

The Insolvency Act 1986

Administrator's progress report

Name of Company Ceona Contracting (UK) Limited (In Administration)	Company number 08447856
In the High Court of Justice, Chancery Division, Companies Court [full name of court]	Court case number 6104 of 2015

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

I / We (a) Alan Michael Hudson, Alan Robert Bloom and Colin Peter Dempster

Ernst & Young LLP, 1 More London Place, London, SE1 2AF

administrator(s) of the above company attach a progress report for the period

from

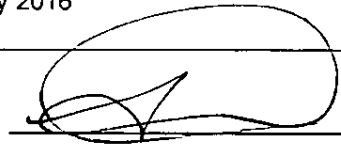
to

(b) Insert date

(b) 2 July 2016

(b) 1 January 2017

Signed



Joint Administrator

Dated

18/1/17

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 will be visible to searchers of the public record.

Josh Robertshaw	
Ernst & Young LLP, 1 More London Place, London SE1 2AF	
	Tel 020 7197 7320
DX Number	DX Exchange

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COMPANIES HOUSE

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Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

TO ALL KNOWN CREDITORS

19 January 2017

Ref AMH/ARB/JB/JR/D16 1
Direct line 020 7197 7320

Josh Robertshaw
JRobertshaw@uk.ey.com

Dear Sirs

Ceona Contracting (UK) Limited - In Administration ("the Company" or "Contracting")

High Court of Justice, Chancery Division, Companies Court, Number 6104 of 2015

Registered office address: C/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF

Registered number: 08447856

I write in accordance with Rule 2.47 of the Insolvency Rules 1986, to provide creditors with a report on the progress of the administration. This report covers the period from 2 July 2016 to 1 January 2017. This report should be read in conjunction with the Joint Administrators' statement of proposals dated 14 December 2015 and the progress reports dated 8 April 2016 and 15 July 2016.

Background

The Company entered administration on 16 September 2015 and Alan Michael Hudson, Alan Robert Bloom and Colin Peter Dempster of Ernst & Young LLP, 1 More London Place, London, SE1 2AF, were appointed to act as Joint Administrators. The appointment was made by the directors of the Company under the provisions of paragraph 22 of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be done by any of them.

On the same date, Alan Michael Hudson, Alan Robert Bloom and Colin Peter Dempster were also appointed Joint Administrators over the following related entities, with Ceona Holding Limited ("Holding") being the parent entity:

- Holding,
- Ceona Equipment Limited ("Equipment")
- Ceona Chartering Limited ("Chartering"),
- Ceona Services (UK) Limited ("Services (UK)"),
- Ceona Crewing Limited ("Crewing"),
- Ceona Investments Limited ("Investments"),
- Ceona Ship 1 Limited ("Ship 1"), and

- Ceona Ship Holdings Limited (Ship Holdings)

The Company was involved in the tendering process for pipe lay projects. If the Group was successful in winning a tender the Company would contract with the relevant counterparty for the provision of the Group's services.

TSA's (Transitional Service Agreements)

As previously reported, the Company entered into a transitional services agreement ("TSA") with Services (UK) to ensure that Services (UK)'s employees were available to provide support with the collection of outstanding debtor balances.

To ensure the creditors of Services (UK) benefit from this arrangement, Services (UK) recharged the Company at cost plus a 5% profit mark up for services provided.

This TSA arrangement has now been discontinued, as no further services are required from Services (UK).

Extensions to the Initial Period of Appointment

On 4 August 2016 the court approved an extension to period of the Administrations for a period of 12 months. Accordingly, the Administrations will expire on 15 September 2017, unless a further extension is granted.

Summary of Progress since Last Report

We previously reported that the Joint Administrators had realised £175,000 of debtor balances which are secured to the Lenders and c£1.9m of debtor balances which are not subject to security.

During the period covered by this report, we have realised a further c£726,000 of debtor balances which are not subject to security.

In addition, £18,091 has been realised in respect of foreign exchange gains on the transfer of funds between accounts, and £2,692 has been realised in respect of bank interest.

Remaining Assets

The Joint Administrators continue to pursue the outstanding amounts due in relation to the receivables balances which are not subject to lender security.

In addition, the Company

- has c £2m held in a Nigerian bank account in Nigerian currency (Naira). The Joint Administrators are seeking to transfer this cash into a UK bank account. This has been a lengthy process due to registration requirements and the lack of availability of US dollars within Nigeria, and
- has receivables balances due from various entities within the Ceona Group. The amount realised in respect of these balances will be dependent upon the outcome of the various Administration processes.

Receipts and Payments Account

A receipts and payments account for the period from 16 September 2015 to 1 January 2017 is attached at Appendix 2. This does not reflect estimated future realisations or costs.

Receipts reflect the asset realisations discussed above

Payments reflect

- Amounts paid to Services UK in relation to the finalisation of the TSA, and
- Amounts paid to the Administrators and their legal advisors

Joint Administrators' Remuneration and Expenses

The statutory provisions relating to remuneration are set out in Rule 2 106 of the Insolvency Rules 1986. 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 Insolvency Practitioners Association at <http://www.insolvency-practitioners.org.uk> (follow 'Regulation and Guidance' then 'Creditors' Guides to Fees' then 'Administrators Fees (November 2011)'), or is available in hard copy upon written request to the Joint Administrators.

The Joint Administrators' remuneration has been fixed by reference to the time properly spent by the Administrators and their staff in attending to matters arising in the Administration by a resolution of the creditors passed on 22 December 2015.

During the period covered by this report, the Joint Administrators have incurred time costs of £46,459. Fees of £41,054 have been drawn in the period, which partly relate to the prior period.

Total time costs incurred from the date of administration to 1 January 2017 are £271,151, against which £258,882 has been drawn to date.

An analysis of the time spent is attached as Appendix 3 to this report. At Appendix 4 there is a statement of the Joint Administrators' policy in relation to charging time and disbursements.

Disbursements incurred during the period covered by this report are £161. To date, the sum of £3,097 has been incurred in respect of disbursements and the sum of £2,970 has been drawn.

The total disbursements can be summarised as follows:

	15 September 2015 to 15 March 2016	16 March 2016 to 1 July 2016	2 July 2016 to 1 January 2017	Total
Courier	-	-	34 00	34 00
Exchange / Bank Charges	-	30 00	-	30 00
Mass Transit. Ground Trans	-	369 00	-	369.00
Office Supplies	-	5 00	-	5.00
Registration fees	-	30 60	-	30.60
Printing	1,555 61	-	116 08	1,671.69
Statutory duties	853 33	-	-	853 33
Tax Ground Trans	-	126 80	11 05	137.85
Total	2,408 94	561.40	161.13	3,097.47



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In certain circumstances, creditors are entitled to request further information regarding the Administrators' remuneration or expenses, or to apply to court on the grounds that the costs are considered to be excessive (Rules 2.48A and 2.109 of the Insolvency Rules 1986). Further information is provided in Appendix 5.

Secured Creditors

There are no secured or preferential creditors of the Company. However, as stated above, Ceona's lenders have security over certain of the Company's receivables balances.

Non-preferential Creditors

We currently estimate that the Company has unsecured creditors of £125m, including intercompany claims and a guarantee claim in respect of funding provided by the Ceona Group's secured lenders to Ship 1.

To date we have received unsecured claims to the value of £7.4m, and we have knowledge of intercompany claims of £1.0m. The value of the guarantee claim from the lenders to the Ceona Group will be dependent upon the value realised for assets in the Administration of Ship 1.

We believe that there may be a distribution to unsecured creditors however we are unable to confirm the timing or quantum of such distribution.

If you have not already done so, please ensure that you have submitted a proof of debt claim form and all necessary backing information in order for us to be able to adjudicate your claim for dividend purposes.

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

AM Hudson
Joint Administrator

Enc Joint Administrators' Receipts and Payments Account
 Summary of Joint Administrators' Time-Costs and Category 2 Disbursements
 Joint Administrators' Policy on Fees and Disbursements
 Form 2.24B

Alan Robert Bloom is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales. Alan Michael Hudson is licensed in the United Kingdom to act as an insolvency practitioner by The Association of Chartered Certified Accountants and Colin Peter Dempster is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Company are being managed by the Joint Administrators, A.R. Bloom and A.M. Hudson and C.P. Dempster, 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

Statutory Information

Company Information

Company Name	Ceona Contracting (UK) Limited
Registered Office Address	C/o EY LLP, One More London Place, London, SE1 2AF
Registered Number	08447856
Trading Name	n/a
Trading Address	3 Shortlands, London, W6 8DA

Details of the Joint Administrators and of their appointment

Joint Administrators Alan Michael Hudson, Alan Robert Bloom and Colin Peter Dempster

Date of Appointment 16 September 2015

By Whom Appointed The appointment was made by the Directors

Court Reference High Court of Justice, 6104 of 2015

Any of the functions to be performed or powers exercisable by the Joint Administrators may be exercised by any one of them acting alone or by any or all of them acting jointly

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

Share capital

Class	Authorised		Issued and fully paid	
	Number	\$	Number	\$
Ordinary Shares	1	1	1	1

Directors and secretary and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Anthony Richard Tanner	Secretary	1 October 2014	-	-
Stuart Ian Cameron	Director	15 March 2013	25 September 2015	-
Mark Alfred Preece	Director	26 September 2013	25 September 2015	-
Johan Rasmussen	Director	15 March 2013	-	-
Michael Anthony De Rhune	Director	1 September 2013	9 January 2015	-
Stuart Robert Jackson	Director	15 March 2013	20 August 2013	-
Matthias Ploch	Director	12 January 2015	29 July 2015	-
Stephen John Preston	Director	15 March 2012	11 June 2015	-

Appendix 2

Joint Administrators' Abstract of Receipts and Payments from 16 September 2015 to 1 July 2016

	Period from 16 September 2015 to 1 July 2016	Period from 2 July 2016 to 1 January 2017	Period from 16 September 2015 to 1 January 2017	
	Total (£)	Fixed charge Items (£)	Floating charge Items (£)	Total (£)
Receipts				
Sale of plant and machinery	1,500 00	-	-	1,500 00
Cash on appointment	1,977,542 47	-	-	1,977,542 47
Intercompany debt repayments	8,969 00	-	-	8,969 00
Debtor realisations	2,079,462 35	-	726,000 00	2,805,462 35
VAT payable	-	-	-	-
Pre-appointment VAT refund	6,444 20	-	-	6,444 20
Foreign exchange gain	11,483 54	-	18,091 10	29,574 64
Bank interest	1,237 91	-	2,692 20	3,930 11
Total receipts	4,086,639 48	-	746,783 30	4,833,422 78
Payments				
TSA invoices - cost element	191,910 21	-	58,104 50	250,014 71
TSA invoices - profit element	9,681 13	-	2,905 22	12,586 35
Secured creditors	157,507 16	-	-	157,507 16
Debt collection costs	1,712 00	-	-	1,712 00
Bank charges	1,421 25	-	57 08	1,478 33
Legal fees	-	-	6,238 53	6,238 53
Legal expenses	-	-	1,371 00	1,371 00
Administrators' fees	217,828 00	-	41,054 00	258,882 00
Administrators' expenses	2,408 94	-	561 40	2,970 34
Tax fees	5,153 20	-	-	5,153 20
VAT receivable	18,788 23	-	(15,252 27)	3,535 96
Total payments	606,410 12	-	95,039 46	701,449 57
Funding held	3,480,229 36	-	651,743 84	4,131,973 20
Represented by				
GBP Account				78,530 73
EUR account converted at 0 91				912 78
USD account converted at 0 67				4,052,529 69
				4,131,973 20

Notes

1 Receipts and payments are stated net of VAT

Appendix 3

Summary of Joint Administrators' Time-Costs from 16 September 2015 to 1 January 2017

Hours	Exec Director / Assistant Senior						Total Time cost	
	Partner	Director	Director	Executive	Executive	Analyst	hours	(£)
Accounting & Administration	-	4.8	0.5	36.7	97.2	12.2	151.4	48,380
Bank & Statutory Reporting	0.5	11.6	1.7	1.8	35.6	11.0	62.2	21,040
Creditors	0.5	3.7	3.0	1.8	0.4	30.7	40.1	12,721
Debtors	7.0	10.0	8.0	193.1	93.3	33.4	344.8	125,030
General	-	-	-	-	4.8	2.0	6.8	1,915
Immediate Tasks	-	-	-	-	3.0	1.8	4.8	1,342
Investigations & CDDA	-	-	-	-	-	5.8	5.8	1,531
Job Acceptance & Strategy	0.5	-	-	-	1.0	-	1.5	603
Other Assets	-	-	-	13.6	15.5	14.2	43.3	13,546
Other Matters	1.0	-	-	-	-	-	1.0	627
Out of scope	0.5	-	-	1.1	-	-	1.6	744
Retention of Title	0.5	-	-	-	-	-	0.5	314
Statutory Duties	-	0.2	6.8	5.8	48.0	50.4	111.2	33,158
Trading	-	-	-	-	2.7	-	2.7	780
VAT & Taxation	-	1.0	-	7.9	16.3	4.2	29.4	9,419
Total hours	10.5	31.3	20.0	261.8	317.8	165.7	807.1	807.1
Total time cost (£)	6,584	15,994	10,620	102,364	91,844	43,745	£271,151	£271,151
Agreed hourly rate	627	511	531	391	289	264		

Appendix 4

Office Holders' Charging Policy for Fees

The Creditors have determined that the Administrators' remuneration should be fixed on the basis of time properly spent by the Joint Administrators and their staff in attending to matters arising in the Administration

The Joint Administrators have engaged a manager and other staff to work on the cases. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Administrators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown in Appendix 3, as are the current hourly rates used. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report. Time is recorded in units of six minutes.

Charge out rates

Grade	Charge out rate per hour (£) (post 1 July 2015)	Charge out rate (£) (post 1 July 2016)	Agreed hourly rate (£)
Partner	940	985	627
Director	765	805	511
Assistant Director	655	670	531
Senior Executive	485	510	391
Executive	355	375	289
Analyst	325	340	264

Office Holders' Charging Policy for Disbursements

Statement of Insolvency Practice No 9 ("SIP 9") published by R3 (The Association of Business Recovery Professionals) divides disbursements into two categories

Category 1 disbursements comprise payments made by the office holders' firm, which comprise specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. These disbursements can be paid from the insolvent's assets without approval from the Committee. In line with SIP 9, it is our policy to disclose such disbursements drawn but not to seek approval for their payment.

Category 2 disbursements comprise payments made by the office holders' firm which include elements of shared or overhead costs. Such disbursements are subject to approval from the creditors as if they were remuneration. It is our policy, in line with SIP 9, to seek approval for this category of disbursement before they are drawn.

Appendix 5

Creditors' request for further information regarding an administrators' remuneration or expenses – Rule 2.48A, Insolvency Rules 1986

- 1) If-
 - (a) within 21 days of receipt of a progress report under Rule 2 47-
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,
makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either-
 - (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that-
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of-
 - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just "

Creditors' claim that remuneration is excessive – extract from Rule 2.109 of the Insolvency Rules 1986

- "(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that—
- (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
 - (c) expenses incurred by the administrator,
- is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report") "