

# AM10

## Notice of administrator's progress report



Companies House

WEDNESDAY



A22 \*A6BIQIT4\* 26/07/2017 #80  
COMPANIES HOUSE

### 1 Company details

Company number 0 8 4 4 7 9 5 2

Company name in full CEONA SHIP 1 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.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

|           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
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| 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

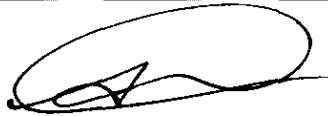
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

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# AM10

## 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       | United Kingdom      |
| DX            |                     |
| Telephone     | 020 7197 7320       |



### Checklist

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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.
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The Registrar of Companies, Companies House,  
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Building a better  
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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 Ship 1 Limited - In Administration ("Ship 1")**

**High Court of Justice, Chancery Division, Companies Court, Number 6101 of 2015**

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

**Registered number: 08447952**

**Ceona Ship Holdings Limited - In Administration ("Ship Holdings")**

**High Court of Justice, Chancery Division, Companies Court, Number 6107 of 2015**

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

**Registered number: 08448785**

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**

Ship 1 and Ship Holdings, (together "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 appointments were made by the directors of the Companies under the provisions of paragraph 22 of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointments, any act required or authorised to be done by the Joint Administrators can be done by either 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 (UK) Limited ("Chartering");

- Ceona Contracting (UK) 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 held fixed charge security over the Amazon and were entitled to the proceeds from the sale of this vessel.

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

#### **TSA's (Transitional Service Agreements)**

As previously reported, the Joint Administrators of Ship 1 entered into transitional services agreements ("TSAs") with Services (UK) and Crewing to ensure that employees/contractors were available to provide support with the sale of the Amazon.

To ensure the creditors of Services (UK) and Crewing benefited from this arrangement, the Joint Administrators of Services (UK) and Crewing recharged 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 held 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.

#### **Extensions to the Initial Period of Appointment**

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. 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.

## **Summary of Progress since Last Report**

### **Sale of Ceona Amazon**

As previously reported, immediately following their appointment, the Joint Administrators appointed H Clarkson & Company Limited ("Clarksons") as exclusive broker, to market the Amazon vessel owned by Ship 1.

Following a marketing process, indicative offers were received from a number of parties on 26 January 2016. The Administrators remained in negotiations with various parties throughout the course of 2016 and into early 2017.

On 16 December 2016 best and final offers were received from a number of parties. The Lenders provided approval to proceed with one of the offers and a 30 day exclusivity agreement was then entered into with the relevant party (conditional upon the payment of a deposit). Following this exclusivity period the Ceona Amazon vessel was sold to McDermott International Inc. on 31 January 2017 for c\$52m.

As a condition of the sale agreement, \$750,000 of the proceeds are held by the Administrators in a separate account. These funds will be held in a separate account until 1 August 2017 at which point, subject to certain conditions being met, they will be released to McDermott International Inc.

### **Asset realisations – Ship 1**

During the period, the Joint Administrators drew down £662,864 from the Lenders to meet the costs of holding the vessel and the Administrators and their legal advisors as well as the costs of the TSA's with Services (UK) and Crewing.

### **Remaining Assets – Ship 1 and Ship Holdings**

The Joint Administrators appointed agents in respect of various ancillary assets, and a sale was agreed for a nominal sum, given the lack of market interest.

Ship 1 has various inter-Group receivable balances due. The return in respect of these balances will be dependent upon the outcome of the relevant Administrations.

Ship Holdings has no assets other than its shareholdings in Ship 1 and Equipment. No realisations are currently anticipated.

### **Receipts and Payments Account**

A receipts and payments account for Ship 1 for the period from 15 September 2015 to 1 July 2017 is attached at Appendix 2. This does not reflect estimated future realisations or costs.

There are no receipts or payments in relation to Ship Holdings.

### **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.

## Ship 1

The Joint Administrators' remuneration 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 have incurred time costs of £179,688. Fees of £261,852 have been drawn during the period, which partly relate to time costs incurred in the prior period.

Total time costs incurred to 1 July 2017 are £1,889,535 against which £1,871,431 has been approved by the Lenders and drawn to date. As some of these fees have been paid using US Dollars the amount shown as paid on the receipts and payments account is £1,848,226 due to foreign exchange differences.

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.

## Ship Holdings

The Joint Administrators' remuneration 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 have incurred time costs of £nil. Of this sum, £nil has been billed and paid.

Total time costs incurred to 1 July 2017 are £4,497, against which £nil of fees have been drawn to date.

## Expenses

Ship 1 disbursements incurred during the period covered by this report are £1,373.49. To date, the sum of £39,667.71 has been incurred in respect of disbursements of which £37,205.30 has been drawn.

The total disbursements can be summarised as follows:

|                         | 15 September 2015 to<br>15 March 2016 | 16 March 2016 to<br>1 July 2016 | 2 July 2016 to 1<br>January 2017 | 2 January 2017<br>to 1 July 2017 | Total            |
|-------------------------|---------------------------------------|---------------------------------|----------------------------------|----------------------------------|------------------|
| Airfare                 | 3,294.79                              | 4,381.36                        | -                                | -                                | 7,676.15         |
| Meals                   | 2,383.49                              | 3,114.19                        | 391.28                           | 36.17                            | 5,925.13         |
| Mobile phone            | 57.81                                 | -                               | 5.78                             | 5.67                             | 69.26            |
| Couriers/postage        | 147.11                                | -                               | -                                | 84.84                            | 231.95           |
| Lodging                 | 6,357.85                              | 7,899.60                        | 396.34                           | 349.42                           | 15,003.21        |
| Train                   | 1,743.88                              | 2,434.10                        | 623.13                           | 330.02                           | 5,131.13         |
| Other Travel Expenses   | 12.46                                 | -                               | -                                | -                                | 12.46            |
| Parking                 | 59.71                                 | 66.67                           | -                                | -                                | 126.38           |
| Printing                | 2,657.25                              | -                               | 159.83                           | 522.38                           | 3,339.46         |
| Rental Car              | 151.70                                | -                               | -                                | -                                | 151.70           |
| Bonding                 | 283.80                                | -                               | -                                | -                                | 283.80           |
| Taxi                    | 721.49                                | 850.17                          | 17.45                            | 45.00                            | 1,634.11         |
| Exchange / Bank Charges | -                                     | 3.99                            | -                                | -                                | 3.99             |
| Mileage - category 2    | 14.18                                 | 64.80                           | -                                | -                                | 78.98            |
| <b>Total</b>            | <b>17,885.52</b>                      | <b>18,814.88</b>                | <b>1,593.81</b>                  | <b>1,373.49</b>                  | <b>39,667.71</b> |

There are no disbursements in Ship Holdings.

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 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in Appendix 5.

### **Secured Creditors**

In Ship 1 the Lenders hold fixed charge security over the Amazon Vessel and therefore received the majority of sales proceeds in respect of the Ceona Amazon vessel less relevant 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.

### **Non-preferential Creditors**

We estimate that Ship 1 has unsecured creditors of c.£20m, including unsecured claims from other group companies of c.£14.3m.

To date we have received unsecured claims to the value of £4.4m from unsecured creditors.

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 £18,469. 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 because there is no floating charge.

I will report to you again at the conclusion of the Administrations 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 AM10 – Notice of administrator's progress report (for Companies House only)





Building a better  
working world

The affairs, business and property of the Companies are being managed by the Joint Administrators, A R Bloom and A M Hudson and C P Dempster, who act as agents of the Companies 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 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

Date of Appointment: 16 September 2015

By Whom Appointed: The appointment was made by the Directors

Court Reference: High Court of Justice, 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   | 21 December 2015  | -                    |
| 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 Ploch           | Director              | 12 January 2015  | 29 July 2015      | -                    |
| Stephen John Preston     | Director              | 15 March 2013    | 11 June 2015      | -                    |

## Company Information

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

Date of Appointment: 16 September 2015

By Whom Appointed: The appointment was made by the Directors

Court Reference: High Court of Justice, 6107 of 2015

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## 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   | 21 December 2015  | -                    |
| 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 Ploch           | Director              | 12 January 2015  | 29 July 2015      | -                    |
| Stephen John Preston     | Director              | 15 March 2013    | 11 June 2015      | -                    |

## Appendix 2

### Joint Administrators' Abstract of Receipts and Payments from 16 September 2015 to 1 July 2017

|  | Period from<br>16 September 2015<br>to 1 January 2017 |                    | Period from<br>2 January 2017 to 1 July 2017 |              | Period from<br>16 September 2015<br>to 1 July 2017 |
|--|---|--------------------|--|--------------|--|
| Receipts                               | Total (£)   | TSA Items (£)      | Direct Items (£)                             | Floating (£) | Total (£)  |
| Cash on appointment                    | 1,337.85  | -                  | -  | -            | 1,337.85   |
| Prepayments                            | 5,742.01  | -                  | -  | -            | 5,742.01   |
| Sale of Ceona Amazon                   | -   | -                  | 34,381,616.94                                | -            | 34,381,616.94                                      |
| Funds held in respect of Amazon sale   | -   | -                  | 495,000.00                                   | -            | 495,000.00   |
| Drawdown funds                         | 12,908,785.96   | -                  | 662,863.99                                   | -            | 13,571,649.95                                      |
| Asset sales                            | 120,000.00  | -                  | 5,000.00                                     | -            | 125,000.00   |
| Sea trial contribution                 | 65,198.52   | -                  | -  | -            | 65,198.52  |
| Pre-appointment VAT refund             | 16,224.78   | -                  | -  | -            | 16,224.78  |
| Intercompany debt collection           | 907.00  | -                  | -  | -            | 907.00   |
| Bank interest                          | 1,100.77  | -                  | 9,887.97                                     | 0.05         | 10,700.74  |
| <b>Total receipts</b>                  | <b>13,119,296.84</b>                                  | <b>-</b>           | <b>35,554,168.89</b>                         | <b>0.05</b>  | <b>48,673,465.78</b>                               |
| <b>Payments</b>                        |   |                    |  |              |  |
| Payment on account to Services UK      | 453,108.34  | - 338,014.19       | -  | -            | 115,094.15   |
| Payment on account to Crewing          | 85,401.65   | 231,160.53         | -  | -            | 145,758.88   |
| Funding transferred to Equipment       | 330,656.59  | 7,899.10           | -  | -            | 338,555.69   |
| Gross wages                            | 3,044,570.09  | -                  | -  | -            | 3,044,570.09                                       |
| Ceona Amazon purchases                 | 1,450,348.86  | -                  | 337,822.50                                   | -            | 1,788,171.37                                       |
| Insurance payments                     | 538,525.11  | -                  | 108,717.86                                   | -            | 647,243.97   |
| Ransom payments                        | 444,477.90  | -                  | -  | -            | 444,477.90   |
| IT costs                               | 19,340.05   | -                  | -  | -            | 19,340.05  |
| Bank charges                           | 3,081.67  | -                  | 342.66                                       | -            | 3,424.33   |
| Asset holding costs                    | -   | -                  | 67,935.00                                    | -            | 67,935.00  |
| Distribution to secured creditors      | -   | -                  | 32,071,616.94                                | -            | 32,071,616.94                                      |
| Payments in respect of Amazon claims   | -   | -                  | 331,521.14                                   | -            | 331,521.14   |
| Galca commissions                      | 15,000.00   | -                  | 4,538.60                                     | -            | 19,538.60  |
| Professional fees                      | 266,522.62  | -                  | 4,601.25                                     | -            | 271,123.86   |
| Administrators' fees                   | 1,586,374.83  | -                  | 261,851.90                                   | -            | 1,848,226.73                                       |
| Administrators' expenses               | 35,611.49   | -                  | 1,593.81                                     | -            | 37,205.30  |
| Tax fees                               | 13,566.40   | -                  | 8,000.00                                     | -            | 21,566.40  |
| Agents' fees                           | 749.58  | -                  | -  | -            | 749.58   |
| TSA costs - Services UK                | 2,239,079.06  | 37,682.31          | -  | -            | 2,276,761.37                                       |
| TSA costs - Crewing                    | 762,903.39  | 127,186.70         | -  | -            | 890,090.09   |
| Training expenses                      | 1,902.58  | -                  | -  | -            | 1,902.58   |
| Health and safety costs                | 13,000.00   | -                  | -  | -            | 13,000.00  |
| Legal fees                             | 187,427.63  | -                  | 25,978.76                                    | -            | 213,406.39   |
| Legal expenses                         | 4,859.46  | -                  | 194.99                                       | -            | 5,054.45   |
| Lay berth and storage charges          | 456,530.91  | -                  | 969.95                                       | -            | 457,500.86   |
| Garbage disposal                       | 12,581.82   | -                  | -  | -            | 12,581.82  |
| VAT receivable                         | 31,637.29   | -                  | 24,059.82                                    | -            | 7,577.47   |
| <b>Total payments</b>                  | <b>11,826,455.00</b>                                  | <b>65,914.46</b>   | <b>33,201,625.54</b>                         | <b>-</b>     | <b>45,093,994.99</b>                               |
| <b>Funding held</b>                    | <b>1,292,841.84</b>                                   | <b>- 65,914.46</b> | <b>2,352,543.35</b>                          | <b>0.05</b>  | <b>3,579,470.78</b>                                |
| <b>Represented by</b>                  |   |                    |  |              |  |
| GBP Account                            |   |                    |  |              | 489,541.71   |
| EUR account converted at 0.91          |   |                    |  |              | 903.45   |
| USD account converted at 0.67          |   |                    |  |              | 2,594,025.62                                       |
| Separate USD account converted at 0.67 |   |                    |  |              | 495,000.00   |
|  |   |                    |  |              | <b>3,579,470.78</b>                                |

#### 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 – Ship 1

| Classification of work function | Partner       | Director       | Assistant Director | Senior Executive | Executive      | Analyst        | Total hours       | Time cost (£)     |
|---------------------------------|---------------|----------------|--------------------|------------------|----------------|----------------|-------------------|-------------------|
| Accounting & Administration     | 0.1           | 26.8           | 3.1                | 143.6            | 406.4          | 101.4          | 681.4             | 215,770           |
| Bank & Statutory Reporting      | 64.0          | 304.9          | 119.7              | 186.8            | 350.7          | 28.5           | 1,054.6           | 441,408           |
| Creditors                       | 6.2           | 29.5           | 12.0               | 25.2             | 94.3           | 59.0           | 226.2             | 78,016            |
| Debtors                         | -             | 8.0            | 1.0                | -                | 3.3            | 21.5           | 33.8              | 11,249            |
| Employee Matters                | -             | 2.0            | 4.0                | -                | 0.5            | 1.5            | 8.0               | 3,687             |
| General                         | 2.1           | 7.0            | -                  | -                | 5.8            | 82.2           | 97.1              | 28,271            |
| Immediate Tasks                 | 1.0           | 0.5            | -                  | -                | 28.6           | 127.0          | 157.1             | 42,676            |
| Job Acceptance & Strategy       | 0.5           | -              | -                  | -                | 1.1            | 3.0            | 4.6               | 1,423             |
| Legal Issues                    | -             | 6.5            | -                  | 3.8              | -              | -              | 10.3              | 4,807             |
| Other Assets                    | 7.5           | 17.9           | 93.5               | 53.2             | 198.4          | 5.4            | 375.9             | 143,062           |
| Other Matters                   | 3.0           | 6.0            | 104.5              | 14.1             | 133.2          | 59.6           | 320.4             | 120,179           |
| Property                        | -             | 89.7           | -                  | 10.5             | 1.0            | -              | 101.2             | 50,231            |
| Sale of business                | 63.5          | 8.7            | 111.3              | 113.8            | 155.5          | 30.3           | 483.1             | 200,795           |
| Statutory Duties                | 1.9           | 0.2            | 8.1                | 8.4              | 47.1           | 81.7           | 147.4             | 44,060            |
| Trading                         | 9.0           | 120.5          | -                  | 264.2            | 980.3          | 47.5           | 1,421.5           | 466,367           |
| TSA - Crewing                   | -             | -              | -                  | 2.2              | 18.1           | -              | 20.3              | 6,091             |
| TSA - Services                  | 0.5           | 10.0           | -                  | 10.0             | 13.5           | 20.0           | 54.0              | 18,515            |
| VAT & Taxation                  | -             | 13.3           | 3.0                | 4.2              | 5.0            | 5.5            | 31.0              | 12,929            |
| <b>Total hours</b>              | <b>159.3</b>  | <b>651.5</b>   | <b>460.2</b>       | <b>840.0</b>     | <b>2,442.8</b> | <b>674.1</b>   | <b>5,227.9</b>    | <b>5,227.9</b>    |
| <b>Total time cost (£)</b>      | <b>99,881</b> | <b>332,917</b> | <b>244,366</b>     | <b>328,440</b>   | <b>705,969</b> | <b>177,962</b> | <b>£1,889,535</b> | <b>£1,889,535</b> |
| <b>Agreed hourly rate</b>       | 627           | 511            | 531                | 391              | 289            | 264            |                   |                   |

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

| Hours                       | Partner    | Director   | Assistant Director |            | Senior Executive | Executive      | Analyst        | Total          |                 |
|-----------------------------|------------|------------|--------------------|------------|------------------|----------------|----------------|----------------|-----------------|
|                             |            |            |                    |            |                  |                |                | Hours          | Total costs (£) |
| Immediate tasks             | -          | -          | -                  | -          | -                | 5.5            | 1.7            | 7.2            | 2,038.3         |
| Job Acceptance & Strategy   | -          | -          | -                  | -          | -                | 0.3            | -              | 0.3            | 86.7            |
| Statutory duties            | -          | -          | -                  | -          | -                | 6.2            | 2.2            | 8.4            | 2,372.6         |
| <b>Total Hours</b>          | <b>0.0</b> | <b>0.0</b> | <b>0.0</b>         | <b>0.0</b> | <b>0.0</b>       | <b>12.0</b>    | <b>3.9</b>     | <b>15.9</b>    | <b>15.9</b>     |
| <b>Total time costs (£)</b> | <b>-</b>   | <b>-</b>   | <b>-</b>           | <b>-</b>   | <b>-</b>         | <b>3,468.0</b> | <b>1,029.6</b> | <b>4,497.6</b> | <b>4,497.6</b>  |
| Agreed hourly rate (£)      | 627.0      | 511.0      | 531.0              | 391.0      | 289.0            | 264.0          |                |                |                 |

## Appendix 4

### Office Holders' Charging Policy for Fees

The Lenders 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 (£)<br>(post 1 July 2015) | Charge out rate (£)<br>(post 1 July 2016) | Charge out rate (£)<br>(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 secured creditor 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' 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")