

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company
Ocean Management Services Limited

Company number
04779552

In the High Court of Justice (Bristol) (full name of court)

Court case number 37 of 2006

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

I/We (a)
Stephen M Katz
Fisher Partners
Acre House
11-15 William Road
London
NW1 3ER

administrator(s) of the above company attach a progress report for the period

From	To
(b) 23 March 2006	(b) 15 September 2006

(b) Insert date

Signed

[Signature]
Joint / Administrator(s)

Dated

21/9/2006

Contact Details:

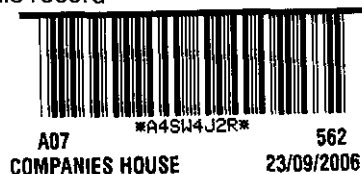
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

The contact information that you give will be visible to searchers of the public record

Stephen M Katz
Fisher Partners
Acre House
11-15 William Road
London
NW1 3ER

DX Number

020 7388 7000
DX Exchange



When you have completed and signed this form, please send it to the Registrar of Companies at:-
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

CREATIVITY

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**Administrator's Final Progress
Report
For the period
23 March 2006 to 15 September 2006**

**Ocean Management Services Limited
- In Administration**

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THE ADMINISTRATOR'S FINAL PROGRESS REPORT

1 Statutory information

- 1.1 I was appointed Administrator of the Company on 23 March 2006, following an application for an administration order to the Bristol District Registry by the director of the Company. The order was made at 10.35am on 23 March 2006 under case number 37 of 2006.
- 1.2 The Administration is being handled by Fisher Partners, Acre House, 11-15 William Road, London, NW1 3ER.
- 1.3 The trading address of the Company is Gordon Court, Millfields, Plymouth, Devon PL1 3JB. The business trades under the following styles: Pacific Staff, Harvey Lloyd & Ocean View Studios.
- 1.4 The registered office of the Company is Acre House, 11-15 William Road, London NW1 3ER and its registered number is 04779552.

2 Administrator's Proposals

- 2.1 As previously advised, the Administrator must perform their functions with the purpose of achieving one of the following objectives:
- Rescuing the Company as a going concern; or
 - Achieving a better result for the company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
 - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.2 As mentioned in my first report, it was not possible to achieve the first objective due to the nature of the business and assets.
- 2.3 However, it was possible to achieve the second objective following the successful sale of the business and assets to Two Chips Limited at full market value.

- 2.4 Finally, and in respect of the third objective, the factoring company, the company's only secured creditor has been paid in full from the debtor collection. There are no preferential creditors in this matter.

3 Progress of the Administration

- 3.1 The following notes relating to the income and expenditure during the course of the administration should be read in conjunction with the attached Receipts and Payments account for the period:

Sale of Business

On 28 July 2006, the final instalment was received for the sales of the business and assets to Two Chips Limited ("TCL"). As the sale of the assets to Two Chips Limited is deemed to be a sale to a connected party by virtue of the fact that TCL has a common director. In accordance with Statement of Insolvency Practice No.13, I am therefore obliged to disclose the details of this transaction to members and creditors. The common director involved is Mr D Lenszner.

Cash at Bank

The sum of £26,822.59 was transferred to the Administrator, being the balance of the funds held in the Company Bank account.

Pre appointment Funds on Account

This represents funds paid by the company prior to my appointment on account of the costs incurred relating to the initial insolvency advice and the application for the administration order.

Bank Interest Gross

During the period, a total of £584.79 bank interest has been earned

Petitioners Costs

A winding up petition was presented, by H.M. Customs and Excise, against the Company, on 15 March 2006. In order for the Administration to proceed, the outstanding petition needed to be adjourned and this was achieved by repaying the petitioner's reasonable costs

Insurance Bordereau

This represents the cost of statutory bonding based on the level of realisations anticipated in the Statement of Affairs, and actual realisations made during the course of the reporting period of liquidation.

Pre appointment Advice

This represents pre-appointment advice given to the directors and paid for prior to my appointment.

Pre appointment Expenses

This includes expenses incurred by the Administrator and staff in travel and subsistence.

Agents/Valuers Fees - Valuation Report

The sum of £5,000 has been paid to my agents, Amco Agency Limited for their inspection of assets and stock of all parts of the Company. In the preparation of an asset schedule and in preparing their professional valuation report.

Agents/Valuers Fees - Sale of Chattels

An additional sum of £1,250 was paid to my agents, Amco Agency Limited as an agreed percentage rate of 12.5% of Asset realisations that they procured on my behalf.

Legal Fees - Administration Application

This represents the fee paid to Squire, Sanders & Dempsey for acting on my behalf, in relation to my appointment as Administrator of the Company

Legal Fees – Sale of Business

Squire, Sanders & Dempsey also acted in relation to the sale agreement for the disposal of the assets of the Company to Two Chips Limited and also completed further work required in amendments to the sale agreement when it was subsequently modified to include the video conferencing business and changed to the payment structure as reported to creditors on 15 May 2006.

Corporation Tax

This relates to tax paid on bank interest earned during the Administration period.

Companies House Search Fees

For Company searches carried out in the course of the Administration

Statutory Advertising

This represents the cost of placing statutory notices in the relevant publications and is required under insolvency legislation.

3.2 Other Matters

Book Debts

The factoring company have continued to collect in the company's ledger and as previously mentioned, it has now collected sufficient debts to discharge its liability. I have recently been advised that it is holding a surplus of £25,452, which will be remitted to the company in early course. The factor has also advised that there is an outstanding debtors ledger remaining consisting of two debtors with debts totalling £28,032. One debt totalling £11,248.70 appears to have already been paid pre administration into the company's current account and on reviewing the company's bank statements this is confirmed to be the case. The other debtor with a debt totalling £16,782.84 has agreed a repayment plan with the factor and will repay the debt over the next two months in equal instalments.

Video Conferencing Equipment

Following advice from the chattel agents an offer was accepted from Two Chips Limited for £10,000 plus VAT, against which the sum of £500 was paid on account on 24 April 2006. The balance of £11,250 was due for payment on 27 July 2006. Despite numerous reminders from my legal advisors, and we believe their advisors, Two Chips Limited has failed to pay this sum. Legal proceedings are now anticipated and the proceeds of any successful action will be paid into the liquidation. This sum is guaranteed personally by Mr Lenszner, who will be pursued in the event that Two Chips Limited does not pay. There are outstanding legal costs at present of circa £1,000 and these will be paid in due course.

Funds available to Liquidator

Turning now to the funds available for the liquidator, creditors will note that I am currently holding £52,678.86 in my chequing account in addition to which a further £13,249.88 will be available from VAT being reclaimed and VAT on more recent transactions that will be reclaimed by the liquidator.

4 Administrators' Remuneration

- 4.1 Creditors approved the Administrator's remuneration be fixed by reference to the time properly spent by them and his staff in managing the Administration.
- 4.2 The Administrator's time costs as at 30 June 2006 are £12,637.28. This represents 62.49 hours at an average hourly rate of £202.23. This is exclusive of a provision of £6,016.25, which will be incurred in relation to the closure of the case. This closing provision includes current unbilled work in progress together with the time spent in matters including the preparation of this report and presiding over and filing of statutory notices. Attached as Appendix B is a Time Analysis, which provides details of the activity costs incurred by staff grade.
- 4.3 The total fees drawn are £18,653.53 against these above time costs and closing provision and I can confirm no further amounts will be drawn.

- 4.4 Attached as Appendix C is additional information in relation to the policy on staffing, the use of subcontractors, disbursements and details of the current charge-out rates by staff grade.

5 Outcome for creditors

- 5.1 There will be a surplus available for unsecured creditors, which will be distributed by the Liquidator.

6 Ending the Administration

- 6.1 The administration has now been concluded and I have recently sent Form 2.34B Notice of move from administration to creditors' voluntary liquidation to the Registrar of Companies together with my final report. A copy of this notice is attached for your records. On filing the above notice, the administration will be transformed into a creditors voluntary liquidation and, as no other liquidators have been proposed by creditors, I shall be appointed liquidator with immediate effect.
- 6.2 Creditors should note that the Administrator will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

For and on behalf of
OCEAN MANAGEMENT SERVICES LIMITED



STEPHEN KATZ

Administrator

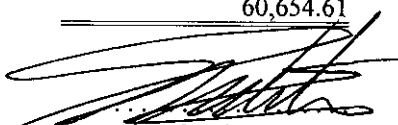
(The Administrator acts as an agent on behalf
of the Company and without personal liability)

Ocean Management Services Limited
(In Administration)
Administrator's Abstract of Receipts & Payments

Statement of Affairs		From 23/03/2006 To 15/09/2006	From 23/03/2006 To 15/09/2006
	GENERAL FIXED CHARGE		
270,000.00	Book Debts	NIL	NIL
(233,086.00)	Chargeholder	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	PLANT & MACHINERY		
62,000.00	Wholly owned	NIL	NIL
(62,000.00)	Chargeholder	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	ASSET REALISATIONS		
10.00	Plant & Machinery	NIL	NIL
10.00	Furniture & Equipment	NIL	NIL
10.00	Motor Vehicles	NIL	NIL
10.00	Stock/WIP	NIL	NIL
10.00	Sale of business	65,500.00	65,500.00
	Cash at Bank	26,822.59	26,822.59
	Pre appointment Funds on Account	NIL	14,100.00
	Bank Interest Gross	<u>584.79</u>	<u>584.79</u>
		92,907.38	107,007.38
	COST OF REALISATIONS		
	Petitioners Costs	465.25	465.25
	Insurance Bordereau	100.00	100.00
	Pre appointment Advice	9,750.85	9,750.85
	Pre appointment Expenses	226.26	226.26
	Administrator's Fees	12,637.28	12,637.28
	Agents/Valuers Fees - Valuation Report	5,000.00	5,000.00
	Agents/Valuers Fees - Sale of Chattels	1,250.00	1,250.00
	Legal Fees - Administration Application	6,499.50	6,499.50
	Legal Fees - Sale of Business	10,038.56	10,038.56
	Corporation Tax	74.86	74.86
	Companies House Search Fees	3.00	3.00
	Statutory Advertising	<u>307.21</u>	<u>307.21</u>
		(46,352.77)	(46,352.77)
<u>36,964.00</u>		<u>46,554.61</u>	<u>60,654.61</u>

REPRESENTED BY

VAT Receivable	48.57
Bank 1 - Current	52,678.86
Vat Control Account	13,249.88
VAT Control account - Factors Fees	<u>(5,322.70)</u>
	60,654.61


Stephen M Katz
Administrator

Appendix B

**TIME ANALYSIS FOR THE PERIOD 23 MARCH 2006 TO
30 JUNE 2006**

	Partner	Principal	Administrator	Support Staff	Total Hours
Accounting/Bank Recs	0.40	0.00	6.00	10.80	17.20
Asset Realisation	9.05	0.00	5.87	0.00	14.94
Creditor Meetings	1.02	0.00	0.50	0.00	1.50
Employees	0.20	0.00	0.90	0.00	1.10
General Case Admin	1.10	0.00	5.75	0.00	6.85
Landlord/creditor correspondence	0.40	0.30	1.80	1.00	3.50
Proof/claims – unsecured	0.00	0.00	1.30	0.00	1.30
Review/Reports	<u>1.90</u>	<u>0.60</u>	<u>13.60</u>	<u>0.00</u>	<u>16.10</u>
Total Time	<u>14.07</u>	<u>0.90</u>	<u>35.72</u>	<u>11.80</u>	<u>62.49</u>
Cost (£)	<u>5,279.46</u>	<u>270.00</u>	<u>6,250.96</u>	<u>836.86</u>	<u>12,637.28</u>
Average rate per hour (£)	305.17	300.00	164.72	70.92	202.23

**TIME ANALYSIS FOR THE PERIOD 1 JULY 2006
INCLUDING CLOSING PROVISION**

	Partner	Principal	Administrator	Support Staff	Total Hours
Accounting/Bank Recs	0.00	0.20	4.40	3.50	8.10
Asset Realisation	0.00	0.00	4.90	0.00	4.90
Floating Charge Asset Realisation					
Non Charged assets	1.10	0.00	0.00	0.00	1.10
General Case Admin	0.00	0.00	0.00	3.20	3.20
General Advice	0.00	0.00	0.80	0.00	0.80
Investigations	0.70	0.00	3.50	0.00	4.20
Review/Reports	0.00	0.00	4.50	0.00	4.50
Closure provision	1.50	0.00	7.00	3.00	11.00
Total Time	<u>3.30</u>	<u>0.20</u>	<u>25.10</u>	<u>9.70</u>	<u>38.30</u>
Cost (£)	<u>1,237.50</u>	<u>60.00</u>	<u>4,133.50</u>	<u>772.75</u>	<u>6,203.75</u>
Average rate per hour (£)	375.00	300.00	164.68	79.67	161.98

ADDITIONAL INFORMATION IN RELATION TO ADMINISTRATOR'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

1 Policy

Detailed below is Fisher Partners' policy regarding:

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

1.1 Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The team will usually consist of a Partner, Manager, Senior and Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment. With regard to support staff, time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do we seek to charge and recover our time in this regard. We have not utilised the services of any subcontractors in this case.

1.2 Professional advisors

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

Name of Professional Advisor	Basis of Fee Arrangement
Squire, Sanders & Depmsey (legal advice)	Time costs & disbursements
Alexander Forbes (insurance)	Hourly rate & disbursements
[Agent Name] (valuation and disposal advice)	Hourly rate & disbursements

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

1.3 Disbursements

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

2 Charge-out rates

A schedule of Fisher Partners' charge-out rates effective from 1 January 2006 is as follows:

	(per hour)
	£
Partner	375.00
Principal	300.00
Senior Administrator	175.00
Administrator	100.00
Cashier	85.00
Support	60.00