

The Insolvency Act 1986

Administrator's progress report

Name of Company

Ceona Ship 1 Limited

Company number

08447952

In the

High Court of Justice, Chancery Division, Companies Court

[full name of court]

Court case number

6101 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 DempsterErnst & 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) 16 September 2015

(b) 15 March 2016

Signed

Joint Administrator

Dated

6.4.16

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

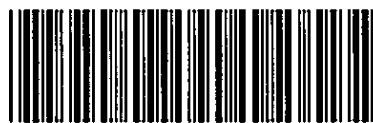
Ernst & Young LLP, 1 More London Place, London SE1 2AF

Tel 020 7197 7320

DX Number

DX Exchange

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COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

TO ALL KNOWN CREDITORS

8 April 2016

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

Josh Robertshaw
JRobertshaw@uk.ey.com

Dear Sirs

**Ceona Ship 1 Limited - In Administration ("Ship 1")
Ceona Ship Holdings Limited - In Administration ("Ship Holdings")
(together "the Companies")**

I write in accordance with Rule 2.47 of the Insolvency Rules 1986, to provide creditors with our first report on the progress of the above administrations. This report covers the period from 16 September 2015 to 15 March 2016 and should be read in conjunction with the Joint Administrators' statements of proposals dated 14 December 2015.

The Companies 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 Services (UK) Limited ("Services (UK)"),
- Ceona Chartering Limited ("Chartering"),
- Ceona Contracting Limited ("Contracting"),
- Ceona Crewing Limited ("Crewing"),
- Ceona Investments Limited ("Investments"), and
- Ceona Equipment Limited ("Equipment")

Ship 1 operated as the key contracting entity for the construction of the Ceona Amazon. This vessel was the principal asset of Ship 1 at the date of appointment. The funding required to construct the Ceona Amazon was principally provided by various Dutch and German banks ("the Lenders"). Accordingly, the Lenders hold fixed charge security over the Amazon and are entitled to the proceeds of any sale.

Ship Holdings was a holding company, with the sole assets being its 100% shareholdings in Ship 1 and Equipment. The Lenders hold security over these shares and will be entitled to the proceeds of any sale.

TSA's (Transitional Service Agreements)

Immediately on appointment, the Joint Administrators of Ship 1 entered into a transitional services agreement ("TSA") with Services (UK) to ensure that Services (UK)'s employees were available to provide support with the sale of the Amazon.

To ensure the creditors of Services (UK) benefit from this arrangement, the Joint Administrators of Services (UK) recharge Ship 1 at cost plus a 5% profit mark up for services provided.

Ship Holdings has not entered into any TSA arrangement.

Funding

The Lenders have a fixed charge over the Amazon and a floating charge over the rest of Ship 1's assets and will therefore be entitled to receive the majority of realisations from the Administration.

The Lenders have entered into a funding agreement with the Joint Administrators, whereby the Lenders have agreed to provide funding for the Ship 1 Administration process by providing access to restricted funds which are held subject to Lender security.

The Joint Administrators have drawn down funds from the Lenders to cover the costs of the process, including the costs of the TSA with Services (UK). Any unutilised funds drawn down will be returned to the Lenders at the end of the process and will not be available for distribution to unsecured creditors.

Ship Holdings has not entered into any funding arrangement with the Lenders.

Summary of Progress

Immediately following appointment, the Joint Administrators of Ship 1 invited three international ship brokers to tender for the opportunity to market and sell the Amazon vessel.

Following this tender process, and in consultation with the Group's secured lenders ("Lenders"), the Joint Administrators appointed H Clarkson & Company Limited ("Clarksons") as exclusive broker.

Throughout October, November and December, Clarksons managed a marketing process, contacting both existing market players as well as financial institutions. Several parties visited the vessel to understand its technical capabilities and perform their own due diligence.

Final offers were received from a number of parties on 26 January 2016 and the Joint Administrators, in consultation with Clarksons and the Lenders, are currently in negotiations with these potential buyers with regards to the terms of a sale.

It is currently anticipated that the sale of the Amazon will be completed via an asset sale from Ship 1.

However, the Administration of Ship Holdings provides optionality for a potential share sale of Ship 1 to facilitate the transfer of the Amazon, if this is deemed preferable.

Other Assets

Ship 1 has various inter-Group balances due from Contracting, Holding and Investments. The return in respect of these debtor balances will be dependent upon the outcome of the relevant Administrations.

Ship 1 is entitled to a VAT refund in the sum of £20,448 in relation to the period prior to appointment. This refund is expected to be received shortly.

Ship Holdings has no other assets.

Corporation Tax

The Joint Administrators are preparing the Ship 1 Corporation Tax Returns for the 2014 and 2015 tax years.

Investigations

The Joint Administrators have completed and filed the necessary reports on the directors' conduct as required by the Company Directors Disqualification Act 1986. The content of these returns are confidential.

Receipts and Payments Account

A receipts and payments account for Ship 1 for the period from 16 September 2015 to 15 March 2016 is attached at Appendix 3. This does not reflect estimated future realisations or costs.

Ship 1 has received funding of £7m from the Lenders in relation to TSA costs (£2.2m) and the direct costs of dealing with the vessel (£4.8m).

In addition, the Joint Administrators have received £1,337 in relation to cash held at the date of appointment, £946 in relation to pre-payments and £908 in relation to debt due from Project Development International Ltd.

There have been no receipts or payments in Ship Holdings.

The book values of certain assets as reflected in the Companies' statement of affairs are not shown in the receipts and payment account as these values have been redacted by permission of the court (under a court order dated 11 December 2015).

Joint Administrators' Remuneration and Expenses

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986.

Ship 1

The Joint Administrators' remuneration in Ship 1 has been fixed by the Lenders (as secured creditors) by reference to the time properly spent by the Administrators and their staff in attending to matters arising in the Administration.

During the period covered by this report, the Joint Administrators of Ship 1 have incurred fees of £1,047,018.80 of non-TSA time costs, of which £787,625.02 has been drawn. As shown in the receipts and payments account, the funding to pay this remuneration has been provided by the Lenders under the funding agreement as discussed above.

Ship Holdings

The Joint Administrators' remuneration in Ship Holdings has been fixed by the unsecured creditors by reference to the time properly spent by the Administrators and their staff in attending to matters arising in the Administration. During the period covered by this report, the Joint Administrators of Ship Holdings have incurred fees of £4,497.60. No remuneration has been drawn to date as no funds are available.

An analysis of the time costs incurred in Ship 1 and Ship Holdings is attached as Appendices 4 and 5 to this report. At Appendix 6 there is a statement of the Joint Administrators' policy in relation to charging time and disbursements.

Expenses

In addition, during the period covered by this report, the Joint Administrators of Ship 1 have incurred expenses totalling £23,821.83 plus VAT, of which £14.18 relates to category 2 disbursements. No expenses have been drawn to date.

The expenses can be summarised as follows:

Type of Expense	Total Expense (£)
Airfare	3,836.01
Meals - subsistence	2,347.37
Mobile phone	61.45
Couriers	147.11
Lodging	10,004.37
Train	3,111.36
Other Travel Expenses	12.46
Parking	56.59
Printing	2,676.47
Rental Car	99.23
Bonding	333.80
Taxi	1,121.43
Mileage - category 2	14.18
Grand Total	23,821.83

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.

In certain circumstances, creditors are entitled to request further information regarding the Joint Administrators' remuneration or expenses, or to apply to court on the grounds that the costs are considered to be excessive. Further information is provided in Appendix 7.

Secured Creditors

In Ship 1 the Lenders hold fixed charge security over the Amazon Vessel and are entitled to proceeds of a sale (after costs) The Lenders also hold a debenture and are entitled to any floating charge realisations (after costs and the Prescribed Part)

In Ship Holdings, the Lenders hold security over the shares in Ship 1 and Equipment and are entitled to proceeds of any share sale

Unsecured Creditors

We estimate that Ship 1 has unsecured creditors of £6,478,162 and unsecured claims from other group companies of £23,369,415, as per the directors' statement of affairs

At this stage we are unable to confirm the accuracy of this estimate as claims are still being received

To date we have received unsecured claims to the value of £4,360,404 from unsecured creditors

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 We currently anticipate that any dividend available to unsecured creditors will result from the Prescribed Part (see below)

Ship Holdings has no unsecured creditors, according to the directors' statement of affairs

The Prescribed Part

The Lenders hold a floating charge over Ship 1 and therefore the Prescribed Part applies to this Administration

Current floating charge realisations total £3,193 70 as shown in the receipts and payment account As future floating charge realisations principally comprise receivables due from other group companies, the Joint Administrators are currently uncertain as to the quantum of floating charge realisations which may be available to be set aside for the Prescribed Part

The Prescribed Part does not apply to Ship Holdings

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 Companies



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 – Ship 1

Company Information

Company Name	Ceona Ship 1 Limited
Registered Office Address	C/o EY LLP, One More London Place, London, SE1 2AF
Registered Number	08447952
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

Address EY LLP, One More London Place, London, SE1 2AF

Date of Appointment 16 September 2015

By Whom Appointed The appointment was made by the Directors

Court Reference High Court of Justice, Chancery Division, Companies Court - 6101 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	4	4	4	4

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	11 June 2015	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 Pioch	Director	12 January 2015	29 July 2015	-
Stephen John Preston	Director	15 March 2013	11 June 2015	-

Appendix 2

Statutory information – Ship Holdings

Company Name	Ceona Ship Holdings Limited
Registered Office Address	C/o EY LLP, One More London Place, London, SE1 2AF
Registered Number	08448785
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
Address	EY LLP, One More London Place, London, SE1 2AF
Date of Appointment	16 September 2015
By Whom Appointed	The appointment was made by the Directors
Court Reference	High Court of Justice, Chancery Division, Companies Court - 6107 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	2	2	2	2

Directors and secretary and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Anthony Richard Tanner	Secretary	1 October 2014	-	-
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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 2013	11 June 2015	-

Appendix 3

Ceona Ship 1 Limited (In Administration)

Joint Administrators' Abstract of Receipts and Payments from 16 September 2015 to 15 March 2016

Receipts	TSA Items (£)	Direct items (£)	Floating (£)	Total (£)
Cash on appointment	-	-	1,337 85	1,337 85
Prepayments	-	-	946 61	946 61
Lender funding	2,209,810 44	4,810,183 57	-	7,019,994 01
Intercompany debt collection	-	-	907 00	907 00
Bank interest	-	440 26	2 24	442 49
Total receipts	2,209,810.44	4,810,623.83	3,193.70	7,023,627 97

Payments

Payment on account to Services UK	958,069 90	-	-	958,069 90
Funding transferred to Equipment	-	258,901 27	-	258,901 27
Gross wages	-	1,158,102 66	-	1,158,102 66
Ceona Amazon purchases	-	326,269 30	-	326,269 30
Insurance payments	-	237,268 96	-	237,268 96
Ransom payments	-	409,051 89	-	409,051 89
IT costs	-	19,340 05	-	19,340 05
Bank charges	-	1,554 87	-	1,554 87
Professional fees	-	79,200 00	-	79,200 00
Administrators' fees	-	787,625 02	-	787,625 02
Agents' fees	-	749 58	-	749 58
TSA costs - Services UK	913,106 80	-	-	913,106 80
TSA costs - Crewing	338,633 73	-	-	338,633 73
Training expenses	-	1,902 58	-	1,902 58
Health and safety costs	-	13,000 00	-	13,000 00
Legal fees	-	121,900 00	-	121,900 00
Legal expenses	-	3,372 22	-	3,372 22
Lay berth and storage charges	-	287,634 00	-	287,634 00
Garbage disposal	-	4,800 00	-	4,800 00
VAT receivable	-	191,206 06	-	191,206 06
Total payments	2,209,810 44	3,901,878.44	-	6,111,688.88

Funding held	-	908,745 39	3,193.70	911,939 09
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Represented by

GBP account	88,672 16
EUR account converted at 0 91	17,462 42
USD account converted at 0 67	805,804 51
	911,939.09

Notes

- 1 Receipts and payments are stated net of VAT

Ceona Ship Holdings Limited (In Administration)

There have been receipts or payments during the period

Ceona Ship 1 Limited (in Administration)

Summary of Joint Administrators' Time-Costs from 16 September 2015 to 15 March 2016

Hours	Staff Grade							Total time costs	
	Partner	Exec Director / Director	Assistant Director	Senior Executive	Executive	Analyst	Total Hours	(£)	
Accounting and Administration	-	11.7	0.4	53.4	143.0	9.9	218.4	71,011.1	
Bank & Statutory Reporting	41.5	153.2	109.2	61.0	226.6	15.5	607.0	255,721.3	
Creditors	1.0	5.0	9.0	25.2	63.9	54.7	158.8	50,722.1	
Debtors	-	-	-	-	-	20.5	20.5	5,412.0	
Employee matters	-	1.0	4.0	-	0.5	1.5	7.0	3,175.5	
General	0.1	5.0	-	-	3.8	22.0	30.9	9,523.9	
Immediate Tasks	1.0	0.5	-	-	28.6	103.0	133.1	36,339.9	
Job Acceptance & Strategy	0.5	-	-	-	1.1	3.0	4.6	1,423.4	
Legal Issues	-	1.0	-	-	-	-	1.0	511.0	
Other Assets	1.5	14.9	92.0	6.0	124.2	-	238.6	95,646.2	
Other Matters	1.0	2.0	104.5	3.1	133.2	59.0	302.8	112,421.4	
Property	-	0.2	-	-	1.0	-	1.2	391.2	
Sale of business	8.0	2.0	111.3	-	99.0	-	220.3	93,749.3	
Statutory Duties	0.8	0.2	7.1	-	44.6	54.5	107.2	31,651.3	
Trading	9.0	18.5	-	84.5	747.0	16.1	875.1	268,269.4	
TSA - Crewing	-	-	-	-	6.0	-	6.0	1,734.0	
TSA - Services	0.5	-	-	9.8	3.3	-	13.6	5,099.0	
VAT & Taxation	-	1.0	3.0	-	3.2	4.5	11.7	4,216.8	
Total Hours	64.9	216.2	440.5	243.0	1629.0	364.2	2,957.8	2,957.8	
Total time costs (£)	40,692.3	110,478.2	233,905.5	95,013.0	470,781.0	96,148.8	1,047,018.8	1,047,018.8	
Agreed hourly rate (£)	627.0	511.0	531.0	391.0	289.0	264.0			

Ceona Ship Holdings Limited (in Administration)

Summary of Joint Administrators' Time-Costs from 16 September 2015 to 15 March 2016

Ceona Ship Holdings for the period 16 September 2015 to 15 March 2016

Hours	Staff Grade					Total time costs (£)
	Partner	Director	Assistant Director	Senior Executive	Analyst	
Immediate tasks	-	-	-	-	17	2,038.3
Job Acceptance & Strategy (M)	-	-	-	-	-	86.7
Statutory duties	-	-	-	-	22	2,372.6
Total Hours	-	-	-	-	39	15.9
Total time costs (£)	-	-	-	-	1,029.6	4,497.6
Agreed hourly rate (£)	627.0	511.0	531.0	391.0	289.0	284.0

Appendix 6

Ceona Ship 1 Limited (in Administration)

Ceona Ship Holdings Limited (in Administration)

Office Holders' Charging Policy for Fees

The Lenders have determined that the Joint 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 Joint 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 Appendices 4 and 5, 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.

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.

Appendix 7

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") "