

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

05616405

Name of Company

Arrow Seismic Invest I Limited

I / We
Trevor John Binyon
11th Floor
66 Chiltern Street
London
W1U 4JT

Steven John Parker

the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 29/12/2011 to 28/06/2012

Signed  Date 15/8/12

RSM Tenon Recovery
11th Floor
66 Chiltern Street
London
W1U 4JT

Ref 5015089/TJB/SJP/JDB

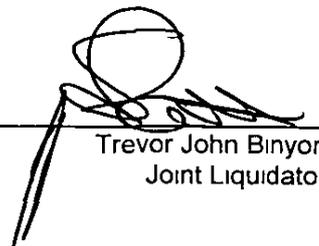
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**Arrow Seismic Invest I Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 29/12/2011 To 28/06/2012	From 29/06/2010 To 28/06/2012	
ASSET REALISATIONS			
12,000 00	Trade debtors	NIL	NIL
261,000 00	Cash at Bank	NIL	964 62
59,000 00	Debtors Contribution	NIL	NIL
12,228,000 00	Intercompany debtor	NIL	7,443,618 00
	Bank Interest Gross	3 49	6 52
	Interest re loan	NIL	104,467 57
		3 49	7,549,056 71
COST OF REALISATIONS			
	Bank Charges	5 00	5 00
		(5 00)	(5 00)
FLOATING CHARGE CREDITORS			
(231,000 00)	Intercompany creditor	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(1,000 00)	Tax payable	NIL	NIL
(100,000 00)	Accrued expenses	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
	Ordinary Shareholders	NIL	7,443,618 00
		NIL	(7,443,618 00)
12,228,000 00		(1.51)	105,433.71
REPRESENTED BY			
	Floating Charge Current A/c		966 14
	Funds held in suspense		104,467 57
			105,433.71


 Trevor John Binyon
 Joint Liquidator

**Private and Confidential
To all known Members**

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Our Ref
TJB/SJP/JDB/5015089/MVL0602dd/
Your Ref
10 August 2012

When telephoning or emailing please contact Jacquie de Bidaph on 020 3075 2672 or jacquie.debidaph@rsmtenon.com

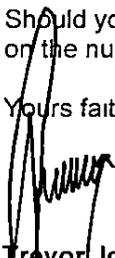
Dear Sirs

Arrow Seismic Invest I Limited – In Liquidation

I enclose a copy of the Joint Liquidator's first progress report in relation to the above liquidation

Should you require any further information relating to this report, please do not hesitate to contact this office on the number above

Yours faithfully


Trevor John Binyon
Joint Liquidator

Licensed in the United Kingdom to act as an insolvency practitioner by the Association of Chartered Certified Accountants

Enclosures

- > Joint Liquidators' Report
- > **Appendix I** Statutory Information
- > **Appendix II** Receipts and Payments Account
- > **Appendix III** Information relating to Joint Liquidators' Fees and Expenses
- > **Appendix IV** Statement of Members' Rights

Recovery and insolvency services are provided through RSM Tenon Limited and our Insolvency Practitioners are authorised to act in this capacity by their individual licensing bodies. RSM Tenon Limited is a subsidiary of RSM Tenon Group PLC. Directors and staff acting as Administrative Receivers and Administrators act as agents of the company over which they are appointed and contract without personal liability.

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RSM Tenon Limited (No 4066924) is registered in England and Wales. Registered Office 66 Chiltern Street, London W1U 4GB England

Arrow Seismic Invest I Limited ("the Company") – In Liquidation

JOINT LIQUIDATORS' FIRST PROGRESS REPORT AS AT 28 JUNE 2012

Trevor John Binyon and Steven John Parker are the Joint Liquidators of the Company and this is their second progress report, to the members of the Company, showing how the liquidation has been conducted. The report covers the period from 29 June 2010 to 28 June 2012.

1. Statutory information

Statutory information relating to the Company is attached at **Appendix I**.

2. Joint Liquidators' receipts and payments account

Summaries of the Joint Liquidators' receipts and payments account relating to the Company from commencement to date is attached at **Appendix II**, these are split into US dollars and UK sterling.

With regard to the receipts to date, you will note that several of the assets shown on the statement attached to the Company's Declaration of Solvency, were dealt with prior to the date of liquidation. The Company's loan of USD12,228,000 to an associated company, Petroleum Geo-Services ASA has been distributed in full to the sole shareholder, Arrow Seismic ASA together with accrued interest and charges.

3 Action taken by the Joint Liquidators' since appointment

Since my appointment, I have dealt with various matters relating to the winding-up, to include the recovery of assets and the distribution to shareholders, together with the agreement of claims, in particular the claims of HM Revenue & Customs.

4. Joint Liquidators' remuneration, disbursements and expenses

Basis of remuneration and disbursements

On 29 June 2010 the sole shareholder, Arrow Seismic ASA, passed written resolutions stating that the Company would remunerate the Liquidators and pay the Liquidators' disbursements on the basis set out in and in accordance with the terms of the engagement letter dated 29 March 2010. The engagement letter stated:

"On the basis of the information currently available, our fees for this task are £7,500 ("base fees") plus disbursements and VAT for dealing with the Company. The agreed base fee is to be paid once the documentation initiating the winding-up (Special and Ordinary resolutions and Declaration of Solvency) has been filed with the relevant authorities (The Registrar of Companies). With regard to work undertaken after the GM, once appointed as liquidators, we shall seek agreement with the members that any further fees during the liquidation are to be fixed by reference to the time properly given by the Joint Liquidators and their staff in attending to matters arising in the winding up, including those falling outside of statutory duties undertaken at the request of the members, such remuneration to be drawn monthly in accordance with time incurred, or at such longer intervals as the Joint Liquidators may, at their discretion, determine."

Remuneration and disbursements charged and drawn in the period

The Joint Liquidators' time costs have been charged (exc VAT) as follows:

	Incurred	Paid
For this period from 29 June 2011 to 28 June 2012	£ 3,003 00	nil
Since appointment on 29 June 2010 to 28 June 2011	£10,358 75	£7,500 00
Totals	£13,361 75	£7,500 00

In accordance with Statement of Insolvency Practice 9 I have attached at **Appendix III** a breakdown of these time costs.

Disbursements charged and drawn in the period

The Joint Liquidators' disbursements incurred and reimbursed are summarised below Details are in the attached **Appendix III**

No Category 2 disbursements have been charged nor will be recovered in this matter

	Incurred	Paid
Category 1 disbursements for the period 29 June 2011 to 28 June 2012	£ 21 49	nil
Category 1 disbursements for the period 29 June 2010 to 28 June 2011	£1,274 40	£1,274 40
Totals	£1,295 89	£1,274 40

Details of the costs incurred and paid by the Liquidators in relation to liquidation expenses for the period are also attached at **Appendix III**

Statement of Members' Rights

If you would like more information about any aspect of the remuneration, disbursements or expenses as Liquidator you are entitled to request this information, and if you are not satisfied by my explanations you are, in certain circumstances, entitled to challenge them

A full statement of your rights is attached to this report as **Appendix IV**

5 Distributions made and anticipated

> **Creditors**

I am advised by the Company that creditor claims shown on the Declaration of Solvency have either been settled in full prior to liquidation, or are no longer seen as valid claims Corporation tax totalling £683 55 has been paid by an associated company

> **Members – in specie**

On 29 October 2010, I distributed in specie to the sole shareholder, a loan amount of USD11,875,000 This relates to a loan that the Company had given Petroleum Geo-Services ASA and a further amount of USD680,788 to include interest and adjustments, was distributed as at 31 May 2011 The intercompany account is now clear

6. Conclusion of the liquidation

When submitting its final pre-liquidation tax return, the Company claimed group relief from MTEM Ltd The tax return of MTEM Ltd for the year to 31 December 2010 has been filed but as HM Revenue & Customs has one year from 31 December 2011 to raise an enquiry, the shareholder has requested that the liquidation remain open until early 2013

Trevor John Binyon

Joint Liquidator

Licensed in the United Kingdom to act as an insolvency practitioner by the Association of Chartered Certified Accountants

Appendix I

Statutory Information

Company Information

Company Name	Arrow Seismic Invest I Limited
Company Number	05616405
Date of Incorporation	8 November 2005
Trading Address	Former Reg Office 4 The Heights, Brooklands, Weybridge, Surrey KT13 0NY
Current Registered Office	11th Floor, 66 Chiltern Street, London, W1U 6JT
Former Registered Office	4 The Heights, Brooklands, Weybridge, Surrey KT13 0NY
Principal Trading Activity	Shipping

Appointment details

Joint Liquidators' name and address	Trevor John Binyon and Steven John Parker of RSM Tenon Recovery, 11th Floor, 66 Chiltern Street, London, W1U 4JT
Commencement of liquidation	29 June 2010
Date of appointment	29 June 2010
Appointment made by	Members
The Joint Liquidators act jointly and severally	

Appendix II USD account

ARROW SEISMIC INVEST I LIMITED - IN MEMBERS' VOLUNTARY LIQUIDATION

SUMMARY OF JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS FROM 29 JUNE 2010 (DATE OF APPOINTMENT) TO 28 JUNE 2012

	Note	Estimated to Realise - Directors' Declaration of Solvency	Receipts/ Payments between 29 06 10 and 28 06 11	Receipts/ Payments between 29 06 11 and 28 06 12	Total Receipts/ Payments to date
		USD	USD	USD	USD
RECEIPTS					
Cash at Bank	1	261,000	-	-	-
Trade debtors	2	12,000	-	-	-
Prepaid insurance	3	59,000	-	-	-
Intercompany debtor	4	12,228,000	12,401,502	-	12,401,502
Interest re debtor	4	-	154,266	-	154,266
		<u>12,560,000</u>	<u>12,555,768</u>	<u>-</u>	<u>7,895,875</u>
PAYMENTS					
Intercompany creditor	5	231,000	-	-	-
HMRC re Enquiry	6	1,000	-	-	-
Accrued expenses	7	100,000	-	-	-
		<u>332,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Distributions to shareholders	4	12,228,000	12,555,768	-	12,555,768
		<u>12,560,000</u>	<u>12,555,768</u>	<u>-</u>	<u>12,555,768</u>
Balance in hand		-	-	-	-
		<u>12,560,000</u>	<u>12,555,768</u>	<u>-</u>	<u>12,555,768</u>

Notes

- 1 The balances in the Company's bank account were transferred prior to liquidation and the available balance is shown on the sterling account. The figures on the Declaration of Solvency were shown in US dollars.
- 2 The trade debtors totalling USD12,000 were settled in April 2010 and no further debtors remain.
- 3 Credit for the prepaid insurance was received by the Company prior to liquidation.
- 4 This relates to an intercompany loan between Petroleum Geo-Services ASA and Arrow Seismic Invest I Limited. On 29 10 2010, a loan amount of USD11,875,000 was distributed in specie to the sole shareholder, the balance of loan and interest was distributed as at 31 05 2011. Tax due on the interest was paid by the shareholder and is shown on the sterling account.
- 5 The intercompany creditor account has been settled.
- 6 Outstanding tax totalling £683.55 has been settled by an associated company, Petroleum Geo-Services (UK) Ltd.
- 7 The sum of USD1000,000 relates to a potential claim from G C Rieber, this was reversed by the Company on advice from the Legal Department in Petroleum Geo-Services ASA.
- 8 The above statement is shown exclusive of VAT.
- 9 This summary should be read in conjunction with the Joint Liquidators' report dated 10 August 2012.

T J Binyon
Joint Liquidator
10 August 2012

Appendix II
UK sterling account

ARROW SEISMIC INVEST I LIMITED - IN MEMBERS' VOLUNTARY LIQUIDATION

**SUMMARY OF JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS
 FROM 29 JUNE 2010 (DATE OF APPOINTMENT) TO 28 JUNE 2012**

	Note	Estimated to Realise - Directors' Declaration of Solvency	Receipts/ Payments between 29 06 10 and 28 06 11	Receipts/ Payments between 29 06 11 and 28 06 12	Total Receipts/ Payments to date
RECEIPTS					
		USD	£	£	£
Cash at Bank	1	261,000	965	-	965
Contribution to payment of corporation tax	2	-	-	20,894	20,894
Bank interest (gross)		-	1	4	6
		<u>261,000</u>	<u>966</u>	<u>20,898</u>	<u>21,865</u>
PAYMENTS					
Corporation tax re interest receipt	2	-	-	20,894	20,894
Bank charges		-	-	5	5
		-	-	20,899	20,899
Balance in hand	3	-	966	(1)	966
		-	<u>966</u>	<u>20,898</u>	<u>21,865</u>

Notes

- 1 The balances in the Company's bank account were transferred prior to liquidation and the amount shown is the cash available as at the date of liquidation. The figures on the Declaration of Solvency were shown in US dollars
- 2 The corporation tax due on the interest receipt has been paid by the shareholder
- 3 The funds are held on an interest bearing account at Allied Insh Bank
- 4 The Liquidators' fees are charged on a time costs basis, and were approved at a meeting of members on 28 June 2010. Please see the accompanying time cost analysis for further details
- 5 The above statement is shown exclusive of VAT
- 6 This summary should be read in conjunction with the Joint Liquidators' report dated 10 August 2012

T J Binyon
Joint Liquidator
10 August 2012

Appendix III

Information relating to the Joint Liquidators' Fees and Expenses

1. Explanation of Joint Liquidators' charging and disbursement recovery policies

1.1. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are

Director and Associate Director	£ 380 - 495
Senior Manager, Manager and Assistant Manager	240 - 350
Other Senior staff	120 - 240
Assistants and support staff	100 - 240

Secretarial staff are not charged to the cases concerned, being accounted as an overhead of RSM Tenon Recovery

1.2 Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon Recovery and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 expenses are identifiable telephone calls, postage, case advertising, specific bond insurance, company search fees, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements include elements of shared or allocated costs incurred by RSM Tenon Recovery and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, internal room hire, and internal storage.

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

2. Description of work carried out

Section 3 of this Appendix outlines the time costs to date in relation to activities undertaken. These can be summarised as follows:

2.1 Administration and planning

This includes the following activities which have been undertaken:

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Setting up and maintaining bank accounts,
- > 6 monthly progress review of the case.

Staff of different levels were involved in the above activities depending upon the experience required.

2 2 Realisation of assets

Please see main body of report for further information

2 3 Members, creditors and distributions

The time spent includes the following matters

- > Recording and maintaining the list of creditors/members,
- > Recording claims,
- > Reporting to creditors/members,
- > Meetings of creditors/members,
- > Dealing with creditor/member queries,
- > Reviewing and evaluating creditor/member claims,

3. Time and charge out summary

For the period from 29 June 2011 to 28 June 2012, a total of 9 7 hours have been spent at an average charge out rate of £309 59 bringing the total cost to £3,003 00

The table below shows details of the time costs charged (exc VAT) in the current period

Classification of work function	Director/ Associate Director	Senior Manager/ Manager/ Assistant Manager	Hours Other senior staff	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and Planning	0 50	2 30	-	2 40	5 20	1,540 50	296,25
Realisation of assets	-	1 80	-	-	1 80	603 00	335 00
Members and creditors	-	2 70	-	-	2 70	859 50	318 33
Total hours	0 50	6 80	-	2 40	9 70	3,003 00	309 59
Total invoiced to date £						-	
Balance due						3,003 00	

The following table shows all fees charged from appointment on 29 June 2010 to 28 June 2012

Classification of work function	Director/ Associate Director	Senior Manager/ Manager/ Assistant Manager	Hours Other senior staff	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and Planning	3 25	13 80	16 40	4 00	37 45	10,279 25	274 48
Realisation of assets	0 60	2 10	0 10	-	2 80	970 50	346 61
Members and creditors	-	6 00	0 70	-	6 70	2,112 00	315 22
Total hours	3 85	21 90	17 20	4 00	46 95	13,361 75	284 60
Total invoiced to date £						(7,500 00)	
Balance due						5,861 75	

4. Disbursements

Disbursements incurred during the period of this report and cumulatively, and those reimbursed in the period and cumulatively, to end of current period, are detailed below

Disbursements	This period		Cumulatively	
	Incurred £	Paid £	Incurred £	Paid £
Category 1				
Statutory advertising	-	-	554 40	554 40
Land Registry fees	-	-	-	-
Bond premium	-	-	720 00	720 00
Postage	-	-	-	-
IT costs	21 49	-	21 49	-
Total	21.49	-	1,295.89	1,274 40

The above costs exclude VAT

No Category 2 disbursements have been charged to this matter

Appendix IV

Statement of Members' Rights

(where company goes into liquidation on a winding up resolution passed on or after 6 April 2010)

Progress reports and requests for further information

The liquidator is required to send annual and final progress reports to members. The reports must include

- > details of the basis fixed for the remuneration of the liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),
- > if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- > if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report,
- > a statement of the expenses incurred by the liquidator during the period of the report, irrespective of whether payment was actually made during that period,
- > a statement of the members' rights to request further information, and their right to challenge the liquidator's remuneration and expenses, as explained below

Members' rights to request further information

Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purposes of a meeting to receive the liquidator's resignation) a member may request the liquidator to provide further information about the remuneration and expenses set out in the report

A request must be in writing, and may be made by member(s) with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or by any member with the permission of the court

The liquidator must provide the requested information within 14 days, unless he considers that

- > the time and cost involved in preparing the information would be excessive, or
- > disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person, or
- > the liquidator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information

Any member may apply to the court within 21 days of the liquidator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information, and the court may make such order as it thinks just

Additional requirements

The liquidator must provide certain information about the time spent on the case, free of charge, upon request by any member of the company

The information which must be provided is –

- > the total number of hours spent on the case by the liquidator 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 liquidator'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 liquidator, and requests must be made within two years from vacation of office

What if a member is dissatisfied?

It is the members as a body who have authority to approve the liquidator's fees

General meeting

To enable them to carry out this function they may require the liquidator to call a general meeting of the company. In order to do this members with at least ten per cent of the total voting rights of all the members having the right to vote at general meetings of the company must concur with the request, which must be made to the liquidator in writing

Application to Court

If a member believes that the liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court

Application may be made to the court by member(s) with at least 10% of the total voting rights of all of the members having the right to vote at general meetings of the company, or by any member with the permission of the court

Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing

If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid

Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the insolvent company