

AM10

Notice of administrator's progress report



Companies House

FRIDAY



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A02

17/04/2020

#311

COMPANIES HOUSE

1 Company details

Company number 06033276

Company name in full Afren Nigeria Holdings Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Daniel

Surname Imison

3 Administrator's address

Building name/number AlixPartners, 6

Street New Street Square

Post town London

County/Region

Postcode EC4A3BF

Country United Kingdom

4 Administrator's name ①

Full forename(s) Catherine

Surname Williamson

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number AlixPartners, Ship Canal House

Street 98 King Street

Post town Manchester

County/Region

Postcode M24WB

Country United Kingdom

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6

Period of progress report

From date	d 1	d 7	m 0	m 9	y 2	y 0	y 1	y 9
To date	d 1	d 6	m 0	m 3	y 2	y 0	y 2	y 0

7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's
signature

Signature

X



X

Signature date

d 1	d 5	m 0	m 4	y 2	y 0	y 2	y 0
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AM10

Notice of administrator's progress report



Presenter information

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

Contact name	Paul Butterfield
Company name	AlixPartners
Address	Ship Canal House, 8th Floor, 98 King Street
Post town	Manchester
County/Region	
Postcode	M 2 4 W B
Country	United Kingdom
DX	
Telephone	0161 838 4500



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.



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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

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Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ✓ Administrator
Administrative receiver
Receiver
Manager
Nominee
Supervisor
Liquidator
Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Simon
Surname Appell

3 Insolvency practitioner's address

Building name/number AlixPartners, 6
Street New Street Square
Post town London
County/Region
Postcode EC4A3BF
Country United Kingdom

Administrators' Progress Report for the period 17 September 2019 to 16 March 2020

Afren Plc and Afren Nigeria Holdings Limited
Both in Administration

15 April 2020

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1. Why this report has been prepared

- 1.1 As you will be aware, Simon Appell, Daniel Imison and Catherine Williamson (the **Administrators**) were appointed as Administrators of Afren Plc (**PLC**) on 31 July 2015. On 30 November 2015, the Administrators were also appointed as Administrators of Afren Nigeria Holdings Limited (**ANHL**).
- 1.2 In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which the company entered into administration and every subsequent period of six months. This progress report covers the period 17 September 2019 to 16 March 2020 (the **Period**) and should be read in conjunction with all previous reports prepared in respect of the Companies.
- 1.3 This report has been prepared in accordance with rule 18.2 of the Insolvency (England and Wales) Rules 2016.
- 1.4 Copies of all reports are available to view and download from the AlixPartners creditor portal. Access to the portal can be found on the internet at **<https://www.alixpartnersinfoportal.com>** using the following login details:

Username: afren
Password: 11589003
- 1.5 The purpose of this report is to provide statutory and financial information about the Companies and to provide an update on the progress of the Administrations, including details of assets realised during the Period, details regarding the Administrators' fees and the expected outcome for each class of creditor.
- 1.6 As a reminder, the administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:

Objective 1: rescuing the company as a going concern;

Objective 2: 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

Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.7 In the case of PLC the Administrators are pursuing the second statutory objective and in the case of ANHL the Administrators are pursuing the third statutory objective.
- 1.8 Details of the Administrators' fees and disbursements incurred are provided at Appendices D to F.
- 1.9 More information relating to the Administration process, Administrators' fees and creditors' rights can be found on AlixPartners' creditor portal (**<https://www.alixpartnersinfoportal.com>**).
- 1.10 With effect from 23 March 2020, AlixPartners' Manchester office has relocated. Please address all future correspondence to Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WB. Telephone numbers for the office remain unchanged.

- 1.11 If you require a hard copy of this report, or have any queries in relation to its contents or the Administrations generally, please contact Paul Butterfield on 0161 838 4539, by email at **creditorreports@alixpartners.com**, or write to the AlixPartners Manchester office at the address detailed above. Please note that the Administrators do not currently have access to their offices and hence any incoming post, therefore any written requests will be dealt with as soon as possible following the current Covid-19 restrictions being lifted.
- 1.12 This report has been produced during the Covid-19 restrictions introduced in the UK. As a result, and as noted above, the Administrators and their staff have had limited access to their physical case files and this report has been produced remotely. Every reasonable step has been taken to ensure that the information is accurate, but if anything is incorrect or incomplete, the appropriate amendments and an accompanying explanation will be provided in the next report.

2. Summary of information for creditors

PLC

\$ million Description	Estimated/ agreed debt (a)	Repayments to date	Expected return
Secured creditors			
Wilmington Trust (London) Limited (Wilmington) as security trustee for the private placement notes (the Bridge Securities)	217	30.2	Uncertain
Deutsche Bank AG, Citibank Nigeria Limited, Natixis and BNP Paribas (on behalf of the Ebok Lenders) under the Ebok Facility (the Ebok Facility)	300	Nil	Nil
Total secured creditors	517	30.2	Uncertain
Preferential creditors (b)	0.2	0.2	0.2
Unsecured creditors of PLC with access to security elsewhere in the Group			
Okwok Facility/OML 113 Facility	50	54.0	54.0
Senior Secured Notes 2016 (the 2016 Bonds)	283	7.3	7.3
Senior Secured Notes 2019 (the 2019 Bonds)	280	6.9	6.9
Senior Secured Notes 2020 (the 2020 Bonds)	376	9.5	9.5
Total unsecured creditors of PLC with access to security elsewhere in the Group	989	77.7	77.7
PLC Unsecured Creditors' Fund distribution:			
Unsecured creditors of PLC with access to security elsewhere in the Group (c)	939	0.8	0.8
Other unsecured creditors (d)	59	0.1	0.1
Total unsecured creditors/repayments	1,048	77.8	77.8
Total liabilities/repayments	1,565.2	108.2	Uncertain
Existing Bonds			

Notes:

Throughout this report, the currencies referred to are USD \$ (United States Dollars) and GBP £ (British Pounds Sterling), and all conversions between USD \$ and GBP £ in respect of debts owed to creditors have been completed using the exchange rate at the relevant dates of the Administrators' appointments.

During the course of the Administration, additional distributions to the secured creditors have been paid outside of the PLC estate, including from ANHL, following realisations of assets elsewhere within the wider Afren group of companies (together with the Companies, the **Group**). These payments are therefore not reflected in the Administrators' Receipts and Payments Accounts for PLC at Appendix B.

An update on the estimated return to each class of creditor is provided below.

Secured creditors of PLC

Bridge Securities

- 2.1 At the date of the Administrators' appointment, the balance due to the holders of the Bridge Securities was approximately \$217 million plus the applicable make-whole amount. PLC granted first ranking fixed and floating charges over substantially all of its assets in favour of Wilmington.
- 2.2 Following the sale of the Okoro asset, the holders of the existing bonds (the **Existing Bondholders**) received a distribution of \$6.1 million outside of the Administration estate. Given the security held by Wilmington (on behalf of the Bridge Securities), there will be no further distributions out of assets of either company (other than to Wilmington) until all amounts owing in respect of the Bridge Securities have been fully repaid. As there will be insufficient realisations to enable the Bridge Securities to be repaid in full, no distributions will be made to any other secured creditor.

Ebok Facility

- 2.3 At the date of the Administrators' appointment, the Ebok Facility was fully drawn and the principal amount owed was approximately \$300 million.
- 2.4 The return to the Ebok Lenders from the Administration of PLC will be nil. Details of the steps taken in the Administration with regard to the Ebok asset were provided in previous reports.

Unsecured creditors of PLC with access to security elsewhere in the Group

Okwok Facility and OML 113 Facility

- 2.5 Following Access Bank Plc's enforcement of its security over the debt owed under the Okwok Facility and the OML 113 Facility (the **Okwok/OML 113 Facility**), there remained an outstanding debt of approximately \$500,000, after the allocation of costs and charges. As this debt was offset by funds held by Access Bank Plc, it will not receive any distributions from the Administration.

Senior Secured Notes 2016, 2019 and 2020

- 2.6 The Existing Bondholders are unsecured creditors of PLC and received a share of the PLC Unsecured Creditors' Fund (defined at paragraph 2.10).
- 2.7 Following the adjudication of all unsecured claims by the Administrators, the outstanding liabilities under the Existing Bonds were agreed at \$283 million in respect of the 2016 Bonds, \$280 million in respect of the 2019 Bonds and \$376 million in respect of the 2020 Bonds.
- 2.8 The Existing Bondholders also received a share of the proceeds from the sale of the Okoro asset, ranking pari passu with the holders of the Bridge Securities (as per the Pari Passu Intercreditor Agreement dated 9 December 2013).

Preferential creditors of PLC

- 2.9 Preferential creditor claims were paid in full on 20 April 2016.

Unsecured creditors of PLC

- 2.10 The Administrators were required to create a fund to be set aside for the benefit of PLC's unsecured creditors (the **PLC Unsecured Creditors' Fund**). PLC's net property was sufficient to enable the creation of an Unsecured Creditors' Fund of the statutory maximum of £600,000 before accounting for the costs of issuing the dividend. As detailed in section 4, a first and final dividend of 0.09 pence in the pound was issued on 15 January 2020.
- 2.11 In respect of unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution were split on a pro-rata basis amongst all creditors of this class, regardless of the size of their claims.

ANHL

\$ million Description	Estimated/agreed debt (a)	Repayments to date (b)	Expected return
Secured creditors			
Wilmington as Note Security Trustee for the Bridge Securities	211	21.5	Uncertain
The 2016 Bonds	247	-	Nil
The 2019 Bonds (i)	244	-	Nil
The 2020 Bonds (i)	351	-	Nil
Total secured creditors	1,053	21.5	Uncertain
Preferential creditors	Nil	-	-
Unsecured creditors (ii)	1	0.9	0.9
Total liabilities	1,054	22.4	Uncertain

(i) The 2019 Bonds and the 2020 Bonds are secured by a first ranking fixed and floating charge over substantially all of the assets of ANHL (excluding the shares held by it in Afren Exploration & Petroleum Nigeria Alpha Limited (**AEPNA**)).

(ii) The payments to date are in respect of the 2020 Bonds, which are secured by a first ranking fixed and floating charge over substantially all of the assets of ANHL (excluding the shares held by it in AEPNA).

(iii) The 2016 Bonds are secured by a first ranking fixed and floating charge over substantially all of the assets of ANHL (excluding the shares held by it in AEPNA). The 2019 Bonds are secured by a first ranking fixed and floating charge over substantially all of the assets of ANHL (excluding the shares held by it in AEPNA). The 2020 Bonds are secured by a first ranking fixed and floating charge over substantially all of the assets of ANHL (excluding the shares held by it in AEPNA).

(iv) Following the completion of the liquidation of ANHL, the assets of ANHL (excluding the shares held by it in AEPNA) will be sold. The proceeds of the sale will be used to pay the debts of ANHL in accordance with the provisions of the Insolvency Act 1986. The 2016 Bonds, the 2019 Bonds and the 2020 Bonds are secured by a first ranking fixed and floating charge over substantially all of the assets of ANHL (excluding the shares held by it in AEPNA). The 2016 Bonds, the 2019 Bonds and the 2020 Bonds are secured by a first ranking fixed and floating charge over substantially all of the assets of ANHL (excluding the shares held by it in AEPNA).

Summary of third party security

\$ million Description	Estimated third party liabilities (a)
Parties with third party security (b)	
BNP Paribas (as Security Trustee on behalf of the Ebok Lenders under the Ebok Facility)	300
Access Bank Plc (Access Bank) as lender under the Okwok/OML 113 Facility (ii)	0.5
Total	300.5

(i) The 2016 Bonds, the 2019 Bonds and the 2020 Bonds are secured by a first ranking fixed and floating charge over substantially all of the assets of ANHL (excluding the shares held by it in AEPNA). The 2016 Bonds, the 2019 Bonds and the 2020 Bonds are secured by a first ranking fixed and floating charge over substantially all of the assets of ANHL (excluding the shares held by it in AEPNA).

Secured creditors of ANHL

Bridge Securities

- 2.12 ANHL has granted first ranking fixed and floating charges over substantially all of its assets (excluding the shares held by it in Afren Exploration & Petroleum Nigeria Alpha Limited (**AEPNA**)) in favour of Wilmington.

- 2.13 As with PLC, the Bridge Securities will not be paid in full. Wilmington (as security trustee for the Bridge Securities) has received distributions totaling \$21.5 million from the Administration to date.

Senior Secured Loan Notes 2016, 2019 and 2020

- 2.14 ANHL has guaranteed the obligations of PLC under the 2016 Bonds, the 2019 Bonds and the 2020 Bonds and granted BNP Paribas (on behalf of the Existing Bondholders) security over the shares which it owns in Afren Resources Limited, (**ARL** and the **ARL Shares**) as security for its obligations under each series of Existing Bonds. There will be no return to these creditors from the Administration.

Holders of third party security in respect of ANHL assets

Ebok Facility

- 2.15 The return to the Ebok Lenders from the Administration of ANHL will be nil.

Okwok Facility

- 2.16 ANHL provided third party security in respect of the obligations of the obligors under AEPNA's \$50 million facility with Access Bank. ANHL granted fixed security over the shares in AEPNA owned by it to secure the obligations of AEPNA under the Okwok/OML 113 Facility.

Preferential creditors of ANHL

- 2.17 ANHL does not have any preferential creditors.

Unsecured creditors of ANHL

- 2.18 As in the case of PLC, the Administrators were required to create a fund to be set aside for the benefit of ANHL's unsecured creditors (the **ANHL Unsecured Creditors' Fund**, together with the PLC Unsecured Creditors' Fund, the **Unsecured Creditors' Funds**). ANHL's net property was sufficient to enable the creation of an Unsecured Creditors' Fund of the statutory maximum of £600,000 before accounting for the costs of issuing the dividend. As detailed in section 4, a first and final dividend of 85.19 pence in the pound was issued on 15 January 2020.
- 2.19 In respect of unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution were split on a pro-rata basis amongst all creditors of this class, regardless of the size of their claims.

3. Progress of the Administrations

- 3.1 In addition to their statutory objectives, the Administrators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Administrators have set out information in respect of the progress of these duties in addition to that of the realisation of assets and distribution of available funds. The detail included is intended to provide users of this report with information to allow them to understand how the Administrators' fees and expenses as set out in Appendices D and E have been incurred, as well as the sensitivities that might be applicable to the Administrators' anticipated fees and expenses over the remainder of the Administrations.
- 3.2 The Administrators' strategy in both Administrations remains focused on achieving the maximum recoveries for creditors from realisations either directly within each Administration, or by supporting the Companies' investments and/or subsidiary businesses and assets elsewhere in the Group.

Asset realisations

- 3.3 The assets and liabilities of PLC and ANHL are closely aligned, therefore the updates provided in the following paragraphs relate to both entities, except where either PLC or ANHL is mentioned specifically.

The Group's Nigerian assets

OML 26 and OPL 310

- 3.4 As previously reported, completion of these sales was subject to obtaining government approval to the transfer of shares in the relevant group entities to the purchasers.
- 3.5 In respect of OPL 310, all proceeds have been realised and whilst government approval remains outstanding, the Administrators have taken steps to allow the sale to complete in the absence of the approval. There are no outstanding matters with regard to this asset.
- 3.6 Governmental approval is also still outstanding in respect of OML 26. The Administrators are continuing to provide assistance where possible to secure it.

Dispute with Petroleum Zion

- 3.7 As noted previously, Petroleum Zion contends that it was the highest bidder for OML 26 and seeks relief including specific performance mandating that FHN or Wilmington executes the Sale and Purchase Agreement (**SPA**) negotiated with it.
- 3.8 In this regard, in December 2017, Petroleum Zion filed pleadings before the Lagos High Court (**LHC**) naming the Administrators, Wilmington and others as defendants. The proceedings remain ongoing and the Administrators are unable to provide further comment at this time.

- 3.9 Petroleum Zion also filed a suit in LHC seeking to restrain the Department of Petroleum Resources and the Ministry of Petroleum Resources from providing consent in respect of the FHN sale. The Administrators, ANHL and Afren are not parties to those proceedings and the Administrators are unable to comment on them substantively, other than to note that the hearing scheduled for 9 December 2019 was initially adjourned until 18 March 2020 and since further adjourned to 19 May 2020.

FHN 113 and OML 113

- 3.10 Mr Seyi Akinwunmi remains in office as liquidator of FHN 113. The Administrators are continuing to monitor the liquidator's actions and liaise with the same regarding potential recovery actions. However, it is unlikely that any realisations will be achieved from this source.

Other operations in Africa

Kenya

- 3.11 As previously reported, the sum of \$2.06 million remains deposited with the Kenyan Court on behalf of East African Exploration (Kenya) Limited (**EAX**), pending resolution of a creditor claim.
- 3.12 The creditor claim remains unresolved and is subject to continuing legal challenge. It therefore remains uncertain whether EAX will enter liquidation and be able to distribute its remaining assets to its creditors, including the Companies. The Administrators are considering appropriate next steps with their legal advisers.

Tanzania

- 3.13 The Administrators and Octant Energy Group, as prospective purchaser of the assets in Tanzania, have not received the relevant government approval to the proposed sale. It remains unlikely that a sale can be achieved and the Administrators are no longer progressing this matter.

Bank interest

- 3.14 Bank interest of £338 and \$31,598 has been received by the Companies in the Period.

Intercompany unsecured claim – ANHL dividend to PLC

- 3.15 As at the date of ANHL's Administration, PLC was owed £698,452 from ANHL in respect of intercompany funding and loans. PLC submitted an unsecured claim in this regard and received a dividend of £595,000 from ANHL.

Receipts and Payments Accounts and Trading account

- 3.16 Attached at Appendices B and C are the Administrators' Receipts and Payments Accounts and PLC Trading Receipts and Payments Account for the Period and Cumulative Accounts since the dates of the appointment. The accounts are presented on a cash basis and not on an accruals basis.
- 3.17 The non-recourse funding agreement between PLC and ANHL remains in place. Given the commonality of the secured creditors, this agreement has no impact on the overall return to creditors.

Administration (including statutory reporting)

- 3.18 The Administrators continue to attend to all statutory duties whilst the Administrations remain active.

Creditors (claims and distribution)

- 3.19 Details of the estimated outcome for creditors can be found in sections 2 and 4.
- 3.20 As noted in sections 2 and 4, during the Period the Administrators issued first and final dividends to the unsecured creditors of the Companies. Time has been spent adjudicating all claims received, issuing written confirmation to creditors to this effect and paying the dividends. The Administrators also continue to respond to general creditor queries upon receipt.

4. Estimated outcome for creditors

Secured creditors

Holdings of the Bridge Securities

- 4.1 To date, Wilmington has received distributions totalling \$30.2 million from asset realisations in PLC, ANHL and elsewhere within the Group.
- 4.2 Asset realisations in respect of the Companies will be insufficient to enable the holders of the Bridge Securities to be repaid in full.

Deutsche Bank AG, Citibank Nigeria Limited, Nataxis and BNP Paribas

- 4.3 The return to the Ebok lenders from PLC and ANHL is expected to be nil.

Senior Secured Notes

- 4.4 The Existing Bondholders received a share of the proceeds from the sale of the Okoro asset, as detailed in paragraph 2.2.
- 4.5 Proceeds from the realisations of the remaining assets will be insufficient to enable any further distributions to be paid to the Existing Bondholders. However, the Existing Bondholders received a share of the PLC Unsecured Creditors' Fund following completion of the unsecured dividend on 15 January 2020.

Access Bank Plc

- 4.6 Access Bank benefits from limited recourse security granted by ANHL. ANHL has no direct liability to Access Bank if proceeds from the disposal of assets over which ANHL has granted security are not sufficient to repay Access Bank in full.

Preferential creditors

- 4.7 In respect of PLC, preferential creditor claims totalling £149,515 were agreed and a dividend of 100 pence in the pound was declared and paid on 20 April 2016.
- 4.8 ANHL does not have any preferential creditors.

Unsecured Creditors' Funds

- 4.9 Where there is a floating charge which was created on or after 15 September 2003, the Administrators are required to create an Unsecured Creditors' Fund from the Companies' net property available for the benefit of unsecured creditors, commonly known as the 'Prescribed Part'.
- 4.10 In the estates of both PLC and ANHL, the Companies' individual net property was sufficient to enable the creation of Unsecured Creditors' Funds of the statutory maximum of £600,000 before accounting for the costs of issuing the dividends.

- 4.11 In respect of PLC, the costs of agreeing claims and issuing the dividend were £46,120, leaving £553,880 available for unsecured creditors. Total unsecured claims were agreed at £638.2 million and a first and final dividend of 0.09 pence in the pound was issued on 15 January 2020.
- 4.12 In respect of ANHL, the costs of agreeing claims and issuing the dividend were £5,000, leaving £595,000 available for unsecured creditors. Total unsecured claims were agreed at £698,452 and a first and final dividend of 85.19 pence in the pound was issued on 15 January 2020.

Unclaimed dividends

- 4.13 All cheques paid to unsecured creditors of the Companies should be banked as soon as possible, and in any event must be banked within six months of the date of the cheque. Any cheques which have not cleared by 15 July 2020 will be cancelled and the proceeds will be forwarded to The Insolvency Service, Estate Accounts Directorate, Unclaimed Monies Team, PO Box 3690, Birmingham, B2 4UY.
- 4.14 If your cheque is cancelled on or after this date, please allow ten working days to pass before submitting a claim to The Insolvency Service. To make a claim, creditors should contact the Insolvency Service by email at: **CustomerServices.EAS@insolvency.gov.uk** and put the relevant company name as the subject.
- 4.15 The transfer of responsibility to the Insolvency Service is a routine step which requires administrators of an insolvent company to transfer unclaimed dividends to the agency six months after the cheques were issued. The agency will hold the funds for the next six years, after which it will return any money that remains unclaimed to HM Treasury, however, this does not affect creditors' rights to claim funds after the six years has passed.

5. Outstanding matters

Unrealised assets

- 5.1 The Administrators continue working to realise other residual potential assets which may generate value, including potential funds from the liquidation of FHN 113, contingent deferred consideration in relation to the OML 26 SPA, and the Companies' claims against EAX. The quantum and timing of any additional realisations remains uncertain as they are each dependent upon various external factors as detailed in section 3 and in previous reports.

Other matters

- 5.2 An employment tribunal claim in respect of PLC remains ongoing. Following the lodgement of an appeal against the court's initial judgement by the claimant in the previous reporting period, the file remains held by the tribunal and is awaiting review. The Administrators continue to await a formal update from the Tribunal as to whether this appeal will be permitted to continue.
- 5.3 The Administrators continue to progress the orderly wind down of legacy IT systems and records as part of the exit planning process, and completion of this work stream will coincide with closure of the Administrations.
- 5.4 The Administrators continue to assist Wilmington and certain secured creditors in connection with the release and distribution of funds received by Wilmington pursuant to the Oriental Resources Limited settlement agreement.

6. What happens next

Creditors' rights

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors of the relevant company) may request in writing that the Administrators provide further information about their fees or expenses which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors of the relevant company) may, within eight weeks of receipt of this report, make an application to court on the grounds that the basis fixed for the Administrators' fees is inappropriate, or that the fees charged or the expenses incurred by the Administrators during the period of this report are excessive.

Next report

- 6.3 The Administrators are required to provide a further report to all creditors within one month of the end of the next six month period ended 16 September 2020, or earlier in the event that the Administrations have been finalised before that date. Details of the proposed exit route is provided at Appendix G.

For and on behalf of
The Companies



Daniel Imison
Administrator

Encs

Appendix A. Statutory information

Company information – PLC

Company name	Afren Plc
Registered number	05304498
Registered office	Ship Canal House, 8 th Floor, 98 King Street, Manchester, M2 4WB
Former registered office and trading address	Kinnaird House, 1 Pall Mall East, London, SW1Y 5AU
Court details	High Court of Justice, Chancery Division, Companies Court
Court reference	5206 of 2015

Appointors' information – PLC

Name	Address	Position
David Charles Lawrence Frauman	c/o Kinnaird House, 1 Pall Mall East, London, SW1Y 5AU	Director
Alan Scott Linn	c/o Kinnaird House, 1 Pall Mall East, London, SW1Y 5AU	Director
David Howard Thomas	c/o Kinnaird House, 1 Pall Mall East, London, SW1Y 5AU	Director

Company information - ANHL

Company name	Afren Nigeria Holdings Limited
Registered number	06033276
Registered office	Ship Canal House, 8 th Floor, 98 King Street, Manchester, M2 4WB
Former registered office	Kinnaird House, 1 Pall Mall East, London, SW1Y 5AU
Court details	High Court of Justice, Chancery Division, Companies Court
Court reference	CR-2015-009172

Appointor's information - ANHL

Name	Address
Afren Nigeria Holdings Limited	c/o AlixPartners, Ship Canal House, 8 th Floor, 98 King Street, Manchester, M2 4WB

Afren Plc (**PLC**) and Afren Nigeria Holdings Limited (**ANHL**) – both in Administration (together the **Companies**)

Administrators' information – PLC and ANHL

Name	Address	IP number	Name of authorising body
Simon Jonathan Appell	AlixPartners, 6 New Street Square, London, EC4A 3BF	009305	Insolvency Practitioners Association
Daniel Christopher Imison	AlixPartners, 6 New Street Square, London, EC4A 3BF	013434	Insolvency Practitioners Association
Catherine Mary Williamson	AlixPartners, Ship Canal House, 8 th Floor, 98 King Street, Manchester, M2 4WB	011570	Insolvency Practitioners Association

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators.

Extensions of the Administrations

The Administration of PLC was due to end automatically on 30 July 2016 and was initially extended by 12 months to 30 July 2017 with the consent of PLC's creditors. The Administration of ANHL was due to end automatically on 29 November 2016.

As it was not possible to conclude all outstanding matters prior to these dates, the Administrators obtained orders of the court on three occasions to extend the terms of both Administrations, which are now due to end automatically on 29 November 2020.

Appendix B. Receipts and Payments Accounts for the period 17 September 2019 to 16 March 2020 and Cumulative Accounts for the period since appointment

PLC

Receipts and Payments Account GBP £

Statement of Affairs £	Period £	Cumulative £
Floating charge assets		
Receipts		
Funding from USD accounts:		
PLC	630,000	25,225,930
ANHL	-	5,019,815
Cash at bank	-	892,379
Intercompany debts	595,000	692,301
Contribution to legal costs	-	112,000
Artwork	-	269,420
Rent deposit refund	-	6,369
Head office furniture and equipment	-	11,700
IT equipment	-	3,360
Sundry refunds	-	4,984
Tax refund	-	1,084
Insurance refund	-	501
Bank interest	336	4,578
	1,225,336	32,244,422

Afren Plc (**PLC**) and Afren Nigeria Holdings Limited (**ANHL**) – both in Administration (together the **Companies**)

Statement of Affairs	Period	Cumulative
Revenues		
Trading deficit	155,903	7,896,911
Administrators' fees:		
General	99,696	7,423,078
Prescribed Part	44,320	44,320
Administrators' pre-appointment fees	-	80,794
Category 1 disbursements:		
Statutory advertising	87	1,918
Travel and subsistence	-	20,429
Telephone charges	-	604
Storage costs	14,159	50,481
Courier and shipping costs	-	4,631
Stationery and postage	518	32,442
Creditor meeting costs	-	15,748
Computer supplies	-	18,335
Data processing	-	62,735
Category 2 disbursements:		
Printing, photocopying and telephone charges	-	2,864
Legal fees:		
Post-appointment legal fees	104,451	4,715,472
Pre-appointment legal fees	-	25,758
Third party legal fees	819	745,355
Legal disbursements	23,437	1,420,189
Agent's fees - artwork auction	-	52,666
Employee claims agent's fees	1,540	10,260
Statutory investigation costs:		
Legal advice and assistance	6,872	1,431,703
Agent's fees - data analysis	-	54,960
Litigation data management	52,623	1,217,555
Professional fees - litigation assistance	-	647,432
PAYE and National Insurance	-	9,675
Insurance of assets	-	8,675
Repayment of funding from ANHL USD	-	5,019,815
Share register maintenance charges	3,075	29,318
Bank charges	67	1,987
	(507,567)	(31,046,112)
Debtors		
Preferential creditors - 100p/£1, 20/04/2016	-	149,515
Unsecured creditors - 0.09p/£1, 15/01/2020	553,880	553,880
	(553,880)	(703,394)
Balance of floating charge assets	163,889	494,916
Represented by		
Interest bearing accounts		393,640
VAT receivable		101,276
		494,916

Note: The above is subject to small rounding differences.

Receipts and Payments Account USD \$

Statement of Affairs 1	Period 1	Cumulative 1
Floating charge assets		
62,952,944		
Cash at bank	-	51,783,376
Contribution to costs - Okoro	-	1,500,000
AIO&GNL and OPL 310 sale proceeds	-	6,396,000
Block 2B sale proceeds	-	122,000
OML 26 sale proceeds	-	1,031,254
Block L17/18 sale proceeds	-	296,498
Book debts	-	275,705
Receipts from Afren CI One	-	507,573
Funding from ANHL	-	2,315,849
Settlement proceeds	-	10,706,989
Funds due to Afren Mauritius - sale of Block 2B	-	1
Bank interest	5,241	173,062
	5,241	75,108,304
Payments		
Trading deficit	-	29,255,705
Funding to GBP account	817,369	36,203,334
Professional advisors' fees and disbursements	-	3,926,488
Statutory investigation costs	-	474,298
Legal fees	-	47,772
Legal disbursements	-	204
IT costs	-	4,637
Annual return filing fees	-	15,431
Repayment of funding to ANHL USD	-	2,315,849
Tax advisor's fees	-	7,978
Storage fees	-	29,822
Bank charges	-	6,670
	(817,369)	(72,288,188)
Distributions		
Wilmington Trust (London) Limited	-	2,606,060
	-	(2,606,060)
Balance of floating charge assets	(812,128)	214,057
Represented by		
Interest bearing accounts		211,497 *
VAT receivable		2,560
		214,057

Note: The above is subject to small rounding differences.

*Sterling equivalent as at 16 March 2020 = £172,370 converted at the rate of £0.815:\$1.

The Group operated internationally and transacted primarily in USD\$ during the course of trading. The majority of the Administration realisations are USD \$ currency and therefore the Administrators are maintaining bank accounts in USD \$ as well as GBP £. The volume of transactions between the currency accounts are being kept to a minimum in order to minimise the impact of currency holdings on the estate.

ANHL

Receipts and Payments Account GBP £

Statement of Affairs £	Period £	Cumulative £
Floating charge assets		
Receipts		
Funding from USD account	605,000	3,230,112
Sundry refunds	-	480
Bank interest	2	289
	605,002	3,230,881
Payments		
Administrators' pre-appointment costs:		
AlixPartners UK LLP	-	87,524
Akin Gump LLP	-	191,749
Administrators' fees:		
General	(1,195)	451,737
Prescribed Part	5,000	5,000
Category 1 disbursements:		
Travel and subsistence costs	-	178
Stationery, postage and photocopying	-	589
Telephone charges	-	34
Statutory advertising	105	105
Category 2 disbursements:		
Internal printing and photocopying	-	130
Legal fees	-	1,359,570
Legal disbursements	-	102,943
Irrecoverable VAT	-	430,096
Bank charges	2	69
	(3,912)	(2,629,724)
Distributions		
Unsecured creditors, 85.19p/1£, 15/01/2020	595,000	595,000
	(595,000)	(595,000)
Balance of floating charge assets	6,090	6,157
Represented by		
Interest bearing account		6,157
		6,157

Receipts and Payments Account USD \$

Statement of Affairs \$	Period \$	Cumulative \$
Floating charge assets		
Receipts		
8,600 Intercompany receivables	-	-
Assignment of intercompany debt	-	9,649,645
Book debts	-	650,000
Repayment of funding from PLC USD account	-	2,315,849
Repayment of funding from PLC GBP account	-	6,785,098
Sales consideration - OML 26	-	18,959,195
Bank interest	26,357	162,510
	26,357	38,522,297
Payments		
Contribution to costs	-	80,000
Administrators' fees	57,089	347,054
Category 1 disbursements:		
Computer supplies	-	490
Travel and subsistence	-	882
Legal fees	-	196,441
Legal disbursements	-	8,468
Funding to GBP account	789,708	4,280,701
Funding to PLC GBP account	-	6,785,098
Funding to PLC USD account	-	2,315,849
Bank charges	86	1,506
	(846,883)	(14,016,489)
Distributions		
Wilmington Trust (London) Limited	-	21,499,596
	-	(21,499,596)
Balance of floating charge assets	(820,526)	3,006,212
Represented by		
Interest bearing accounts		3,002,288 *
VAT receivable		3,923
		3,006,212

Note: The above is subject to small rounding differences.

*Sterling equivalent as at 16 March 2020 = £2,446,865 converted at the rate of £0.815:\$1.

Appendix C. PLC Trading Receipts and Payments Account for the period 17 September 2019 to 16 March 2020 and a Cumulative Account for the period since appointment

Trading Account GBP £

	Period £	Cumulative £
Direct costs		
Wages, salaries, PAYE and NIC	-	3,648,500
	-	(3,648,500)
Trading expenditure		
Head office costs	194	19,408
Group IT and communication costs	153,701	1,410,976
Funding contribution to subsidiaries	-	56,540
Utilities	-	15,315
Telephone charges	-	36,807
Insurance	-	56,588
Contractor costs	-	586,065
Property advisor's fees	-	3,000
Repairs and maintenance	-	373
Sundry costs	-	9,019
Rent	-	488,234
Rates	-	74,885
Security	-	18,354
Data storage	2,009	129,526
Administrators' fees	-	1,343,320
	(155,903)	(4,248,411)
Trading deficit	(155,903)	(7,896,911)

Trading Account USD \$

	Period \$	Cumulative \$
Trading receipts		
Fees for group services:		
Afren Resources Limited	-	176,456
Repayment of subsidiary funding:		
Intellectual property	-	84,943
	-	261,399
Trading expenditure		
Funding contribution to subsidiaries	-	29,131,540
Group IT costs	-	152,940
Insurance	-	65,000
Contractor costs	-	142,264
Wages and salaries	-	6,998
Ransom payment	-	3,321
Security costs - subsidiaries	-	15,041
	-	(29,517,104)
Trading deficit	-	(29,255,705)

Appendix D. Administrators' fees

Fees

A copy of 'A Creditors' Guide to Administrations' can be downloaded from AlixPartners' creditor portal (<https://www.alixpartnersinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact the Administrators and they will forward a copy to you.

Approval of the Administrators' fees has been sought in accordance with insolvency legislation. Further details are provided below.

PLC

In respect of PLC, a meeting was convened on 9 October 2015 at which the creditors approved that the basis of the Administrators' fees be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration.

To date, fees totalling £8.8 million have been drawn on account, of which £1.3 million has been drawn in respect of the supervision of trading. A fee of £44,320 was drawn from the Unsecured Creditors' Fund.

In addition to the Administrators' fees, fees and costs totalling £1.2 million have been drawn by AlixPartners in respect of the civil litigation and court proceedings work, as detailed in previous reports. This workstream included the preservation, analysis and disclosure of relevant company information pertaining to the claims, and co-ordinating with legal advisors and the relevant authorities to progress the same to an eventual settlement agreement.

ANHL

In respect of ANHL, as the relevant creditors considered that they were unable to provide the required consent to the basis of the Administrators' fees, the Administrators sought the approval of the court to resolutions regarding the basis of their fees, disbursements and pre-administration costs. On 21 November 2016, the court approved that the remuneration of the Administrators be fixed by reference to the time properly spent by the Administrators and their staff in attending to matters arising in the Administration, in accordance with the fee estimate outlined in the ANHL proposals, which was updated in the Administrators' progress report dated 14 October 2016.

The court also approved the pre-administration costs disclosed in the ANHL proposals for payment.

To date, fees totalling £451,737 and \$347,054 have been drawn on account, and £5,000 was drawn from the Unsecured Creditors' Fund. Please note there has been a small reallocation of time charged in the Period relating to claims agreement against the Administrators' Prescribed Part fee, resulting in a small negative movement on the Receipts and Payments Account at Appendix B.

Administrators' fee estimate

PLC

The Administrators did not provide a fee estimate in respect of PLC as this requirement had not come into effect at the date of appointment.

ANHL

The Administrators' initial fee estimate was provided in the ANHL proposals and subsequently updated in the Administrators' progress report dated 14 October 2016. The revised fee remains valid and a copy of it is set out below.

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Asset realisation	650	592	385,011
Disputes and litigation	900	582	523,800
Statutory compliance and reporting	582	473	275,000
Investigations	50	458	22,909
Dealing with creditors	107	485	51,923
Total	2,289	550	1,258,643

Should any matters arise, such as additional investigatory matters and/or additional realisable assets, further time will be incurred dealing with such matters. Similarly, if the Administrators encounter any protracted realisations, such as where regulatory or governmental approvals are required, further time will be incurred in finalising matters. If applicable, the Administrators will advise creditors in future communications.

Details of the progress of the Administration of ANHL to date, and matters that are outstanding or partially complete, together with an explanation of why the work was undertaken are set out in section 3.

In the event that the Administrators are required to seek approval to an increase in their fee estimate, such approval must be sought from the creditors originally responsible for approving the basis of their fees. ; In this case, the Administrators will seek the approval of the court, if required.

Administrators' details of time spent to date

PLC

The Administrators' time costs for the Period are £170,191. This represents 310 hours at an average rate of £549 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

	Employee grade (hours)					£	
	Senior	Intermediate	Junior	Admin	Other	Cost	Rate
Administration and planning							
Planning	0.3	-	-	-	0.3	232.50	775
Strategy and control	1.9	-	-	-	1.9	1,744.50	918
Statutory duties	2.0	-	12.4	0.1	14.5	8,348.50	576
Case administration	-	-	5.1	0.6	5.7	3,121.50	548
Accounting and treasury	1.8	-	5.3	10.1	17.2	6,911.00	402
Internal documentation	-	0.4	-	-	0.4	250.00	625
Investigations							
Other investigations	5.4	-	-	-	5.4	4,185.00	775
Internal documentation	0.1	-	-	-	0.1	77.50	775
Realisation of Assets - Trading range							
Sale of assets	0.5	-	-	-	0.5	387.50	775
Realisation of Assets - Asset management							
Asset realisation strategy	7.5	-	0.6	-	8.1	6,157.50	760
Sale of assets	-	-	1.0	-	1.0	575.00	575
Asset accounting and administration	2.8	0.6	21.7	18.4	43.5	19,139.50	440
Trading							
Accounting and administration	-	-	-	0.8	0.8	252.00	315
Creditors							
Creditor claims	-	-	2.9	0.2	3.1	1,707.50	551
Debtor litigation	4.0	-	-	-	4.0	3,100.00	775
Reporting to creditors	3.7	-	24.6	-	28.3	17,131.50	605
Secured creditors	17.4	-	0.3	-	17.7	13,657.50	772
Unsecured creditors	2.5	-	135.3	7.5	145.3	75,993.00	523
Employees	0.6	-	0.4	0.3	1.3	789.50	607
Shareholders and other stakeholders	1.1	-	9.7	-	10.8	6,430.00	595
Total	51.6	1.0	219.3	38.0	309.9	170,191.00	549

A Cumulative Time Analysis (**CTA**) from the date of the Administrators' appointment to the end of the Period is set out below.

	Employee grade (hours)						
	Partner £1,000.00+	Senior £750.00+	Intermediate £500.00+	Junior £250.00+	Support £100.00+	Trainee £50.00+	Unpaid £0.00+
Administration and planning							
Planning	122.1	23.0	55.3	-	200.4	125,792.00	628
Strategy and control	383.3	30.2	120.7	0.9	535.1	398,371.50	744
Statutory duties	31.9	13.0	38.3	0.7	83.9	46,392.00	553
Case administration	174.5	84.9	206.2	3.1	468.7	265,351.50	566
Accounting and treasury	69.4	64.2	132.3	92.3	358.2	153,736.50	429
Travel and waiting time	7.0	13.0	14.0	-	34.0	17,325.00	510
Internal documentation	5.6	7.8	38.2	19.2	70.8	27,593.50	390
Investigations							
Director conduct reports	99.8	124.4	72.2	-	296.4	165,415.00	558
Other investigations	398.1	107.7	197.5	-	703.3	427,153.00	607
Internal documentation	12.3	-	19.1	-	31.4	18,276.00	582
Realisation of assets - fixed charge							
Asset realisation strategy	53.8	7.2	1.1	-	62.1	51,934.00	836
Asset identification and valuation	0.4	2.2	0.3	-	2.9	1,730.00	597
Sale of assets	1.1	0.4	12.1	-	13.6	6,053.50	445
Recovery of assets	71.3	1.9	7.9	-	81.1	65,838.50	812
Dealing with third party assets	0.1	-	-	-	0.1	70.50	705
Asset accounting and administration	-	1.2	18.5	-	19.7	8,443.00	429
Realisation of assets - debtors							
Debt collection	-	0.6	0.3	-	0.9	465.00	517
Debtor litigation	4.5	-	-	-	4.5	3,892.50	865
Internal and external documentation	6.5	4.3	-	-	10.8	7,666.00	710
Realisation of assets - floating charge							
Asset realisation strategy	547.6	339.1	246.8	-	1,133.5	740,564.67	653
Asset identification and valuation	2.4	3.5	52.9	-	58.8	26,035.50	443
Sale of assets	83.3	237.5	602.6	-	923.4	471,188.00	510
Recovery of assets	167.4	35.3	45.3	-	248.0	159,242.00	642
Dealing with third party assets	0.2	0.4	3.7	-	4.3	1,545.50	359
Asset accounting and administration	44.5	121.2	364.5	211.2	741.4	282,977.50	382
Trading							
Trading strategy	227.0	17.8	975.7	-	1,220.5	717,618.50	588
Trading activities	31.9	59.2	833.8	-	924.9	415,636.00	449
Accounting and administration	22.6	26.8	541.5	189.1	780.0	299,384.50	384
Creditors							
Creditor claims	5.3	7.7	11.0	0.2	24.2	13,156.50	544
Debtor litigation	1,849.3	1,222.7	655.3	-	3,727.3	2,415,016.00	648
Internal documentation	0.7	1.4	2.1	-	4.2	2,093.00	498
Creditor strategy	42.5	5.8	11.6	-	59.9	44,346.00	740
Reporting to creditors	109.2	161.5	468.3	-	739.0	372,968.50	505
Creditor meetings	69.2	8.2	94.3	-	171.7	90,769.50	529
Creditors' committee	-	0.3	2.3	-	2.6	1,146.00	441
Secured creditors	254.2	59.2	78.0	-	391.4	272,471.50	696
Preferential creditors	2.3	8.1	25.7	0.9	37.0	16,775.00	453
Unsecured creditors	47.1	181.7	409.1	8.1	646.0	307,664.50	476
Employees	153.9	126.0	218.0	0.3	498.2	279,670.50	561
Shareholders and other stakeholders	59.8	31.4	179.9	-	271.1	128,533.50	474
Totals	5,182.1	3,140.8	5,756.4	524.0	15,585.3	6,550,301.67	568

ANHL

The Administrators' time costs for the Period are £43,045. This represents 79 hours at an average rate of £546 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

Area of activity	Employee grade (hours)						Total	£
	Director	Senior	Intermediate	Junior	Admin	Other		
Administration (including statutory accounting)								
Statutory duties	0.1	-	4.8	0.1	5.0	516	2,582.00	
Administration and planning	0.2	-	7.5	3.2	10.9	502	5,475.50	
Reporting to creditors	0.5	-	26.4	-	26.9	579	15,567.50	
Secured creditors	-	-	1.9	-	1.9	575	1,092.50	
Unsecured creditors	-	-	1.1	-	1.1	575	632.50	
Realisation of assets								
Fixed charge	-	-	2.1	-	2.1	575	1,207.50	
Floating charge	0.6	-	3.7	3.4	7.7	437	3,364.50	
Creditors (claims and distribution)								
Unsecured creditors	0.5	-	21.7	1.0	23.2	566	13,122.50	
Total	1.9	-	69.2	7.7	78.8	546	43,045.50	

A CTA from the date of the Administrators' appointment to the end of the Period is set out below.

Area of activity	Employee grade (hours)						Total	£
	Director	Senior	Intermediate	Junior	Admin	Other		
Statutory duties	7.0	4.3	39.3	0.6	51.2	434	22,200.00	
Administration and planning	52.6	41.1	117.9	29.4	241.0	476	114,795.00	
Reporting to creditors	22.5	92.9	223.7	-	339.1	459	155,491.50	
Creditors' meetings	-	-	1.5	-	1.5	395	592.50	
Secured creditors	4.9	6.1	12.7	-	23.7	510	12,085.50	
Employees	-	-	6.7	-	6.7	395	2,646.50	
Unsecured creditors	1.5	6.9	11.2	-	19.6	529	10,365.00	
Shareholders and other stakeholders	-	0.8	0.5	-	1.3	422	548.50	
Fixed charge	59.5	5.6	15.9	-	81.0	638	51,639.50	
Floating charge	179.5	99.1	156.4	36.2	471.2	557	262,595.50	
Debtors	1.5	0.6	-	-	2.1	677	1,422.00	
Director conduct reports	3.4	-	10.7	-	14.1	442	6,229.50	
Other investigations	-	0.4	2.7	-	3.1	408	1,263.50	
Secured creditors	2.6	0.4	3.7	0.3	7.0	514	3,595.00	
Unsecured creditors	4.3	31.6	29.3	1.0	66.2	555	36,718.00	
Total	339.3	289.8	632.2	67.5	1,328.8	513	682,187.50	

Appendix E. Administrators' expenses and disbursements

Expenses of the Administrations

PLC

The Administrators did not provide an estimate in respect of PLC as this requirement had not come into effect at the date of appointment.

ANHL

The estimate of expenses anticipated to be incurred by the Administrators from third parties whilst dealing with the Administration of ANHL was provided to creditors in the ANHL proposals; a copy of that estimate is set out below.

	Anticipated cost £
Legal costs	450,000
Agents' fees	1,500,000
Sundry costs	23,400
Total	1,973,400

Current position of Administrators' expenses

Analyses of the expenses incurred during the Administrations are provided below.

PLC – GBP £

	Paid in prior periods £	Paid in the Period £	Incurred but not paid £	Total incurred cost £
Statutory and asset realisations – legal advice and other costs	6,007,773	127,888	Nil	6,135,661
Litigation and recovery actions – legal advice and associated costs	2,072,263	6,872	Nil	2,079,135
Total	8,080,036	134,760	Nil	8,214,796

PLC – USD \$

	Paid in prior periods \$	Paid in the Period \$	Incurred but not paid \$	Total incurred cost \$
Professional advisors' fees – asset realisations and reporting	3,926,488	Nil	Nil	3,926,488
Total	3,926,488	Nil	Nil	3,926,488

ANHL – GBP £

	Paid in prior periods £	Paid in the Period £	Incurred but not paid £	Total incurred cost £
Legal fees and disbursements	1,462,513	Nil	Nil	1,462,513
Total	1,462,513	Nil	Nil	1,462,513

ANHL – USD \$

	Paid in prior periods \$	Paid in the Period \$	Incurred but not paid \$	Total incurred cost \$
Legal fees and disbursements – asset recovery actions	204,909	Nil	Nil	204,909
Total	204,909	Nil	Nil	204,909

As previously reported, due to the complexities surrounding the sales of assets, legal costs incurred to date exceed the original estimate.

Administrators' disbursements

PLC

Category 1 disbursements of £207,324 have been drawn on account. Approval to draw category 2 disbursements was obtained at the meeting of creditors held on 9 October 2015 and £2,864 has been drawn.

ANHL

Category 1 disbursements of £906 and \$1,373 have been drawn on account. Approval to draw category 2 disbursements was given by the court and £130 has been drawn.

Appendix F. Additional information in relation to the Administrators' fees

Policy

Detailed below is AlixPartners' policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

Staff allocation and the use of sub-contractors

The Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a managing director, a director or senior vice president, a vice president and a consultant. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Administrators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, time spent by treasury staff in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The following services are being provided in respect of the Administration of PLC by external sub-contractors.

Service type	Service provider	Basis of fee arrangement	Cost to date £
Employee claim processing	Evolve IS Limited (formerly Insol Employee Solutions Limited)	Fixed fee plus additional rate per employee	5,235
Employee payroll processing	Complete Accounting Solutions Limited	Rate per employee	5,025

The Administrators have not utilised the services of any sub-contractors in the Administration of ANHL.

Professional advisors

On these assignments the Administrators have used the professional advisors listed below. The Administrators have also indicated the basis of their fee arrangements with them, which are subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Akin Gump LLP (legal advice)	Hourly rate and disbursements
Bonhams 1793 Limited (valuation and disposal advice – specialist artwork)	Percentage of realisations per lot (15% on first £5,000, 10% on balance thereafter) plus certain fixed auction preparation costs
Colliers International Valuation UK LLP (property review and advice)	Fixed fee
Hilco Global Limited (valuation and disposal advice, excl. artwork)	Fixed valuation fee and percentage of realisations for disposals
PJT Partners (UK) Limited (formerly The Blackstone Group International Partners LLP) (financial and M&A advice)	Monthly retainer, a capped transaction fee and appointment fee. Amended to hourly rate and disbursements with effect from 1 December 2017.
Willis Towers Watson Limited (insurance)	Risk based premium
SPTEC Advisory (non-core asset sale advice)	Fixed fee, percentage of realisations and disbursements
White and Case LLP (legal advice)	Hourly rate and disbursements
Taylor Wessing LLP (legal advice)	Hourly rate and disbursements
Willkie Farr & Gallagher (UK) LLP (legal advice)	Hourly rate and disbursements
Various consultants (assistance with tax and financial matters and asset advice)	Agreed daily rate and disbursements

The Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignments and the basis of their fee arrangements with them.

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Administrators and their staff will also be chargeable.

Category 2 disbursements do require approval prior to being paid and will be drawn in accordance with the approval given, they may include business mileage for staff travel - charged at the rate of 45 pence per mile.

Charge-out rates

A schedule of AlixPartners' hourly charge-out rates for these assignments effective from 1 January 2020 is detailed below, together with the rates charged prior to that date. Time is charged by the appointees and case staff in units of six minutes.

Description	Rates from 1 January 2020 £	Rates pre 1 January 2020 £
Managing director	955	945
Director	775	775
Senior vice president	650	625
Vice president	595	575
Consultant	250-445	240-430
Treasury and support	130-325	125-315

Appendix G. Exit route and discharge from liability

Dissolution of the Companies

The Companies have insufficient property to permit distributions to their respective unsecured creditors, other than by virtue of the Unsecured Creditors' Funds. The Administrators will therefore file notices, together with their final progress report, at court and with the Registrar of Companies for dissolution of the Companies. The Administrators will send copies of these documents to the Companies and their creditors. The appointments will end following the registration of the respective notices by the Registrar of Companies.

Discharge from liability

Subject to the approval of the relevant creditors or the court in the respective cases of PLC and ANHL, the Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointments as Administrators cease to have effect.