

AM10

Notice of administrator's progress report



Companies House

THURSDAY



A32 *A7AIRJNN* 19/07/2018 #25
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.

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6 Period of progress report

From date	d	0	d	2	m	0	m	1	y	2	y	0	y	1	y	8
To date	d	0	d	1	m	0	m	7	y	2	y	0	y	1	y	8

7 Progress report

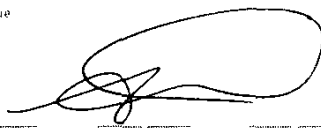
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	1	d	3	m	0	m	7	y	2	y	0	y	1	y	8
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Ernst & Young LLP
1 More London Place
London SE1 2AF

Tel: 020 7951 2000
Fax: 020 7951 1345
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TO ALL KNOWN CREDITORS

13 July 2018

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 2018 to 1 July 2018. 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 and 19 January 2018.

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 the exception of Ceona Crewing Limited ("Crewing") and Ceona Holding Limited ("Holding") being the parent entity, where Alan Michael Hudson and Stuart Arthur Gardner were appointed:

- Holding;
- Ceona Services (UK) Limited ("Services (UK)");
- Ceona Chartering (UK) Limited ("Chartering");

- Ceona Contracting (UK) Limited ("Contracting");
- 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. Subsequently, on 7 August 2017 the Court approved a further extension to the period of the Administrations which will now expire on 16 September 2018, unless a further extension is granted.

The Joint Administrators will shortly make an application to Court in order to extend the Administration for a further year in order to allow further negotiations with the Company's remaining debtor and interim distributions to unsecured creditors (see below).

Interim distribution

The interim distribution to unsecured creditors has been delayed as a result of the Joint Administrators requiring legal advice and subsequently negotiating with the Lenders in respect of their intercompany non-compete clauses / security.

The Lenders' security contained provisions which may have entitled the Lenders to subordinate certain intercompany claims in the Group Administrations.

Following legal advice, it remained unclear whether these clauses were enforceable and that the matter was subject to legal interpretation. Consequently, court direction would have been required in order to ascertain the validity of this element of the Lenders' security. In order to keep legal costs to a minimum and avoid the risk to unsecured creditors that the Lenders' non-compete security was found to be enforceable, it was agreed with the Lenders that, on the basis that the potential outcome was uncertain, we would admit certain intercompany claims at a percentage which allowed the Lenders 40% of the benefit of which the Lenders' security was estimated to be worth, therefore retaining 60% for the benefit of the Group Administrations and other unsecured creditors.

The Joint Administrators submitted an application to Court on 4 July 2018 to seek approval to make an interim distribution to the unsecured creditors of the certain Ceona Group companies. Provided Court approval is received, the Joint Administrators will provide further information with regards to the quantum and timing of any prescribed part dividend.

Summary of Progress since Last Report

Sale of Ceona Amazon

As previously reported, the Ceona Amazon vessel was sold to McDermott International Inc. on 31 January 2017 for c\$52m.

Asset realisations – Ship 1

Bank interest of £12,310 was earned during the period.

Remaining Assets – Ship 1 and Ship Holdings

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 from these shareholdings.

Giant Group

During the period the Joint Administrators entered in to a settlement agreement with the Lenders of the Giant Group of companies (Ceona Pte Limited, OIG Giant I Limited, and OIG Giant II Limited) and those companies in respect of amounts owed to/from certain of the Ceona Group companies.

The settlement of the various intercompany balances was conditional on the sale of a vessel owned by OIG Giant I Limited. This sale completed on 20 June 2018 and consequently, a number of intercompany have been paid to the Ceona Group from Ceona Pte Limited, OIG Giant I Limited and OIG Giant II Limited.

Receipts and Payments Account

A receipts and payments account for Ship 1 for the period from 16 September 2015 to 1 July 2018 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 £61,689. Fees of £59,085 have been drawn during the period, which partly relate to time costs incurred in the prior period.

Total time costs incurred to 1 July 2018 are £1,999,821 against which £1,942,923 has been approved by the Lenders and drawn to date.

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

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 2018 are £4,498, against which £nil of fees have been drawn to date.

Expenses

Ship 1 disbursements incurred during the period covered by this report are £325. To date, the sum of £40,211 has been incurred in respect of disbursements of which £37,205 has been drawn.

The total disbursements can be summarised as follows:

	15 September 2015 to 15 March 2016	16 March 2016 to 1 July 2016	2 July 2016 to 1 January 2017	2 January 2017 to 1 July 2017	2 July 2017 to 1 January 2018	2 January 2018 to 1 July 2018	Total
Airfare	3,294.79	4,381.36	-	-	-	-	7,676.15
Meals	2,383.49	3,114.19	391.28	36.17	-	13.55	5,938.68
Mobile phone	57.81	-	5.78	5.67	-	0.95	70.21
Couriers	147.11	-	-	84.84	101.35	116.54	449.84
Lodging	6,357.85	7,899.60	396.34	349.42	-	116.47	15,119.68
Train	1,743.88	2,434.10	623.13	330.02	-	56.67	5,187.80
Other Travel Expenses	12.46	-	-	-	-	-	12.46
IT Support	-	-	-	-	-	5.00	5.00
Parking	59.71	66.67	-	-	-	-	126.38
Printing	2,657.25	-	159.83	522.38	113.21	-	3,452.67
Rental Car	151.70	-	-	-	-	-	151.70
Bonding	283.80	-	-	-	-	-	283.80
Taxi	721.49	850.17	17.45	45.00	4.00	15.83	1,653.94
Exchange / Bank Charges	-	3.99	-	-	-	-	3.99
Mileage - category 2	14.18	64.80	-	-	-	-	78.98
Total	17,886.52	18,814.88	1,593.81	1,373.50	218.56	325.01	40,211.28

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.

As 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.



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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)

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 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.

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.

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

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	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 2018

	Period from 16 September 2015 to 1 January 2018	Period from 2 January 2018 to 1 July 2018			Period from 16 September 2015 to 1 July 2018
	Total (£)	TSA items (£)	Direct items (£)	Floating (£)	Total (£)
Receipts					
Cash on appointment	1,337.85	-	-	-	1,337.85
Prepayments	6,715.78	-	-	-	6,715.78
Sale of Ceona Amazon	34,381,616.94	-	-	-	34,381,616.94
Drawdown funds	13,573,902.00	-	-	-	13,573,902.00
Asset sales	125,000.00	-	-	-	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
Foreign exchange gain	-	-	2,904.60	-	2,904.60
Bank interest	23,627.31	-	12,305.77	-	35,933.08
Total receipts	48,194,530.10		15,210.30		48,209,740.56
Payments					
Payment on account to Services UK	119,367.45	-	1,267.77	-	118,099.68
Payment on account to Crewing	145,758.88	-	-	-	145,758.88
Funding transferred to Equipment	344,606.96	5,798.24	-	-	350,405.20
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	3,472.86	-	38.22	-	3,511.08
Asset holding costs	67,935.00	-	-	-	67,935.00
Distribution to secured creditors	32,071,616.94	-	2,310,000.00	-	34,381,616.94
Payments in respect of Amazon claims	331,521.14	-	-	-	331,521.14
Sales commissions	19,538.60	-	-	-	19,538.60
Professional fees	271,123.86	-	-	-	271,123.86
Administrators' fees	1,883,838.33	-	59,085.00	-	1,942,923.33
Administrators' expenses	37,205.30	-	-	-	37,205.30
Tax fees	26,816.40	-	5,250.00	-	32,066.40
Agents' fees	749.58	-	-	-	749.58
Corporation tax	-	-	2,371.15	-	2,371.15
TSA costs - Services UK	2,276,761.37	2,299.27	-	-	2,279,060.64
TSA costs - Crewing	800,000.00	-	-	-	800,000.00
Training expenses	1,902.58	-	-	-	1,902.58
Health and safety costs	13,000.00	-	-	-	13,000.00
Legal fees	227,044.08	-	430.13	-	227,480.21
Legal expenses	5,054.45	-	-	-	5,054.45
Lay berth and storage charges	457,500.86	-	-	-	457,500.86
Garbage disposal	12,581.82	-	-	-	12,581.82
VAT receivable	10,899.85	-	(9,762.62)	-	1,137.23
Total payments	45,136,449.76	6,829.74	2,367,417.88		47,510,697.38
Funding held	3,058,080.42	(6,829.74)	(2,362,207.61)		699,043.17
Represented by					
GBP Account					482,738.56
EUR account converted at 0.91					903.50
USD account converted at 0.66					215,401.12
					699,043.17

Notes

- Receipts and payments are stated net of VAT.
- The total foreign exchange gain to 1 July 2018 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 3

Summary of Joint Administrators' Time-Costs from 16 September 2015 to 1 July 2018 – Ship 1

Hours	Partner	Exec Director / Director	Assistant Director	Senior Executive	Executive	Analyst	Total hours	Time cost (£)
Accounting & Administration	0.1	26.8	5.8	146.5	484.0	145.8	809.0	252,486
Bank & Statutory Reporting	65.5	304.9	122.8	194.0	351.4	31.3	1,069.9	447,751
Creditors	9.2	73.0	12.7	25.2	94.3	65.8	280.2	104,292
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	39.0	-	-	5.8	81.6	128.5	44,464
Immediate Tasks	1.0	0.5	-	-	32.6	127.0	161.1	43,832
Job Acceptance & Strategy	0.5	-	-	-	0.9	3.0	4.4	1,366
Legal Issues	-	6.5	-	3.8	0.8	-	11.1	5,039
Other Assets	7.5	17.9	91.0	81.4	200.9	5.4	404.1	153,484
Other Matters	3.0	6.0	114.2	14.1	135.2	59.6	332.1	125,908
Property	-	89.7	-	14.0	1.0	-	104.7	51,600
Sale of Business	63.5	8.7	111.3	113.8	155.5	30.3	483.1	200,795
Statutory Duties	2.7	0.2	8.1	12.3	51.0	86.3	160.6	48,428
Trading	9.0	120.5	-	264.2	984.3	47.5	1,425.5	467,523
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	5.6	6.3	32.4	13,313
Total hours	164.6	727.0	473.9	885.7	2,538.7	732.9	5,522.8	5,522.8
Total Time cost (£)	103,204	371,497	251,641	346,309	733,684	193,486	£1,999,821	£1,999,821
Average hourly rate	627	511	531	391	289	264		

Summary of Joint Administrators' Time-Costs from 16 September 2015 to 1 July 2018 – Ship Holdings

Hours	Assistant			Senior		Analyst		Total	
	Partner	Director	Director	Executive	Executive	Executive	Analyst	Hours	Total time 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
Total Hours	0.0	0.0	0.0	0.0	0.0	12.0	3.9	15.9	15.9
Total time costs (£)	-	-	-	-	-	3,468.0	1,029.6	4,497.6	4,497.6
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 (£) (post 1 July 2016)	Charge out rate (£) (post 1 July 2017)	Charge out rate (£) (post 1 July 2018)	Agreed hourly rate (£)
Partner	985	1,035	1085	627
Director	805	845	885	511
Assistant Director	670	705	740	531
Senior Executive	510	535	560	391
Executive	375	395	415	289
Analyst	340	355	375	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")

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

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse