

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

THURSDAY



A05 *A7ZS542H* #100
21/02/2019
COMPANIES HOUSE

1 Company details

Company number 0 6 3 9 0 8 8 3
Company name in full Offshore Group Newcastle Limited

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

2 Court details

Court name High Court of Justice

Court case number C R - 2 0 1 7 - 0 0 2 4 3 7

3 Administrator's name



Full forename(s) Peter
Surname Kubik

4 Administrator's address

Building name/number Quadrant House
Street 4 Thomas More Square
Post town London
County/Region
Postcode E 1 W 1 Y W
Country

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Notice of move from administration to creditors' voluntary liquidation

5	Administrator's name 	
Full forename(s)		
Surname		
		1 Other administrator Use this section to tell us about another administrator.
6	Administrator's address 	
Building name/number		
Street		
Post town		
County/Region		
Postcode		
Country		
		2 Other administrator Use this section to tell us about another administrator.
7	Appointor/applicant's name	
Give the name of the person who made the appointment or the administration application.		
Full forename(s)	OGN Investment Partners Limited	
Surname		
8	Proposed liquidator's name	
Full forename(s)	Peter	
Surname	Kubik	
Insolvency practitioner number	9 2 2 0	
9	Proposed liquidator's address	
Building name/number	Quadrant House	
Street	4 Thomas More Square	
Post town	London	
County/Region		
Postcode	E 1 W 1 Y W	
Country		

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Notice of move from administration to creditors' voluntary liquidation

10	Proposed liquidator's name ^①		① Other liquidator Use this section to tell us about another liquidator.
Full forename(s)			
Surname			
Insolvency practitioner number		<div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div>	
11	Proposed liquidator's address ^②		② Other liquidator Use this section to tell us about another liquidator.
Building name/number			
Street			
Post town			
County/Region			
Postcode		<div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div>	
Country			
12	Period of progress report		
From date		<div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid black; padding: 2px;">d</div> <div style="border: 1px solid black; padding: 2px;">2</div> <div style="border: 1px solid black; padding: 2px;">7</div> <div style="border: 1px solid black; padding: 2px;">m</div> <div style="border: 1px solid black; padding: 2px;">0</div> <div style="border: 1px solid black; padding: 2px;">9</div> <div style="border: 1px solid black; padding: 2px;">y</div> <div style="border: 1px solid black; padding: 2px;">2</div> <div style="border: 1px solid black; padding: 2px;">0</div> <div style="border: 1px solid black; padding: 2px;">y</div> <div style="border: 1px solid black; padding: 2px;">1</div> <div style="border: 1px solid black; padding: 2px;">8</div> </div>	
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13	Final progress report		
<input checked="" type="checkbox"/> I have attached a copy of the final progress report.			
14	Sign and date		
Administrator's signature <div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">X</div> <div style="text-align: center;"> </div> <div style="margin-left: 10px;">X</div> </div>			
Signature date		<div style="display: flex; justify-content: space-between;"> <div style="border: 1px solid black; padding: 2px;">d</div> <div style="border: 1px solid black; padding: 2px;">2</div> <div style="border: 1px solid black; padding: 2px;">0</div> <div style="border: 1px solid black; padding: 2px;">m</div> <div style="border: 1px solid black; padding: 2px;">0</div> <div style="border: 1px solid black; padding: 2px;">2</div> <div style="border: 1px solid black; padding: 2px;">y</div> <div style="border: 1px solid black; padding: 2px;">2</div> <div style="border: 1px solid black; padding: 2px;">0</div> <div style="border: 1px solid black; padding: 2px;">y</div> <div style="border: 1px solid black; padding: 2px;">1</div> <div style="border: 1px solid black; padding: 2px;">9</div> </div>	

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Presenter information

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

Contact name	Peter Kubik
Company name	UHY Hacker Young LLP
Address	Quadrant House
	4 Thomas More Square
Post town	London
County/Region	
Postcode	E 1 W 1 Y W
Country	
DX	
Telephone	020 7216 4600



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 and dated 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

Offshore Group Newcastle Limited – In Administration

**The Administrator's Final Progress Report
20 February 2019**

Peter Kubik
UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW
020 7216 4885
s.iacovou@uhy-uk.com



This report has been prepared for the sole purpose of updating the creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Peter Kubik and Michael Kiely were appointed Joint Administrators of Offshore Group Newcastle Limited on 27 March 2017. Michael Kiely was removed as Joint Administrator on 3 December 2018 by Court Order. The affairs, business and property of the Company are managed by the Administrator. The Administrator acts as agent of the Company and contracts without personal liability.

Offshore Group Newcastle Limited – In Administration

The Administrator's Final Report to 20 February 2019

20 February 2019

Contents

1. Executive summary
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1. Statutory information and definitions
2. Summary of the Administrator's Proposals and Revised Proposals, as approved
3. The Administrator's receipts and payments account for the period 27 September 2018 to 20 February 2019 and cumulative for the entirety of the Administration
4. Estimated outcome statement for the Liquidation
5. The Administrator's time costs for the period 27 September 2018 to 20 February 2019
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7. Charge-out rates and bases of disbursements
8. Details of work undertaken
9. Proof of debt form

1. EXECUTIVE SUMMARY

- 1.1 This report describes the progress since the Administrator's appointment and is for the period 27 September 2018 to 20 February 2019 ('the Review Period') as well as summarising the progress of the Administration as a whole.
- 1.2 Statutory information regarding the Company is at appendix 1.
- 1.3 A summary of key information in this report is detailed below.

Asset realisations	Estimated to realise as per Statement of Affairs £	Realisations to date £	Anticipated future realisations £	Total anticipated realisations £
Asset				
Intellectual property	33,000	25,499.50	-	25,499.50
Goodwill	-	1.00	-	1.00
Cash at bank	763,648	776,555.35	-	776,555.35
Life assurance scheme	-	90,354.03	-	90,354.03
Insurance refund	3,475	9,759.13	-	9,759.13
Funding of employee	-	6,242.01	-	6,242.01
Service agreement	-	5,000.00	-	5,000.00
Sublease agreement	-	5,000.00	-	5,000.00
Contracts	-	5,000.00	-	5,000.00
Subcontracts	-	5,000.00	-	5,000.00
OGN Property Ltd	Uncertain	26,911.84	Uncertain	26,911.84
Debtors	Uncertain	-	-	Nil
Potential action	Uncertain	16,184.91	-	16,184.91
Sale of records	25,000	-	-	-
VAT refund	-	-	-	-
Bank interest	Nil	79.49	Uncertain	79.49
Total	825,123	971,587.26	Uncertain	971,587.26

Expenses	Estimated as per Proposal's Estimated Outcome Statement £	Expense incurred to date £	Anticipated further expense to closure £	Total anticipated expense £
Expense				
Administrators' fees	100,775	101,216.50	-	101,216.50
Legal fees	60,000	98,304.50	-	98,304.50
Professional fees	40,000	86,849.80	-	86,849.80
Life assurance scheme	-	32,775.46	-	32,775.46
Other expenses	4,595	14,680.78	24.00	14,704.78
Category 2 expenses	6,635	6,635.00	-	6,635.00
Total	212,005	340,462.04	24.00	340,486.04

Dividend prospects		Anticipated distribution /
Creditor class	Distribution / dividend paid to date £	dividend, based upon the above £
Secured creditor	376,180.22	-
Preferential creditors	30,183.17	-
Unsecured creditors	-	0.04 pence in the pound

Extension

- 1.4 An extension to the period of the Administration was granted by the relevant creditors (secured and preferential) and therefore, the Administration is now due to end on 26 March 2019.

Change in office holder

- 1.5 Michael Kiely was removed as Joint Administrator following a Court Order dated 3 December 2018.

Outcome of the Administration

- 1.6 It had been envisaged that the Administration objective that would be achieved, namely that property would be realised in order to make a distribution to one or more secured or preferential creditors. This report explains how this Administration objective was achieved.
- 1.7 The Company is now being moved from Administration to Creditors' Voluntary Liquidation to enable a dividend to be paid to unsecured creditors. The Liquidator will also continue to pursue any remaining assets and other matters described in this report. As noted in appendix 2, the Administrator's approved Revised Proposals included that, absent of any alternative nomination, the Administrator would take the appointment as Liquidator without further recourse to the creditors. There were no other nominations and, therefore, Peter Kubik shall be appointed Liquidator.

2. THE PROGRESS OF THE ADMINISTRATION

Administration (including statutory reporting)

- 2.1 The Administrator has met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the Administration, which has ensured that the Administrator and his staff have carried out their work to high professional standards.
- 2.2 During the Review Period, primarily these tasks have included:-
- Issuing the Administrator's Revised Proposals to creditors and issuing notice of the outcome to all relevant parties;
 - Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
 - Maintaining case files, which must include records to show and explain the administration and any decisions made by the Administrator that materially affects the Administration;

- Monitoring and maintaining an adequate statutory bond;
- Completing periodic tax returns;
- Conducting periodic case reviews to ensure that the Administration is progressing efficiently, effectively and in line with the statutory requirements; and
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments.

The Administrator's receipts and payments account

- 2.3 Attached at appendix 3 is the Administrator's receipts and payments account for the Review Period and for the entirety of the Administration.
- 2.4 This report provides details of the key developments in the Administration during the Review Period. Appendix 8 provides a detailed list of the work undertaken by the Administrator during the Review Period.
- 2.5 In this section, I have summarised the main asset realisations during the Review Period and an estimation of the those assets yet to be realised, together with details of the associated costs incurred but as yet remaining unpaid.

Realisation of assets

Intellectual property rights ('IPR')

- 2.6 A sale of the business was completed to Smulders Projects UK Limited ('Smulders') prior to the Administration in respect of all assets held by the Company. Upon review of the sale contract, it appeared that various assets were not included in the sale contract. As a result, the purchaser was contacted to negotiate a sale of the excluded IPR. The sum of £13,000 was received in this respect.
- 2.7 A further sale of the remaining IPR was completed to Aquind Limited ('Aquind') for the sum of £2,499.50. The sale included additional assets which are detailed individually below.
- 2.8 Finally, Aquind Limited subsequently purchased all patents and trademarks held by the Company and the sum of £10,000.00 was received in this respect. This sum was received during the Review Period.

Goodwill

- 2.9 A sale of the Company's goodwill was agreed with Aquind and the sum of £1.00 was received.

Cash at bank

- 2.10 The sum of £776,555.35 was received in respect of cash held in the Company's bank account. Of this sum, £85.12 was received during the Review Period. No further realisations are expected.

Life assurance scheme

- 2.11 The sum of £90,354.03 was received from a bank account held in the Company's name. The funds were held on trust in respect of the Company's life assurance scheme.

- 2.12 Following payments out of the trust, in accordance with the scheme, the sum of £57,578.57 is currently held. UHY Hacker Young LLP's tax department was instructed to advise regarding the tax implications. They have advised that tax of 35% shall arise once the trust monies are pooled with the Company's general account.
- 2.13 To avoid any delays in progressing with the Administration, the funds shall not be pooled until the Company has been placed into Liquidation.

Insurance refund

- 2.14 An insurance refund was obtained and the total sum of £9,759.13 was received.

Funding of employee

- 2.15 Upon appointment, the Company had one employee who Smulders required to continue working but did not wish to transfer. It was therefore agreed that the employee would be retained for a short term period and all costs would be met by Smulders. The sum of £2,941.00 was received in this respect.
- 2.16 Following the end of the short term, Aquind requested that the employee be transferred to them. The employee had a working visa and could not be transferred immediately. It was agreed that the cost of retaining the employee until the transfer was completed would be paid by Aquind and the sum of £3,301.01 was subsequently received.

Contracts/agreements

- 2.17 The sale to Aquind included four contracts and agreements. These were sold for £5,000.00 each and are detailed individually in the receipts and payments account. The total sum of £20,000.00 was received.

VAT refund

- 2.18 The Proposals showed an uncertain estimated to realise value in respect of the Company's VAT position. Upon completion of the outstanding pre-Administration VAT returns, it appeared that additional sums were due to HM Revenue and Customs and, therefore, there will be no realisations in this matter.

OGN Property Limited – In Creditors' Voluntary Liquidation

- 2.19 The Company's records show a debt due from OGN Property Limited ('Property') in the sum of £2,400,000.
- 2.20 An initial dividend of £26,911.84 has been received and it is expected that a further dividend shall be declared.
- 2.21 Property has a subrogated claim against the Company (detailed further below) in respect of the secured charge for the sum of £100,000. It is now expected that there are sufficient funds to enable a part payment of this.
- 2.22 Following the appointment of the Liquidator, the possibility of set off shall be reviewed.

Debtors

- 2.23 The Company's records showed outstanding debtors of £1,408,792. Upon investigation, it appeared that this related to the potential action detailed below.

Potential action

- 2.24 Prior to the Administration, the Company had a claim against Smulders regarding monies owed from projects completed. Smulders initially disputed the claim. Counsel's advice was sought and, following correspondence between our solicitors and Smulders' solicitors, a settlement meeting was held. A settlement of £16,184.91 was received.

Sale of records

- 2.25 No formal offer was received for the records and, as a result, there shall be no realisations in this matter

Bank interest

- 2.26 Bank interest in the sum of £79.49 has been earned over the Administration period and, of this sum, £21.48 was received during the Review Period.

Costs and expenses

- 2.27 My receipts and payments account details all costs and expenses paid during the Review Period and entirety of the Administration, the main of which are self-explanatory. I have, however, provided further information on any material expenses.

Storage costs

- 2.28 The Company's books and records were collected and stored by my agents. The sum of £3,082.42 has been paid and, of this sum, £251.68 was paid in this Review Period.

Patent renewal

- 2.29 The sum of £1,588.80 was paid in respect of the renewal of the Company's intellectual property rights.

Wages and PAYE/NI

- 2.30 As detailed above, one employee was retained for Smulders and Aquind. The sum of £5,882.02 was paid in respect of the employees wage, PAYE and national insurance contributions.

Professional fees

- 2.31 Aleksey Glukhov, the Company's former internal accountant, was instructed to assist with providing information to the Administrator as and when required. Mr Glukhov assisted with the preparation of the Statement of Affairs, evaluating the value of the potential action, collecting records to support the claim, assembling information regarding the intercompany debtors, collating the Company's books and records for collection, assisting with the tax returns and attending meetings as required.
- 2.32 Mr Glukhov was instructed on a daily rate of £580 plus expenses. The total sum of £63,054.80 was paid in this respect.

- 2.33 Backshield Services Limited ('BSL') were previously instructed by the Company to provide commercial support. This included providing information on the contracts held by the Company to ascertain whether there was any value in them, providing details of the Company's contractors that were creditors and collecting the utility providers information that were still in the Company's name to arrange a transfer.
- 2.34 Information was required by BSL and it was agreed that their pre-Administration invoices would be paid in return for their ongoing assistance at no charge. The sum of £21,010.00 was paid in this respect.
- 2.35 The Company has two subsidiaries whose sole director had passed away. The subsidiaries were insolvent and the Company, as the sole shareholder, appointed two individuals as directors of the subsidiaries. The sum of £2,000.00 was paid to the two individuals.
- 2.36 Other professional costs include the instruction of Associated Industrial Management for the preparation of payroll and Insol Group for the calculation of the preferential claim. The sums of £600.00 and £185.00 were paid respectively.

Life assurance scheme premium

- 2.37 Two former employees of the Company who were members of the scheme were terminally ill and had passed away. The sum of £32,775.46 was paid from the trust funds in respect of the outstanding premiums due in order for the two claims to be paid by the insurance company.

Legal fees

- 2.38 Gresham Legal were instructed on a time costs basis plus disbursements to assist with all aspects of the Administration.
- 2.39 Their time costs for the entirety of the Administration total £98,304.50. Of this sum, £2,762.50 was incurred during the Review Period. The sum of £96,859.50 has been paid and, of this sum, the sum of £14,320.00 was paid during the Review Period. The balance of £1,445.00 remains outstanding.
- 2.40 During the Administration my solicitors undertook the following work:-
- Further review of the terms of the life assurance scheme and Trust;
 - Assistance in respect of the potential claim;
 - Meetings and discussions with counsel for advice regarding the above;
 - Telephone conference with the secured creditor to provide updates; and
 - General advice as and when required.
- 2.41 Gresham Legal had previously advised the secured creditor regarding the charge and were therefore independent solicitors were required to review the validity. Pitmans LLP were therefore instructed on a time costs basis to advise in this respect as well as regarding the subrogated claims of the group members. The sum of £7,148.50 was incurred and paid.

- 2.42 Counsel was instructed to advise regarding the potential claim and Trust monies. The sum of £3,207.50 was incurred and the sum of £2,945.00 was paid with the balance outstanding.

Costs incurred but remaining unpaid

- 2.43 As detailed above, the life assurance scheme will attract a tax of 35% when pooled with the Company's general funds. It is estimated that upon pooling the funds, a tax liability of £20,152.50 shall arise and payable in the Liquidation.
- 2.44 Other than the costs detailed above, I am not aware of any other costs that have been incurred and remain unpaid.
- 2.45 During the Review Period, the Administrator has also incurred time costs and direct expenses, not all of which have yet been discharged. Further details of these costs are set out in Section 3 below.

3. THE ADMINISTRATOR'S FEES AND EXPENSES

Administrator's remuneration

- 3.1 The basis of the Administrator's remuneration was fixed on 30 May 2017 by the secured and preferential creditors by reference to the time properly given by the Administrator and his staff in attending to matters arising in the Administration, calculated at the standard hourly rates used at the time when the work is performed plus VAT.
- 3.2 The Administrator's remuneration was estimated to be £100,755 plus VAT and the total time costs of the Administration total £101,216.50. To date, the sum of £99,384.50 has been paid and of this sum £22,191.50 was paid during this Review Period. The balance of £1,370.50 remains outstanding and shall be paid in the Liquidation. The amount incurred in excess of my fee estimate shall be written off.
- 3.3 Time costs in the sum of £3,994.00 were incurred during the Review Period, representing 14.80 hours at an average hourly rate of £269.86. A breakdown of the time costs incurred during the Review Period is provided at appendix 5 and a comparison of my time costs against my estimate is attached at appendix 6.
- 3.4 Further information regarding the charge-out rates of the Administrator and his staff is provided at appendix 7.
- 3.5 A creditors' guide to Administrators' remuneration is available to download at <http://www.uhy-uk.com/wp-content/uploads/Administration-Creditor-Fee-Guide-April-2017.pdf>. A hard copy is available upon request.

Disbursements

- 3.6 Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment in question. These are charged to the estate at cost with no uplift. Category 1 disbursements of £1,781.35 were incurred during the Administration and have been paid in full.

- 3.7 Category 2 disbursements are also directly referable to the appointment in question but not a payment to an independent third party. Category 2 disbursements of £6,700.00 were incurred during the Administration. Of this sum, £5,000.00 was incurred during the Review Period and relates to UHY Hacker Young LLP's tax department in respect of tax advice for the trust monies held. The balance of £1,635.00 remains outstanding and shall be paid in the Liquidation.

Creditors' right to request information

- 3.8 Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court may request, in writing, the Administrator to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

Creditors' right to challenge fees and/or expenses

- 3.9 Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Administrator is entitled to charge or otherwise challenging some or all of the expenses incurred.
- 3.10 Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of. Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

4. CREDITORS' CLAIMS AND DISTRIBUTIONS

Secured creditors

- 4.1 OGNIP were granted a debenture providing fixed and floating charges over all assets of the Company. OGNIP also obtained a cross guarantee over the other group members; OGNNS, Property and ERS.
- 4.2 The charge was created on 24 September 2014 and registered at Companies House on 30 September 2014.
- 4.3 At the date of the Administration, OGNIP were owed £1,366,868.89 including interest. Please note the interest continued to accrue until the claim was settled in full. The total sum of £376,180.22 has been paid from the Company to date.
- 4.4 Please note that other payments have been made from other members of the OGN group and these members will have a subrogated claim against the Company for the amount paid.
- 4.5 OGNIP have subsequently been paid in full.

Preferential creditors

- 4.6 Preferential claims relate to arrears of wages and outstanding holiday pay. At the date of the Administration, the Company had two employees who were made redundant.

- 4.7 Claims totalling £30,183.17 were received and a dividend of 100 pence in pound was declared and paid on 23 January 2018.

Unsecured creditors

- 4.8 A prescribed part, in accordance with Section 176A of the Insolvency Act 1986, is available to unsecured creditors where the Company has granted a floating charge after 15 September 2003. As detailed above, the Company granted a floating charge to OGNIP and, therefore, the prescribed part applies. Please note that there are sufficient funds available to distribute to unsecured creditors other than the prescribed part.
- 4.9 Based on my estimated Statement of Affairs, unsecured creditors (excluding employee claims for notice and redundancy pay) amounted to £5,056,817.04.
- 4.10 To date, I have received unsecured claims totalling £3,850,550.29. A dividend will be available to unsecured creditors and this will commenced once the Company is formally in Liquidation.
- 4.11 You will note from the estimated outcome statement attached at appendix 4 that the dividend is estimated to be 0.04 pence in the pound.

5. INVESTIGATIONS

- 5.1 As part of the Administrator's statutory duties, an investigation into the conduct of the directors was completed.

6. THE OUTCOME OF THE ADMINISTRATION

- 6.1 Attached at appendix 2 is a summary of the Administrator's Proposals and Revised Proposals, as approved.
- 6.2 It had been envisaged that the Administration objective that would be achieved, namely that property would be realised in order to make a distribution to one or more secured or preferential creditors. This report explains how this Administration objective was achieved.
- 6.3 The balance in the Administrator's account, in the sum of £229,673.83 is being transferred to the Liquidation account. An estimated outcome statement as at 20 February 2019 is attached at appendix 4. This illustrates the anticipated outcome of the Liquidation.
- 6.4 The Administrator is now moving the Company from Administration to Creditors' Voluntary Liquidation to enable a dividend to be paid to unsecured creditors. The Liquidator will also continue to pursue the outstanding matters described in this report. As noted in appendix 2, the Administrator's approved Revised Proposals included that, absent of any alternative nominations, the Administrator would take the appointment as Liquidator without further recourse to the creditors. There were no other nominations and, therefore, Peter Kubik shall be appointed Liquidator.

6.5 If you require any further information please contact Skevi Iacovou on 020 7216 4885.



Peter Kubik
Administrator

APPENDIX 1 – STATUTORY INFORMATION

Company Name	Offshore Group Newcastle Limited
Previous Names	Not applicable
Proceedings	In Administration
Court	High Court of Justice
Court Reference	CR-2017-002437
Date of Appointment	27 March 2017
Administrator	Peter Kubik
Registered office Address	c/o UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London, E1W 1YW
Company Number	06390883
Appointment by	Appointed by the charge holders of the Company
Change in office holder	Michael Kiely was removed as Joint Administrator by a Court Order dated 3 December 2018.

DEFINITIONS

The Act	Insolvency Act 1986
The Rules	Insolvency Rules 1986 or Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event)
The Administrator	Peter Kubik of UHY Hacker Young LLP
The Company	Offshore Group Newcastle Limited - in Administration
The Court	High Court of Justice
Review Period	Period covered by the report from 27 September 2018 to 20 February 2019

APPENDIX 2 – SUMMARY OF THE PROPOSALS AND REVISED PROPOSALS, AS APPROVED

The following Statement of Proposals was approved by creditors on 30 May 2017:-

In order to achieve the purpose of the Administration:

- a. The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:-
 - (ii) they sell the Company's remaining assets at such time(s) and on such terms as they consider appropriate;
 - (iii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iv) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- b. In the event that there is no remaining property that might permit a distribution to the Company's creditors (other than the prescribed part), the Joint Administrators shall file a notice of dissolution of the Company pursuant to paragraph 84 of Schedule B1 of the Act.

The following Revised Proposals were approved by creditors on 18 February 2019:-

- The Administration will end by the Company being placed into Creditors' Voluntary Liquidation with Peter Kubik being appointed as Liquidator.
- The Administrator shall be discharged from liability under the Administration in accordance with paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon the Administrator filing his final report to creditors.

APPENDIX 3 – THE ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT FOR THE REVIEW PERIOD

	Estimated to Realise as per est. financial statement	Fixed As previously reported	Floating As previously reported	Fixed for the period 27.09.18 to 20.02.19	Floating for the period 27.09.18 to 20.02.19	Total
	£	£	£	£	£	£
Receipts						
Intellectual property rights	33,000	15,499.50	-	10,000.00	-	25,499.50
Goodwill	-	1.00	-	-	-	1.00
Cash at bank	763,648	-	776,470.23	-	85.12	776,555.35
Life assurance scheme	-	-	90,354.03	-	-	90,354.03
Insurance refund	3,475	-	9,759.13	-	-	9,759.13
Funding of employee	-	-	6,242.01	-	-	6,242.01
Service agreement	-	-	5,000.00	-	-	5,000.00
Sublease agreement	-	-	5,000.00	-	-	5,000.00
Contracts	-	-	5,000.00	-	-	5,000.00
Subcontracts	-	-	5,000.00	-	-	5,000.00
VAT refund	Uncertain	-	-	-	-	-
OGN Property Limited - In Liquidation	-	-	26,911.84	-	-	26,911.84
Debtors	Uncertain	-	-	-	-	-
Potential action	Uncertain	-	16,184.91	-	-	16,184.91
Sale of records	25,000.00	-	-	-	-	-
Bank interest gross	-	1.52	56.49	0.56	20.92	79.49
	825,123	15,502.02	945,978.64	10,000.56	106.04	971,587.26
Payments						
Storage costs	-	-	2,830.74	-	251.68	3,082.42
Corporation tax	-	0.19	7.01	-	-	7.20
Patent renewal	-	1,588.80	-	-	-	1,588.80
Creditor Gateway fees	-	-	72.00	-	24.00	96.00
IT services	-	-	625.50	-	-	625.50
Bank charges	-	-	49.00	-	16.00	65.00
Wages and salaries	-	-	4,173.22	-	-	4,173.22
PAYE/NII	-	-	1,708.80	-	-	1,708.80
Professional fees	-	-	86,849.80	-	-	86,849.80
Travel	-	-	1,485.49	-	-	1,485.49
Life assurance scheme premium	-	-	32,775.46	-	-	32,775.46
Legal fees	2,166.53	2,166.53	80,372.97	375.88	13,944.12	96,859.50
Administrator's remuneration	2,026.19	2,026.19	75,166.81	582.49	21,609.01	99,384.50

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Administrator's category 1 disbursements:				
Travel	-	710.60	-	710.60
Food/drink	-	11.30	-	11.30
Courier charges	-	5.95	-	5.95
Specific bond	-	550.00	200.00	750.00
Statutory advertising	-	75.50	-	75.50
Redirection of mail	-	185.00	-	185.00
Visionblue fee	-	-	110.00	110.00
Administrator's category 2 disbursements:				
Accountancy fees	-	-	5,000.00	5,000.00
	5,781.71	287,655.15	958.37	41,154.81
				335,550.04
Distributions				
Secured creditor - OGN Investment Partners Limited	5,555.13	206,081.83	9,042.20	376,180.22
Preferential creditors	-	30,183.17	-	30,183.17
Unsecured creditors	-	-	-	-
	5,555.13	236,265.00	9,042.20	406,363.39
				406,363.39
Balance in hand held in interest bearing account	4,165.19	422,058.48	(196,549.84)	229,673.83
				229,673.83

Please note that some of the figures may have changed from previous reporting periods due to the change in fixed and floating charge apportionment.

APPENDIX 4 – ESTIMATED OUTCOME STATEMENT AS AT 20 FEBRUARY 2019

	Notes	Administration £	£
Assets specifically pledged			
None		0.00	
Surplus/(deficit) to charge holder			0.00
Assets not specifically pledged			
Cast at bank transferred from Administration		229,673.83	
OGN Property Limited		Uncertain	
			229,673.83
Costs and expenses			
Tax on life assurance scheme		20,152.50	
Outstanding costs of the Administration:-			
Administrator's remuneration		1,370.50	
Legal fees		1,445.00	
Expenses (the Creditor Gateway)		24.00	
Category 2 disbursements		1,635.00	
Estimated costs of the Liquidation:-			
Liquidator's remuneration		20,000.00	
Liquidator's expenses and category 1 disbursements		3,334.40	
Liquidator's category 2 disbursements		115.00	
			(48,076.40)
Balance available to preferential creditors			181,597.43
Preferential creditors			
Wages and holiday pay		0.00	
			0.00
Net property available			181,597.43
Estimated prescribed part of net property			39,319.49
Surplus available to floating charge holder			142,277.94
Balance due to secured creditor			0.00
Surplus/(deficiency) to floating charge holder			142,277.94
Funds available to unsecured creditors			181,597.43

Unsecured creditors

Employees (notice and redundancy pay)	1	Uncertain	
OGN Energy Resource Services Limited		254,547.98	
OGN North Sea Limited - In Administration		550,000.00	
Landlord (Newcastle)		1,844,916.56	
Landlord (Lowerstoft)	2	Uncertain	
HM Revenue and Customs		27,728.43	
Trade and expense creditors		<u>2,411,900.44</u>	
			5,089,093.41

Total surplus/(deficiency) to unsecured creditors	<u>(4,907,495.98)</u>
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Estimated dividend to unsecured creditors (pence in the pound)	0.04
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Notes:

Employees - two employees were made redundant upon appointment, however their unsecured claim has not yet been calculated.

Landlord Lowerstoft - the Company has guaranteed the rent at the Lowerstoft premises used by OGN Property Limited. The amount due is uncertain.

Claims - the claims for OGN Energy Resource Services Limited, the landlord in Newcastle and HMRC have been updated based on the claims submitted to date. Please note these claims have not yet been adjudicated.

APPENDIX 5 - THE ADMINISTRATOR'S TIME COSTS FOR THE REVIEW PERIOD

Classification of work function	Partner Hours	Director Hours	Manager Hours	Asst Manager Hours	Snr Administrator Hours	Administrator Hours	Junior Administrator Hours	Total Hours	Total Cost £	Avg Hourly Rate £
Administration & Planning										
Administrative Set-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Appointment Notification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case Planning	0.50	225.00	0.00	1.80	396.00	0.00	0.00	2.30	621.00	270.00
Maintenance of Records	0.00	0.00	0.00	1.60	353.00	0.00	0.00	1.60	353.00	220.63
Statutory Reporting	2.00	925.00	0.00	6.80	1,510.00	0.00	0.00	8.80	2,435.00	276.70
Realisation of Assets										
Debt Collection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Securing, Insuring Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property, business and asset sales	0.30	135.00	0.00	0.10	22.00	0.00	0.00	0.40	157.00	392.50
Retention of Title	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors										
Communication with Creditors	0.20	90.00	0.00	0.80	178.00	0.00	0.00	1.00	268.00	268.00
Creditors' Claims	0.00	0.00	0.00	0.70	160.00	0.00	0.00	0.70	160.00	228.57
Trading										
Management of Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounting for Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
On-going Employee Issues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations										
SIP 2 Review	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Antecedent Transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CDDA Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL HOURS	3.00	0.00	0.00	11.80	0.00	0.00	0.00	14.80		
TOTAL TIME CHARGED (£)	£1,375.00	£0.00	£0.00	£2,619.00	£0.00	£0.00	£0.00		£3,994.00	
Average hourly cost (£)	458.33	0.00	0.00	221.95	0.00	0.00	0.00			269.86
<i>All figures are shown net of VAT</i>										

**APPENDIX 6 - COMPARISON OF THE TIME COSTS AND EXPENSES INCURRED
AGAINST THE ESTIMATED TIME COSTS AND EXPENSES**

Work category	Original fees estimate			Actual time costs incurred during the Review Period			Actual time costs incurred to date		
	No of hours	Blended hourly rate £/hour	Total fee £	No of hours	Average hourly rate £/hour	Total time costs £	No of hours	Average hourly rate £/hour	Total time costs £
Administration and planning	120	347.50	41,700	12.70	268.43	3,409.00	175.65	330.82	58,107.75
Realisation of assets	40	347.50	13,900	0.40	392.50	157.00	73.50	377.88	27,774.50
Creditors	110	347.50	38,225	1.70	251.76	428.00	55.05	272.38	14,994.25
Investigations	20	347.50	6,950	-	-	-	2.00	170.00	340.00
Total	290	347.50	100,775	14.80	269.86	3,994.00	306.20	330.56	101,216.50

Costs, expenses and disbursements	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Costs, expenses and category 1 disbursements				
Legal fees	60,000.00	2,762.50	98,304.50	Additional time spent in pursuing potential action
Professional fees	40,000.00	-	86,849.80	Ongoing services from various parties to provide information
Advertising	226.50	-	75.50	
Bank charges	26.00	16.00	65.00	Unexpected expense
Bonding	550.00	200.00	750.00	
Mail redirection	185.00	-	185.00	
Document storage	2,000.00	251.68	3,082.42	Due to extended time of Administration
Patent renewal	651.05	-	1,588.80	
Creditor Gateway	206.00	24.00	96.00	
Attending site	750.00	-	2,196.09	Additional external meetings
Corporation tax	-	-	7.20	Omitted in error
Life assurance premium	-	-	32,775.46	Unexpected expense
Wages/PAYE/NI	-	-	5,882.02	Unexpected expense
IT services	-	-	625.50	Unexpected expense
Courier charges	-	-	5.95	Unexpected expense
VisionBlue fee	-	-	110.00	Omitted in error
Food/drink	-	-	11.30	Omitted in error
Total	104,594.55	3,254.18	232,610.54	

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Category 2 disbursements				
Accounting fees	5,000.00	5,000.00	5,000.00	
Stationery/fax/Postage/phone – based on £10 per creditor.	1,520.00	-	1,520.00	
External storage of working papers – one off fee	50.00	-	50.00	
Internal meeting room - £65 per hour	65.00	-	130.00	Duration of meetings held longer than anticipated
Total	6,635.00	5,000.00	6,700.00	

APPENDIX 7 - WORK UNDERTAKEN BY THE ADMINISTRATOR DURING THE REVIEW PERIOD

General Description	Includes
Administration and Planning (including statutory reporting)	
Statutory / advertising	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements
Document maintenance / file review / checklist	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records	Dealing with records in storage Sending case files to storage
Creditor reports	Preparing proposal, six monthly progress reports, fee authority report to secured and preferential creditors (where appropriate) and final report Seeking extension via creditors (where appropriate) Reporting to secured creditor Proposing further fee approval (where the fees estimate is not for the administration of the case to conclusion)
Creditors' decisions	Preparation of decision notices, proxies and voting forms Collating and examining proofs, proxies and votes to establish decisions Considering objections received and requests for physical meeting or other decision procedures Responding to queries and questions following decisions Issuing notice of result of decision process
Realisation of Assets	
Life assurance scheme	Liaising with broker regarding the scheme Liaising with bank re access to Trust account Review of claims submitted Discussions with solicitors re distribution of balance of funds Requesting bank statements and review of statements Review of counsel's advice Seeking tax advice
Creditors and Distributions	
Creditor communicatio	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives

General Description	Includes
n	via facsimile, email and post
Dealing with proofs of debt ('POD')	Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD

Current charge-out rates for the firm

Time charging policy

Support staff do not charge their time to each case.

Support staff include cashier, secretarial and administration support.

The minimum unit of time recorded is 6 minutes.

Staff	Charge out rates £
Insolvency Practitioner/Partners	340-750
Directors	275-400
Senior Manager	255-320
Manager	175-300
Assistant Manager	165-250
Senior Administrator	135-250
Administrator	80-150
Junior Administrator	70-85
Secretarial/Administration support staff	0