly described in the Fourth Plan
SIP	Statements of insolvency practice
SIP 9	Payments to insolvency office holders and their associates from an estate
UK Transaction	A transaction, comprising a series of three interrelated steps completed on 30 April 2021, the result of which is that the business and assets of the Company (which now sit beneath Newco) are now ultimately owned by the Revolving Credit Facility Lenders and the Senior Note Holders through shares in Valaris Limited
US Bankruptcy Code	Title 11 of the United States Code, 11 U.S.C. §§ 101–1532
US Bankruptcy Court	US Bankruptcy Court for the Southern District of Texas

Appendix 7 – Notice: About this progress report

This progress report been prepared by Jonathan Marston and Mark Firmin, the former Joint Administrators of Valaris Plc ('the Company'), solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This progress report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

Any estimated outcomes for creditors included in this progress report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this progress report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Jonathan Marston and Mark Firmin are authorised to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agent for the Company without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Alvarez & Marsal Europe LLP does not assume any responsibility and will not accept any liability to any person in respect of this progress report or the conduct of the administration.