

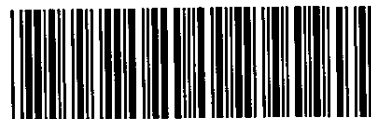
AM03

Notice of administrator's proposals



Companies House

SATURDAY



A12 *A72WYCHL* 31/03/2018 #104
COMPANIES HOUSE

ease
use

1 Company details

Company number 0 5 6 8 9 8 3 1
Company name in full Oyster Marine Holdings Limited

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

2 Administrator's name

Full forename(s) Neil David
Surname Gostelow

3 Administrator's address

Building name/number 15 Canada Square
Street Canary Wharf
Post town London
County/Region
Postcode E 1 4 5 G L
Country

4 Administrator's name ①

Full forename(s) Mark Jeremy
Surname Orton

① Other administrator
Use this section to tell us about
another administrator.


5 Administrator's address ②

Building name/number 15 Canada Square
Street Canary Wharf
Post town London
County/Region
Postcode E 1 4 5 G L
Country

② Other administrator
Use this section to tell us about
another administrator.

AM03
Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	

7	Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕  ✕</div>	
Signature date	<div><div>^d2^d9</div><div>^m0^m3</div><div>^y2^y0^y1^y8</div></div>	



Joint Administrators' proposals

Oyster Marine Holdings
Limited - in Administration

5 April 2018

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

A glossary of the abbreviations used throughout this document is attached (Appendix 7).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+OI207B1902.html>. We hope this is helpful to you.

Please also note that an important legal notice about this statement of proposals is attached (Appendix 8).



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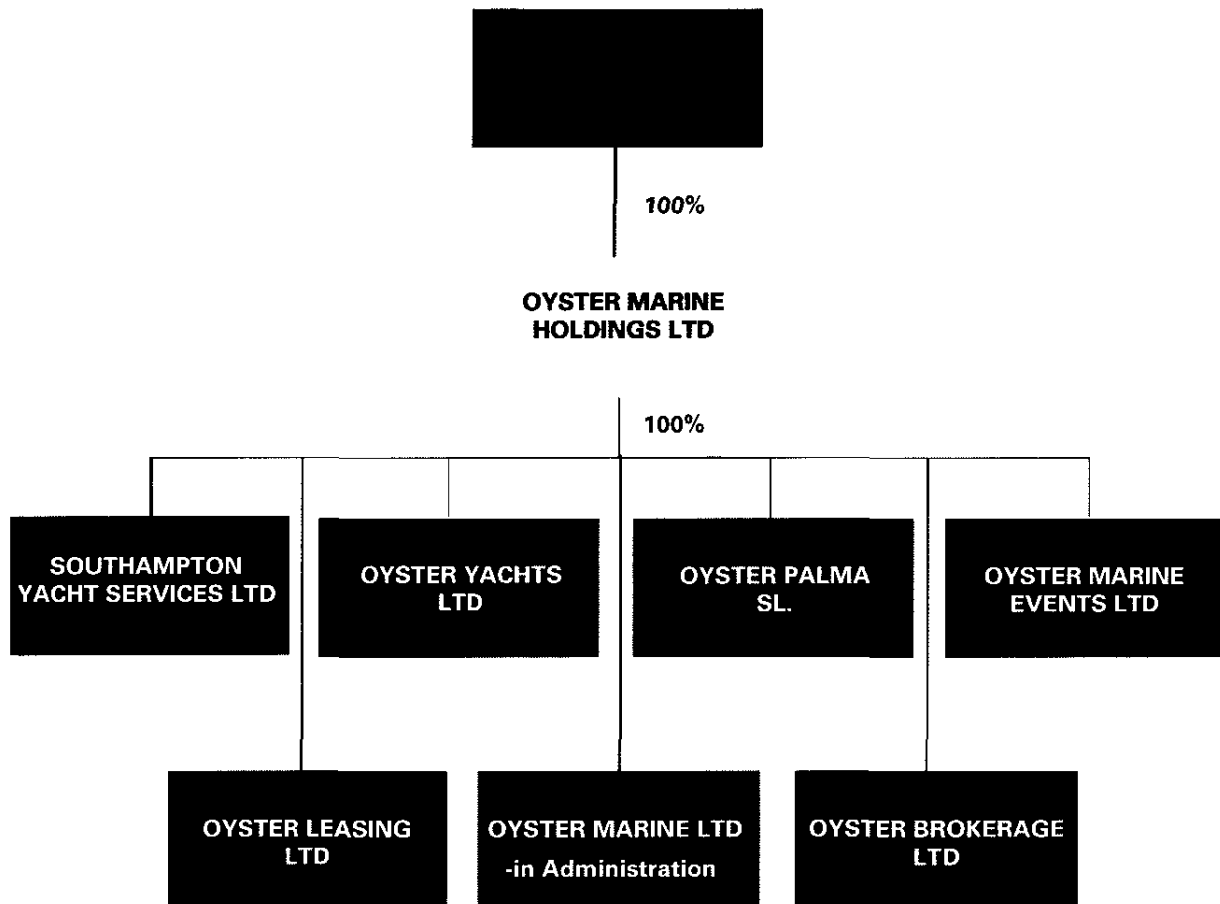
1 Executive summary

- The Company entered administration as the Directors were not able to secure alternative funding for the Group when the Shareholders indicated in late January they would not provide ongoing funding for the Group.
- Neil Gostelow and Mark Orton were appointed administrators of the Company on 7 February 2018 (Section 3 - Background and events leading to the administration).
- The strategy was to sell the Company's assets and the assets and business of OML through a combined sale of business and assets process. This was achieved on 20 March 2018 when a sale was completed (Section 4 - Strategy and progress of the administration to date).
- It is currently anticipated that the Secured creditor will not be paid in full (Section 5 - Dividend prospects).
- The preferential creditors are anticipated to receive a dividend of 100p in the £ (Section 5 - Dividend prospects).
- Based on current estimates it is highly unlikely that there will be a dividend to unsecured creditors, other than by virtue of the Prescribed Part (Section 5 - Dividend prospects).
- We intend to seek approval of these Proposals by deemed approval (Section 7 – Approval of proposals).
- We propose that our remuneration be drawn on the basis of time properly given by us and our staff. Accordingly we attach a copy of our estimate of fees and expenses. We will seek approval of this from the secured and preferential creditors (Section 8 - Joint Administrators' remuneration, disbursements and pre-administration costs).
- We anticipate that the most likely exit route will be dissolution (Section 7 - Ending the administration).
- This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 6 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



Neil Gostelow
Joint Administrator

2 Group structure



Oyster Marine Holdings Limited – in Administration

OMHL is a holding company which owns the subsidiaries in the Group as well as the moulds and tools used in the making of the yachts. OMHL was placed into administration by the directors on 7 February 2018.

Oyster Marine Limited – in Administration

OML is a Group entity that manufactured yachts from two leasehold sites based in Southampton and Wroxham. OML was placed into administration by the directors on 20 February 2018.

Oyster Brokerage Limited

OBL facilitated the sale of yachts on behalf of their owners as well as arranged charters of yachts for their owners. The shares of OBL were sold on 20 March 2018 as part of the sale of business transaction.

Oyster Marine Events Limited

OMEL organised regattas on behalf of Oyster yacht owners. The shares of OBL were sold on 20 March 2018 as part of the sale of business transaction.

Oyster Palma SL

OPS facilitated the sale of yachts on behalf of their owners as well as serviced yachts. The shares of OBL were sold on 20 March 2018 as part of the sale of business transaction.

Oyster Leasing Limited, Oyster Yachts Limited and Southampton Yacht Services Limited

These subsidiaries were dormant and the shares in them were sold on 20 March 2018 as part of the sale of business transaction.

3 Background and events leading to the administration

3.1 Background information

The Group has been manufacturing yachts since 1973.

The current structure of the Group has been in existence since SYSL (the Southampton manufacturing business) was acquired in 2012. The Group structure and activity of each entity is noted in section 2 above.

As at the time of the administration OMHL had three employees.

3.2 Funding and financial position of the Company

RBS provided an overdraft facility to OML amounting to £2.5 million as well as providing performance guarantees against certain boat build contracts. OMHL has provided cross guarantees to RBS in respect of OML's indebtedness.

In July 2015 one of the yachts (Oyster 825-02 Polina Star III) manufactured by OML sank. The directors have informed us the reason behind this was as a result of the yachts keel becoming detached due to a manufacturing issue. This incident resulted in a claim by the owners of the Polina Star III for the contract value of £4.9 million. Additional costs have been incurred by OML for legal and associated costs as well as warranty work that was required on other yachts that were subject to similar manufacturing issues.

The net cost suffered to date by the Group is £7.4 million and this can be summarised as follows:

Exceptional costs incurred by the Group in respect of the Polina Star III	
£'000	Costs
Polina Star III (claim not yet paid)	4,900
Legal and expert costs incurred to date	1,128
Provision for future legal costs	500
Warranty claim on other yachts	1,751
Total costs incurred	8,279
Recoveries to date under insurance policies	(910)
Net costs borne by the Group	7,369

To date the Group has outstanding claims against insurers amounting to £5.9 million in respect of the £4.9 million Polina Star III claim and legal costs of £1.0 million (which is currently subject to arbitration). These claims of £5.9 million have not yet been recognised in the Group's accounts due to the uncertainty in realising them. It should also be noted that any recovery of the £4.9 million claim would have to be paid to the Polina Star III's insurers and would not be an asset of the administration.

As a result of the above there has been a significant deterioration in the financial position of the Group which can be seen from the following extracts from the Group accounts:

Extracts from Group accounts				
£'000	Management FY17	Statutory FY16	Statutory FY15	Statutory FY14
Turnover	39,322	42,019	39,589	37,310
Profit / (loss) after tax	(2,880)	119	(5,745)	301
Net assets / (liabilities)	(2,720)	168	93	5,828

The deterioration in the financial position of the group led to a rise in the number of customers demanding performance guarantees which resulted in a deterioration of the working capital position of the Group.

The above, an inability to recovery R&D tax credits of £1.3 million (as a result of HMRC freezing such payments for the industry as a result of a claim by another manufacturer) and £0.8 million of stage payments being deferred for the manufacture of a yacht led to a funding requirement of £3.0 million on top of £2.5 million overdraft in the first quarter of 2018.

We are advised that the directors had been informed by the Shareholders during the latter half of 2017, when the level of funding became known, that they would fund this requirement. However, following a meeting with the shareholders on 17 January 2018 to discuss the detailed cash flow they indicated that they were not inclined to provide this funding. The Shareholders subsequently confirmed on 31 January 2018 that they would not provide further funding for the business.

3.3 Events leading to the administration

Following the above the directors attempted to find alternative funding for the business and at the same time contacted KPMG and Pitmans to seek advice.

On 4 February the directors reached the conclusion that there was no real prospect of securing the additional funding required to avoid OML and OMHL entering into a formal insolvency process, and engaged KPMG to undertake contingency planning on 6 February.

The Directors, following legal advice and in the absence of funding, took the steps of dismissing the majority of the OML employees in order to minimise the ongoing liabilities that would be accrued by the business on 6 February while they considered the options available.

The Directors resolved to place OMHL into administration, resulting in the appointment of administrators over the entity on 7 February.

Administrators were appointed to OML on 20 February following a notice of intention to appoint administrators being filed on 13 February.

At the time of our appointment, we disclosed to the Court details of the work carried out by KPMG up to that time.

We are satisfied that the work carried out by KPMG before our appointment has not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

3.4 Appointment of Joint Administrators

The Directors of OMHL resolved on 7 February 2018 to appoint us as Joint Administrators.

The notice of appointment was lodged at the High Court of Justice on 7 February 2018 and we were duly appointed.

4 Strategy and progress of the administration to date

4.1 Strategy to date

Strategy

Immediately following our appointment as administrators of OMHL we took steps to secure and protect the intellectual property of OMHL which was stored on computer servers located on the Wroxham and Southampton sites and the Moulds which were located on 3rd party sites.

While the shares in various Group subsidiaries and key moulds and tooling were owned by OMHL, the majority of the Group's assets were held within OML.

Recognising the importance and value of selling the entire Oyster estate in a single transaction, we made the decision to take the assets of OML and OMHL to market as a single sale process following our appointment as administrators over OML. Therefore the sale process outlined below describes the steps taken by the Joint Administrators to sell the assets of both entities.

Sale of business

The Joint Administrators initially prepared an information memorandum ("IM") containing the key assets for sale. These assets included:

- The intellectual property rights of the Group, primarily relating to the design and construction of the various Oyster boats;
- The Oyster brand name and associated trademarks;
- Tooling and moulds used for the construction of the vessels;
- Plant and machinery;
- The shares in the Oyster subsidiaries not in any insolvency processes; and
- The remaining stock on hand at the date of the appointment

This IM was circulated to over 130 parties who expressed an interest in the purchase of the assets. These interested parties were identified through consultation with our corporate finance team specialising in the marine sector, conversations with the management team of OHML and OML, and parties who contacted us following the media coverage of Oyster in numerous trade publications.

We established an online data room to share information with interested parties who had signed appropriate non-disclosure agreements. We also worked with the remaining OML and OHML staff to populate this data room with sufficient information to allow interested parties to review and consider the opportunity to re-start the Oyster business.

As part of this process we carried out a review of the subsidiaries (including the intercompany debt and tax position) to ensure that they could be restructured prior to a sale as we considered it was likely an interested party would prefer to acquire the shares of the subsidiaries rather than the business and assets of these entities.

Based on the high level of interest in the assets for sale, and the high weekly costs associated with insuring the assets, paying the holding costs for the business' two principal sites, and retaining the employees to assist the administrators, we recognised that in order to maximise the returns to creditors it was important to run an accelerated sale process.

The sales process was split into two phases. The first phase was aimed at establishing a short list of realistic parties, by asking all participants to make an initial offer by Wednesday 7 March 2018. As well as asking for initial offers at this point we also requested that interested parties outline the further due diligence required, provide proof of funding and confirm the timing they would require to conclude a transaction.

After this deadline, we reviewed the 15 offers received and took a short list of seven parties forward to a second phase.

This second phase was limited to a further week of due diligence, with final offers required by 16 March 2018. During this second phase, we also issued a draft sales contract to all parties so that they could consider and provide comment upon the sale terms required by us prior to making an offer.

At the end of this second phase we received three final offers, each an improvement over the initial terms offered.

Of these bids, one offer combined the highest consideration together with a high degree of certainty that the party could transact quickly.

This ultimately successful bidder, Richard Hadida Yachting Limited ("RHYL"), offered a deal with a headline consideration of £6.7 million. The £6.7 million offer included £1.6 million which was provided direct to the secured creditor in the form of cash in an escrow account to fund two outstanding bank guarantees that could be called by two existing owners with boats under construction. This had the effect of reducing the Secured Creditors position by £1.6 million immediately following the sale of the business and assets of OML and the assets of OMHL to RHYL

We completed the sale on 20 March 2018 and the balance of £5.1 million which has been received by us in full was allocated by the purchaser as follows:

Oyster Marine Limited	Oyster Marine Holdings Limited
Goodwill - £2	Moulds and tooling – £200,000
Brand - £1,674,999	Intellectual Property Rights - £489,997
Trade Marks - £250,000	Subsidiary shares - £10,000
Equipment - £650,000	
Moulds and tooling - £50,000	
Subsidiary debts - £1	
Seller's records - £1	
Stock- £100,000	
Intellectual property - £1,674,999	

On the 21 March 2018, one of the three employees of OMHL was made redundant. The remaining two employees are being retained to assist the administrators and will be made redundant at the end of March.

4.2 Asset realisations

Realisations from the date of our appointment to 24 March 2018 for OMHL are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations to date are provided below.

Investments in subsidiaries

Following the sale of business £10,000 has been received for OMHL's shares in its subsidiaries.

Intellectual property rights and Moulds and tooling

Following the sale of business £489,997 and £200,000 has been received for OML's Intellectual property rights and moulds and tooling respectively.

Investigations

We are reviewing the affairs of OMHL to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Sharon Turner at KPMG LLP, 15 Canada Square, London E14 5GL, United Kingdom.

4.3 Costs

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 4).

To date, no payments have been made by OMHL.

In the period up to the sale of business on 20 March 2018 certain expenses were incurred by OML to facilitate a sale of OML's and OMHL's assets. These included salaries, rent, utilities and other holding costs. A proportion of these will need to be recharged by OML to OMHL as they were necessarily incurred to achieve a sale of OMHL's assets. This will be done when the exact quantum of the costs incurred are known.

5 Dividend prospects

5.1 Secured creditor

RBS's current exposure to OML and OMHL is £4,079,000 and is made up as follows:

- Overdraft of £2,096,000; and
- Guarantees of £1,983,000.

As at the date of the administrations RBS had five outstanding guarantees in respect of boats totalling £4,873,000, of which £1,290,000 were cash backed. Of the remaining £3,583,000, £1,983,000 has subsequently been paid out by RBS leaving an exposure of £1,600,000 which is covered by an amount of £1,600,000 received as part of the sales proceeds. Consequently RBS's guarantee is limited to the £1,983,000 already paid out.

RBS has been granted a debenture dated 20 March 2014 giving them a fixed and floating charge over the assets of the Company. The Company has also granted an unlimited guarantee to OML dated 20 March 2014.

Subsequent to our appointment as administrators we have had this security reviewed by Pitmans, who have confirmed it is valid.

Based on current estimated outcome statements we anticipate that RBS's indebtedness will not be repaid in full.

5.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

We estimate the amount of preferential claims at the date of our appointment to be approximately £4,000.

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100p in the £.

5.3 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a small dividend via the prescribed part. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and the payment of associated costs.

6 Ending the administration

6.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 9 to bring the administration to a conclusion in due course.

However, at this stage we anticipate that the most likely exit route will be dissolution.

6.2 Discharge from liability

We propose to seek approval from the secured and preferential creditors that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to obtain discharge from liability

7 Approval of proposals

7.1 Deemed approval of proposals

The administrators' proposals will be deemed approved, with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors – other than by virtue of the Prescribed Part, as detailed in Appendix 1.

On expiry of eight business days from the date our proposals were delivered to the creditors, they will be deemed to have been approved by the creditors unless 10% in value of creditors request that a decision procedure is convened. Further details of the steps to convene a procedure are detailed below.

7.2 Creditors' right to request a decision

We will use a decision making procedure or deemed consent to seek approval of our proposals (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company, and (2) if the procedures set out below are followed.

Requests for a decision must be made within eight business days of the date on which our proposals were delivered. They must include:

- a statement of the requesting creditor claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting;

In addition, the expenses of the decision procedure at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a decision, please complete and return the decision requisition form attached to the cover letter.

8 Joint Administrators' remuneration, disbursements and pre-administration costs

8.1 Approval of the basis of remuneration and disbursements

We propose to seek approval from the secured and preferential creditors that:

- our remuneration will be drawn on the basis of time costs properly given by us and the various grades of our staff in accordance with the fees estimates provided with our

proposals and KPMG's usual charge out rates for work of this nature, charged to the administration;

- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

The information provided throughout this document sets out our strategy and the key elements of the work to be undertaken including confirming the classification of the sale of business proceeds, dealing with post sale of business completion matters and dealing with the statutory matters of the administration.

Agreement to the basis of our remuneration and the drawing of Category 2 disbursements is subject to specific approval. It is not part of our proposals.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to seek approval for the basis of remuneration and the drawing of Category 2 disbursements.

Time costs

From the date of our appointment to 24 March 2018, we have incurred time costs of £173,127. These represent 430 hours at an average rate of £403 per hour.

Disbursements

We have incurred disbursements of £1,514 during the period. None of these have yet been paid.

Additional information

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our appointment to 24 March 2018. We have also attached our charging and disbursements recovery policy.

9 Summary of proposals

As a result of the cash flow difficulties of the Group and the lack of ongoing funding, rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the secured and preferential creditors where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Neil Gostelow and Mark Orton, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us *individually or together*. *The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;*
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Neil Gostelow and Mark Orton, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us *individually or together*;
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration and pre-administration costs

We propose that:

- our remuneration will be drawn on the basis of time costs properly given by us and the various grades of our staff in accordance with the fees estimates provided with our proposals and KPMG's usual charge out rates for work of this nature, charged to the administration;

- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Appendix 1 Statutory information

Company information

Company and Trading name	Oyster Marine Holdings Limited
Date of incorporation	27 January 2006
Company registration number	05689831
Trading address	Saxon Wharf, Lower York Street, Southampton, Hampshire, SO14 5QF
Previous registered office	Saxon Wharf, Lower York Street, Southampton, Hampshire, SO14 5QF
Present registered office	Arlington Business Park, Theale, Reading, RG7 4SD
Company Directors	David Rolfe Tydeman Simon Haynes Harvey Richard Austin Jones
Company Secretary	Simon Haynes

Administration information

Administration appointment	The administration appointment granted in High Court of Justice, 994 of 2018
Appointor	Directors
Date of appointment	7 February 2018
Joint Administrators	Neil Gostelow and Mark Orton
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	6 February 2019
Prescribed Part	The Prescribed Part is applicable on this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 5).
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £307,000. Estimated Prescribed Part is £54,000.
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors.
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.

Appendix 2 Joint Administrators' receipts and payments account

Oyster Marine Holdings Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 07/02/2018 To 24/03/2018 (£)	From 07/02/2018 To 24/03/2018 (£)
FIXED CHARGE ASSETS			
100,000.00	Investments in subsidiaries	10,000.00	10,000.00
		<u>10,000.00</u>	<u>10,000.00</u>
FIXED CHARGE CREDITORS			
(5,572,393.00)	Fixed charge creditor	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
ASSET REALISATIONS			
750,000.00	Mould tools	NIL	NIL
	Moulds	200,000.00	200,000.00
	Intellectual property	489,997.00	489,997.00
44,810.00	Cash at bank	NIL	NIL
		<u>689,997.00</u>	<u>689,997.00</u>
PREFERENTIAL CREDITORS			
(4,779.00)	Employees' wage arrears	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS			
(15,279,853.00)	Trade & expense	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS			
(4,502.00)	Ordinary shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(19,966,717.00)		699,997.00	699,997.00
REPRESENTED BY			
	Floating charge current		839,996.40
	Floating ch. VAT payable		(139,999.40)
			<u>699,997.00</u>

Appendix 3 Joint Administrators' fees estimate

Estimated time costs for the engagement				
	Narrative	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
Administration & Planning				
Cashiering - processing receipts, payments and bank reconciliations	Note 1	11.70	2,515.50	215.00
General - books & records, fees & work in progress	Note 2	37.55	11,782.75	313.79
Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 3	144.05	49,755.25	345.40
Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 4	34.40	17,219.00	500.55
Creditors				
Creditors and claims - general correspondence, notification of appointment, statutory reports	Note 5	100.60	29,288.00	291.13
Employees - correspondence	Note 6	16.30	5,398.00	331.17
Investigations				
Directors - correspondence, statement of affairs, questionnaires	Note 7	24.30	7,908.50	325.45
Investigations - director conduct and affairs of the Company	Note 9	26.50	10,255.00	386.98
Realisation of Assets				
Asset Realisation - including insurance of assets	Note 9	361.45	153,372.25	424.32
Total		756.85	287,494.25	379.86

Below is further detail of the work to be undertaken for this engagement:

Note 1 – Cashiering

Our anticipated work will involve closing the existing accounts, opening a separate administration account, maintaining the accounts, including bank reconciliations and processing a number of transactions.

Note 2 - General

Our work includes collection of the Company's books and records, seeking approval for our fees and expenses as detailed in the Proposals.

Note 3 – Statutory and Compliance

Our work will included notifying the Registrar of Companies and other relevant parties of our appointment, arranging bonding and ensuring compliance with all statutory obligations. Further details are included in the Proposals.

Note 4 – Tax

We have instructed our internal VAT and Tax specialists to review the Company's tax and Vat affairs. We will submit post-administration tax and VAT returns as required.

Note 5 – Creditors and claims

There will be time spent dealing with creditor queries, preparing progress and update reports and potential dividends.

Note 6 – Employees

Our work includes making announcements to the employees on our appointment, assisting the former employees to complete their claim forms and dealing with any subsequent queries, dividends.

Note 7 – Directors

Our anticipated work will involve correspondence with the Directors regarding their statutory duties, requesting the completion of the Statement of Affairs and questionnaires.

Note 8 – Investigations

This work will involve the Company's affairs, directorship searches, compliance with our statutory duties and submitting director reports and other relevant reports to the Secretary of State. We will also be investigating any transactions or disposals made in the lead up to and/or immediately prior to our appointment.

Note 9 – Asset realisation

This includes the time spent in preparation for the sales of business process, dealing with all interested parties in the initial and second offer phase, negotiating a contract with the purchaser with the best offer and dealing with all post completion matters. It will also involve time dealing with other residual assets. This also includes time spent dealing with boat owners to protect the value of the intellectual property.

In the event that additional work is necessary due to a change in the circumstances of the administration we may need to increase our fees estimate and request approval to draw additional remuneration.

Appendix 4 Joint Administrators' expenses estimate

Summary of Expenses from appointment

Expenses (£)	Narrative	Initial Estimates (£)
Cost of realisations		
Legal fees	Note 1	51,500.00
Holding costs (to be recharged from OML)	Note 2	45,558.00
TOTAL		97,058.00

Note 1 Legal fees

Estimated legal fees of Pitmans predominantly for advising on the validity of RBS's security and dealing with the sale of the business transaction. In addition Pitmans have provided advice on the status of the Intellectual property owned by the Company.

Note 2 Holding costs recharged from Oyster Marine Limited – in administration

Estimated recharge from OML for the costs of maintaining the premises and assets to allow a sale of OMHL's assets.

Appendix 5 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact Sharon Turner on 0118 3731411.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for: Restructuring	
Grade	From 01 Nov 2016 £/hr
Partner	625
Director	560
Senior Manager	510
Manager	425
Senior Administrator	295
Administrator	215
Support	131

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements during the period 7 February 2018 to 24 March 2018.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation		618.36		NIL	618.36
Sundry		85.20		NIL	85.20
Travel		810.20		NIL	810.20
Total		1,513.76		NIL	1,513.76

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements are to be approved in the same manner as our remuneration.

Narrative of work carried out for the period 7 February 2018 to 24 March 2018

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; ■ issuing regular press releases and posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of the secured creditors regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ working initially on tax returns relating to the periods affected by the administration; analysing VAT related transactions;
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment; ■ responding to enquiries from shareholders regarding the administration; ■ providing copies of statutory reports to the shareholders.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, arranging for their ongoing storage.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ liaising with agents regarding the sale of assets; ■ reviewing the inter-company debtor position between the Company and other group companies. ■ Reviewing the ownership of intellectual property.
Property matters	<ul style="list-style-type: none"> ■ performing land registry searches.
Sale of business	<ul style="list-style-type: none"> ■ planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers; ■ seeking legal advice regarding sale of business, including regarding non-disclosure agreements; ■ collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale; ■ dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room; ■ managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties; ■ carrying out sale negotiations with interested parties.

Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; ■ holding employee briefing meetings to update employees on progress in the administration and our strategy;
Pensions	<ul style="list-style-type: none"> ■ calculating employee pension contributions and review of pre-appointment unpaid contributions; ■ ensuring death-in-service cover for employees remains in place;
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; ■ reviewing the questionnaires submitted by the Directors of the Company; ■ reviewing pre-appointment transactions.

Time costs

SIP 9 –Time costs analysis (07/02/2018 to 24/03/2018)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
<i>Bankrupt/Director/Member</i>			
Notification of appointment	10.75	2,710.25	252.12
<i>Cashiering</i>			
General (Cashiering)	1.30	279.50	215.00
Reconciliations (& IPS accounting reviews)	0.40	86.00	215.00
<i>General</i>			
Books and records	0.25	53.75	215.00
Fees and WIP	2.30	1,054.00	458.26
<i>Statutory and compliance</i>			
Appointment and related formalities	57.00	15,746.00	276.25
Appointment documents	5.50	3,437.50	625.00
Bonding & Cover Schedule	1.30	447.50	344.23
Budgets & Estimated outcome statements	1.60	931.00	581.88
Checklist & reviews	4.20	1,575.00	375.00
Pre-administration checks	2.75	948.25	344.82
Reports to debenture holders	4.00	2,155.00	538.75
Statutory advertising	0.40	86.00	215.00
Strategy documents	11.30	5,729.00	506.99
<i>Tax</i>			
Initial reviews - CT and VAT	2.00	1,110.00	555.00
Post appointment corporation tax	7.20	3,374.00	468.61
Post appointment overseas tax	0.40	170.00	425.00
Post appointment VAT	5.80	2,465.00	425.00
Creditors			
<i>Creditors and claims</i>			
General correspondence	1.30	437.50	336.54
Secured creditors	1.80	918.00	510.00
Statutory reports	3.10	1,317.50	425.00
<i>Employees</i>			
Correspondence	5.30	1,563.00	294.91

SIP 9 –Time costs analysis (07/02/2018 to 24/03/2018)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Investigation			
Directors			
D form drafting and submission	0.10	42.50	425.00
Directors' questionnaire / checklist	2.00	872.50	436.25
Statement of affairs	5.20	1,698.50	326.63
Investigations			
Review of pre-appt transactions	0.50	255.00	510.00
Realisation of assets			
Asset Realisation			
Cash and investments	7.80	3,978.00	510.00
Health & safety	0.20	51.00	255.00
Insurance	0.65	139.75	215.00
Intellectual Property	41.50	21,452.50	516.93
Pre-Administration Sale of business - preparation	7.50	3,825.00	510.00
Pre-appointment tax & VAT refunds	0.40	170.00	425.00
Sale of business	233.90	94,048.50	402.09
Total in period	429.70	173,127.00	402.90
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	429.70	173,127.00	
Carry forward time (appointment date to SIP 9 period end date)	429.70	173,127.00	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 6 Statement of Affairs, including creditor list

This is the Statement of Affairs for the Company as at the date of our appointment.

The statement of Affairs was provided by Simon Haynes. A statement of concurrence was obtained from Harvey Jones and David Tydeman.

We have not carried out anything in the nature of an audit on the information provided. The figures do not take into account the costs of the administration.

Rule 3.30

Statement of Affairs

Name of company Oyster Marine Holdings Limited	Company number 05689831
In the High Court of Justice <small>(full name of court)</small>	Court case number 994 of 2018

Statement as to the affairs of (a) Oyster Marine Holdings Limited (the "Company"),
Arlington Business Park, Theale, Reading, RG7 4SD

(a) insert name and address of registered office of the company

on the (b) 7 February 2018, the date that the company entered administration.

(b) insert date of appointment

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) [date of appointment], the date that the company entered administration.

Full name Simon Haynes
Signed *S. Haynes*
Dated 8 March 2018

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Investments in subsidiaries	1,331,922	100,000
Total assets subject to fixed charge	1,331,922	100,000
Less: Amount(s) due to fixed charge holder(s)	-5,572,393	-5,572,393
Shortfall/surplus to fixed charge holder(s) c/d	-4,240,470	-5,472,393
Assets subject to floating charge:		
Mould tools	3,676,233	750,000
Debtors - group companies	114,204	0
VAT - amounts recoverable	27,409	0
Cash	44,810	44,810
Deferred tax	887,232	0
Total assets subject to floating charge	4,749,887	794,810
Uncharged assets:		
Total uncharged assets	0	0
Estimated total assets available for preferential creditors		794,810

Signature

S. Hargreave

Date 8 March 2018

A1 - Summary of Liabilities

	£	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)		794,810
Liabilities		
Preferential creditors:		
Preferential (employee) creditors (No. 3)		-4,779
Other preferential creditors		0
Estimated deficiency/surplus as regards preferential creditors		790,031
Less uncharged assets		0
Net property		790,031
Estimated prescribed part of net property where applicable (to carry forward)		-161,006
Estimated total assets available for floating charge holders		629,025
Debts secured by floating charges		-5,472,393
Estimated deficiency/surplus of assets after floating charges		-4,843,368
Estimated prescribed part of net property where applicable (brought down)		161,006
Uncharged assets		0
Total assets available to unsecured creditors		161,006
Unsecured (trade) (non-preferential) creditors		-15,279,853
Unsecured (employee) creditors (No.)		0
Unsecured (pre-paid consumer) creditors (No.)		0
Estimated deficiency/surplus as regards unsecured creditors		-15,118,847
Shortfall to fixed charge holders (brought down)		0
Shortfall to preferential creditors (brought down)		-4,843,368
Shortfall to floating charge holders (brought down)		
Estimated deficiency/surplus as regards creditors		-19,962,214
Issued and called up capital		-4,502
Estimated total deficiency/surplus as regards members		-19,966,716

Signature

S. Harper

Date 8 March 2018

NOTE: You must include all creditors with the EXCEPTION of employee creditors and pre-paid consumer creditors. You must confirm if any of the creditor are under hire-purchase, chattel leasing or conditional sale agreements by stating which of these (if any) are applicable in the column below. You must also identify any creditors claiming retention of title over property in the Company's possession by including a tick in the RGT column below.

Signature S. Harper Date 8 March 2018

[illegible]

S. Springer

Date 8 March 2018

Appendix 7 Glossary

Company	Oyster Marine Holdings Limited- in Administration (OMHL)
Group	The Company together with; Oyster Brokerage Limited, Oyster Leasing Limited (OLL), Oyster Marine Limited (OML) - in Administration, Oyster Marine Events Limited (OMEL) Oyster Palma SL, Oyster Yachts Limited and Southampton Yacht Services Limited (SYSL)
Joint Administrators/we/our/us	Neil Gostelow and Mark Orton
KPMG	KPMG LLP
Secured creditor/RBS/Bank	The Royal Bank of Scotland plc
Pitmans	Pitmans LLP
RHYL	Richard Hadida Yachting Limited
Shareholders	H.T.P Investments B.V.
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006

Any references in these proposals to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 8 Notice: About this statement of proposals

This statement of proposals ('proposals') has been prepared by Neil Gostelow and Mark Orton, the Joint Administrators of Oyster Marine Holdings Limited – in Administration (the 'Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

Neil David Gostelow is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.

Mark Jeremy Orton is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of these proposals or the conduct of the administration.

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AM03

Notice of Administrator's Proposals



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	Marie Hayden
Company name	KPMG LLP
Address	15 Canada Square
	Canary Wharf
Post town	London
County/Region	
Postcode	E 1 4 5 G L
Country	
DX	
Telephone	Tel +44 (0) 118 964 2000



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