

In accordance with Rule 3.61(1) of the Insolvency (England & Wales) Rules 2016 & Paragraph 84(8) of Schedule B1 of the Insolvency Act 1986.

# AM23

## Notice of move from administration to dissolution



Companies House

TUESDAY



A15 \*A7E9Z04B\* 11/09/2018 #180  
COMPANIES HOUSE

### 1 Company details

Company number 02856486

Company name in full Azure Oil Services Limited

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

### 2 Court details

Court name High Court, Chancery Division, Companies Court

Court number CR-2016-005638

### 3 Administrator's name

Full forename(s) Anthony

Surname Murphy

### 4 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 WC1B 5HJ

Country UK

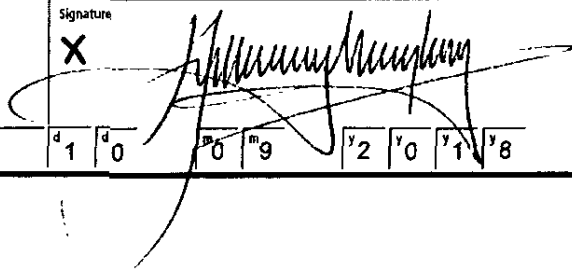
# AM23

## Notice of move from administration to dissolution

<b>5 Administrator's name</b>	
Full forename(s)	
Surname	
<b>Other administrator</b> Use this section to tell us about another administrator.	

<b>6 Administrator's address</b>	
Building name/number	
Street	
Post town	
County/Region	
Postcode	
Country	
<b>Other administrator</b> Use this section to tell us about another administrator.	

<b>7 Final progress report</b>	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report	

<b>8 Sign and date</b>																	
Administrator's signature	<input checked="" type="checkbox"/>  <input checked="" type="checkbox"/>																
Signature date	<table border="1"><tr><td>d</td><td>1</td><td>d</td><td>0</td><td>m</td><td>0</td><td>m</td><td>9</td><td>y</td><td>2</td><td>y</td><td>0</td><td>y</td><td>1</td><td>y</td><td>8</td></tr></table>	d	1	d	0	m	0	m	9	y	2	y	0	y	1	y	8
d	1	d	0	m	0	m	9	y	2	y	0	y	1	y	8		

AM23

Notice of move from administration to dissolution

 **Presenter information**

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

Contact name **Darren Fanthorpe**

Company name **Harrisons Business Recovery &**

**Insolvency (London) Limited**

Address **3rd Floor**

**Office 305**

**31 Southampton Row**

Post town **London**

County/Region

Postcode 

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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 Final Progress Report**

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

**10 September 2018**

## **CONTENTS**

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- 2** Progress of the Administration
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- 4** Administrator's Remuneration
- 5** Estimated Outcome for Creditors
- 6** Ending the Administration
- 7** Creditors' Rights

## **APPENDICES**

- A** Receipts and Payments Account for the Period from 13 March 2018 to 10 September 2018 and Cumulative Receipts and Payments Account from 13 September 2016 to 10 September 2018
- B** Time Analysis for the Period from 13 March 2018 to 10 September 2018 and Cumulative Time Analysis from 13 September 2016 to 10 September 2018
- C** Additional Information in Relation to the Administrator's Fees, Expenses & Disbursements

## THE ADMINISTRATOR'S FINAL 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 [darrenfanthorpe@harrisons.uk.com](mailto:darrenfanthorpe@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 final progress report covers the third six month period from 13 March 2018 to 10 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 As previously advised, the period of the administration was extended by the consent of the secured creditor of the Company until 12 September 2018. At the time, the extension was 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 pursued in the administration was 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 10 September 2018.
- 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, the residential flat in Plymouth ( " the Flat " ) was sold on 13 March 2017 for £393,000.
- 2.11 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 on completion.
- 2.12 F21 had a secondary charge on the Flat, behind BIBS. On 21 April 2017, £30,000 was distributed to F21 under its fixed charge from residual sale proceeds.
- 2.13 The work the Administrator and his staff undertook brought a financial benefit to the secured creditors by allowing a redemption of the BIBS' mortgage in full and allowing a distribution to be made to F21.

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

- 2.14 As previously reported, the Director of Azure proposed an Individual Voluntary Arrangement ("IVA"), which was accepted by his creditors. I submitted a claim in the IVA for £525,174.
- 2.15 From the IVA, a first and final distribution of 1.76 pence in the Pound was declared and paid on 9 October 2017. £9,243 was received in the administration in respect of the Administrator's agreed claim. This dividend is in line with the Director's Proposals.

##### ***Book Debts***

- 2.16 As previously advised, Azure's book debts were subject to a factoring agreement with F21 and, as such, any recoveries made were not generally available for the benefit of creditors.
- 2.17 The outstanding gross debtor ledger was some £177,256, of which £165,000 was owed by Azure's largest customer, Lakesmere Group ("Lakesmere"). The debt was disputed.
- 2.18 In November 2017 Lakesmere ceased to trade and entered administration. All ongoing communication with Lakesmere ceased and no recovery was made. I have confirmed with the duly appointed Administrator of Lakesmere that there is no prospect of a dividend being paid.

### ***Parcel of Land - Falmouth***

- 2.19 On appointment, the Administrator identified that the Company owned two small parcels of land in Falmouth. After preliminary investigations, due to the unusual nature of the site, it was determined that the land had no readily realisable value for the benefit of creditors in the administration.
- 2.20 During the Period, the Administrator was approached by a third party, who offered £10,000 for one of the two parcels of land. On the advice and recommendation of the Administrator's agent, the offer was accepted.
- 2.21 The land was sold on 25 June 2018. After costs of sale, the net realisation achieved was £8,746.
- 2.22 The land was subject to F21's fixed charge. After agreeing a contribution towards the Administrator's outstanding costs in the administration ( see section 4 below ), a further £4,227 was distributed to F21 under its fixed charge.

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

- 2.23 The 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.
- 2.24 Claims from preferential creditors typically involve employee claims and payments made on behalf of Azure by the Redundancy Payments Service following dismissal.
- 2.25 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.
- 2.26 The following is worth noting:
- BIBS was owed £319,667, and repaid in full from the sale of the Flat.
  - After prolonged correspondence and negotiation with Lakesmere, recovery on the book debts finally concluded unsuccessfully, and F21 did not make a full recovery.
  - I received a preferential creditor claim of £14,835 from the Redundancy Payments Service.
  - I received claims from 43 unsecured creditors totalling £339,653.

### **Investigations**

- 2.27 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.



- 2.28 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.
- 2.29 No further asset realisations have come to light that may be pursued by me for the benefit of creditors.

### 3 Unrealised Assets

- 3.1 I confirm that all assets have now been realised and the cumulative Receipts and Payments Account at Appendix A reflects the final position on both realisations achieved and payments made during the course of the Administration. This includes details of all expenses and disbursements incurred and paid by the Administrator.

### 4 Administrator's Remuneration

- 4.1 The basis of the Administrator's fees were 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 summary of the estimate is 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 £2,476. This represents approximately 14 hours at an average rate of £177 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 10 September 2017, which provides details of my time costs since my appointment. Total time costs are **£98,883**, and this represents approximately 404 hours at an average rate of £245 per hour.
- 4.5 With F21's consent, fees of £52,376 have been drawn from the administration on account of our time costs; £24,227 was paid from the sale of the freehold property and land, and the balance was paid from floating charge realisations.

- 4.6 In total, I have been paid £52,376 in respect of fees. The balance of my unpaid time costs have been written off.
- 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 was £319,667, which was repaid in full upon completion of sale.

#### ***F21***

- 5.2 F21 held a fixed and floating charge over Azure's assets. At the date of the administration, the indebtedness to F21 was estimated to be £170,435 ( excluding termination fees ).
- 5.3 Throughout the administration, F21 continued to collect the book debts to discharge the Company's indebtedness. There was a significant shortfall on recovery from book debt collections.
- 5.4 During the course of the administration, F21 received two distributions under its fixed charge totalling £38,131.
- 5.5 Overall, F21 experienced a significant shortfall on recovery, principally as a result of the collapse of Lakesmere.

### 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 Asset realisations were insufficient to make any distribution to the preferential creditors, once all of the associated costs of administration had been paid.

### ***Unsecured Creditors***

- 5.8 Asset realisations were insufficient to make any distribution to the Company's unsecured creditors, either by virtue of the Prescribed Part, or otherwise.

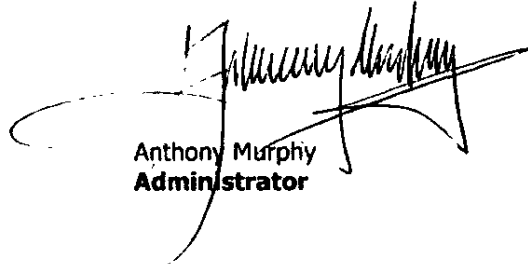
## **6 Ending the Administration**

- 6.1 As there is no property which might permit a distribution to the unsecured creditors, I have sent a notice to the Registrar of Companies moving the Company to dissolution.
- 6.2 The Administrator's appointment will end following the registration of the notice by the Registrar of Companies. A copy of this notice is enclosed.
- 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.

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 2018 to 10 September 2018  
and Cumulative Receipts and Payments Account from 13 September 2016 to 10 September  
2018**



## **Appendix B**

**Time Analysis for the Period from 13 March 2018 to 10 September 2017 and Cumulative  
Time Analysis from 13 September 2016 to 10 September 2018**

# Time Entry - Detailed SIP9 Time & Cost Summary

AZURE001 - Azure Oil Services Limited  
 From: 13/03/2018 To: 10/09/2018  
 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	0.10	0.90	1.00	148.50	148.50
113 : Dealing with Directors	0.00	1.00	0.00	0.00	1.00	315.00	315.00
159 : Admin - Appointment Holder VAT+26/427/833	0.00	1.00	0.00	0.00	1.00	315.00	315.00
181 : Bonding - Bond Review	0.00	0.00	0.10	0.00	0.10	22.50	225.00
184 : Cashier - Client Account Reconciliations	0.00	0.00	0.00	1.20	1.20	168.00	140.00
186 : Cashier - Receipts	0.00	0.00	0.30	0.90	1.20	183.50	152.92
187 : Cashier - Payments	0.00	0.00	1.10	1.50	2.60	397.50	152.88
188 : Cashier - VAT 426/427/833	0.00	0.00	0.00	0.50	0.50	70.00	140.00
<b>Administration &amp; Planning</b>	<b>0.00</b>	<b>2.00</b>	<b>1.80</b>	<b>5.00</b>	<b>8.80</b>	<b>1,630.00</b>	<b>185.53</b>
508 : Secured Creditors	0.00	0.70	0.20	0.00	0.90	45.00	50.00
<b>Creditors</b>	<b>0.00</b>	<b>0.70</b>	<b>0.20</b>	<b>0.00</b>	<b>0.90</b>	<b>45.00</b>	<b>50.00</b>
312 : Legal - Realisation of Assets	0.00	0.20	0.00	0.00	0.20	0.00	0.00
315 : Freehold Land & Property	0.40	0.00	0.00	0.00	0.40	0.00	0.00
316 : Leasehold Land & Property	2.10	0.00	0.00	0.00	2.10	0.00	0.00
317 : Leases/Licences	1.80	0.00	0.00	0.00	1.80	801.00	445.00
<b>Realizations of Assets</b>	<b>4.30</b>	<b>0.20</b>	<b>0.00</b>	<b>0.00</b>	<b>4.50</b>	<b>801.00</b>	<b>178.00</b>
<b>Total Hours</b>	<b>4.30</b>	<b>2.90</b>	<b>1.80</b>	<b>5.00</b>	<b>14.00</b>	<b>2,476.00</b>	<b>176.86</b>

# Time Entry - Detailed SIP9 Time & Cost Summary

AZURE001 - Azure Oil Services Limited  
 From: 13/09/2016 To: 10/09/2018  
 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	0.00	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	0.00	6.10	5.60	12.20	1,955.00	160.25
112 - Dealing with Existing Advisors	0.30	0.50	1.10	0.00	1.40	322.00	230.00
113 - Dealing with Directors	3.00	3.60	2.30	0.00	8.90	2,804.50	315.11
115 - Insurance	0.00	0.40	0.00	0.00	0.40	126.00	315.00
120 - General Correspondence	0.00	0.00	6.30	0.00	6.30	1,014.50	161.03
135 - Admin - IPS Diary Maintenance	0.00	0.00	0.90	0.00	0.90	157.50	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	1.50	0.00	1.50	262.50	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	20.40	0.00	21.50	4,059.50	188.81
148 - Admin-Admin Extension Report - By Consent	0.00	0.60	1.40	0.00	2.00	434.00	217.00
158 - Admin - Court Filings - BKY/IVAC/VAWUC/ADM	0.00	0.50	0.00	0.00	0.50	157.50	315.00
159 - Admin - Appointment Holder VAT1426427/833	0.00	1.50	9.00	0.00	10.50	2,045.50	194.81
160 - Admin - Appointment Holder CT600	0.00	0.00	1.00	0.00	1.00	190.00	190.00
171 - Closing - Final Budget	0.00	0.00	0.50	0.00	0.50	112.50	225.00
180 - Bonding - Initial Bond Calculation	0.00	0.50	1.80	0.00	2.30	431.50	187.61
181 - Bonding - Bond Renew	0.00	0.00	1.90	0.00	1.90	347.50	182.89
184 - Cashier - Client Account Reconciliations	0.00	0.00	0.30	10.20	10.50	1,480.50	141.00
186 - Cashier - Receipts	0.00	0.00	3.50	9.20	12.70	1,889.50	148.78
187 - Cashier - Payments	0.00	0.00	6.90	8.80	15.70	2,428.50	154.68
188 - Cashier - VAT 426427/833	0.00	0.00	2.10	2.10	4.20	294.00	140.00
189 - Cashier - CT600	0.00	0.00	0.00	1.00	1.00	140.00	140.00
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	195.00	195.00
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>25.30</b>	<b>98.50</b>	<b>39.85</b>	<b>162.95</b>	<b>32,305.50</b>	<b>198.25</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	4.40	4.00	10.10	1,788.50	177.08
501 - Communication with creditors	1.80	0.60	13.20	1.00	16.60	3,226.00	194.34
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	14.50	2.00	0.00	21.00	6,692.50	316.69
516 - Employee - Prel 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	0.50	0.00	0.80	219.00	273.75
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>24.60</b>	<b>42.00</b>	<b>5.50</b>	<b>80.40</b>	<b>18,298.00</b>	<b>227.59</b>
205 - General Investigations	6.90	0.30	16.00	0.00	23.20	5,750.00	247.84
207 - CDA Report	0.10	0.00	1.20	0.00	1.30	264.50	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>6,014.50</b>	<b>245.08</b>
<b>Page 1 of 3</b>							<b>10 September 2018 12:47</b>
300 - Realisation of assets	3.10	1.60	3.30	0.00	8.00	2,436.00	304.50



# Time Entry - Detailed SIP9 Time & Cost Summary

AZURE001 - Azure Oil Services Limited  
 From: 13/09/2016 To: 10/09/2018  
 Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
307 : Ident, securing and insuring assets	0.00	0.00	11.00	0.00	11.00	1,709.00	155.36
302 : ROI	0.20	0.20	2.50	0.00	2.90	537.50	185.34
303 : Debt collection	20.00	13.50	7.30	0.50	41.30	13,971.00	338.28
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	1.40	0.00	0.00	1.40	378.00	270.00
313 : Agents - Debt Collection	0.00	4.70	0.00	0.00	4.70	1,467.50	312.23
315 : Freehold Land & Property	3.50	5.70	2.10	0.00	11.30	3,507.50	310.40
316 : Leasehold Land & Property	4.80	0.00	2.00	0.00	6.80	1,543.50	226.99
317 : Leases/Licences	19.40	0.00	3.70	0.00	23.10	9,206.50	398.55
320 : Overdrawn Director Loans	0.00	0.00	1.80	0.00	1.80	311.00	172.78
<b>Realisations of Assets</b>	<b>52.00</b>	<b>33.60</b>	<b>34.70</b>	<b>0.50</b>	<b>120.80</b>	<b>37,684.00</b>	<b>311.95</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>76.80</b>	<b>98.80</b>	<b>182.50</b>	<b>45.85</b>	<b>403.75</b>	<b>90,892.50</b>	<b>244.91</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 did not 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.

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

### **Summary of Administrator's expenses**

3.2 An analysis of the expenses paid to the date of this report is provided below:

	Category 1	Category 2	Total
Agents' costs (freehold property)	13,590	500	14,090
Agents' costs (chattel assets)	19,137	Nil	19,137
Solicitors' costs	8,382	1,012	9,394
Insurance	181	Nil	181
Statutory advertising	79	Nil	79
Specific penalty bond	380	Nil	380
External storage of books & records	821	Nil	821
Re-direction of the Company's mail	350	Nil	350
Case related travel & subsistence	735	Nil	735
Search costs	2	Nil	2
Service charge and ground rent	2,023	Nil	2,023
Sundry charges (leasehold property)	338	Nil	338
<b>Category 2 disbursements</b>			
Business mileage	810	Nil	810

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 2018 are detailed below. Please note Harrison's records its time in minimum units of 6 minutes.

Directors  
Managers  
Senior Case Supervisors  
Case Supervisors  
Assistants/Trainee Case Supervisors

2016/2017/2018  
£

305 - 550  
250 - 350  
175 - 250  
125 - 205  
100 - 150