

AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



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26/07/2017

#320

COMPANIES HOUSE

1 Company details

Company number 0 8 4 4 7 8 5 6

Company name in full CEONA CONTRACTING (UK) LIMITED (IN ADMINISTRATION)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Alan Michael

Surname Hudson

3 Administrator's address

Building name/number Ernst & Young LLP

Street 1
More London Place

Post town

County/Region London

Postcode S E 1 2 A F

Country United Kingdom

4 Administrator's name ^①

Full forename(s) Alan Robert

Surname Bloom

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ^②

Building name/number Ernst & Young LLP

Street 1
More London Place

Post town

County/Region London

Postcode S E 1 2 A F

Country

② Other administrator

Use this section to tell us about
another administrator.

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6 Period of progress report

From date	d	0	d	2	m	0	m	1	y	2	y	0	y	1	y	7
To date	d	0	d	1	m	0	m	7	y	2	y	0	y	1	y	7

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	2	d	1	m	0	m	7	y	2	y	0	y	1	y	7
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Notice of administrator's progress report



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	Josh Robertshaw
Company name	Ernst & Young LLP
Address	1 More London Place
Post town	London
County/Region	
Postcode	S E 1 2 A F
Country	
DX	
Telephone	020 7197 7320



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 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



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

Tel 020 7951 2000
Fax 020 7951 1345
www.ey.com/uk

TO ALL KNOWN CREDITORS

21 July 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 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the administration. This report covers the period from 2 January 2017 to 1 July 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, 15 July 2016 and 19 January 2017.

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 (UK) Limited ("Chartering");
- Ceona Services (UK) Limited ("Services (UK)");
- Ceona Crewing Limited ("Crewing");
- Ceona Investments Limited ("Investments");



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- 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.

Extensions to the Initial Period of Appointment and pending court applications

As previously reported, on 4 August 2016 the court approved an extension to the period of the Administrations for a period of 12 months to 16 September 2017. As we do not believe that the Administration will be concluded before this date, we are currently in the process of preparing an application to Court to extend the Administration by a further year. This is to allow the receipt of distributions from Group companies, and subject to Court's permission, a distribution to unsecured creditors. Should any creditor wish to object to the extensions of the Administration, I would ask they do so in writing to the Company, c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF, by no later than 11 August 2017.

The Joint Administrators are also in the process of submitting an application to Court to allow a distribution to be made to unsecured creditors. This application will be made on behalf of the Company, Services, Chartering and Investments.

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£2.6m of debtor balances which are not subject to security.

During the period covered by this report, we have realised a further \$50,000 of debtor balances which are not subject to security. The Joint Administrators remain in negotiations with the remaining outstanding debtor and expect additional realisations in the future. These realisations are not subject to lender security.

As previously reported, the Company held c£2m at the date of appointment in a Nigerian bank account in Nigerian currency (Naira). The Joint Administrators have continued to attempt to transfer this cash into the Company's UK bank account. However, this is a lengthy process due to the Nigerian Government approvals required and the foreign exchange controls currently operated in Nigeria.

The Joint Administrators successfully repatriated \$100k of these funds to the UK in June and since the period of this report have repatriated a further c\$250k. The Joint Administrators continue to attempt to repatriate further funds to the UK however the amount received is dependent on foreign exchange controls in Nigeria and therefore the quantum and timing of future realisations is uncertain.

The Company also has receivable balances due from various entities within the Ceona Group. The amount realised in respect of some of these balances will be dependent upon the outcome of the various Administration processes.



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In addition, c£6,858 has been realised in respect of foreign exchange gains on the transfer of funds between accounts, and £9,413 has been realised in respect of bank interest.

Receipts and Payments Account

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

Joint Administrators' Remuneration and Expenses

The statutory provisions relating to remuneration are set out in Rule 18.16 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 at <https://www.icaew.com/en/technical/insolvency/creditors-guides> 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 £40,823. Fees of £45,607 have been drawn in the period, which partly relate to the prior period.

Total time costs incurred from the date of administration to 1 July 2017 are £311,974, against which £304,489 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 £642.74. To date, the sum of £3,774.21 has been incurred in respect of disbursements and the sum of £3,131.47 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	2 January 2017 to 1 July 2017	Total
Courier/Postage	-	-	34.00	119.31	153.31
Exchange / Bank Charges	-	30.00	-	-	30.00
Mass Transit: Ground Trans	-	369.00	-	-	369.00
Office Supplies	-	5.00	-	1.05	6.05
Registration fees	-	30.60	-	-	30.60
Printing	1,555.61	-	116.08	522.38	2,194.07
Statutory duties	853.33	-	-	-	853.33
Taxi: Ground Trans	-	126.80	11.05	-	137.85
Total	2,408.94	561.40	161.13	642.74	3,774.21

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



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considered to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). 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 £7.9m, 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 £6.9m, 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 administrations of the related entities.

As discussed above, the Administrators are currently preparing an application to Court in order to allow a dividend to be paid to unsecured creditors. Please therefore ensure that you have submitted a proof of debt claim form and all supporting documentation 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 AM10 – Notice of administrator's progress report (for Companies House only)

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.

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	21 December 2015	-
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 2017

	Period from 16 September 2015 to 1 January 2017	Period from 2 January 2017 to 1 July 2017	Period from 16 September 2015 to 1 July 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	2,805,462.35	-	99,000.00	2,904,462.35
VAT payable	-	-	-	-
Pre-appointment VAT refund	6,444.20	-	-	6,444.20
Foreign exchange gain	29,574.64	-	6,858.40	36,433.04
Bank interest	3,930.11	-	9,413.41	13,343.52
Total receipts	4,833,422.77	-	115,271.81	4,948,694.58
Payments				
TSA invoices - cost element	250,014.71	-	3,927.85	253,942.56
TSA invoices - profit element	12,586.35	-	196.39	12,782.74
Secured creditors	157,507.16	-	-	157,507.16
Debt collection costs	1,712.00	-	-	1,712.00
Bank charges	1,478.33	-	24.54	1,502.87
Professional fees	-	-	1,316.05	1,316.05
Legal fees	6,238.53	-	6,868.44	13,106.97
Legal expenses	1,371.00	-	2,694.15	4,065.15
Administrators' fees	258,882.00	-	45,606.70	304,488.70
Administrators' expenses	2,970.34	-	161.13	3,131.47
Tax fees	5,153.20	-	1,038.00	6,191.20
VAT receivable	3,535.96	-	3,013.45	6,549.41
Total payments	701,449.58	-	64,846.70	766,296.28
Funding held	4,131,973.19	-	50,425.11	4,182,398.30
Represented by				
GBP Account				63,787.03
EUR account converted at 0.91				902.13
USD account converted at 0.67				4,117,709.15
				4,182,398.30

Notes

1. Receipts and payments are stated net of VAT.

Appendix 3

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

Classification of work function	Partner	Director	Assistant Director	Senior Executive	Executive	Analyst	Total hours	Time cost (£)
Accounting & Administration	-	5.8	0.7	42.0	114.9	33.7	197.1	61,860
Bank & Statutory Reporting	0.5	12.6	1.7	1.8	35.6	11.0	63.2	21,551
Creditors	0.5	8.7	3.0	9.1	0.4	37.2	58.9	19,847
Debtors	7.0	10.0	8.0	209.2	93.3	49.1	376.6	135,470
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	18.2	47.3	14,602
Other Matters	1.0	-	-	6.8	-	0.5	8.3	3,418
Out of scope	0.5	-	-	1.1	-	-	1.6	744
Retention of Title	0.5	-	-	-	-	-	0.5	314
Statutory Duties	-	0.7	6.8	7.5	48.0	55.7	118.7	35,478
Trading	-	-	-	-	2.7	-	2.7	780
VAT & Taxation	-	1.0	-	13.6	16.3	7.5	38.4	12,519
Total hours	10.5	38.8	20.2	304.7	335.5	222.5	932.2	932.2
Total time cost (£)	6,584	19,827	10,726	119,138	96,960	58,740	£311,974	£311,974
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)	Charge out rate (£) (post 1 July 2017)	Agreed hourly rate (£)
Partner	940	985	1,035	627
Director	765	805	845	511
Assistant Director	655	670	705	531
Senior Executive	485	510	535	391
Executive	355	375	395	289
Analyst	325	340	355	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.

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
- (d) any unsecured creditor with the permission of the court; or
- (e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person, or persons who requested the information by—

- (a) providing all of the information requested;
- (b) providing some of the information requested; or
- (c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

- (a) the office-holder giving reasons for not providing all of the information requested; or
- (b) the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—

- (a) a secured creditor,
- (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
- (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the

members having the right to vote at general meetings of the company, or
(ii) a member of the company with the permission of the court.

- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")