

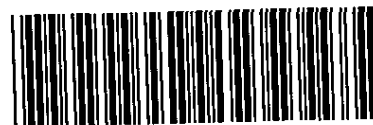
# AM10

## Notice of administrator's progress report



Companies House

FRIDAY



A18 \*A8AZRCCO\* #178  
02/08/2019  
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

From date	d	0	d	2	m	0	m	1	y	2	y	0	y	1	y	9
To date	d	0	d	1	m	0	m	7	y	2	y	0	y	1	y	9

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

d	3	d	1	m	0	m	7	y	2	y	0	y	1	y	9
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**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 **Emily Hewitt**

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 7951 1725**

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

TO ALL KNOWN CREDITORS

31 July 2019

Ref: AMH/SH/CL/EHJ19  
Direct line: 020 7951 1725

Emily Hewitt:  
Ehewitt@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 Administrations of Ship 1 and Ship Holdings (together "the Companies"). This report covers the period from 2 January 2019 to 1 July 2019. 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, 19 January 2017, 21 July 2017, 19 January 2018, 13 July 2018 and 30 January 2019.

## **Background**

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 any of them.

On the same date, the following related Ceona companies (together "the Group") entered Administration:

- Ceona Holding Limited ("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").

As previously reported, Ship 1 operated with the Group as the key contracting entity for the construction of the Ceona Amazon ("the Amazon"). This vessel was the principal asset of Ship 1 at the date of appointment. The funding required to construct the Amazon was principally provided by various Dutch and German banks (together "the Lenders"). Accordingly, the Lenders held fixed charge security over The Amazon and were entitled to the proceeds from the sale of this vessel.

On 31 January 2017 the Amazon was sold to McDermott International Inc. for c\$52m.

As a condition of the sale agreement, c£495k of the proceeds were held by the Joint Administrators in a separate account until 1 August 2017. Following this as certain conditions were met these funds were released back to McDermott International Inc.

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.

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

As previously reported, Ship 1 entered into a TSA with Services to support the sale of the Amazon. In addition, the TSA allows the appropriate recharge of costs incurred by the Joint Administrators on behalf of the Group which have been met as an expense of Services' Administration, for example, those cost associated with an extension application. The TSA will be terminated prior to the closure of the Administrations.

Ship Holdings has not entered into the above TSA arrangement.

### **Summary of steps taken during the period covered by this report**

#### **VAT**

During the period the Administrators have complied with their obligations in relation to the preparation and submissions of the relevant VAT and corporation tax returns.

#### **Asset realisations**

Bank interest of £827 was received in the reporting period.

Foreign exchange gains of £4,983 were received in the period of the report, the majority of this arose as a result of Ship 1 drawing down on ABN funds utilised by the Group to support the Administrations.

During the period, unclaimed dividend in the sum of £12,332 were reissued relating to the Prescribed Part distribution made on 19 December 2018.

#### **Receipts and payments account**

A summary of our receipts and payments for the period from 2 January 2019 to 1 July 2019 is attached at Appendix 2. It does not reflect estimated future realisations or costs.

## Investigations

I can confirm that no investigations were concluded in the period covered by this report and no investigations are ongoing.

## Joint Administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 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 in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me. Please note that the references in the Guide to fee estimates do not apply to administrations, such as this one, which started before 1 October 2015.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

## Ship 1

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 £23,743 plus VAT. In addition, £46,779 has been billed and paid, which partly relates to the prior period.

During the period covered by this report, the Joint Administrators billed and paid expenses totalling £390, which partly relates to the prior period.

At Appendix 3 to this report there is an analysis of the time spent by the Joint Administrators and their staff.

## Ship Holdings

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 £nil. Of this sum, £nil has been billed and paid.

## **Joint Administrators' expenses**

During the period covered by this report, the Joint Administrators have incurred expenses totalling £25,770 plus VAT. At Appendix 4 to this report there is an analysis of expenses incurred by the Joint Administrators and their staff.

Costs in respect of the Group's TSA totalled £2,000 during the period which principally relate to legal fees incurred in respect of the extension application that were met by other Group companies.

Professional fees totalling £3,681 relate to Entity Priority distribution model specialist assistance from the Ernst & Young LLP modelling team. Due to the complexity of intra-Group and related party debts, the Joint Administrators engaged the modelling team to assist in the building of an appropriate distribution model which allowed accurate calculations and payments to be made in the interim distribution outlined above.

Tax fees totalling £5,250 relate to specialist assistance from the Ernst & Young LLP tax team in relation to corporation tax returns.

Direct legal fees and expenses of £650 during the period which principally relate to legal fees incurred in respect of extension costs that were billed in the period after the extension was granted

Bank charges in the period totalled £31. In addition, £14,157 was provided as funding to Equipment in order for payment of the Joint Administrators fees to be made in line with the lender fee agreement and TSA arrangements.

## **The Prescribed Part**

The Lenders hold floating charges over the Companies assets which are dated after 15 September 2003 and therefore the Prescribed Part applies to this Administration. As detailed in our report dated 30 January 2019, an interim distribution was made via the Prescribed Part in the sum of £28,151. As any future distribution under the Prescribed Part is dependent on realisations by other Group companies we are unable to comment on the quantum or timing of any future final dividend.

The Prescribed Part does not apply to Ship Holdings because there is no floating charge.

## **Remaining work**

As highlighted above, the Administrations of the Companies cannot be concluded until certain matters are finalised in the Administrations of the wider Group such that outstanding intercompany balances, which form an unsecured non preferential claim in those Administrations, can be settled. It is not anticipated that these matters will be resolved prior to the automatic end of the Administration order. As such, we are in the process of making an application to court to extend the Administration order and will update you in this regard in our next report.

It is anticipated that a final dividend will be declared and paid for all remaining net assets prior to the automatic end of the Administration.

There is no further work to undertake in Ship Holdings.

## **Next report**

The Joint Administrators will report to you again at the conclusion of the Administrations or in six months' time, whichever is the sooner.

Should you have any remaining questions about the Administrations, please do not hesitate to contact Emily Hewitt at this office.

Yours faithfully  
for the Companies



AM Hudson  
Joint Administrator

Enc: Form AM10 – Notice of administrator's progress report (for Companies House only)

A R Bloom, A M Hudson and C P Dempster is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales, The Association of Chartered Certified Accountants and The Institute of Chartered Accountants of Scotland respectively.

The affairs, business and property of the Companies are being managed by the Joint Administrators, A R Bloom, A M Hudson and C P Dempster, who act as agents of the Companies only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).



## Appendix 1

### Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice
Court reference:	6101 of 2015
Registered name of the company:	Ceona Ship 1 Limited
Registered office address of the company:	C/o Ernst & Young LLP, One More London Place, London, SE1 2AF
Registered number:	08447952
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Date of appointment of the joint administrators:	16/09/2015
Details of any changes of administrator:	None
Full names of the administrators:	Alan Michael Hudson and Alan Robert Bloom and Colin Peter Dempster
Office holder number(s):	9200, 6462 and 8908
Administrators' address(es):	C/o Ernst & Young LLP, 1 More London Place, SE1 2AF
Telephone number:	020 7951 1725
Name of alternative person to contact with enquiries about the case:	Emily Hewitt

## Appendix 1

### Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice
Court reference:	6107 of 2015
Registered name of the company:	Ceona Ship Holdings Limited
Registered office address of the company:	C/o Ernst & Young LLP, One More London Place, London, SE1 2AF
Registered number:	08448785
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Date of appointment of the joint administrators:	16/09/2015
Details of any changes of administrator:	None
Full names of the administrators:	Alan Michael Hudson and Alan Robert Bloom and Colin Peter Dempster
Office holder number(s):	9200, 6462 and 8908
Administrators' address(es):	C/o Ernst & Young LLP, 1 More London Place, SE1 2AF
Telephone number:	020 7951 1725
Name of alternative person to contact with enquiries about the case:	Emily Hewitt

## Appendix 2

### Ceona Ship 1 Limited (In Administration)

#### Joint Administrators' Abstract of Receipts and Payments from 2 January 2019 to 1 July 2019

	Period from 16 September 2016 to 1 January 2019	Period from 2 January 2019 to 1 July 2019	Period from 16 September 2016 to 1 July 2019
	Total (£)	TSA Items (£)	Direct Items (£)
<b>Receipts</b>			
Cash on appointment	1,337.85	-	-
Prepayments	6,715.78	-	-
Sale of Ceona Amazon	34,381,616.94	-	-
Drawdown funds	13,573,902.00	-	-
Asset sales	125,000.00	-	-
Sea trial contribution	65,198.52	-	-
Pre-appointment VAT refund	16,224.78	-	-
Intercompany debt collection	907.00	-	-
Receipts in respect of unsecured claims	137,676.75	-	-
Unclaimed dividends	12,332.07	-	(12,332.07)
Foreign exchange gain	10,065.15	-	4,983.43
Bank interest	36,878.57	-	826.98
<b>Total receipts</b>	<b>48,367,855.41</b>	<b>-</b>	<b>(6,521.66)</b>
<b>Payments</b>			
Payment on account to Services UK	118,976.97	-	-
Payment on account to Crewing	145,758.88	-	-
Funding transferred to Equipment	367,187.19	14,157.26	-
Gross wages	3,044,570.09	-	-
Ceona Amazon purchases	1,762,431.37	-	-
Insurance payments	647,243.97	-	-
Ransom payments	444,477.90	-	-
IT costs	19,340.05	-	-
Bank charges	3,658.32	-	31.47
Asset holding costs	67,935.00	-	-
Distribution to secured creditors	34,381,616.94	-	-
Payments in respect of Amazon claims	331,521.14	-	-
Sales commissions	19,538.60	-	-
Professional fees	272,360.27	-	3,681.48
Administrators' fees	1,989,056.83	-	46,779.30
Administrators' expenses	37,205.30	-	390.47
Tax fees	32,066.40	-	5,250.00
Agents' fees	749.58	-	-
Corporation tax	2,371.15	-	-
TSA costs - Services UK	2,286,032.46	2,000.28	-
TSA costs - Crewing	890,090.09	-	-
Training expenses	1,902.58	-	-
Health and safety costs	13,000.00	-	-
Legal fees	232,780.80	-	650.00
Legal expenses	15,305.57	-	-
Lay berth and storage charges	457,500.86	-	-
Garbage disposal	12,581.82	-	-
Distribution to fixed charge holders	36,070.01	-	-
Distribution to floating charge holders	97,604.35	-	-
Distribution under the Prescribed Part	28,151.01	-	-
VAT receivable	5,875.61	-	2,161.92
<b>Total payments</b>	<b>47,764,961.10</b>	<b>16,167.52</b>	<b>68,944.64</b>
<b>Funding held</b>	<b>602,894.31</b>	<b>(16,167.52)</b>	<b>(65,466.30)</b>
<b>Represented by</b>			
GBP Account			421,040.35
EUR account converted at 0.91			904.40
USD account converted at 0.66			99,325.74
			<b>521,270.49</b>

#### Notes

- Receipts and payments are stated net of VAT.
- The total foreign exchange gain to 1 July 2019 is a result of fluctuations in exchange rates against the USD compared to those used in our receipts and payments account and does not represent a true monetary gain or loss.

## **Appendix 2**

### **Ceona Ship Holdings Limited (in Administration)**

#### **Joint Administrators' Abstract of Receipts and Payments from 2 January 2019 to 1 July 2019**

There have been no transactions in Ceona Ship Holdings Limited, both in the period covered by this report and since the commencement of the Administration.

## Ceona Ship 1 Limited (In Administration)

## Summary of Joint Administrators' Time-Costs from 2 January 2019 to 1 July 2019

Classification of work function	Partner	Exec Director / Director	Assistant Director	Senior Executive	Executive	Analyst	Total hours	Time cost (£)
Accounting & Administration	-	-	1.0	0.7	25.0	2.0	28.7	8,558
Bank & Statutory Reporting	-	-	6.3	-	-	2.5	8.8	4,005
Creditors	-	-	2.0	-	-	18.0	20.0	5,814
Immediate Tasks	-	-	0.9	-	-	-	0.9	478
Statutory Duties	-	-	-	-	5.0	-	5.0	1,445
TSA - Services	-	-	0.3	-	-	-	0.3	159
VAT & Taxation	-	-	3.5	-	-	5.4	8.9	3,284
<b>Total hours</b>	-	-	<b>14.0</b>	<b>0.7</b>	<b>30.0</b>	<b>27.9</b>	<b>72.6</b>	<b>72.6</b>
<b>Total time cost (£)</b>	-	-	<b>7,434</b>	<b>274</b>	<b>8,670</b>	<b>7,366</b>	<b>£23,743</b>	<b>£23,743</b>
<b>Average hourly rate</b>	627	5.1	531	391	289	264		

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

**Summary of Joint Administrators' Time-Costs from 2 January 2019 to 1 July 2019**

During the reporting period, no time costs were incurred in relation to Ceona Ship Holdings Limited.

## Appendix 4

### Ceona Ship 1 Limited (in Administration) Summary of joint administrators' expenses incurred from 2 January 2019 to 1 July 2019

Type of Expense	Paid as at 1 July 2018	Paid In Period	Outstanding	Total
<b>Payments made from the estate which are not disbursements (see Notes 1 and 2 at the end of this table)</b>				
Payment on account to Services UK	118,976.97	-	-	118,976.97
Payment on account to Crewing	145,758.88	-	-	145,758.88
Funding transferred to Equipment	367,187.19	14,157.26	-	381,344.44
Gross wages	3,044,570.09	-	-	3,044,570.09
Ceona Amazon purchases	1,762,431.37	-	-	1,762,431.37
Insurance payments	647,243.97	-	-	647,243.97
Ransom payments	444,477.90	-	-	444,477.90
IT costs	19,340.05	-	-	19,340.05
Bank charges	3,658.32	31.47	-	3,689.79
Asset holding costs	67,935.00	-	-	67,935.00
Payments in respect of Amazon claims	331,521.14	-	-	331,521.14
Sales commissions	19,538.60	-	-	19,538.60
Professional fees	272,360.27	3,681.48	-	276,041.75
Tax fees	32,066.40	5,250.00	-	37,316.40
Agents' fees	749.58	-	-	749.58
Corporation tax	2,371.15	-	-	2,371.15
TSA costs - Services UK	2,286,032.46	2,000.26	-	2,288,032.72
TSA costs - Crewing	890,090.09	-	-	890,090.09
Training expenses	1,902.58	-	-	1,902.58
Health and safety costs	13,000.00	-	-	13,000.00
Legal fees	232,780.80	650.00	-	233,430.80
Legal expenses	15,305.57	-	-	15,305.57
Lay berth and storage charges	457,500.86	-	-	457,500.86
Garbage disposal	12,581.82	-	-	12,581.82
<b>Category 1 disbursements (Note 2)</b>				
Airfare	7,676.15	-	-	7,676.15
Meals	5,940.06	-	1.38	5,941.43
Mobile phone	70.21	-	-	70.21
Couriers	449.84	-	-	449.84
Lodging	15,119.68	-	-	15,119.68
Train	5,267.40	-	-	5,267.40
Other Travel Expenses	12.46	-	-	12.46
IT Support	5.00	-	-	5.00
Parking	130.41	-	-	130.41
Printing	3,720.93	-	84.28	3,805.20
Rental Car	151.70	-	-	151.70
Bonding	283.80	-	-	283.80
Taxi	1,658.16	-	78.00	1,736.16
Exchange / Bank Charges	3.99	-	-	3.99
Statutory advertising	28.20	-	-	28.20
<b>Category 2 disbursements (Note 2)</b>				
Mileage - manager and above	83.78	-	-	83.78
<b>Total</b>	<b>11,229,982.80</b>	<b>25,770.47</b>	<b>163.66</b>	<b>11,256,916.92</b>

#### Notes

- Statement of Insolvency Practice 9 (SIP 9) defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors.
- SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
- Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment
- Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.