



WEDNESDAY



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A04

11/10/2017

#344

COMPANIES HOUSE

### 1 Company details

Company number 0 2 8 5 6 4 8 6

Company name in full Azure Oil Services Limited

→ Filing in this form

Please complete in typescript or in bold black capitals.

### 2 Administrator's name

Full forename(s) Anthony

Surname Murphy

### 3 Administrator's address

Building name/number Harrison's Business Recovery & Insolvency (London) Limited

Street 3rd Floor, Office 305

31 Southampton Row

Post town London

County/Region

Postcode W C 1 B 5 H J

Country UK

### 4 Administrator's name <sup>Ⓢ</sup>

Full forename(s)

Surname

Ⓢ Other administrator

Use this section to tell us about another administrator.

### 5 Administrator's address <sup>Ⓢ</sup>

Building name/number

Street

Post town

County/Region

Postcode

Country

Ⓢ Other administrator

Use this section to tell us about another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d 1	d 3	m 0	m 3	y 2	y 0	y 1	y 7
To date	d 1	d 2	m 0	m 9	y 2	y 0	y 1	y 7

### 7 Progress report

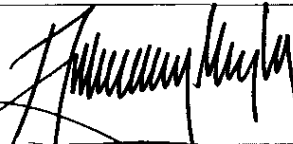
I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

d 1 d 0 m 1 m 0 y 2 y 0 y 1 y 7

# AM10

## Notice of administrator's progress report

### Presenter information

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

Contact name Robert Forster

Company name Harrisons Business Recovery &

Insolvency (London) Limited

Address 3rd Floor

Office 305

31 Southampton Row

Post town London

County/Region

Postcode 

W	C	1	B		5	H	J
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Country UK

DX

Telephone 0207 317 9160

### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

### Important information

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

### Where to send

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

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

### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

## **Administrator's Progress Report**

**Azure Oil Services Limited ( in Administration ) – “ the Company  
/ Azure ”**

**10 October 2017**

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- 8** Next Report

## **APPENDICES**

- A** Receipts and Payments Account for the Period from 13 March 2017 to 12 September 2017 and Cumulative Receipts and Payments Account from 13 September 2016 to 12 September 2017
- B** Time Analysis for the Period from 13 March 2017 to 12 September 2017 and Cumulative Time Analysis from 13 September 2016 to 12 September 2017
- C** Additional Information in Relation to the Administrator's Fees, Expenses & Disbursements

# THE ADMINISTRATOR'S PROGRESS REPORT

## 1 Introduction

- 1.1 I was appointed as Administrator of Azure Oil Services Limited ( " the Company / Azure " ) on 13 September 2016. The appointment was made by Factor 21 PLC ( " F21 " ).
- 1.2 This administration is being handled by Harrison's Business Recovery & Insolvency (London) Limited ( " Harrison's " ) at 3rd Floor, Office 305, 31 Southampton Row, London, WC1B 5HJ. The Administrator's contact details are by phone on 0207 317 9160 or via email at [robertforster@harrisons.uk.com](mailto:robertforster@harrisons.uk.com). The administration is registered in the High Court, Chancery Division, Companies Court, reference number 5638 of 2016.
- 1.3 The trading address of the Company was Unit 9 Kernick Industrial Estate, Parkengue Kernick, Penryn, Cornwall, TR10 9EP. The business traded under the name Metal Surgery.
- 1.4 The registered office of Azure has been changed from Unit 9 Kernick Industrial Estate, Parkengue Kernick, Penryn, Cornwall, TR10 9EP, to Harrison's, 3rd Floor, Office 305, 31 Southampton Row, London, WC1B 5H. The Company's registered number is 02856486.
- 1.5 As Administrator, I am required to provide a progress report covering the period of six months commencing from the date Azure entered administration and every subsequent period of six months.
- 1.6 This progress report covers the second six month period from 13 March 2017 to 12 September 2017 ( " the Period " ), and ***should be read in conjunction with my earlier proposals report and any previous progress reports which have been issued.***
- 1.7 Please be advised that the period of the administration has been extended by the consent of the secured creditor of the Company until 12 September 2018. The extension has been necessary to continue to pursue asset realisations in the administration, and in particular the disputed debt ( see below ).

## 2 Progress of the Administration

- 2.1 You may recall that the statutory objective being pursued in the administration is realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.2 In addition to the pursuance of this statutory objective, the Administrator has duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.
- 2.3 This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrator under other related legislation.
- 2.4 Attached at Appendix A is my Receipts and Payments Account, covering the Period, together with a cumulative Receipts and Payments Account from the date of my appointment as Administrator to 12 September 2017.
- 2.5 Attached at Appendix B is a Time Analysis outlining the time spent by the Administrator and his staff during the Period, together with a cumulative Time Analysis covering the period since my appointment.

- 2.6 Further information about the basis of remuneration agreed in this case and the Administrator's fees estimate can be found in section 4 of this report, together with any relevant information about revisions to my initial estimate, where applicable.

### **Administration (including statutory compliance & reporting)**

- 2.7 As noted above, the Administrator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work that I anticipated would need to be done in this area was outlined in my initial fees estimate / information.
- 2.8 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Administrator.
- 2.9 As noted in my initial fees estimate / information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

### **Realisation of Assets**

#### ***Residential Flat***

- 2.10 As previously reported, Azure owned a residential flat in Plymouth ( " the Flat " ), which was being occupied by the Director.
- 2.11 I instructed Best Gapp & Cassells ( " Best Gapp " ), independent property agents, to commission a RICS Red Book Market Valuation report, conduct marketing and assist with the disposal of the Flat. I also instructed PDT Solicitors ( " PDT " ) to complete the conveyancing work.
- 2.12 I completed a sale of the Flat on 13 March 2017 for £393,000. Whilst this is less than the Statement of Affairs value of £415,000, the realisation is in line with the RICS Red Book Market Valuation of £395,000, and was fully supported and recommended by Best Gapp.
- 2.13 The Flat was subject to a mortgage in favour of Bath Investment & Building Society ( " BIBS " ). The final amount due to BIBS totalled £319,667, which was paid to BIBS by PDT on completion of the sale.
- 2.14 F21 has a secondary interest in the Flat, behind BIBS, under its fixed charge security. On 21 April 2017, I distributed £30,000 to F21 under its fixed charge ( please see section 5 of this report for further details ).
- 2.15 From the sales proceeds, I was also required to deduct arrears for ground rent ( £279 ) and service charge ( £1,743 ).
- 2.16 The work the Administrator and his staff have undertaken to date brought a financial benefit to the secured creditors by allowing a redemption of the BIBS' mortgage in full and allowing an interim fixed charge distribution to F21.

#### ***Director's Loan***

- 2.17 As previously reported, upon appointment the Director advised that he personally owed money to Azure in respect of a Director's loan. Following a review of the Company's books and records, it was determined that the Director owes £525,174 to Azure.
- 2.18 In December 2016, the Director proposed an Individual Voluntary Arrangement ( " IVA " ), which was accepted by his creditors. I have submitted a claim in the IVA for £525,174, and the Supervisor has indicated that the claim is accepted.

- 2.19 From the IVA proposal, it appears that creditors are likely to receive a dividend rate of approximately 1.67 pence in the Pound, which could lead to a dividend payment of some £8,700 being received by the Company for the benefit of the administration estate.

### ***Book Debts***

- 2.20 As previously advised, Azure's book debts are subject to a factoring agreement with F21 and, as such, any recoveries made are not generally available for the benefit of creditors.
- 2.21 At the time of writing this report, the outstanding gross debtor ledger totals £177,256, of which £165,000 is still owed by Azure's largest customer, who continues to dispute the debt.
- 2.22 Negotiations with the largest customer have not yielded any recoveries. F21 is considering its options in conjunction with the Administrator and PDT.
- 2.23 I do not wish to disclose any further information regarding the disputed debt, as this may prejudice future recoveries.

### ***Other Receipts***

- 2.24 In the Period, bank interest totalling £47 has been received on funds held in the estate.
- 2.25 It is considered that the work the Administrator and his staff have undertaken to date will bring a financial benefit to creditors. This may, *depending on realisations in respect of the book debts*, result in a distribution to the unsecured creditors of the Company via the Prescribed Part.

### **Creditors (claims and distributions)**

- 2.26 Further information on the anticipated outcome for creditors in this case can be found at section 5 of this report. An Administrator is not only required to deal with correspondence and claims from unsecured creditors ( which may include retention of title claims ), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.27 Claims from preferential creditors typically involve employee claims and payments made on behalf of Azure by the Redundancy Payments Service following dismissal.
- 2.28 The above work will not necessarily bring any financial benefit to creditors generally, however, an Administrator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrator in dealing with those claims.
- 2.29 I consider the following matters worth noting in my report to creditors at this stage:
- There are approximately 87 unsecured creditors in this case with a combined value of £413,427, according to the Director's Statement of Affairs.
  - To date, I have received claims from 43 unsecured creditors totalling £339,653.
  - One secured creditor, BIBS, was repaid in full ( £319,667 ) upon the sale of the Flat.
  - The remaining secured creditor, F21, is currently owed £118,393 ( excluding termination charges ) ( please see section 5 of this report for further details ).



- I have received a preferential creditor claim of £14,835 from the Redundancy Payments Service.

### Investigations

- 2.30 You may recall from my first progress report to creditors that some of the work an Administrator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ( " CDDA 1986 " ) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations, and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that can be pursued for the benefit of creditors.
- 2.31 My report on the conduct of the Director of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first period of the administration and is confidential.
- 2.32 Since my last progress report, I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors.

### 3 Pre-administration Costs

- 3.1 On 7 December 2016, the following amounts in respect of pre-administration costs were approved by F21:

Name of supplier	Brief description of services provided	Total amount approved £
Harrisons	Please see the Administrator's Report and Statement of Proposals dated 7 November 2017.	13,246
PDT Solicitors	Please see the Administrator's Report and Statement of Proposals dated 7 November 2017.	1,540

- 3.2 Harrisons' pre-administration fees have not yet been paid.

### 4 Administrator's Remuneration

- 4.1 The basis of the Administrator's fees has been fixed in the administration by reference to the time properly spent by me and my staff in managing the administration and dealing with the Company's affairs. My fees estimate / information was originally provided to F21 when the basis of my remuneration was approved and was based on information available to me at that time.
- 4.2 A copy of that estimate is reproduced below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (including statutory compliance & reporting)	175	200	35,000
Realisation of assets	65	300	19,500
Creditors	48	250	12,000

Investigations	40	250	10,000
<b>Total estimated fees</b>			<b>76,500</b>

- 4.3 My time costs for the Period are £13,844. This represents 53 hours at an average rate of £259 per hour. Attached at Appendix B is a Time Analysis, which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the administration.
- 4.4 Also attached at Appendix B is a cumulative Time Analysis from 13 September 2016 to 12 September 2017, which provides details of my time costs since my appointment. The cumulative time costs incurred to date are £88,486 and this represents 345 hours at an average rate of £256 per hour.
- 4.5 To date, fees of £31,667 have been drawn on account.
- 4.6 I am not currently seeking approval of a revised fees estimate because, at this stage, it is uncertain whether asset realisations will be sufficient to enable Administrator's fees to be paid over and above the original fees estimate. If a revised fees estimate is required, I will advise creditors of this at a later date.
- 4.7 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <https://www.icaew.com/technical/insolvency/creditors-guides>.
- 4.8 Attached at Appendix C is additional information in relation to the Administrator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

## **5 Estimated Outcome for Creditors**

### **Secured Creditors**

#### ***BIBS***

- 5.1 BIBS held a mortgage over the Flat owned by the Company. The final amount due to BIBS in respect of the mortgage totalled £319,667, which was repaid in full from the sale of the Flat.

#### ***F21***

- 5.2 F21 holds a fixed and floating charge over Azure's assets. At the date of the administration, the indebtedness to F21 was estimated at £170,435 ( excluding termination fees ).
- 5.3 During the administration, F21 has continued to collect the book debts to discharge the Company's indebtedness, and has also received a distribution of £30,000 under its fixed charge from the sale of the Flat.
- 5.4 At the date of this report, F21 is currently owed £118,393 ( excluding termination charges ).
- 5.5 It is currently uncertain whether F21 will be repaid in full, and is dependent upon final realisations in relation to the disputed debt.

### **Preferential Creditors**

- 5.6 A summary of preferential claims received is detailed below.

Preferential claim	Claim £	Dividend paid pence in the £
Department for Business, Energy & Industrial Strategy (BEIS)	14,835	Nil

5.7 It is currently uncertain whether a dividend will be paid to the preferential creditors of Azure, which is dependent on the final level of asset realisations and the final costs of the administration.

### ***Unsecured Creditors***

5.8 I have received claims totalling £339,653 from 44 creditors. I have yet to receive claims from 44 creditors whose debts total £163,808 as per the Company's records.

5.9 Azure granted a floating charge to F21 on 4 September 2015. Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors ( known as the " Prescribed Part " ).

5.10 Based on present information, it is currently uncertain whether the Prescribed Part will be applicable. *N.B. The Prescribed Part will only be applicable in the event that F21 does not enjoy a full recovery, either from book debt recoveries or fixed charge realisations. If the Prescribed Part does not apply and I am not required to set aside funds for the benefit of unsecured creditors, asset realisations will be insufficient to enable a dividend to be paid to the unsecured creditors of Azure.*

## **6 Ending the Administration**

6.1 If the Administrator makes a distribution to the unsecured creditors from the Prescribed Part within the administration, a notice will thereafter be filed at Court and with the Registrar of Companies with the Administrator's final report, for the dissolution of the Company.

6.2 The same notice will be filed and Azure moved to dissolution if the Administrator thinks that the Company has no property which might permit a distribution to its unsecured creditors. A copy of these documents will be sent to Azure and its creditors.

6.3 The Administrator will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect.

## **7 Creditors' Rights**

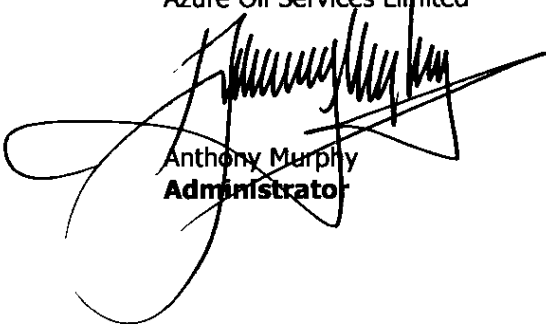
7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor ( with the concurrence of at least 5% in value of the unsecured creditors ) may request in writing that the Administrator provides further information about his remuneration or expenses ( other than pre-administration costs ), which have been itemised in this progress report.

7.2 Any secured creditor, or an unsecured creditor ( with the concurrence of at least 10% in value of the unsecured creditors ) may, within 8 weeks of receipt of this progress report, make an application to Court on the grounds that, in all the circumstances, the basis fixed for the Administrator's remuneration is inappropriate and / or the remuneration charged or the expenses incurred by the Administrator , as set out in this progress report, are excessive.

**8 Next Report**

- 8.1 The Administrator is required to provide a progress report within one month of the end of the next six months of the administration or earlier if the administration has been finalised or he wishes to extend it.

For and on behalf of  
Azure Oil Services Limited



Anthony Murphy  
**Administrator**

**The Administrator acts as agent of the Company and without personal liability. The affairs, business and property of the Company are being managed by the Administrator, Anthony Murphy.**

## **Appendix A**

**Receipts and Payments Account for the Period from 13 March 2017 to 12 September 2017  
and Cumulative Receipts and Payments Account from 13 September 2016 to 12 September  
2017**

**Azure Oil Services Limited**  
**( in Administration )**  
**Administrator's Summary of Receipts & Payments**

Statement of Affairs £	From 13/03/2017 To 12/09/2017 £	From 13/09/2016 To 12/09/2017 £
	<b>SECURED ASSETS</b>	
415,000.00	Leasehold Property	393,000.00
	Bank Interest	20.89
		<u>393,020.89</u>
	<b>SECURED CREDITORS</b>	
	Chargeholder (1)	(319,667.12)
	Chargeholder (2)	(30,000.00)
		<u>(349,667.12)</u>
	<b>COSTS OF REALISATION</b>	
	Administrator's Fixed Charge Fees	(16,666.67)
	Legal Fees	(3,500.00)
	Agents'/Valuers' Fees	(13,590.00)
	Mortgage Payments	NIL
	Service Charge & Ground Rent	(2,022.50)
	Sundry Charges	(338.00)
		<u>(36,117.17)</u>
	<b>ASSET REALISATIONS</b>	
14,000.00	Plant & Machinery	NIL
1,000.00	Stock/WIP	NIL
NIL	Licence Fee	NIL
NIL	Client Account Monies	48.41
NIL	Bank Interest Gross	26.34
		<u>26.34</u>
	<b>COST OF REALISATIONS</b>	
	Administrator's Fees	NIL
	Agent's Fees	(11,324.20)
	Agent's Disbursements	(7,812.68)
	Legal Fees	(4,700.00)
	Legal Disbursements	(181.80)
	Storage Costs	(775.72)
	Insurance of Assets	(180.67)
		<u>NIL</u>
		<u>(39,975.07)</u>
		<u><b>13,524.87</b></u>
	<b>REPRESENTED BY</b>	
	Cash at Bank - Fixed Charge ( Interest Bearing )	469.27
	Cash at Bank - Floating Charge ( Interest Bearing )	6,607.65
	VAT Payable - Floating Charge	(319.38)
	VAT Receivable - Fixed Charge	6,767.33
		<u><b>13,524.87</b></u>

**Appendix B**

**Time Analysis for the Period from 13 March 2017 to 12 September 2017 and Cumulative  
Time Analysis from 13 September 2016 to 12 September 2017**

# Time Entry - Detailed SIP9 Time & Cost Summary

AZURE001 - Azure Oil Services Limited  
 From: 13/03/2017 To: 12/09/2017  
 Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
104 : Maintenance of records	0.00	0.00	0.20	1.00	1.20	175.00	145.83
113 : Dealing with Directors	0.00	0.00	0.10	0.00	0.10	17.50	175.00
115 : Insurance	0.00	0.40	0.00	0.00	0.40	126.00	315.00
120 : General Correspondence	0.00	0.00	1.10	0.00	1.10	192.50	175.00
135 : Admin - IPS Diary Maintenance	0.00	0.00	0.40	0.00	0.40	70.00	175.00
137 : Admin - Month 3 Review	0.00	0.00	0.90	0.00	0.90	157.50	175.00
147 : Admin - Administration 6 Month Progress Report	1.10	0.00	12.10	0.00	13.20	2,607.00	197.50
159 : Admin - Appointment Holder VAT426/427/833	0.00	0.00	1.10	0.00	1.10	192.50	175.00
181 : Bonding - Bond Review	0.00	0.00	0.70	0.00	0.70	132.50	189.29
184 : Cashier - Client Account Reconciliations	0.00	0.00	0.00	2.60	2.60	364.00	140.00
186 : Cashier - Receipts	0.00	0.00	0.20	1.90	2.10	301.00	143.33
187 : Cashier - Payments	0.00	0.00	1.20	1.70	2.90	448.00	154.48
<b>Administration &amp; Planning</b>	<b>1.10</b>	<b>0.40</b>	<b>18.00</b>	<b>7.20</b>	<b>26.70</b>	<b>4,783.50</b>	<b>179.15</b>
500 : Creditors	0.00	0.00	0.10	0.00	0.10	17.50	175.00
501 : Communication with creditors	0.00	0.00	0.20	1.00	1.20	115.00	95.83
504 : Claims Trade and Expense	0.00	0.00	0.10	0.00	0.10	17.50	175.00
505 : Claims HP and Leasing	0.00	0.00	0.30	0.00	0.30	52.50	175.00
508 : Secured Creditors	0.60	6.20	0.50	0.00	7.30	2,307.50	316.10
519 : Claims - HMRC	0.00	0.00	0.10	0.00	0.10	17.50	175.00
<b>Creditors</b>	<b>0.60</b>	<b>6.20</b>	<b>1.30</b>	<b>1.00</b>	<b>9.10</b>	<b>2,527.50</b>	<b>277.75</b>
301 : Ident, securing and insuring assets	0.00	0.00	0.10	0.00	0.10	17.50	175.00
303 : Debt collection	10.10	4.60	0.20	0.00	14.90	5,978.50	401.24
315 : Freehold Land & Property	0.20	0.20	0.00	0.00	0.40	152.00	380.00
316 : Leasehold Land & Property	0.00	0.00	0.90	0.00	0.90	157.50	175.00
320 : Overdrawn Director Loans	0.00	0.00	1.30	0.00	1.30	227.50	175.00
<b>Realisations of Assets</b>	<b>10.30</b>	<b>4.80</b>	<b>2.50</b>	<b>0.00</b>	<b>17.60</b>	<b>6,533.00</b>	<b>371.19</b>
<b>Total Hours</b>	<b>12.00</b>	<b>11.40</b>	<b>21.80</b>	<b>8.20</b>	<b>53.40</b>	<b>13,844.00</b>	<b>259.25</b>



# Time Entry - Detailed SIP9 Time & Cost Summary

AZURE001 - Azure Oil Services Limited  
 From: 13/09/2016 To: 12/09/2017  
 Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
101 : Case planning	0.70	0.00	1.70	0.00	2.40	575.00	239.58
102 : Administrative set-up	0.00	0.00	0.30	0.60	0.90	135.50	150.56
103 : Appointment notification	0.00	0.00	5.00	0.15	5.15	807.00	156.70
104 : Maintenance of records	0.00	0.50	5.60	3.10	9.20	1,502.50	163.32
112 : Dealing with Existing Advisors	0.30	0.00	1.10	0.00	1.40	322.00	230.00
113 : Dealing with Directors	3.00	2.80	2.30	0.00	7.90	2,489.50	315.13
115 : Insurance	0.00	0.40	0.00	0.00	0.40	126.00	315.00
120 : General Correspondence	0.00	0.00	6.20	0.00	6.20	997.00	160.81
135 : Admin - IPS Diary Maintenance	0.00	0.00	0.40	0.00	0.40	70.00	175.00
136 : Admin - Month 1 Review	0.00	0.20	0.50	0.00	0.70	148.50	212.14
137 : Admin - Month 3 Review	0.00	0.00	0.90	0.00	0.90	157.50	175.00
141 : Admin - Case Specific Review	0.00	0.00	0.90	0.00	0.90	139.50	155.00
143 : Admin - Financials - SoA, EoS, I&E	0.00	1.50	0.00	0.00	1.50	457.50	305.00
146 : Admin - P49 Report	4.10	16.00	14.00	2.00	36.10	9,070.50	251.26
147 : Admin - Administration 6 Month Progress Report	1.10	0.00	12.70	0.00	13.80	2,712.00	196.52
156 : Admin - Court Filings - BKYIVAVCVAWUCIADM	0.00	0.50	0.00	0.00	0.50	157.50	315.00
159 : Admin - Appointment Holder VAT426/427/833	0.00	0.00	3.20	0.00	3.20	558.00	174.38
160 : Admin - Appointment Holder CT600	0.00	0.00	0.50	0.00	0.50	87.50	175.00
180 : Bonding - Initial Bond Calculation	0.00	0.50	1.80	0.00	2.30	431.50	187.61
181 : Bonding - Bond Review	0.00	0.00	1.50	0.00	1.50	272.50	181.67
184 : Cashier - Client Account Reconciliations	0.00	0.00	3.20	5.00	8.30	700.00	140.00
186 : Cashier - Receipts	0.00	0.00	3.20	5.10	8.30	1,248.00	150.36
187 : Cashier - Payments	0.00	0.00	4.00	4.80	8.80	1,336.00	151.82
192 : Pensions - Pension Searches	0.00	0.00	0.20	0.00	0.20	31.00	155.00
193 : Pensions - s120 Forms & Submission	0.00	0.00	1.00	0.00	1.00	155.00	155.00
195 : Pensions - Pension Trustee Dealings	0.30	0.00	0.00	0.00	0.30	133.50	445.00
<b>Administration &amp; Planning</b>	<b>9.50</b>	<b>22.20</b>	<b>67.00</b>	<b>20.75</b>	<b>119.45</b>	<b>24,820.50</b>	<b>207.79</b>
606 : Client Dealings/Communications	0.00	0.00	0.10	0.00	0.10	15.50	155.00
<b>Case specific matters</b>	<b>0.00</b>	<b>0.00</b>	<b>0.10</b>	<b>0.00</b>	<b>0.10</b>	<b>15.50</b>	<b>155.00</b>
500 Creditors	1.70	0.00	4.00	4.00	9.70	1,718.50	177.16
501 : Communication with creditors	1.80	0.60	10.10	1.00	13.50	2,683.50	198.78
504 : Claims Trade and Expense	0.00	0.00	4.80	0.00	4.80	754.00	157.08
505 : Claims HP and Leasing	0.00	5.50	7.60	0.00	13.10	2,861.50	218.44
508 : Secured Creditors	4.50	10.90	1.60	0.00	17.00	5,689.00	334.65
516 : Employee - Pref Claims (Wages/Hol)	0.00	4.00	9.00	0.50	13.50	2,671.00	197.85
517 : Employee - Unsecured (Red/PILON)	0.30	0.00	0.40	0.00	0.70	149.00	372.50
519 : Claims - HMRC	0.00	0.00	0.50	0.00	0.50	85.50	171.00
<b>Creditors</b>	<b>8.30</b>	<b>21.00</b>	<b>37.70</b>	<b>5.50</b>	<b>72.50</b>	<b>16,612.00</b>	<b>229.13</b>
205 : General Investigations	6.90	0.30	16.00	0.00	23.20	5,750.00	247.84
207 : CDOA Report	0.10	0.00	1.20	0.00	1.30	254.50	195.77
<b>Investigations</b>	<b>7.00</b>	<b>0.30</b>	<b>17.20</b>	<b>0.00</b>	<b>24.50</b>	<b>6,004.50</b>	<b>245.08</b>
300 : Realisation of assets	3.10	1.60	3.20	0.00	7.90	2,418.50	306.14

# Time Entry - Detailed SIP9 Time & Cost Summary

AZURE001 - Azure Oil Services Limited  
 From: 13/09/2016 To: 12/09/2017  
 Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
301 : Ident, securing and insuring assets	0.00	0.00	11.00	0.00	11.00	1,709.00	155.36
302 : ROT	0.20	0.20	2.50	0.00	2.90	537.50	185.34
303 : Debt collection	18.50	13.50	6.90	0.50	39.40	13,634.00	346.04
304 : Sale of business and assets	0.30	0.00	0.00	0.00	0.30	133.50	445.00
307 : Other Assets	0.00	0.20	0.00	0.00	0.20	63.00	315.00
311 : Agents - Realisation of Assets	0.70	6.30	1.00	0.00	8.00	2,420.00	302.50
312 : Legal - Realisation of Assets	0.00	1.20	0.00	0.00	1.20	378.00	315.00
313 : Agents - Debt Collection	0.00	4.70	0.00	0.00	4.70	1,467.50	312.23
315 : Freehold Land & Property	3.10	5.70	2.10	0.00	10.90	3,507.50	321.79
316 : Leasehold Land & Property	2.70	0.00	1.90	0.00	4.60	1,526.00	331.74
317 : Leases/Licences	17.60	0.00	3.70	0.00	21.30	8,405.50	394.62
320 : Overdrawn Director Loans	0.00	0.00	1.50	0.00	1.50	258.50	172.33
<b>Realisations of Assets</b>	<b>46.20</b>	<b>33.40</b>	<b>33.80</b>	<b>0.50</b>	<b>113.90</b>	<b>36,458.50</b>	<b>320.09</b>
401 : Management of operations	0.00	15.00	0.00	0.00	15.00	4,575.00	305.00
<b>Trading</b>	<b>0.00</b>	<b>15.00</b>	<b>0.00</b>	<b>0.00</b>	<b>15.00</b>	<b>4,575.00</b>	<b>305.00</b>
<b>Total Hours</b>	<b>71.00</b>	<b>91.90</b>	<b>155.80</b>	<b>26.75</b>	<b>345.45</b>	<b>88,486.00</b>	<b>256.15</b>

## Appendix C

### Additional Information in Relation to the Administrator's Fees, Expenses & Disbursements

#### 1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing Harrison's assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Director, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 I am not proposing to utilise the services of any sub-contractors in this case.

#### 2 Professional Advisors

- 2.1 On this assignment, I have used the professional advisors listed below. I have also indicated alongside, the basis of the fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
PDT Solicitors ( legal advice )	Hourly rate and disbursements
AUA Insolvency Risk Services Limited ( insurance )	Risk based premium
Lambert Smith Hampton Group Limited (valuation and disposal advice)	Hourly rate, disbursements and % of realisations
Robert Pearce Associates ( agents' costs )	% of realisations

- 2.2 The choice was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

#### 3 Administrator's Expenses & Disbursements

- 3.1 The estimate of expenses ( including disbursements ) which were anticipated at the outset of the administration was provided to creditors in the Administrator's Proposals Report, a copy of which is set out below:

Expense	Estimated cost £
Agents' costs (freehold property)	10,000 – 15,000
Agents' costs (chattel assets)	5,000 – 10,000
Agents' costs (book debt collection)	Uncertain
Solicitors' costs	4,882
Insurance	1,000
Statutory advertising	79
Specific penalty bond	58

Collection and external storage of the Company's books and records	1,000
Re-direction of the Company's mail	350
Case related travel & subsistence	735
Search costs	2
<b>Category 2 disbursements charged by the firm:</b>	
Business mileage	768

### ***Current position of Administrator's expenses***

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report, is provided below:

	<b>Paid in prior period £</b>	<b>Paid in the period covered by this report £</b>	<b>Incurred but not paid to date £</b>	<b>Total anticipated cost £</b>
Agents' costs (leasehold property)	Nil	13,590	Nil	13,590
Agents' costs (chattel assets)	19,137	Nil	Nil	19,137
Solicitors' costs	4,882	3,500	Nil	8,382
Insurance	181	Nil	Nil	181
Statutory advertising	Nil	Nil	79	79
Specific penalty bond	Nil	Nil	380	380
External storage of books & records	776	Nil	Nil	1,000
Re-direction of the Company's mail	Nil	Nil	350	350
Case related travel & subsistence	Nil	Nil	735	735
Search costs	Nil	Nil	2	2
Service charge and ground rent	Nil	2,023	Nil	2,023
Sundry charges (leasehold property)	Nil	338	Nil	338
<b>Category 2 disbursements</b>				
Business mileage	Nil	Nil	768	768

- 3.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as Category 1 disbursements to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.

- 3.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by Harrison's (where appropriate) were provided in the Administrator's Proposals Report and approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

## **4 Charge-Out Rates**

- 4.1 Harrison's current charge-out rates effective from 1 July 2016 are detailed below. Please note Harrison's records its time in minimum units of 6 minutes.

	<b>2016/2017/2018</b>
	<b>£</b>
Directors	305 – 550
Managers	250 – 350
Senior Case Supervisors	175 – 250
Case Supervisors	125 – 205
Assistants/Trainee Case Supervisors	100 – 150