In accordance with Rule 3.61(1) of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 & Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986.

AM23 (Scot)

Notice of move from administration to dissolution

Companies House

WEDNESDAY

S8E8D0SJ
SCT 18/09/2019 #305
COMPANIES HOUSE

1 Company details

Company number	SC208659
Company name in full	Axon Well Intervention Products UK Ltd

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

2 Court details

Court name	Aberdeen
Court number	

3 Administrator's name

Full forename(s)	Gordon Malcolm
Surname	MacLure

4 Administrator's address

Building name/number	Bishops Court
Street	29 Albyn Place
Post town	Aberdeen
County/Region	
Postcode	AB10 1YL
Country	

AM23 (Scot)
Notice of move from administration to dissolution

5	Administrator's name ❶	
Full forename(s)	Ewen R	❶ **Other administrator** Use this section to tell us about another administrator.
Surname	Alexander	

6	Administrator's address ❷	
Building name/number	Bishops Court	❷ **Other administrator** Use this section to tell us about another administrator.
Street	29 Albyn Place	
Post town	Aberdeen	
County/Region		
Postcode	A B 1 0 1 Y L	
Country		

7 Final progress report

☑ I have attached a copy of the final progress report.

8 Sign and date

Administrator's signature	Signature X [signature] X	
Signature date	d1 d7 m0 m9 y2 y0 y1 y9	

AM23 (Scot)

Notice of move from administration to dissolution

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: Tegan Seivwright

Company name: Johnston Carmichael LLP

Address: Bishops Court
29 Albyn Place

Post town: Aberdeen

County/Region:

Postcode: AB10 1YL

Country:

DX:

Telephone: 01224 212222

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,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.

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

JOHNSTON CARMICHAEL

Axon Well Intervention Products UK Ltd (In Administration)

Administrators' final progress report

For the period 20 March 2018 to 20 September 2018

Issued on 21 August 2019

Contents

Appendices

Section 1: Introduction

Gordon Malcolm MacLure and Ewen Ross Alexander of Johnston Carmichael LLP, Bishop's Court, 29 Albyn Place, Aberdeen, AB10 1YL were appointed as Joint Administrators ("the Administrators") of Axon Well Intervention Products UK Ltd ("the Company") on 20 September 2016 by the directors of the Company who were Jeff Merecka, Gary Warren Stratulate and Tracy Virgo.

The Administrators wrote to all creditors of the Company on 27 September 2016 to advise that they had been appointed. On 14 November 2018 the Administrators wrote to all creditors of the Company in accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("IA86") and with Rule 2.25 of the Insolvency (Scotland) Rules 1986 ("ISR86") to provide creditors with details of the Administrators' report and proposals to achieve the purpose of the Administration.

The Administrators issued progress reports to creditors on 27 April 2017, 31 October 2017 and on 26 April 2018. This progress report covers the period 20 March 2018 to 20 September 2018 and is the Administrators' final progress report.

Section 2: Summary of the Administrators' original proposals

The Administrators' original proposals to achieve the purpose of the Administration were deemed approved without modification. The Administrators proposed that:

> "The Administrators continue to manage the affairs of the Company to achieve objective b), achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); failing which they will pursue objective c), being the realisation of property in order to make a distribution to one or more secured creditors.

The Administrators will seek to realise the Company's remaining book debts and will separately sell the Company's moveable property and heritable property.

If the Administrators reach the conclusion that the Company has no property which might permit a distribution to its unsecured creditors, they propose to file a notice with the Court and the Registrar of Companies for the dissolution of the Company.

If, at any time, the Administrators believe it would be beneficial to have the Company placed into liquidation, they will place the Company into Creditors' Voluntary Liquidation. In these circumstances it is proposed that the Administrators will become the Joint Liquidators in the liquidation.

The Administrators should do all other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administration.

The Administrators do not propose calling a meeting of the Company's creditors. However, in the event that one is requested by the creditors, they may consider establishing a Creditors' Committee and if any such a committee is formed they shall be authorised to sanction the basis of the Administrators' remuneration and any proposed act on the part of the Administrators without the need to report back to a further meeting of creditors generally, to include any decision regarding the most appropriate exit route from the Administration. In the event of funds becoming available to pay a dividend to ordinary creditors, whether or not through the prescribed part mechanism, the Administrators may make an application to Court for authority to make the distribution.

The Administrators propose that their remuneration be fixed on the basis of time properly given by them and their staff in dealing with matters arising from the Administration.

In this case the Administrators' remuneration and disbursements will require to be approved by the secured and preferential creditors.

It is envisaged that all matters will be concluded by the anniversary of the Administration. However, in the event that further time is needed then it is proposed that the Administration be extended by consent of the relevant creditors or by application to the Court in accordance with paragraph 78 of Schedule B1 of the Insolvency Act 1986, whichever is appropriate.

The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 of the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect."

Section 3: Steps taken during the Administration

The Administrators wrote to employees on 21 September 2016 and confirmed that all contracts of employment had been terminated on the grounds of redundancy with effect from 20 September 2016.

The Administrators fulfilled their statutory duties, including notifying creditors of the Company's position, advertising their appointment and dealing with creditors of the Company to record their claims, providing information about the sales process and considering the conduct of the Company's directors.

Thainstone Specialist Auctions ("TSA") were instructed to hold an on-site and electronic auction sale of the Company's plant, machinery and remaining stock. The sale took place on 22 November 2016 at the Company's property at Arbroath and realised gross sale proceeds of £157,734. The related sale and set up costs amounted to £17,025. Net sale proceeds of £140,709 were received by the Administrators on 2 December 2016.

Following the sale of the Company's plant, machinery and stock, the Administrators' property agents, Ryden LLP, progressed the marketing and sale of the Company's property at William Smith Road, Arbroath. The property was placed on the market in late October 2016 and was sold for £220,000 exclusive of VAT on 17 March 2017.

A full recovery of outstanding trade debtors totalling £81,212.11 was achieved. There were also inter-company debts totalling £812,647 due to the Company from five related legal entities, several of which were based in overseas jurisdictions. Those balances proved to be irrecoverable.

The Administrators realised proceeds from an insurance refund, cash at bank on their appointment and gross bank interest income during the period of the Administration.

The Administrators liaised with the Company's secured creditor, Wells Fargo National Association ("Wells Fargo").

The Administrators fulfilled their statutory duties under the Company Directors' Disqualification Act 1986 and made a submission to the Insolvency Service on the conduct of the Company's directors.

Section 4: Extension of the period of Administration

The Administrators extended the period of the Administration from 20 September 2017 to 20 September 2018 with the consent of the Company's secured creditor, Wells Fargo. The purpose of that extension was to provide further time to allow asset realisations to be completed and to make distributions to the Company's creditors.

Section 5: Final Receipts and Payments Account

A summary of the Administrators' final Receipts and Payments account for the period 20 September 2016 to 20 September 2018 is shown at Appendix I.

A total of £49,160.58 was distributed to the Company's preferential creditors, representing a dividend of 100 pence in the £.

A total of £199,412.25 was paid to the Company's secured creditor, Well Fargo.

A total of £46,013.06 was paid to the Company's unsecured creditors, representing a dividend of 0.94 pence in the £.

Section 6: Administrators' Final Remuneration and Outlays

The Administrators' Report and Statement of Proposals stated that, in accordance with *Rule 2.39(9)(b)* of the *Insolvency (Scotland) Rules 1986*, the Administrators would seek approval of their remuneration from the Company's secured and preferential creditors.

The Administrators' time costs for the period 20 September 2016 to 9 November 2016 were £36,885.18 exclusive of VAT which represented 140.5 hours at an average hourly rate of £262.53. Following approval by creditors, that remuneration was paid on 6 January 2017.

The Administrators' time costs for the period 10 November 2016 to 19 March 2017 totalled £22,840.82 exclusive of VAT, which represented 99.6 hours at an average hourly rate of £229.23. Following approval by creditors, that remuneration was paid on 25 May 2017.

The Administrators' time costs for the period 20 March 2017 to 19 September 2017 totalled £30,103.75 exclusive of VAT which represented 114.7 hours at an average hourly rate of £262.45. Following approval by creditors, that remuneration was paid on 28 November 2017.

The Administrators agreed to restrict their final time costs for the period 20 September 2017 to 20 September 2018 to £7,500 exclusive of VAT from prescribed part funds and £8,500 from floating charge realisations.

The Administrators' actual time costs for the final period 20 September 2017 to 20 September 2018 were £27,760.95 exclusive of VAT, which represented 121.9 hours at an average hourly rate of £227.74. The Administrators drew the agreed restricted amount of remuneration.

Details of the hours and time costs incurred by the Administrators relating to the final remuneration period, being 20 September 2017 to 20 September 2018, are shown at Appendix II in accordance with Statement of Insolvency Practice 9, Payments to Office Holders and their Associates ("SIP 9"). Information regarding the Administrators' policy on staffing, the use of sub-contractors and disbursements is shown at Appendix III.

A copy of a "Creditors' Guide to Administrator's Remuneration", which gives further information relating to the approval process for an Administrators' remuneration, can be downloaded from: https://www.icas.com/technical-resources/creditor-guides-to-office-holder-remuneration

If any creditor would prefer to receive a hard copy of the above guide free of charge, please contact the Administrators.

Section 7: Outcome of the Administration

The Administrators initially pursued objective (b) of paragraph (3), Schedule B1 of the IA86, achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

Although there was interest in the Company's assets, it became clear that it was not possible to achieve objective (b). The Administrators then sought to achieve objective (c), realising property in order to make a distribution to one or more secured or preferential creditors.

The Administrators have now completed all matters in the Administration and have distributed all available assets of the Company to its secured, preferential and ordinary creditors. Objective (c) has therefore been achieved.

The Administrators are now proceeding to file Form 2.26B (Scot), Notice of move from administration to dissolution, with Companies House. The Company will be dissolved three months after Form 2.26B (Scot) is filed by the Registrar of Companies.

Yours faithfully
For and on behalf of
Axon Well Intervention Products UK Ltd

....
Gordon MacLure
Former Joint Administrator

The affairs, business and property of Axon Well Intervention Products UK Ltd are being managed by the Joint Administrators who contract only as agents of the company and without personal liability. Gordon MacLure and Ewen R Alexander are authorised to act as insolvency practitioners in the United Kingdom by the Institute of Chartered Accountants of Scotland.

Appendix I: Administrators' Final Receipts and Payments Account

JOHNSTON CARMICHAEL

Axon Well Intervention Products UK Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 20/03/2018 To 20/09/2018 £	From 20/09/2016 To 20/09/2018 £
	ASSET REALISATIONS		
450,341.00	Heritable Property	NIL	220,000.00
56,815.00	Plant & Machinery	NIL	158,679.60
570,514.00	Stock	NIL	NIL
166,593.00	WIP	NIL	NIL
81,212.00	Book Debts	NIL	81,212.11
	Insurance Refund	NIL	539.32
5,507.00	Cash at Bank	NIL	NIL
569.00	Petty Cash	NIL	77.42
	Funds held on Appointment	NIL	4,508.13
	Bank Interest Gross	89.79	342.64
		89.79	465,359.22
	COST OF REALISATIONS		
	Specific Bond	NIL	367.50
	Office Holders Fees	8,500.00	98,329.75
	Office Holders Travel Expenses	(240.00)	NIL
	Registers of Scotland	NIL	18.00
	Agents Valuation and Commission Fee	NIL	25,804.74
	Property Security Costs	(52.50)	11,969.85
	Legal Fees and Outlays	2,300.00	9,294.00
	Tax Advisor Fees	NIL	1,000.00
	Irrecoverable VAT	NIL	1,406.17
	Property Heat and Light	NIL	4,376.18
	Water Charges	NIL	2,068.32
	Re-Direction of Mail	NIL	175.00
	Statutory Advertising	NIL	409.30
	Insurance of Assets	NIL	7,913.31
	Bank Charges	60.00	90.00
		(10,567.50)	(163,222.12)
	PREFERENTIAL CREDITORS		
	Employee Related Claims	NIL	49,160.58
		NIL	(49,160.58)
	FLOATING CHARGE CREDITORS		
	Floating Charge Creditor	24,412.25	199,412.25
		(24,412.25)	(199,412.25)
	UNSECURED CREDITORS		
	Trade & Expense Creditors	46,013.06	46,013.06
	Office holders' fees - prescribed part	7,500.00	7,500.00
	HM Revenue & Customs	91.21	91.21
		(53,604.27)	(53,604.27)
1,331,551.00		(88,494.23)	(40.00)
	REPRESENTED BY		
	Bank - Current		(40.00)
			(40.00)

Administrators' Final Receipts and Payments Account

This account covers the period 20 March 2018 to 20 September 2018, being the period since the Administrators' last report, with cumulative figures for the period 20 September 2016 to 20 September 2018.

All amounts are exclusive of VAT.

The bank account for the Administration was closed and brought to a £nil balance following the consignation of a small number of unclaimed dividends after 20 September 2018.

Appendix II: Administrators' SIP 9 Time and Charge Out Summary

JOHNSTON CARMICHAEL

Administrators' SIP 9 Time and Charge-out Summary for the period 20 September 2017 to 20 September 2018

	Hours								
Classification of work function	**Partner**	**Director**	**Manager**	**Administrator**	**Cashier**	**Support Staff**	**Total Hours**	**Time Cost (£)**	**Average Hourly Rate (£)**
Administration and planning	3.0	32.6	8.4	25.9	4.1	3.1	77.1	16,799.25	217.95
Creditors	8.2	1.3	8.3	15.7	0.3	-	33.8	7,147.90	211.79
Investigations	2.0	-	-	-	-	-	2.0	838.00	419.00
Realisation of assets	0.7	7.2	1.0	-	0.2	-	9.1	2,975.80	328.82
Totals	**13.9**	**41.1**	**17.7**	**41.6**	**4.6**	**3.1**	**121.9**	**27,760.95**	
Average hourly rate (£)	417.53	335.29	216.43	89.73	97.07	63.64	227.77		

Notes

1. All time costs above are exclusive of VAT.
2. The Administrators agreed to restrict their time costs for the period 20 September 2017 to 20 September 2018 to £7,500 exclusive of VAT from prescribed part funds and £8,500 from floating charge realisations. The amount of £27,760.95 shown above are the Administrators' actual time costs incurred.

Additional Information on Work Undertaken

In terms of the classification of work functions, the tasks involved in the period 20 September 2017 to 20 September 2018 involved the matters set out below.

Administration and Planning

- Preparation of statutory correspondence and reports to creditors;
- Monitoring and reviewing the administration strategy and exit strategy;
- Regular case management and reviewing of progress including update meetings and discussions;

- Dealing with queries arising during the appointment;
- Ensuring compliance with all statutory obligations including filing and electronic scanning of correspondence;
- Preparing and processing vouchers for post-appointment receipts and payments;
- Reconciling post-appointment bank accounts;
- Submission of post-appointment VAT returns; and
- Case reviews.

Creditors

- Communicating and corresponding with creditors;
- Maintaining and updating a list of unsecured creditors;
- Responding to enquiries from creditors regarding the Administration and submission of claims;
- Reviewing documentation submitted by creditors;
- Liaising with and updating the Company's floating charge creditor;
- Adjudication of unsecured creditor claims;
- Payment of dividends to unsecured creditors; and
- Payment of remaining balance to the Company's floating charge creditor.

Appendix III: Additional Information in relation to the Administrators' Remuneration pursuant to SIP 9

Additional Information in relation to the Administrators' Remuneration and Disbursements pursuant to SIP 9

1. Policy

- Detailed below is Johnston Carmichael LLP's policy in relation to:
  - Staff allocation and the use of sub-contractors;
  - Professional advisors;
  - Disbursements; and
  - Charge-out Rates.

1.1 Staff allocation and the use of sub-contractors

Our general approach in resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will depend on the anticipated size and complexity of the assignment and the various requirements of the assignment. Time spent by cashiers and support staff in relation to specific tasks on an assignment is charged to the case.

1.2 Professional Advisors

On this assignment, we engaged the professional advisors listed below with our choice being based on our perception of their experience and ability to perform this type of work, the location and nature of the assignment and the basis of the fee arrangement with them.

Professional Advisors	Services Provided
Burness Paull LLP	Legal advice
Ryden LLP	Commercial property advisors
Thainstone Specialist Auctions	Tangible asset valuers and auctioneers

Appendix III: Additional Information in relation to the Administrators' Remuneration pursuant to SIP 9

JOHNSTON CARMICHAEL

1.3 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursements to a case generally comprise external supplies of incidental services specifically identifiable to the case including statutory advertising and specific penalty bond.

Category 2 disbursements are costs that are directly referable to the appointment in question but not paid to a third party and they include costs that can be allocated to the case on a proper basis such as car mileage.

1.4 Charge-out Rates

The hourly charge-out rates for the grades of staff involved on this administration were:

Grade	From 1 June 2016	From 1 December 2016	From 1 June 2017	From 1 December 2017	From 1 June 2018
	£ per hour	£ per hour	£ per hour	£ per hour	£ per hour
Partner	368	400	408	419	429
Director	275	325	332	341	349
Senior Manager	194	225	230	236	240
Senior Administrator	108	115	118	121	125-160
Administrator	77	90	100	103	75-105

Time is charged for work carried out on the case using a minimum time unit of six minutes.