

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Ocean Management Services Limited	Company number 04779552
In the High Court of Justice Chancery Division Bristol District Registry	Court case number 37 of 2006

(a) Insert full name(s) and
address(es) of
administrator(s)

I (a) STEPHEN KATZ of Fisher Partners, Acre House, 11-15 William Road, London NW1 3ER

attach a copy of our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

* Delete as applicable

(b) Insert date

(b) 16 May 2006

Signed

Administrator

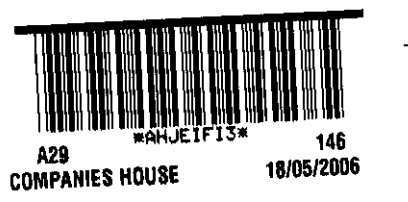
Dated

16/5/06

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

	Tel
DX Number	DX Exchange



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

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

Please ask for: Andrew Jagger
Our ref: SMK/DLB/ASJ/O325/24

15 May 2006

A division of
H W Fisher & Company
Chartered Accountants

ACRE HOUSE
11/15 WILLIAM ROAD
LONDON NW1 3ER
TEL: 020 7388 7000
FAX: 020 7380 4997
EMAIL: fisherp@hwfisher.co.uk
www.hwfisher.co.uk

TO ALL MEMBERS AND CREDITORS

Dear Sirs

**OCEAN MANAGEMENT SERVICES LIMITED T/A PACIFIC STAFF,
HARVEY LLOYD & OCEANVIEW STUDIOS – IN
ADMINISTRATION (“The Company”)
HIGH COURT OF JUSTICE – CASE NUMBER 37 of 2006**

**BUSINESS RECOVERY
AND RECONSTRUCTION**

As you are aware, I was appointed Administrator of the Company pursuant to Paragraph 12 of Section B1 of the Insolvency Act 1986 on 23 March 2006 following an application for an administration order to the Bristol District Registry by the director of the company. The order was made at 10.35am on 23 March 2006

Please find attached a notice of an initial creditors' meeting convened pursuant to Paragraph 51 of Schedule B1 to the Insolvency Act 1986, together with a proxy form for completion and return. The purpose of the meeting is to consider my proposals in relation to the administration.

The objective of the administration is to achieve a better result for the Company's creditors as a whole than would be likely in a Winding Up.

The purposes of this report are:

- 1) to provide information on the circumstances giving rise to the administration and my appointment;
- 2) to provide a summary of the director's Statement of Affairs with my own comments;
- 3) to provide information on the manner in which the affairs and business of the Company have been managed and financed since my appointment and will, if my proposals are approved, continue to be managed and financed;
- 4) to provide details of my time costs to date;
- 5) to provide a summary of the Receipts and Payments made to date;
- 6) to provide such other information as I think fit to enable you to decide whether or not to vote for the adoption of my proposals;



The principals of Fisher Partners are licensed as insolvency practitioners by the Institute of Chartered Accountants in England and Wales

H W Fisher & Company is registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales

A full list of partners is available at the above address

In order to assist members and creditors, I attach the following documents:

Appendix A	Statutory Information
Appendix B	Summary of the Administrator's Receipts and Payments as at 12 May 2006
Appendix C	Director's Statement of Affairs as at 31 March 2006
Appendix D	A schedule of my firm's standard charge-out rates
Appendix E	Notice of a meeting of creditors
Appendix F	Proxy Form
Appendix G	A creditor's guide to Administrator's fees

PROPOSALS

I would put the following proposals to shareholders and creditors for your consideration and acceptance:

1. That I continue to realise the company's assets in accordance with objective 2 of the statutory purpose of the administration, including:
 - (a) The realisation of amounts due from debtors.
 - (b) Any other assets that come to light.
2. That I continue with my investigations into the affairs of the Company prior to our appointment.
3. Once the assets have been realised and my investigations have been completed that I take steps to place the Company into creditors' voluntary liquidation.
4. That my remuneration be approved on the basis of time properly incurred in the conduct of the administration based on my firm's standard charge out rates. A creditors' guide to fees is attached as Appendix C.
5. That I be discharged from liability under the administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, immediately upon the filing of my final report to creditors.

EVENTS LEADING UPTO MY APPOINTMENT

Ocean Management Services Limited is a company owned and managed by Mr D Lenszner.

The company was incorporated on 29 May 2003 and is located in Plymouth. It primarily provides temporary contract staff under ongoing service agreements to local businesses under the trading name Pacific Staff.

The Company traded from leased premises known as Gordon Court, The Millfields, Plymouth, Devon PL1 3JB. The offices were leased for a period of 10 years from 24 June 2003.

In addition to providing temporary staff, which makes up 90% of the company's business, the company places permanent staff with clients and also offers video conferencing facilities and market research under the trading names Harvey Lloyd and Oceanview Studios, respectively. These additional services make up 9% and 1% of the company's turnover.

The company sourced its temporary staff from Eastern Europe and supplied local businesses with shift work predominantly at food production and packing facilities. The company also provided travel through its small fleet of leased mini buses and arranged accommodation for workers requiring short-term housing.

The company's labour suppliers in Eastern Europe, and in particular Poland, were able to provide additional eligible staff at short notice.

More recently, the company decided to set up a video conferencing and market research facility. This required a substantial amount of investment in fitting out the premises and in acquiring the technology and equipment. The costs totalling approximately £200,000 was funded from the company's cash flow.

The rationale for this investment stemmed from the company's location in Plymouth. It was believed that there was a market for local businesses to undertake video conferencing with clients nationwide without incurring large travel costs and therefore saving substantial management time.

However, as briefly mentioned above, this investment did not generate the income that management had anticipated. As the investment had not been funded through retained reserves but from cash flow, the company experienced a cash crisis, which resulted in a winding-up petition being presented by HM Revenue & Customs. The petition was due to be heard on 15 March 2006.

In view of the financial difficulties and the impending petition, the directors consulted my firm, Fisher Partners, for advice and the options available. Due to the level of liabilities, it was determined by the management that the most appropriate course of action would be to place the Company into the protective regime of an administration by making an application for an administration order.

It was felt that, an administration would allow for a substantial enhancement to the potential realisable value of the business and assets of the company than

otherwise would have been the case if the petition had been left unattended and the company eventually wound-up by the Court.

However, in order to accomplish this, it was necessary to obtain an adjournment of the petition hearing. This was duly granted by the Court and at the adjourned hearing, representations for an administration were made before the court.

Consequently, I was appointed Administrator of the Company on 23 March 2006.

DIRECTOR'S STATEMENT OF AFFAIRS

The director's statement of affairs was filed with the Registrar at Companies House on 11 May 2006. It reflected the assets and liabilities of the Company as at 31 March 2006. A copy is annexed to this report. I would make the following comments:

Assets:

Book Debts

The company operates sales invoice factoring with ISIS Factors plc ("ISIS"). ISIS holds a fixed and floating debenture over all of the company's assets. This charge was created on 9 July 2003 and registered 11 July 2003. On 31 March 2006, ISIS was owed £172,752. It is estimated by the director that book debts of approximately £240,000 will prove realisable from a total sales ledger of £258,084. This figure takes in account a small provision of £10,000 accounting for the difficulties associated with the collection of book debts in formal insolvency proceedings.

Sale of the business (Goodwill, Office furniture and equipment, IT)

Shortly after my appointment, these assets were sold Two Chips Limited for the sum of £75,000. Further explanation is provided in the section headed 'actions taken since my appointment'.

Other Debtors

There are other non-trade debtors totalling £837. The director has estimated that these will not prove realisable.

Cash at Bank (frozen)

This sum represents the cash balances held in the Company's current account at Barclays Bank plc.

Tensor Cards

The company's accounts indicated that there was a credit balance on these cards. This balance will now not prove realisable.

Liabilities:**Unsecured Creditors**

There are 36 unsecured creditors with claims totalling £373,030. The analysis of this figure is as follows:

Creditor	£
34 Trade and expense creditors	18,222
Inland Revenue (PAYE & NIC)	167,364
HM Customs (VAT)	<u>187,444</u>
Total	<u>373,030</u>

Total assets, prior to costs of the administration, are estimated to be in the region of £169,071, with liabilities, totalling £373,030. Based on these figures there will be sufficient funds for a dividend to unsecured creditors. It will be the role of the appointed liquidator to distribute monies to the unsecured creditors. This is discussed in more detail later in my report under the section 'exit route and timescale'.

ACHIEVING THE PURPOSE OF THE ADMINISTRATION

The statutory purpose of an administration consists of three objectives, and I now address the progress that has been made in this respect.

The first objective:

'The rescue of the company as a going concern'

It was not possible to achieve this objective due to the nature of the business and assets. For further commentary on this objective please refer to 'actions taken since my appointment'.

The second objective:

'Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up'

This objective has been achieved, as a successful sale of the business and assets to Two Chips Limited at full market value has been concluded subject to payment of the final sale consideration. This is further explained in 'actions taken since my appointment'.

The third objective:

'Realising property in order to make a distribution to one or more secured or preferential creditors'

It is believed that the factoring company will be paid in full and therefore this objective is likely to be achieved. There are no preferential creditors in this matter.

ACTIONS TAKEN SINCE MY APPOINTMENT

Upon my appointment, immediate steps were taken to market the business and assets of the Company. It was clear that continuing to trade the business was not a viable option as it was likely that the company's customers, who were predominantly local, would have been unhappy with the provision of staff by a company in administration.

In addition, funding would be required and even though the company's cash flow forecasts expected positive cash flow on an ongoing basis, the costs of trading the business would utilise any cash surplus during this period.

Lastly, the contracts that the company had with its clients appeared to contain cancellation clauses should the company enter into formal insolvency proceedings. In light of the above reasons, the most appropriate option, and one that would enable me to maximise the greatest value from the company's asset base, was to sell the business as a going concern. This approach was presented to the Court at the time of the hearing of the Administration Petition.

In this connection, professional valuers, Amco Agency Limited ("Amco") were instructed to assist in this matter and provided the following valuations:

Assets	Forced Sale Value	Going Concern Value
	£	£
Goodwill, IPR, Names	3,000	50,000
Office Furniture	3,000	15,000
Vehicles Net of Finance	Nil	Nil
Office Equipment & IT	<u>6,000</u>	<u>10,000</u>
Total	<u>12,000</u>	<u>75,000</u>

The existing management who had formed a new company called Two Chips Limited ("Two Chips") had already indicated their intention to reacquire the business and assets at their full value. However, they did not require the video conferencing and marketing facilities.

After consulting with the agents, it was clear that a full market value disposal to the management team was the recommended course of action.

A sale agreement was prepared by Squire, Sanders & Dempsey ("SSD"), who had been instructed by me to assist with legal matters relating to the administration.

To this end, the sale to the existing management was concluded on 24 March 2006 and provided that the consideration was to be paid in two tranches. The

first payment was due immediately on completion for £25,000 with the second payment of £40,000 to be due by 4 April 2006.

The first payment was received on the due date. However, Two Chips advised me that they were unable to have sufficient funds by 4 April 2006 to make the second payment. It did however provide a payment plan setting out how they would pay the remaining balance. Two Chips also indicated its wish to purchase the video conferencing equipment at its full value of £10,000.

SSD drafted a variation to the sale agreement to include the purchase of the video conferencing equipment and payment plan to settle the outstanding balance for the business and assets under the original agreement. The variation agreement was finalised and concluded on 24 April 2006 providing for revised payments as follows:

Date	Amount (Second Tranche)	Amount (Video conferencing equipment)
	£	£
24 April 2006	22,000	500
27 April 2006	5,000	
27 June 2006	<u>13,000</u>	<u>9,500</u>
Total	<u>40,000</u>	<u>10,000</u>

On 27 April 2006, £27,500 was received by SSD from Two Chips and the balance totalling £22,500 will be received in due course.

Upon my appointment, I wrote to the company's bankers; Barclays Bank plc ("the bank"), to request that the account, which had already been frozen, to remit the credit balance to me. The bank closed the company's two accounts and forwarded a closing balance of £26,823.

I am also reviewing the position regarding the company's debtor ledger on a regular basis. As previously mentioned, the sales ledger was factored with ISIS, who are currently collecting in the debtors. Since my appointment, ISIS have made considerable progress and as at 9 May 2006, the amount outstanding to ISIS had consequently reduced to approximately £77,000. The value of the debtors still left to collect on this date was approximately £150,000. Once ISIS have collected out its debt, the residual sales ledger will be reassigned back to the company together with any surplus that ISIS may hold.

On the statutory front, I have contacted all the creditors notified to me by the director. In addition, I have requested that the director submits a sworn statement of affairs and complete a questionnaire to assist me in my investigation into the director's conduct. My report will be submitted to the DTI in due course.

In dealing with the matters mentioned above, £6,399.03 has been incurred on a time basis for the period since my appointment to 9 May 2005 by my staff and myself. For your information and in line with recommendations of my professional body, the Association of Business Recovery Professionals (R3) I set out below a schedule of these time costs. I would ask your consent to me

drawing the already incurred and future costs on a time cost basis. I attach at Appendix G "A Creditors Guide To Administrators Fee" for your information.

	Partner	Principal	Administrator	Support Staff	Total Hours
Accounting/Bank Recs	0.30	0.00	3.36	8.60	12.26
Asset Realisation	8.78	0.00	1.85	0.00	10.63
Employees	0.20	0.00	0.90	0.00	1.10
General Case Admin	0.90	0.00	2.25	0.00	3.15
Creditor Correspondence	0.20	0.00	1.30	0.00	1.50
Investigations	0.00	0.00	1.30	0.00	1.30
Proof/claims – Unsecured	0.00	0.00	0.30	0.00	0.30
Review/Reports	0.20	0.30	0.00	0.00	0.50
Total Time	10.58	0.30	11.26	8.60	30.74
Cost (£)	3,966.96	90.00	1,744.71	597.36	6,399.03
Average rate per hour (£)	375.00	300.00	154.95	69.46	208.17

Finally, I have annexed to this report a copy of my receipts and payments to today's date for your information.

EXIT ROUTE AND TIMESCALE

As previously mentioned, the Administration commenced on 23 March 2006 following an application made to the Court by the directors, on the basis that the Company was or was likely to become unable to pay its debts, as under the Insolvency Act 1986, as amended by the Enterprise Act 2002. The Company had also been issued with a winding up petition by HM Customs & Excise. The objective of the Administration is to seek a better result for the Company's creditors as a whole than would be achieved if the Company had proceeded directly into liquidation.

I anticipate that the Administration will last at approximately 6-9 months in order for the outstanding matters to be resolved.

I also anticipate that there will be sufficient funds to make a distribution to unsecured creditors from the proceeds of the assets. Consequently, an appropriate exit route for the Company would be from an Administration to a creditors' voluntary liquidation. The Creditors will have the power to appoint a liquidator but if an appointment is not made I, as Administrator, will automatically be appointed liquidator. It is the job of the appointed liquidator to distribute monies to the unsecured creditors.

OTHER MATTERS

It is considered that the EC Regulation (Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings) will apply and that these proceedings are main proceedings as defined in Article 3 of the EC Regulation as the Company's Registered Office and centre of main interests is situated in England, UK.

CREATIVITY

ENTHUSIASM

ENERGY

VISION

Yours faithfully

For and on behalf of

OCEAN MANAGEMENT SERVICES LIMITED



STEPHEN KATZ

Administrator

(The Administrator acts as agent of the
company and without personal liability)

Enclosures: Appendices A - G

OCEAN MANAGEMENT SERVICES LIMITED - IN ADMINISTRATION

REPORT TO CREDITORS

APPENDICES

Appendix Number	Description
A	Statutory Information
B	Summary of Administrator's Receipts and Payments at 12 May 2006
C	Director's Statement of Affairs as at 31 March 2006
D	Schedule of My Firm's Standard Charge Out Rates
E	Notice of a meeting of Creditors
F	Proxy Form
G	A Creditors' Guide to Administrators' Fees

Statutory Information

Company Name:	Ocean Management Services Limited
In the High Court of Justice:	Case Number 37 of 2006 (Bristol District Registry)
Registration Number:	04779552
Principle Activity:	Recruitment consultants (T/A Pacific Staff and Harvey Lloyd) and audio visual conference facilitators (T/A Ocean View Studios)
Registered Office:	Acre House 11-15 William Road London NW1 3ER
Previous Registered Office: (changed 17 September 2005)	Gordon Court Millfields Plymouth Devon PL1 3JB
Directors:	Damon Lenszner
Secretary:	Helen Wright
Issued Share Capital:	£100 comprising 100 £1 ordinary shares
Administrators	Stephen Katz Fisher Partners Acre House 11-15 William Road London NW1 3ER
Date of Appointment:	23 March 2006
Appointed by:	The High Court
Registered Charge:	Fixed and Floating Charge
Name of Chargeholder:	ISIS Factors plc
Date Charge Created:	9 July 2003
Date Charge Registered:	11 July 2003

**Ocean Management Services Limited
(In Administration)**

**Income and Expenditure Account
To 12 May 2006**

INCOME	Total (£)
Sale of business	52,500.00
Cash at Bank	26,822.59
Pre appointment Funds on Account	14,100.00
	<u>93,422.59</u>

EXPENDITURE

Petitioners Costs	465.25
Insurance Bordereau	100.00
Pre appointment Advice	9,750.85
Pre appointment Expenses	226.26
Agents/Valuers Fees - Valuation Report	5,000.00
Agents/Valuers Fees - Sale of Chattels	1,250.00
Legal Fees - Administration Application	6,499.50
Legal Fees - Sale of Business	9,761.00
Statutory Advertising	110.43
	<u>33,163.29</u>
Balance	<u>60,259.30</u>

MADE UP AS FOLLOWS

VAT Receivable	5,680.70
Bank 1 - Current	54,578.60
	<u>60,259.30</u>

Statement of affairs

Name of Company

OCEAN MANAGEMENT SERVICES LIMITED

Company number

04779552

In the High Court of Justice
Chancery Division
Bristol District Registry

Court case number

37 of 2006

(a) Insert name and address of
registered office of the company

Statement as to the affairs of (a) Damon Lenszner of, 23 Durwent Close, Plymouth, Devon PL9 9DB

on the (b) 23 March 2006, the date that the company entered administration.

(b) Insert date

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 23 March 2006 the date that the company entered administration.

Full name

Damon Lenszner

Signed

Dated

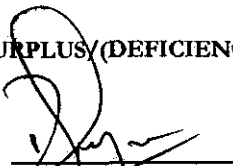
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OCEAN MANAGEMENT SERVICES LIMITED

ESTIMATED STATEMENT OF AFFAIRS AS AT 31 MARCH 2006

	Book Value £	Estimated to Realise £
ASSETS		
Assets subject to fixed charge:		
Book Debts	258,084	240,000
ISIS Factors plc	(172,752)	(172,752)
		67,248
		67,248
Assets subject to a floating charge:		
Goodwill, IPR, Names	137,000	50,000
Office Furniture	17,634	15,000
Office Equipment & IT	83,894	10,000
Other Debtors	837	Nil
Cash at Bank (frozen)	26,823	26,823
Tensor Cards	939	Nil
		101,823
LIABILITIES		
Preferential Creditors:		Nil
		169,071
DEBTS SECURED BY FLOATING CHARGE		Nil
		169,071
Unsecured non-preferential claims		
Trade & Expense Creditors		(18,222)
PAYE & NIC		(167,364)
VAT		(187,444)
		(373,030)
Estimated deficiency as regards non-preferential creditors (excluding any shortfall to floating charge holders)		(203,959)
Shortfall to floating charge holders (brought down)		Nil
		(203,959)
Issued and called up capital		
Ordinary Shareholders		(100)
		(100)
TOTAL SURPLUS/(DEFICIENCY)		(204,059)

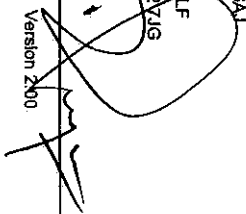
Signature


 Date 05/05/06

Ocean Management Services Limited B-Company Creditors

Key Name	Address	
CB00 British Telecommunications PLC	BT Telephone Payment Centre, TVTE, Newcastle-Upon-Tyne, NE22 6XX	918.35
CB01 Buckleigh Laundry	Westward Ho, Bideford, Devon, EX38 3PX	27.96
CB02 BT Insolvency	Dept W, TCTE, Newcastle, NE33 7ZF	0.00
CC00 Curtis Ball	10-13 Manor Street, Plymouth, PL1 1TN	242.52
CC01 Challenger Tyre Centre	26 Bath Street, Millbay, Plymouth	75.00
CC02 Child Protection UK Limited	13 Hyde Road, Denton, Manchester, M34 3AF	159.00
CC03 Concept Publishing Limited	Upper Borough Court, Upper Borough Walls, Bath, BA1 1RG	70.50
CC04 Crown Copiers Limited	Crown House, Unit 3, Kingsmill Road, Tamar View Industrial Estate, Saltash, PL12 6LD	507.07
CD00 Direct Workwear	10 Whitland Bay View, Portwinkle, Cornwall, PL11 3DB	336.80
CD01 Alison Dower	Foxdale House, 3 Camel Gardens, Tavistock, Devon, PL19 8RG	309.30
CD02 Scott Dann	Debt to be paid by new co, Important supplier	0.00
CE00 Ergonomique	Langendijk 21, 5652AX Eindhoven, The Netherlands	183.89
CH00 H M Customs & Excise	Central Insolvency Sift Team, 3NW Queens Dock, Liverpool, L74 4AA	187,444.00
CH01 HM Customs & Excise	Civil Recovery Unit, 3rd Floor NW, Queens Dock, Liverpool, L74 4BU	0.00
CH02 Debt Management Unit	HM Revenue & Customs, Compass House, Ordnance Survey Site, Romsey Road, Southampton SO16 4HP	0.00
CI00 Inland Revenue	TIDO (CES), Ty Glas Road, Llanishen, Cardiff CF4 5ZG	167,364.00
CI01 Receivables Management	Enforcement & Insolvency, Durrington Bridge House, Barrington Road, Worthing, West Sussex BN12 4SE	0.00
CI02 Receivables Employer Unit	Warwick House, Grantham Road, Newcastle upon Tyne, Tyne & Wear, NE2 1QH	0.00
CI03 Debt Management & Banking	Piran House, Nettles Hill, Redruth, Cornwall, TR15 1BL	0.00
CL00 Lyreco Limited	Deer Park Court, Dornington Wood, Telford, Shropshire, TF2 7NB	30.73
CL01 London Scottish Invoice Finance Ltd	Iels House, Red Cross Road, Goring-on-Thames, Reading, RG8 9HG	172,752.00
CM00 MF Oils	5 Willis Way, Poole, Dorset, BH15 3SS	1,730.75
CM01 Mailroom Supplies	5 Regents Court, Farmoor Lane, Ridditch, Worcestershire, B98 0SD	254.09
CM02 MMA Insurance plc	Norman Place, Reading, RG1 8DA	0.00
CN00 National Insurance Fund	Room 113H, Central Office, Longbenton, Newcastle-Upon-Tyne NE1 1ED	0.00
CO00 Omega Cleaning	51 Milford Lane, Tamerton Foliot, Plymouth, PL5 4JR	968.84
CO01 Orange	Orange Payment Centre, Southend-on-Sea, SS99 6LU	1,487.26
CP00 Pepper Communications Limited	Beechwood Way, Langage Science Park, Plympton, Plymouth, PL7 5HH	250.00
CP01 Plymouth City Council	Trade Refuge Section, Civic Centre, Plymouth, Devon, PL1 2AA	108.00
CP02 Polar Media	Airport Business Centre, 10 Thornbury Road, Estover, Plymouth, PL3 5LX	283.75
CP03 Profile Publicity	7 The Square, The Millfields, Plymouth, Devon, PL1 3LX	2,350.00
CP04 Purchase Power	PO Box 6570, Harlow, Essex, CM20 2GZ	798.85
CP05 Parkhurst Hill	58 North Road East, Plymouth, Devon, PL4 6AJ	0.00
CP06 Parkhurst Hill	Tortington Chambers, 58 North Road East, Plymouth, PL4 6AJ	0.00
CS00 Sage (UK) Limited	North Park, Newcastle Upon Tyne, NE13 9AA	1,339.74
CS01 Sequel Training	The Sequel, Tavistock Road, Launceston, Cornwall, PL15 8LF	560.00
CS02 Shred IT Limited	Units 3C & 4C, Sanderling Court, Osprey Road, Exeter, EX2VJG	229.11
CS03 Spar-Storehouse Post Office	324-326 Union Street, Plymouth, Devon, PL1 3HP	10.80

Signature



Version 2.00

Date

05/05/06

Ocean Management Services Limited B-Company Creditors

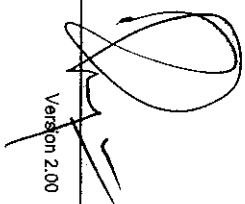
Key Name	Address	
CS04	Static Burst Limited	211.50
CS05	Supplies Team	1,493.14
CS06	SWEB Energy Limited	669.32
CS07	SWT Network Limited	830.88
CS08	Standard Life	0.00
CV00	Ventura Office Supplies Limited	1,376.45
CV01	Vospers Motor House (Plymouth) Limited	0.01
CW00	Westcountry Publication Limited	0.00
CW01	Western Autos	105.75
CX00	Xpress Print	186.60
CY00	Yellow Pages	104.58
CZ00	Zurich Insurance Company	0.00
RL00	Damon Lenszner	0.00

Tamar Science Park, 1 Davy Road, Plymouth, PL6 8BX
66-70 Vicar Lane, Bradford, West Yorkshire, BD1 5AG
Payment Processing Centre, PO Box 62, Plymouth, Devon, PL3 5YS
Communications House, Moor Lane, Sowton, Exeter, EX2 7JA
Standard Life House, 30 Lothian Road, Edinburgh, EH1 2DH
Lloyds TSB Commercial Finance Ltd, PO Box 100, Banbury, Oxfordshire, OX16 1SG
Marsh Mill Rental Park, Plymouth, Devon, PL6 8AY
Debt to be paid by new co, Important Supplier
15 Miller Court, Millbay Road, Plymouth, PL1 3LQ
8 - 9 Porsham Close, Belliver Industrial Estate, Plymouth, Devon, PL6 7DB
Queens Walk, Reading, Berkshire, RG1 7PT
Aurich House, Stanhope Road, Portsmouth, Hampshire, PO1 1DU
23 Durwent Close, Plymouth, Devon, PL9 9DB

51 Entries Totalling

545,781.64

Signature



Version 2.00

Date

05/05/06

Charge out rates at 1 January 2005

	From 1 Jan 05
Partner	£375
Principal	£300
Principal	£300
Senior Administrator	£175
Administrator	£150
Administrator	£140
Administrator	£125
Junior Administrator	£110
Junior Administrator	£90
Junior Administrator	£90
Support Staff	£75
Support Staff	£55

Rule 2.35

Notice of a meeting of Creditors

Name of Company

Ocean Management Services Limited

Company number

04779552

In the High Court of Justice
Chancery Division
Bristol District RegistryCourt case number
37/2006(a) Insert full name(s)
and address(es) of
administrator(s)

Notice is hereby given by (a)

Stephen M Katz
Fisher Partners
Acre House
11-15 William Road
London
NW1 3ER(b) Insert full name and
address of registered
office of the company

that a meeting of creditors of (b)

Ocean Management Services Limited
Acre House
11-15 William Road
London
NW1 3ER(c) Insert details of place
of meeting

is to be held at (c)

Acre House
11-15 William Road
London
NW1 3ER(d) Insert date and time
of meeting

on (d) 1 June 2006

at 11.00 am

The meeting is:

*Delete as applicable

*(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986
(the schedule*)

I invite you to attend the above meeting.

A proxy form is enclosed which should be completed and returned to me by the date of the
meeting if you cannot attend and wish to be represented.In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later
than 12.00 hours on the business day before the day fixed for the meeting, details in writing of
your claim.

Signed

Administrator

Dated

16/5/2006

*Delete as applicable

A copy of the *proposals/ ~~revised proposals~~ is attached

Rule 8.1

Insolvency Act 1986

Form 8.2

Proxy (Administration)

Ocean Management Services Limited

Name of Creditor _____

Address _____

Name of Proxy Holder

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

1 _____

2 _____

3 _____

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on **1 June 2006**, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Voting Instructions for resolutions

*Please delete as appropriate

1. For the acceptance/rejection* of the administrator's proposals/revised proposals* as circulated

2. For the appointment of

 of _____

representing _____

as a member of the creditors' committee

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature

Remember: there may be resolutions on the other side of this form

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

Where Petition Presented or Appointment Made On or After 15 September 2003

ENGLAND AND WALES

1 Introduction

- 1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2 The nature of administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors.

3 The creditors' committee

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee *within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one.* The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's fees

4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:

- as a percentage of the value of the property which the administrator has to deal with, or
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors –
 - each secured creditor of the company; and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

5 What information should be provided by the administrator?

5.1 When seeking fee approval

5.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

5.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. *The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:*

- Administration and planning
- Investigations
- Realisation of assets
- Trading

- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 5.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in

paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6 What if a creditor is dissatisfied?

- 6.1 If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

7 What if the administrator is dissatisfied?

- 7.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

8 Other matters relating to fees

- 8.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.

- 8.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

9. Provision of information – additional requirements

In any case where the administrator is appointed on or after 1 April 2005 he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.