Form 2.23B(CH)

In accordance with Schedule B1, paragraph 53(2) of the Insolvency Act 1986

The Insolvency Act 1986

Notice of result of meeting of Creditors

Name of Company	Company number
Harkand (AME) Limited	07625094

In the	Court case number
High Court of Justice, Chancery Division, Companies Court (full name of court)	2424 of 2016

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

I/We (a)
Ian Colin Wormleighton &
Philip Stephen Bowers
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

Michael John Magnay
Deloitte LLP
PO Box 500
2 Hardman Street
Manchester
M60 2AT

hereby report that a meeting of the creditors of the above company was held

(b) Insert place of meeting
(c) Insert date of meeting

(b) by correspondence

on (c) 12 July 2016 at which

*Delete as applicable

*1 Proposals were approved

~~*2. Proposals/revised proposals were modified and approved~~

~~The modifications made to the proposals are as follows -~~

(d) Give details of the modifications (if any)

~~(d)~~

~~*3 The proposals were rejected~~

(e) Insert time and date of adjourned meeting
(f) Details of other resolutions passed

~~*4 The meeting was adjourned to (e)~~

*5 Other resolutions (f)

Approval that the basis of the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in the fees estimate, calculated at an hourly charge out rate used by Deloitte at the time when the work is performed, plus VAT

Approval that the Joint Administrators' category 1 disbursements and expenses and category 2 disbursements in respect of mileage and statutory websites (as detailed on page 67) be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses (plus VAT where applicable) from the administration estate

Approval that the Joint Administrators' pre-administration legal fees of £2,182 plus VAT and disbursements, as detailed on page 28 of the Joint Administrators' Proposals be approved

Form 2.23B(CH) continued

Approval that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies

No creditors' committee was formed

Signed ______________________
Joint / Administrator(s)

Dated 15/07/2016

Contact Details.

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

Ollie Haden Deloitte LLP Four Brindleyplace Birmingham B1 2HZ	
	+44 121 695 5223
DX Number	DX Exchange

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

SA
A28 -A5BCEPUT 16/07/2016 #99
COMPANIES HOUSE

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Deloitte.

Harkand Global Holdings Limited, ISS Acquisition Limited, ISS Group Holdings One Limited, ISS Holdings Limited, ISS (HR Services) Limited and Integrated Subsea Services Limited ("the Scottish Companies") Harkand EMEA Limited, Harkand Gulf Contracting Limited, Harkand Gulf Limited and Harkand (AME) Limited ("the English Companies") All in Administration (together "the Group" or "the Companies")

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED).

Ian Colin Wormleighton, Philip Stephen Bowers and Michael John Magnay were appointed Joint Administrators of the Companies on 4 May 2016. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

For the purposes of paragraph 100(2) of Schedule B1 of the Act, the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

For the avoidance of doubt, the Joint Administrators' Proposals for the Group have been prepared in accordance with the respective legislation for both the English Companies (the Insolvency Rules 1986 (as amended)) and the Scottish Companies (the Insolvency (Scotland) Rules 1986 (as amended)).

24 June 2016

Important notice

Important Notice

This document has been prepared by the Joint Administrators solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Act to lay before creditors a statement of their Proposals for achieving the purpose of the administrations, 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

This document has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Companies

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

Any person that chooses to rely on this document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Act 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

The Joint Administrators act as agents of the Companies and contract without personal liability The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte does not assume any responsibility and will not accept any liability to any person in respect of this document or the conduct of the administrations

All licensed Insolvency Practitioners of Deloitte are licensed in the UK to act as Insolvency Practitioners

Glossary

ABN	ABN Amro Lease N V
The Act	The Insolvency Act 1986 (as amended)
AME	Harkand (AME) Limited
Andrews Survey	Andrews Survey Ltd, Andrews Hydrographics (Holding Company) Ltd and Andrews Hydrographics Ltd
Atlantis	Atlantis vessel owned by Harkand Atlantis Inc
The Bond Trustee	Norsk Tillitsmann
CMS	CMS Cameron McKenna LLP
CVL	Creditors' Voluntary Liquidation
Da Vinci	Da Vinci vessel owned by Harkand Da Vinci Inc
Deloitte	Deloitte LLP
DO	Derrick Offshore Ltd
EMEA	Harkand EMEA Limited
The English Companies	Harkand EMEA Limited, Harkand Gulf Contracting Limited, Harkand Gulf Limited and Harkand (AME) Limited
Ethos	Ethos Offshore Ltd, Ethos Mexico Ltd, Ethos US Ltd and Ethos Contracting Limited
European Business	Integrated Subsea Services Limited, ISS (HR Services) Limited, Integrated Subsea (Guernsey) Limited, Andrews Survey Limited, Andres Hydrographics Limited
FTI	FTI Consulting Inc
GMG	GMG Asset Management UK Ltd
The Group / Harkand Group	Harkand Global Holdings Limited, ISS Acquisition Limited, ISS Group Holdings One Limited, ISS Holdings Limited, ISS (HR Services) Limited, Integrated Subsea Services Limited, Harkand EMEA Limited, Harkand Gulf Contracting Limited, Harkand Gulf Limited and Harkand (AME) Limited
ISS Guernsey	Integrated Subsea Services (Guernsey) Ltd
Hassans	Hassans International Law firm
HGHL	Harkand Global Holdings Limited
HGCL	Harkand Gulf Contracting Limited
HGL	Harkand Gulf Limited
HMRC	Her Majesty's Revenue and Customs
HP	Hire Purchase
ISS	Integrated Subsea Services Limited
ISSA	ISS Acquisition Limited
ISSG	ISS Group Holdings One Limited
ISSH	ISS Holdings Limited
ISSHR	ISS (HR Services) Limited
The Joint Administrators	Ian Colin Wormleighton, Philip Stephen Bowers and Michael John Magnay
K&E	Kirkland & Ellis International LLP
LLC	Harkand Gulf Services LLC
O&G	Oil and Gas
OCM	Oaktree Capital Management, LP
QFCH / RBS	The Royal Bank of Scotland Plc
RBSIF	Royal Bank of Scotland Invoice Finance plc
ROV	Remotely operated vehicle
The Rules	The Insolvency Rules 1986 (as amended) in respect of the English Companies
The Scottish Companies	Harkand Global Holdings Limited, ISS Acquisition Limited, ISS Group Holdings One Limited, ISS Holdings Limited, ISS (HR Services) Limited and Integrated Subsea Services Limited
The Scottish Rules	The Insolvency (Scotland) Rules 1986 (as amended) in respect of the Scottish Companies
UAE	United Arab Emirates
US Business	Harkand Gulf Limited, Harkand Gulf Contracting Ltd, Harkand Gulf Services LLC and various subsidiaries
WUC	Compulsory Winding up

Contacts

Joint Administrators of the Companies

Ian Colin Wormleighton

Philip Stephen Bowers

Michael John Magnay

Deloitte LLP

Four Brindley Place

Birmingham

B1 2HZ

Contact details

Email harkandcreditors@deloitte co uk

Website www deloitte-insolvencies co uk/harkandgroup

Tel 0121 695 5223

Ian Colin Wormleighton, Philip Stephen Bowers and Michael John Magnay are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

Deloitte.

Harkand Global Holdings Limited, ISS Acquisition Limited, ISS Group Holdings One Limited, ISS Holdings Limited, ISS (HR Services) Limited, Integrated Subsea Services Limited, Harkand EMEA Limited, Harkand Gulf Contracting Limited, Harkand Gulf Limited and Harkand (AME) Limited (all in administration)

This Statement of Joint Administrators' Proposals ("the Proposals") has been prepared pursuant to paragraph 49 of Schedule B1 of the Act, which requires that we, as the Joint Administrators, provide creditors with details of our Proposals to achieve the purpose of the administrations

An initial meeting of creditors pursuant to paragraph 51(1)(b) of Schedule B1 of the Act has been convened to seek approval of the Joint Administrators' Proposals and associated resolutions In order to minimise costs and in accordance with Rule 2 48 of the Rules and Rule 2 28 of the Scottish Rules, we propose to conduct the meeting by correspondence

Voting forms and guidance on how to vote have been placed on the website set up for the Companies at www deloitte-insolvencies co uk/harkandgroup Alternatively please contact us using the contact details provided to the left of this if you require further information or paper copies of the voting forms and or guidance

A physical meeting of creditors will only be held if we are requested to do so by creditors representing at least 10% of the total debts of the respective insolvent company Any such request must be notified to us no later than the 1 July 2016 and be made on the appropriate form, copies of which can be downloaded from the website set up for the Companies at www deloitte-insolvencies co uk/harkandgroup or a paper copy will be provided to you on request A deposit of £2,000 towards the costs of convening the meeting should be enclosed with the request in accordance with Rule 2 37(3) of the Rules and Rule 7 6(4) of the Scottish Rules

To assist the creditors and enable them to decide on whether or not to vote for the adoption of the Proposals, the following information is included in the report

- background of the Group,
- the circumstances giving rise to the appointment of the Joint Administrators,
- the progress of the administrations, to date, and
- the Joint Administrators' Proposals for achieving the objective of the administrations

Yours faithfully
For and on behalf of the Companies

Ian Colin Wormleighton
Joint Administrator

Executive Summary

Executive Summary

Topic	Summary
Introduction	• The Group operated in the oil field services sector and was significantly impacted by the global depression in oil prices and consequent reduction in demand for its services • In order to address this, the Group attempted to negotiate a consensual restructuring with its key financial and operational stakeholders • However, this restructuring could not be agreed amongst all stakeholders which ultimately led to the administration appointments • This executive summary sets out the key points of the administrations, which are described in more detail in the remainder of the report, along with certain statutory matters which are required to be brought to the attention of creditors

Strategy including pre-pack	• A broad summary of the Joint Administrators' strategy is as follows
	    • **Pre-pack of US & West African operations:** The business, assets and/or shareholdings of certain entities in the Group (which effectively represent the US and African operations) were sold on 5 May 2016 to Ethos, as detailed in our SIP 16 Statement dated 11 May 2016 A copy of this statement is available on the administration website
	    • **Andrews Survey sale:** The Group operates a standalone survey business which continues to trade outside of insolvency As ISS is the shareholder of Andrews, we continue to pursue a potential going concern sale of this business
	    • **Wind down.** It was apparent on our appointment that there was no opportunity to sell or restructure the remainder of the Group as a going concern and therefore the administrators commenced an orderly wind down of these operations We have appointed agents to realise the Group's assets and have continued to pursue outstanding debtors due to the Companies

Estimated Outcomes	• Details of receipts and payments for the period since our appointment to 24 June 2016 are provided at Appendix C on pages 45 to 54 of the Proposals • The directors' Statement of Affairs are also provided at Appendix B on pages 38 to 44 showing their estimations of the asset realisations for the Companies • Further details of the estimated outcome for each category of creditor can be found on page 22 As the level of asset realisations (and costs) is not yet known, it is currently uncertain as to whether there will be a surplus to unsecured creditors for any of the Companies in administration

Executive Summary

Topic	Summary
Statutory purpose of the administration	• The statutory purpose of the administrations will be to achieve a better result for each of the Companies' creditors as a whole than would be achieved through liquidation
Estimated Timescale	• Based on current information, the duration of the administrations may exceed 12 months After this time, it is likely the companies will proceed to dissolution • Further details of the potential exits of the administrations are detailed on Page 24
Initial meeting of creditors	• In accordance with Rule 2 48 of the Rules and Rule 2 28 of the Scottish Rules, and in order to minimise the costs of the Administration, the Joint Administrators seek to obtain approval of their Proposals and associated resolutions by correspondence • Should creditors whose total debts amount to at least 10% of the total debts of any respective insolvent company in the Group wish to request that a meeting be held, they should complete Form 2 21B for the English Companies or SADM 127 for the Scottish Companies no later than 1 July 2016
Proposals and Fee Estimate / Remuneration	• Our formal Proposals for managing the business and affairs of the Companies can be found on page 9 • Voting forms and guidance on how to vote have been placed on the website set up for the Companies at www deloitte-insolvencies co uk/harkandgroup • Our Proposals include resolutions in respect of fees for both the English and Scottish companies as follows *The English Companies* • We intend to seek approval to fix our fees on a time costs basis as set out in our Fees Estimate at Appendix D • We estimate that our time costs for the first 12 months will not exceed the Fees Estimates included at Appendix D *The Scottish Companies* • We intend to seek approval to fix our fees on a time costs basis

Joint Administrators' Proposals

Joint Administrators' Proposals

Joint Administrators' proposals

The Joint Administrators' Proposals

We have proposed a common set of Proposals for each of the Companies in administration Due to the different rules governing English and Scottish Administrations we are required to propose these under separate resolutions for each of the English and Scottish companies as set out at pages 10 and 11 Our Proposals for the administration are as follows

- continuing to manage the affairs and any remaining assets of the Group and the settlement of all administration expenses,
- assessing the affairs of the Group and reviewing and reporting on the conduct of its directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Group or its management,
- agreement of the claims of any secured, preferential and unsecured creditors against the Group unless we conclude, in our reasonable opinion, that the Group will have no assets available for distribution,
- distributing funds to any secured and preferential creditors and, where applicable, to unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application, and
- that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administrations
- that, if the Group is to be placed into CVL or WUC, we (or any person appointed as replacement office holders) propose to be appointed as Joint Liquidators of the Group and, for the purposes of section 231 of the Act, the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally
- that, if the Joint Administrators consider that the rescue of the Companies under Para 3 (1)(a) Sch B1 IA86 is achievable then they may prepare proposals for Company Voluntary Arrangements to be considered by the creditors

We will seek specific approval from the appropriate body to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses, and to agree the time of our discharge on conclusion of the administration

Please refer to Appendix D, for further details

Joint Administrators' Proposals

The English Companies

Joint Administrators' Proposals

The following resolutions will be put to the meeting of creditors to be held by correspondence on 12 July 2016 for the English Companies (being Harkand EMEA Limited, Harkand Gulf Contracting Limited, Harkand Gulf Limited and Harkand (AME) Limited)

The necessary forms to vote upon the resolutions have been sent to all creditors and copy forms are available on

www deloitte-insolvencies co uk/harkandgroup

In the event that a creditors' committee is formed, specific approval for resolutions 3, 4, 5, and 6 will be requested from the creditors' committee

1 Approval of the Joint Administrators' Proposals as set out on page 9 of the proposal document

2 Formation of a creditors' committee ***(Please note that anyone voting in favour of forming a creditors' committee will also be expected to confirm on the Form 2.25B / proxy form their willingness to serve or be represented on the creditors' committee, including dealing with any business placed before the creditors' committee throughout the period of the relevant administration and in any follow on liquidation should a creditors' committee be formed.)***

3 Approval that the basis of the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in the fees estimate, calculated at an hourly charge out rate used by Deloitte at the time when the work is performed, plus VAT

4 Approval that the Joint Administrators' category 1 disbursements and expenses and category 2 disbursements in respect of mileage and statutory websites (as detailed on page 68) be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses (plus VAT where applicable) from the relevant administration estate

5 Approval that the Joint Administrators' pre-administration fees of £23,048 75 (HGCL) and £23,048 75 (HGL), plus pre-administration legal fees of £53,782 (HGCL), £15,082 (HGL), £15,082 (EMEA) and £2,182 (AME) plus VAT, as detailed on page 28 of the Joint Administrators' Proposals be approved and that the Joint Administrators be authorised to draw their pre-administration fees and expenses, plus VAT, from the relevant administration estate

6 Approval that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report for each of the Companies by the Registrar of Companies

Joint Administrators' Proposals

The Scottish Companies

Joint Administrators' Proposals

The following resolutions will be put to the meeting of creditors to be held by correspondence on 12 July 2016 for the Scottish Companies (being Harkand Global Holdings Limited, ISS Acquisition Limited, ISS Group Holdings One Limited, ISS Holdings Limited ISS (HR Services) Limited and Integrated Subsea Services Limited)

The necessary forms to vote upon the resolutions have been sent to all creditors and copy forms are available on

www deloitte-insolvencies co uk/harkandgroup

In the event that a creditors' committee is formed, specific approval for resolutions 3, 4, 5, and 6 will be requested from the creditors' committee

1 Approval of the Joint Administrators' Proposals as set out on Page 9 of the proposal document

2 Formation of a creditors' committee ***(Please note that anyone voting in favour of forming a creditors' committee will also be expected to confirm on the form SADM 128 / proxy form their willingness to serve or be represented on the creditors' committee, including dealing with any business placed before the creditors' committee throughout the period of the relevant administration and in any follow on liquidation should a creditors' committee be formed.)***

3 Approval that the basis of the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT

4 Approval that, the Joint Administrators' category 1 disbursements and expenses and category 2 disbursements in respect of mileage and statutory websites (as detailed on page 69) be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses, (plus VAT where applicable) from the relevant administration estate,

5 Approval that the Joint Administrators' pre-administration fees of £146,352 50 (HGHL) and £100,255 00 (ISS), plus pre-administration legal fees of £53,782 (HGHL), £18,179 (ISS), £2,182 (ISSA), £2,182 (ISSHR), £2,182 (ISSH) and £2,182 (ISSG) plus VAT, as detailed on page 28 of the Joint Administrators' proposals be approved and that the Joint Administrators be authorised to draw their pre-administration fees and expenses, plus VAT, from the relevant administration estate, and,

6 Approval that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators" final progress report by the Registrar of Companies

Background

Background

The Group was a global provider of subsea services to the O&G sector with operations in the US, West Africa and Europe It offered a range of inspection, repair and maintenance related diving, ROV and survey services with associated project management engineering

The Group comprises 46 corporate entities located across 14 jurisdictions There are principally three parts to the Group

- The European Business this includes ISS and its various subsidiaries, including Andrews Survey, discussed below, and ISS Guernsey (an intra-group provider of offshore divers and contracts to third party contracts which was placed into liquidation on 17 May 2016 following the demise of the Group)
- The US business comprising of
  - HGL and various subsidiaries including LLC which operated the Houston office, and
  - The "Swordfish" operations This includes EMEA and its subsidiaries plus Harkand Asset Company Ltd, which owns the shares in Swordfish Shipco Ltd ("Shipco"), which in turn owns the Swordfish vessel Upon our appointment, Shipco had already been placed into administration with FTI appointed as administrators
- Andrews Survey a standalone survey business based in Aberdeen, Scotland It should be noted that this part of the business is not subject to any insolvency proceedings

A full group structure chart is shown in Appendix A

Employees

As at the date of appointment, the Group employed c 400 staff of which 210 were based in the UK and 102 in the US with the remaining employees located remotely across the globe mainly in West Africa and Mexico There were also a number of contractors engaged by the Group Whilst the European Business is headquartered in London, the majority of its operations are in Aberdeen The US and Ghanaian business is integrated, with the majority of administration and project management delivered from the US headquarters located in Houston, Texas

Group structure chart

An abbreviated Group structure chart (at the date of our appointment) is attached provided on the next page, and a full Group Structure chart is included at appendix A and on the insolvency website

A brief summary of the principal activity of each entity in the Group is provided below

- AME – Marine crew, catering and other vessel management services for diving support and related vessels,
- EMEA – Management and chartering of diving support and related vessels for the provision of subsea services,
- HGCL – charter and charter agreements holder,
- HGHL – holding company,
- HGL – holding company,
- ISS – trading company offering inspection, repair and maintenance related diving and ROV services,
- ISSA – holding company,
- ISSG – holding company,
- ISSH – holding company, and
- ISSHR – Human resource, logistics and administration services

Background
Joint Administrators' appointment

Circumstances giving rise to the appointment of the Joint Administrators

Reasons for failure & financial distress

The recent depression in global oil prices has had a severe negative impact on the O&G sector, resulting in less demand for the Group's services as O&G projects are put on hold and maintenance programs reduced This led to a significant deterioration in trading performance and liquidity issues for the Group

The Group had six vessels in operation which were either owned or chartered There are various entities that are sister companies to the Group which finance or own the Da Vinci and Atlantis vessels These assets and entities are subject to security in favour of the Bond Trustee (on behalf of the bondholders) and various actions have been taken, as described below, which resulted in the Group no longer having access to or control of these assets

Steps taken to remedy/turnaround

In the three months prior to the Administrators' appointment, Group senior management had been in negotiations with its key stakeholders to seek to agree a restructuring of its financial arrangements, various charter agreements and to secure additional new working capital funding

Additional funding was provided by OCM during this period through a $2 5m shareholder loan facility The management team identified that additional funding was required for the Group from the beginning of May 2016 with a peak cash requirement of c $20m forecast in June 2016

Significant progress was made in negotiating the restructuring and agreed heads of terms were reached with all of the Group's stakeholders, with the exception of the bondholders and OCM Ultimately, no agreement could be reached between these two parties in relation to the required level of new working capital being introduced

At this point it became apparent that a consensual restructuring was unlikely leading management to commence an accelerated sales process for the whole Group

On 21 April 2016, a shortlist of interested parties were approached, with a view to acquiring the Group This process identified a trade buyer and one other financial buyer Following a short period of due diligence, it became clear, on or around 27 April 2016, that both potential buyers would be unable to complete an acquisition of the whole Group As a consequence, management resolved to extend the sales process to parties that may be able to acquire all or parts of the business on an accelerated basis

A number of significant operational issues arose during this period including

- On 24 April 2016, the Group's bondholders took steps to terminate the charter arrangements in respect of two vessels, being the Da Vinci and Atlantis,
- On 25 April 2016, Siem Offshore LLC, the owner of the Spearfish vessel, issued a notice of default and instructed the master to return the vessel to port,
- On 26 April 2016, employees undertaking a contract on a fourth vessel, Go Electra, were curtailed as the vessel was requested to return to port in the light of uncertainty surrounding the Group's viability, and
- Key customers were also threatening to terminate contracts

The above actions by key stakeholders occurred in a short period of time and effectively restricted the ability of the Group to continue trading under its existing contracts By the 26 April 2016, five out of six of the Group's vessels were no longer under its control, with only the Swordfish in operation

Background
Joint Administrators' appointment

When decision to appoint was made

The Group was also facing increasing creditor pressure as a result of wider market speculation of its ongoing viability, impacting on suppliers, clients and employees, ultimately leading to difficulties for the business to continue to trade, whilst buyers were sought for all or parts of the business

Therefore, on 27 April 2016, management took interim protection against creditor action by filing a Notice of Intention to appoint Administrators over the Companies

Given the distressed financial and operational position of the Group, a quick solution was required to prevent complete closure of the business and loss of value for creditors Accordingly, the appointment of Ian Wormleighton, Philip Bowers and Michael Magnay as Joint Administrators of the Companies followed and the US and West African operations of the Group were sold on 5 May 2016 by way of a pre-packaged sale

The remaining European Business ceased to trade immediately on the Joint Administrators' appointment, with the exception of Andrews Survey, which, as noted previously, continues to trade in the interim whilst a potential buyer is sought

Due to the very tight timetable in which to execute a transaction, the funding requirement and the limited buyer appetite for the European Business, particularly given the loss of its vessels, a sale or refinancing of the whole Group was not achievable For this reason a further sales process (with the exception of the Andrews Survey business) post administration was not feasible

Involvement of Deloitte pre-appointment

Deloitte were initially introduced by OCM to the Group CFO, Ben Gujral, in March 2015

On 31 March 2015, Deloitte was retained by HGL and HGCL to provide options analysis in respect of certain companies in the wider Group This work was completed in April 2015

On 17 February 2016, HGHL, HGL and HGCL retained Deloitte to provide initial advice as to alternative options available to the business in the event a consensual restructuring of the Group (which was being pursued) was not viable

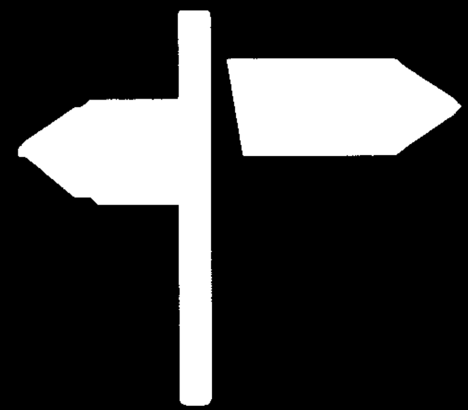
On 18 April 2016, when it became apparent that a consensual restructuring was unlikely to be successful, this engagement was extended to include the preparation of detailed contingency plans for the Group In addition, Deloitte was also engaged by HGHL, HGL and HGCL to advise the Group on an appropriate framework in which the Group could run an accelerated sale process

No advice has been given to the Group directors in their personal capacity by Deloitte

Pre-packaged sale

Certain business and assets were sold on 5 May 2016 to Ethos as detailed in our SIP 16 Statement dated 11 May 2016 A copy of this letter is available on the administration website

Post-appointment Matters



Post-appointment Matters

Purpose

Appointment of the Joint Administrators

Ian Colin Wormleighton, Philip Stephen Bowers and Michael John Magnay of Deloitte were appointed Joint Administrators of the Companies by the directors on 4 May 2016, following the filing of a Notice of Appointment of Joint Administrators by the Companies' directors

Purpose of the administration

There are three statutory purposes

A Rescuing the company as a going concern, or

B 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

C Realising property in order to make a distribution to one or more secured or preferential creditors

As noted in the background section, while significant attempts were made to restructure and / or sell the whole Group, this process was unsuccessful Therefore the first purpose is not currently considered possible for any of the Companies

Accordingly, the purpose of the administrations is to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Companies

Post-appointment Matters

Joint Administrators' strategy

How the affairs and business of the Companies have been managed and financed since appointment, and the Joint Administrators' intended strategy if their Proposals are approved

Asset realisations – sale of business (pre-pack sale)

As detailed in our SIP 16 statement of 11 May 2016, the following share, business and asset sales took place on 5 May 2016 in respect of HGHL, EMEA, HGL and HGCL as follows

- EMEA sold the share capital of Harkand Africa Ltd to Ethos Offshore Ltd,
- HGL sold the share capital of LLC to Ethos Offshore Ltd,
- HGL sold its share capital in Harkand Mexico SAPI de CV and Harkand Arena SAPI de CV to Ethos Mexico Ltd,
- HGCL sold its share capital in Mexico to Ethos US Ltd,
- Certain customer contracts were sold by HGCL to Ethos Contracting Ltd, and
- Certain business data, business intellectual property and certain IT assets of the Group were sold to Ethos Offshore
- The headline consideration for the above sale was c $1m, plus deferred consideration of up to $3 65m which is dependent on the collection of certain debtors in HGL and EMEA by Ethos Ethos is also assisting with the collection of debtors in HGCL Additional consideration will be payable by Ethos if certain of the above business or companies are sold on within six months

Asset realisations – other assets

- Immediately following our appointment, we undertook an assessment of the Group's financial affairs to assess whether we would be able to continue to trade the European Business, for a short period of time, within the administration process Unfortunately, due to the fact that trading had ceased prior to appointment, there being lack of funding available and significant health and safety and insurance concerns, it was concluded that trading was not viable and therefore our realisation strategy would be to wind down the European Business in an orderly fashion
- Andrews Survey, although part of the European Business, is not in an insolvency process and continues to trade as a going concern The Joint Administrators are pursuing an accelerated sale of the business and assets of Andrews Survey through ISS as shareholders
- As a consequence of the European Business ceasing to trade, the majority of employees in the UK were made redundant on 4 May 2016 A small number of staff were retained to assist with the wind down of the European Business to facilitate realisation of assets
- As part of this strategy, we have been and will continue to seek purchasers for the various assets of the Group, as described on pages 18 to 21

Receipts and payment account

A receipts and payments account for each entity, detailing asset realisations achieved and costs paid up to 24 June 2016 is provided at Appendix C, on pages 45 to 54

Post-appointment Matters

Joint Administrators' strategy

Other Asset realisations

Stock - ISS

Stock largely comprises diving assets and equipment, with the majority of stock being held in ISS Following the Joint Administrators' appointment, Group staff spent a number of days compiling a detailed list of assets This process has been time consuming due to the complexities of stock being held in a number of locations, such as in leasehold premises, with third party suppliers and on various vessels (a number of which are overseas or in international waters) Accordingly, additional work has been required to establish ownership of certain stock

This process has become protracted and litigious as a number of key stakeholders, including some who are owed significant sums by the Group, have asserted liens over certain assets, including the ROVs and 3rd party equipment We continue to work with our legal advisors and the stakeholders to reach resolution on whether these assets can be realised for the benefit of the Companies' creditors

Three independent agents were invited to value and provide proposals for realising the stock and following review of each proposal, GMG were appointed GMG are currently assessing the best strategy for maximising realisations from the stock

Book debts – ISS and HGCL

As at the date of our appointment, book debts in ISS totalled £1 3m To date, we have collected £453,151 21 and continue to liaise with the remaining debtors regarding repayment of the outstanding balances The Joint Administrators have requested that RBSIF sweep book debt receipts held under the terms of its invoice financing facility to the administrations' bank accounts

Book debts of $8 3m in HGCL comprise US trade debtors with an estimated realisable value of $2 5m as per the directors' Statement of Affairs It was agreed in the pre-pack sale agreement dated 5 May 2016 that Ethos would assist HGCL in collecting these debtors, in return for 15% commission The US debtor collection process is ongoing and $727,637 (£506,855) has been collected in the UK, to date

Cash at bank

Cash at Bank has been realised from the Companies" pre-appointment bank accounts As detailed below, these sums represent the cash balances held at the date of appointment HGHL, HGCL, and ISS held bank accounts in US dollars and the balances shown below for these entities include cash that has been exchanged into Sterling using the spot exchange rate at the date of transfer

Entity	Funds realised £
HGHL	260,527
ISSG	6,722
ISSH	5,301
ISS	1,218,443
HGCL	382,384
AME	5,067

Insurance claims

Following a review of the existing Group insurance, it was brought to the Joint Administrators' attention that there are several outstanding insurance claims which may result in realisations to the Group These claims are in the process of being reviewed by insurers in order to determine the likely outcome and ultimate beneficiaries

Investments

Investments represents the accounting value of investments in subsidiaries and as such have little or no realisable value with the exception of ISS which may (depending on the sale mechanism) receive an element of sale consideration from the disposal of Andrews Survey

Unsecured creditors

Unsecured creditors across the Group include significant intercompany credit balances which rank pari passu to unsecured creditors

Intercompany trading, loans and advances

Given the complexity of the Group and the various intragroup trading positions, there are significant receivable and payable balances in respect of the Companies Whilst there may be unsecured distributions which intercompany creditors can participate in, the outcome of any estimated recoveries from these balances cannot be confirmed, at this stage, given the ongoing asset realisation strategy across the Group

Computer equipment, fixtures and fittings – ISS

As at the date of appointment ISS owned a quantity of computer and office equipment across its leasehold premises

These assets were included in the independent agents' valuation discussed above and the process for realising these assets is ongoing

Third party assets and retention of title ("ROT") – ISS

In addition to owned stock, ISS hired and leased equipment from various third party suppliers The Joint Administrators have released third party assets where supporting information has been provided, proving ownership

A minimal number of suppliers have submitted ROT claims The Joint Administrators are seeking to resolve these claims promptly

ROVs – ISS

At the date of the Joint Administrators' appointment, the Companies operated 32 ROVs which were held under finance agreements with ABN The Joint Administrators are working in conjunction with ABN regarding a realisation strategy of these assets As with the stock, this process is complex as a number of the ROVs are currently on board vessels or held overseas

It is unclear at this stage as to the level, if any, of equity interest ISS may have in the ROVs

Leasehold properties – ISS and HGHL

At the date of the Joint Administrators' appointment, the Group operated from four leasehold properties (two in Aberdeen, one in Montrose and one in London) with lease agreements held by ISS and HGHL The property in London was vacated following our appointment

The Joint Administrators have entered into discussions with the respective landlords of the Scottish leasehold premises regarding ongoing occupation and exit strategy from the various leases

The Joint Administrators do not envisage any significant lease premiums to be obtained

Post-appointment Matters

Joint Administrators' strategy

Trade Debtors – HGHL

Although listed in the SofA as trade debtors, these balances are all intra-group trading balances and are unlikely to realise any value for creditors

Other Property – HGHL

This represents the capitalised value of the costs incurred on the production of the Haldane vessel The vessel has not been completed and is not owned by the Group The owners of the part finished vessel will likely seek to sell the work in progress There is no prospect of any realisations to the estate from this asset

Trade Debtors – ISSHR

Although listed in the SofA as trade debtors, these balances are all intra-group trading balances and are unlikely to realise any value for creditors

Loans and Advances – ISS

These balances are all intra-group trading balances and are unlikely to realise any value for creditors

Post-appointment Matters
Outcome for creditors

Estimated outcome for creditors

Secured creditors

As at the date of appointment there were two secured creditors in ISS and other group Companies

1. **ABN** – ISS records indicate that significant sums are owed to ABN under the terms of various HP agreements We are advised that ABN hold legal title over these ROV assets as well as guarantees from Andrews Survey

   The agreements relate to 32 ROVs which formed an essential part of the Group's operations Given the depressed global O&G market and based on currently available information, we cannot be certain there will be sufficient recoveries to repay ABN in full

2. **RBSIF** provided an invoice finance receivables facility to ISS We are aware that sums may be owing to RBSIF by other stakeholders of the Group which set-off is being pursued under this facility at the date of appointment

   RBS as QFCH has assisted the Joint Administrators releasing various guarantees as part of the sale of the US Business

Preferential creditors

Group employees are employed by HGHL, ISS or ISSHR Preferential creditors comprise amounts owed to these companies' employees for arrears of wages/salaries, holiday pay and pension contributions At present, we estimate that there will be 195 preferential claims totalling approximately £416,335 comprising £130,978 in HGHL, £275,036 in ISS and £10,321 in ISSHR

Based on current information, it is uncertain if there will be sufficient recoveries to enable a distribution to be made to the preferential creditors of HGHL, ISS and ISSHR ISS Guernsey employed nine staff As this entity is in Liquidation, it is not covered in the Proposals, but included for reference

Unsecured creditors

An extract from the directors' Statement of Affairs is shown below, detailing the estimated number of unsecured creditors along with the estimated non-preferential claims for each entity

Note, due to the complex nature of intra-group trading, there are significant intercompany balances (which rank pari passu with unsecured creditors) which could impact realisations to unsecured creditors

At this stage, it is unclear whether there will be sufficient Group asset realisations to allow for unsecured distributions to be made in any entity

Prescribed Part

The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, (referred to as the net property), as set out under section 176A of the Act It applies only where the charge was created on or after 15 September 2003

The Prescribed Part is calculated as a % of the net property and is subject to a statutory maximum of £600,000 per company

As we are not aware of any sums owing to the QFCH, the Prescribed Part provisions will not apply

Unsecured Creditors - per SofA

	HGHL	ISSA	ISSG	ISSH	ISSHR	ISS	EMEA	HGCL	HGL	AME
Total unsecured creditors	72	4	7	18	17	301	5	250	8	17
Estimated unsecured claims (£m)	164 4	15 5	4 4	51 1	2.3	133 4	85 9	92 6	33 4	Uncertain

Post-appointment
Outcome for creditors

Claims process

Unsecured creditors are invited to submit claims by completing proof of debt forms for the English Companies or a statement of claim form for the Scottish Companies which is available on the administration website and which should be sent to the address on page 3, marked for the attention of Oliver Haden

Exit routes

In accordance with the provisions of the Act, all administrations automatically come to an end after one year, unless an extension is granted by the court or with consent of the creditors

There are several possible exit routes from administration Based on current information, we consider the following exit routes may be appropriate

- *Dissolution* – If there is no further property which might permit a distribution to the Companies' creditors, we may file notice to that effect with the Registrar of Companies and the Companies will be dissolved three months from filing notice
- *CVL* - Where a distribution to unsecured creditors will be made, other than by virtue of the Prescribed Part, we may file a notice to that effect with the Registrar of Companies The administrations will cease on the date that notice is registered and the respective company will be wound up
- *WUC* – where there is a possibility, but no certainty, of recoveries being made or matters such as property to disclaim or further investigations, it may be appropriate to ask the court to end the administration and to make an order to wind up the respective company
- *CVA* - a company voluntary arrangement ("CVA") can be proposed to a company's creditors with the intention of enabling the company to be handed back to its directors if the terms of the CVA proposal are accepted by the creditors and successfully implemented

Please note that if any of the Companies are placed into liquidation, WUC or CVL, the Joint Administrators (or any person appointed as a replacement office holder) propose to be appointed as Joint Liquidators The creditors may nominate a different person to be liquidator(s) provided the nomination is made before the proposals are approved by creditors i e 12 July 2016

Any creditors' committee appointed will become a liquidation committee and the basis of the Joint Administrators' remuneration fixed during the administration will apply in the CVL

For the purposes of section 231 of the Act the liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally

Discharge of Joint Administrators' liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge from liability in respect of their actions as Administrators takes effect at the specific time appointed by either the court, the creditors (either via the creditors' committee or by meeting) or, in specific circumstances, by the secured (and preferential) creditors

In this case, we will request approval from the unsecured creditors, where applicable, for us to be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress report

Remuneration and Expenses

Remuneration and Expenses

Creditors' Guide to Administrators' Remuneration

The English Companies

"A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is provided on the administration website and also available for download at
www deloitte com/uk/sip-9-england-and-wales

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address detailed on page 3 and this will be provided to you at no cost

Fees Estimates

Fees estimates are provided at Appendix D These show that we estimate our time costs for the English Companies for the duration of the appointment should not exceed £1,139,709

The English Companies

Basis of Administrators' remuneration – The English Companies

Pursuant to Rule 2 106 of the Rules, the basis of the Joint Administrators' remuneration may be fixed

- by reference to time properly given by the insolvency practitioners and their staff in attending to matters as set out in the fees Estimate,
- as a percentage of the value of the property with which the Joint Administrators have to deal,
- as a set amount,
- or, any combination of the above

In accordance with Rule 2 106(5), we will seek approval to fix the basis of our remuneration by reference to time costs as set out in the fees estimate at the meeting of creditors to be held by correspondence on 12 July 2016 or by the creditors' committee, should any be formed at the meetings Notice of the meetings on Form 2 20B and a proxy form, which includes the resolutions being requested in respect of our remuneration and expenses, is available at

www deloitte-insolvencies co uk/harkandgroup

Should you wish to request a hard copy of any document, please send your request to
harkandcreditors@deloitte co uk

Joint Administrators' Expenses - Group

We anticipate that the following expenses will be incurred in the Group for the duration of the appointment

- Specific Penalty Bond – mandatory insurance cover for each estate to protect the estate in the event of loss (£230 per entity)
- Statutory Advertising - we are required to give notice by advert in the London Gazette of the following matters our appointment, the initial meeting of creditors to consider our Proposals, proposed distributions to unsecured creditors We estimate costs in this regard will be £500
- Wind down costs of UAE branch – costs paid by EMEA on behalf of AME to complete an orderly wind down of AME's branch in UAE
- Legal Costs – we have instructed lawyers to assist in the following matters
  - K & E has been instructed to provide ongoing legal support and estimated fees, to date, for the Group are £93,463 plus VAT and disbursements,
  - Validity of Appointment review – CMS has been instructed to review validity of appointment of the English Companies and estimate their fee for so doing will be £5,200 plus VAT and disbursements,
  - Synergy DWC LLC were engaged to facilitate the wind-down of the Sharjah branch, operated by AME Fees paid for this work total £17,403

All professional costs will be reviewed and analysed in detail before payment is approved

Remuneration and Expenses

Creditors' Guide to Administrators' Remuneration

The Scottish Companies

"A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is provided on the administration website and also available for download at www deloitte com/uk/sip-9-scotland

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address detailed on page 3 and this will be provided to you at no cost

Basis of Administrators' remuneration – The Scottish Companies

Pursuant to Rule 2 39(4) of the Scottish Rules, the basis for fixing the amount of remuneration payable to the Joint Administrators may be a commission calculated by reference to the value of the Scottish Companies' assets which have been realised by the Joint Administrators, but there shall in any event be taken into account

- the work which, having regard to that value, was reasonably undertaken, and
- the extent of the Joint Administrators' responsibilities in administering the Scottish Companies' assets

Although not stated specifically in the Scottish Rules, the normal basis for determining the remuneration payable will be that of the time costs properly incurred by the Joint Administrators and their staff

In accordance with Rule 2 39 (6), we will seek approval to fix the basis of our remuneration by reference to time costs at the meetings of creditors to be held by correspondence on 12 July 2016 or by the creditors' committee, should any be formed at the meetings Proxy forms, which includes the resolutions being requested in respect of our remuneration and expenses, is available on the insolvency website

Time costs incurred to date

Our time costs incurred to 24 June 2016 total £1,006,734 25 which represents 2,220 hours at an average rate of £453 48 per hour A breakdown of these time costs per entity are detailed in Appendix D, along with an explanation of the work undertaken, the charge out rates applied

Where costs have been incurred for the benefit of specific creditors, we will seek to recover costs directly from those creditors

Remuneration and Expenses
Pre-administration costs

The Group

Pre-administration costs

Pre-administration costs are defined as the remuneration charged and expenses incurred by the Joint Administrators (or other person qualified to act as such) before the Companies entered into administration but with a view to it doing so

Approval of pre-administration costs

Determination of whether and to what extent the unpaid pre-administration costs are approved for payment shall be by resolution of meetings of creditors held by correspondence, or any creditors committee formed at these meetings

Statement of pre-administration costs

- The pre-appointment work undertaken focussed on working with management to produce detailed day one plans including locations of all employees, assets and vessels
- The output of the above work was a number of day one planning documents, letters to vessel owners and a detailed understanding of the Group wide insolvency strategy This planning has enabled the Joint Administrators to implement a pre-packaged sale of the US Business and instigate an orderly wind down of the European Business, resulting in a better outcome for creditors Deloitte had an existing engagement with certain Group entities (HGCL, HGHL, HGL) dated 18 April 2016 to provide contingency planning and transaction support advice regarding an accelerated sale process
- None of the Joint Administrators' fees relating to pre-appointment work streams have been paid although an element of the ongoing work to dispose of the Andrews Survey business and Deloitte tax advice was paid by the Group prior to insolvency

Statement of pre-administration costs

Fees and Expenses

The Joint Administrators are seeking to recover pre-administration time costs incurred totalling £292,705 Details of where time costs and expenses have been incurred is shown below, along with further details provided on page 29

Pre-appointment time costs

£	HGHL	ISS	HGCL	HGL	Total
Time costs	146,352 50	100,255 00	23,048 75	23,048 75	292,705 00
Total	**146,352 50**	**100,255 00**	**23,048 75**	**23,048 75**	**292,705 00**

Legal costs

During planning for the administration, we were assisted by K & E on matters including

- appointment documents / advising on regulations
- advising on timings / serving notices

In respect of this work, K&E incurred £166,817 of time costs comprising £80,689 relating to the Scottish Companies and £86,128 relating to the English Companies

Details of where legal costs have been incurred is shown below

The English Companies

Pre-appointment legal costs

£	EMEA	HGL	HGCL	AME	Total
Total	15 082	15,082	53,782	2,182	86,128

The Scottish Companies

Pre-appointment legal costs

£	HGHL	ISS	ISSA	ISSHR	ISSH	ISSG	Total
Total	53,782	18 179	2,182	2,182	2,182	2,182	80,689

Remuneration and Expenses

Pre-administration costs

The Group – Pre-appointment time summary

Classification of work	Partners & Directors £	Assistant Directors £	Managers £	Assistant Managers £	Assistants & Support £	Total hours	Value £	Avg rate £/h
Preparation for appointment	51,660	67,674	52,470	5,235	14,452	347	191,490 00	552 00
Pre-pack	25,500	41,195	-	-	-	101	66,695 00	663 63
Negotiations	25,500	-	-	-	-	47	25,500 00	542 55
Protection & Realisation of assets	-	-	9,020	-	-	22	9,020 00	410 00
Total	102,660	108,869	61,490	5,235	14,452	516	292,705 00	566 82
Unpaid Fees							**292,705 00**	

Additional information

Additional information
Investigations

Transactions with connected parties

The share and asset purchases detailed in the Joint Administrators' SIP 16 statement were completed by four newly formed entities incorporated in England & Wales, Ethos Offshore Ltd, Ethos Mexico Ltd, Ethos US Ltd and Ethos Contracting Ltd (together, Ethos) These entities are ultimately owned and controlled by funds managed by OCM Please note that OCM is a connected party to the Group, being the ultimate beneficial owner and a creditor of various entities in the Group We understand that a number of directors of certain Group entities will be directors of the Ethos entities

We are not aware of any connected party transactions but are still in the process of reviewing the position If any creditor is aware of any related party transactions please bring those to the attention of the Joint Administrators, as soon as possible

Investigations

As part of our duties, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors This initial assessment includes enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies

In addition, we are required to consider the conduct of the directors and any person we consider to have acted as a shadow or de facto director in relation to their management of the affairs of the Companies and the causes of failure and we will submit confidential reports to the Insolvency Service, a division of the Department for Business, Innovation and Skills Creditors who wish to draw any matters to our attention should contact us using the contact details given on page 3, as soon as possible

Additional information
Case specific matters

EU Regulations

As stated in the administration appointment documents, Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation

Third party assets

Should you believe that you own or have a claim regarding items that may have been present at the Companies' leasehold premises or on board any vessels at the date of our appointment, please contact us as soon as possible

Shareholders

We are not obliged to provide further information or reports to shareholders of the Companies However, regular updates will be uploaded to the website set up for the administration

Due to the insolvency of the Companies and anticipated level of asset realisations compared with the level of creditor liabilities owed by the Companies, there is no prospect of a return being made to the shareholders

Following our appointment, the Companies are no longer able to process transfers of shares, nor re-issue unclaimed dividend cheques

Appendices

Appendix A
Group Statutory information

Website

In an effort to reduce the costs of the administration, all communications with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose The web address is www deloitte-insolvencies co uk/harkandgroup

A letter will be issued to all creditors each time the website is updated with a statutory notice or report All statutory notices will be retained on the website until its closure three months from the administration ending

Please therefore ensure that you review the website regularly for updates and further notices and reports

If any person wishes to receive a hard copy of any document uploaded by the Joint Administrators to the above website, they should contact the Joint Administrators via the contact details on page 3 of this report, and hard copies will be provided free of charge

Appendix A
Group statutory information

The English Companies

Statutory information - The English Companies

	Harkand EMEA Limited	Harkand Gulf Contracting Limited	Harkand (AME) Limited	Harkand Gulf Limited
Company number	8932350	8534491	7625094	8534218
Registered office	c/o Deloitte LLP Four Brindleyplace Birmingham B1 2HZ			
Trading names	-	-	-	-
Previous names	-	-	Iremis Limited	Blackwood Shelf (No 12) Limited
Court	High Court Of Justice, Chancery Division, Companies Court			
Court reference	2345 of 2016	2346 of 2016	2424 of 2016	2344 of 2016
Company directors	Ben Gujral Thomas Michael Ernest Ehret Mathieu Jacques Guillemin Guillaume Philippe Gerry Bayol Jean-Luc Michael Laloe John Reed	Ben Gujral David Wishart Kerr	Ben Gujral John Reed	Ben Gujral John Reed
Company Secretary	-	Hackwood Secretaries Limited	-	Hackwood Secretaries Limited
Directors' shareholdings	-	-	-	-
Company Shareholders	Harkand Global Holdings Limited	Harkand Gulf Limited	Iremis Holdings Limited	Harkand Global Holdings Limited

Appendix A
Group statutory information

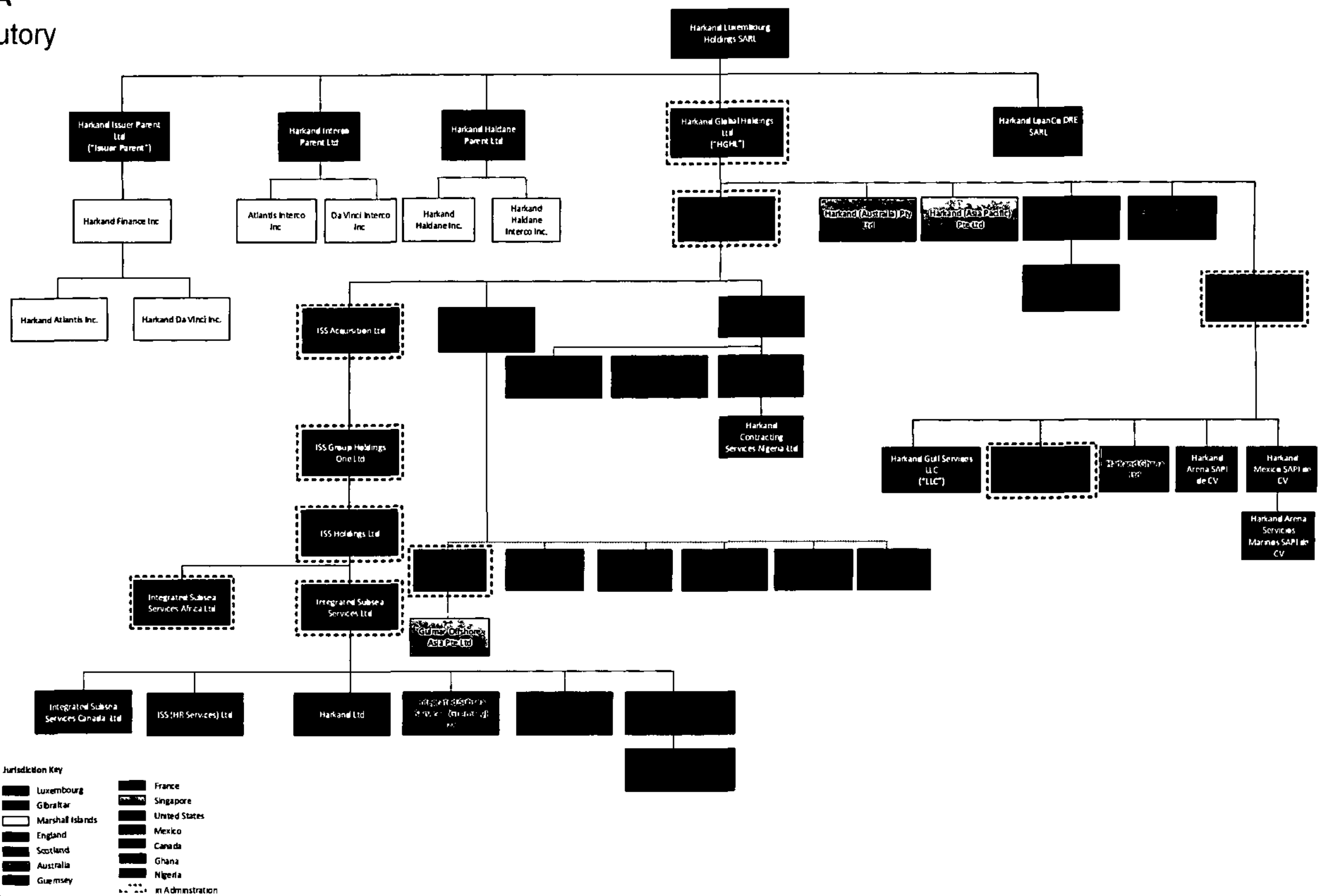
The Scottish Companies

Statutory information - The Scottish Companies

	Harkand Global Holdings Limited	ISS Acquisition Limited	ISS Group Holdings One Limited	ISS Holdings Limited	Integrated Subsea Services Limited	ISS (HR) Services Limited
Company number	SC429919	SC425999	SC394211	SC335400	SC228386	SC273791
Registered office	c/o Deloitte LLP 110 Queen Street Glasgow G1 3BX					
Trading names	-	-	-	-	-	-
Previous names	Iremis ISS Limited	-	-	-	-	-
Court	Court of Session, Edinburgh					
Company directors	Ben Gujral Thomas Michael Ernest Ehret Mathieu Jacques Guillemin Guillaume Philippe Gerry Bayol Jean-Luc Michael Laloe John Reed	Ben Gujral Thomas Michael Ernest Ehret Mathieu Jacques Guillemin Guillaume Philippe Gerry Bayol Jean-Luc Michael Laloe John Reed	Ben Gujral David Wishart Kerr John Reed	Ben Gujral David Wishart Kerr John Reed	Ben Gujral David Wishart Kerr John Reed	Ben Gujral David Wishart Kerr John Reed
Company Secretary	-	-	Blackwood Partners LLP			
Directors' shareholdings	-	-	-	-	-	-
Company Shareholders	Iremis Luxembourg Holdings SARL	Harkand EMEA Limited	ISS Acquisition Limited	ISS Group Holdings One Limited	ISS Holdings Limited	Integrated Subsea Services Limited

Appendix A
Group Statutory information

HARKAND GROUP STRUCTURE CHART



Appendix B
Directors' summary Statement of Affairs

General

Joint Administrators' comments

The Joint Administrators are currently requesting Statements of Concurrence from the directors As soon as these are received, the directors' Statement of Affairs, along with any Statements of concurrence and a full list of creditors will be posted to the insolvency website

The directors' Statement of Affairs values were provided in US dollars and have been exchanged into Sterling using the Bank of England exchange rate at the date of appointment, being $1 = £0 6905

In accordance with the standard format of the Statement of Affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees)

Specific comments regarding the Statements of Affairs for the Companies are detailed below

Investments other than marketable securities

Investments represents the accounting value of investments in subsidiaries and as such have little or no realisable value with the exception of ISS which may (depending on the sale mechanism) receive an element of sale consideration from the disposal of Andrews Survey

Intercompany trading

Given the complexity of the Group and the various intragroup trading positions, there are significant receivable and payable balances in respect of the Companies Whilst there may be unsecured distributions, which intercompany creditors can participate in, the outcome of any estimated recoveries from these balances cannot be confirmed, at this stage, given the ongoing asset realisation strategy across the Group

Trade Debtors – HGHL and ISSHR

Although listed in the SofA as trade debtors, these balances are all intra-group trading balances and are unlikely to realise any value for creditors

Other Property – HGHL

This represents the capitalised value of the costs incurred on the production of the Haldane vessel The vessel has not been completed and is not owned by the Group The owners of the part finished vessel will likely seek to sell the work in progress There is no prospect of any realisations to the estate from this asset

Loans and Advances – ISS

These balances are all intra-group trading balances and are unlikely to realise any value for creditors

Unsecured creditors

Unsecured creditors across the Group include significant intercompany credit balances which rank pari passu to unsecured creditors

Appendix B
Directors' summary Statement of Affairs

Harkand Global Holdings Limited & ISS Acquisition Limited

HGHL

Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Nil	-	-
Less Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Cash at Bank	246 254	246 254
Trade Debtors	21,570,223	-
Loans and Advances	599,139	191,188
Leasehold property - tenants improvements	64,468	-
Plant Machinery and Vehicles IT/Software	1 230 904	69,050
Furniture and Fittings etc Office Equipment	115 686	13 810
Investments other than marketable securities	92 578 677	-
Other Property (Haldane - New Build under construction)	28 446 551	-
Estimated total assets available for preferential creditors	144,851,902	520 302
Preferential creditors		(128 144)
Estimated deficiency / surplus to preferential creditors		392,158
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		392 158
Debt secured by floating charges		-
Estimated deficiency / surplus after floating charges		392,158
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		392,158
Unsecured non-preferential claims		(164 358 963)
Estimated deficiency / surplus to creditors		(163,966 805)
Called up share capital		(26 071 075)
Estimate deficiency / surplus to members		(190,037,879)

ISSA

Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Nil	-	-
Less Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Investments other than marketable securities	22 711 583	-
Estimated total assets available for preferential creditors	22 711 583	-
Preferential creditors		-
Estimated deficiency / surplus to preferential creditors		-
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		-
Debt secured by floating charges		
Estimated deficiency / surplus after floating charges		-
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		-
Unsecured non-preferential claims		(15 520 533)
Estimated deficiency / surplus to creditors		(15 520 533)
Called up share capital		(11 420 409)
Estimate deficiency / surplus to members		(26,940,942)

Appendix B

Directors' summary Statement of Affairs

ISS Group Holdings One Limited
&
ISS Holdings Limited

ISSG

Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Nil	-	-
Less Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Cash at Bank	6,721	6,721
Trade debtors	13,071	-
Loans and advances	11	-
Investments other than marketable advances	201,011	-
Estimated total assets available for preferential creditors	220 814	6 721
Preferential creditors		-
Estimated deficiency / surplus to preferential creditors		6,721
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		6,721
Debt secured by floating charges		-
Estimated deficiency / surplus after floating charges		6,721
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		6 721
Unsecured non-preferential claims		(4,425 413)
Estimated deficiency / surplus to creditors		(4,418,692)
Called up share capital		(22)
Estimate deficiency / surplus to members		**(4,418,714)**

ISSH

Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Nil	-	-
Less Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Cash at Bank	5 624	5 624
Trade Debtors	512 394	-
Investments other than marketable securities	12,795,927	-
Estimated total assets available for preferential creditors	13 313 945	5 624
Preferential creditors		-
Estimated deficiency / surplus to preferential creditors		5,624
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		5 624
Debt secured by floating charges		-
Estimated deficiency / surplus after floating charges		5 624
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		5 624
Unsecured non-preferential claims		(51 129 421)
Estimated deficiency / surplus to creditors		(51 123 797)
Called up share capital		(139 395 782)
Estimate deficiency / surplus to members		**(190,519,579)**

Appendix B
Directors' summary Statement of Affairs

ISS (HR Services) Limited
&
Integrated Subsea Services Limited

ISSHR

Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Nil	-	-
Less Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Trade Debtors	1,727,195	-
Loans and advances	660	660
Estimated total assets available for preferential creditors	1,727,855	660
Preferential creditors		(15,824)
Estimated deficiency / surplus to preferential creditors		(15,164)
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		(15 164)
Debt secured by floating charges		-
Estimated deficiency / surplus after floating charges		(15 164)
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		(15 164)
Unsecured non-preferential claims		(2,306 996)
Estimated deficiency / surplus to creditors		(2,322,160)
Called up share capital		(1)
Estimate deficiency / surplus to members		(2,322,161)

ISS

Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Nil	-	-
Less Amounts due to fixed charge holders	-	
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Cash at Bank	1 448 162	1 448 162
Trade Debtors	48 809 275	650 000
Loans and advances	34 303,885	44,282
Stock in trade	377,951	-
Leasehold property	55 356	-
Plant Machinery and Vehicles	472 371	100 000
Furniture and Fittings	174,552	20 000
Investments other than marketable securities	8,139,502	-
Estimated total assets available for preferential creditors	93 781 054	2 262 444
Preferential creditors		(328 775)
Estimated deficiency / surplus to preferential creditors		1 933 669
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		1 933 669
Debt secured by floating charges		-
Estimated deficiency / surplus after floating charges		1 933 669
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		1 933 669
Unsecured non-preferential claims		(133 444 635)
Estimated deficiency / surplus to creditors		(131 510,966)
Called up share capital		(89 920)
Estimate deficiency / surplus to members		(131,600,886)

Appendix B
Directors' summary Statement of Affairs

Harkand EMEA Limited
&
Harkand Gulf Contracting Limited

EMEA
Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Nil	-	
Less Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders		-
Assets subject to floating charge		
Investments	70 632 650	-
VAT	1,726	
Intercompany Trading Account	84 085,638	-
Intercompany Current Account	32 633 040	-
Estimated total assets available for preferential creditors	187 353 054	-
Preferential creditors		-
Estimated deficiency / surplus to preferential creditors		-
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		-
Debt secured by floating charges		-
Estimated deficiency / surplus after floating charges		-
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		-
Unsecured non-preferential claims		(83 885 045)
Estimated deficiency / surplus to creditors		(83 885 045)
Called up share capital		(103 262 766)
Estimate deficiency / surplus to members		**(187,147,811)**

HGCL
Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Nil	-	-
Less Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Trade Receivables	8 310 181	2 493 054
Provision for doubtful debt	531 895	-
Deferred expenditure	231 717	-
Intercompany trading account	1 298 212	-
Intercompany current account	7 758 334	
Estimated total assets available for preferential creditors	18 130 339	2 493 054
Preferential creditors		-
Estimated deficiency / surplus to preferential creditors		2 493 054
Estimated prescribed part of net property		
Estimated total assets available for floating charge holders		2 493 054
Debt secured by floating charges		-
Estimated deficiency / surplus after floating charges		2 493 054
Estimated prescribed part of net property (brought down)		
Total assets available to unsecured creditors		2 493 054
Unsecured non-preferential claims		(92 620 569)
Estimated deficiency / surplus to creditors		(90 127 515)
Called up share capital		(69)
Estimate deficiency / surplus to members		**(90,127,584)**

Appendix B
Directors' summary Statement of Affairs

Harkand Gulf Limited

HGL

Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Nil	-	-
Less Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Investments	276 587	-
Intercompany account	30,573 529	-
Estimated total assets available for preferential creditors	30 850 116	-
Preferential creditors		-
Estimated deficiency / surplus to preferential creditors		-
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		-
Debt secured by floating charges		-
Estimated deficiency / surplus after floating charges		-
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		-
Unsecured non-preferential claims		(33 409 584)
Estimated deficiency / surplus to creditors		(33 409 584)
Called up share capital		(69)
Estimate deficiency / surplus to members		(33,409,653)

Appendix B
Directors' summary Statement of Affairs

Harkand (AME) Limited
Summary financials

Harkand (AME) Limited Summary profit and loss account

$'000	Statutory Accounts for 12 months to 31-Dec-14	Statutory Accounts for 12 months to 31-Dec-13	Statutory Accounts for 12 months to 31-Dec-12
Turnover	28 105	69,946	14,227
Cost of Sales	(25,762)	(55,177)	-
Gross Profit	**2,343**	**14,769**	**14,227**
Gross Margin %	8%	21%	100%
Other Income	-	218	-
Other Expenses	(74)	(5,002)	(28,345)
Administrative costs	(19,476)	(9,037)	(10,462)
(Loss)/EBIT	**(17,207)**	**948**	**(24,580)**

Source Statutory accounts

Harkand (AME) Limited Summary balance sheet

$'000	Statutory Accounts for 12 months to 31-Dec-14	Statutory Accounts for 12 months to 31-Dec-13	Statutory Accounts for 12 months to 31-Dec-12
Tangible assets	-	3,371	5,211
Intangible assets	15	15	15
Fixed assets	**15**	**3,386**	**5,226**
Stock	120	1 373	795
Debtors	131,027	142,041	73,276
Cash	1,530	7 257	3,613
Current Assets	**132,677**	**150,671**	**77,684**
Trade creditors	(171,060)	(164 470)	(99,327)
Loan	-	(10,487)	(9 901)
Total Liabilities	**(171,060)**	**(174,957)**	**(109,228)**
Net Liabilities	**(38,368)**	**(20,900)**	**(26,318)**

Source Statutory accounts

Overview of financial information

Extracts from the audited AME accounts for the 12 months ending 31 December 2012, 2013 and 2014 are shown opposite A copy of the recent management accounts for AME has not been provided by the director

Please note that this information has not been verified by the Joint Administrators or by Deloitte

This financial information has been provided only in respect of AME as the Joint Administrators have not yet received the directors' Statement of Affairs for AME

Appendix C

Joint Administrators Receipts and Payments Accounts

Harkand Global Holdings Limited

HGHL

Joint Administrators' receipts and payments account

4 May 2016 to 24 June 2016

£	SoA values	Notes	To date
Receipts			
Sale consideration - IP, IT assets		B	61,576 65
Cash at Bank	246 254	A	260,526 65
Bank Interest Gross			50 93
Loans and advances	191,188		-
Plant, Machinery, vehicles and IT Software	69,050		-
Furniture and Fittings	13,810		-
Total receipts	520,302		322,154 23
Payments			
Employee Expenses			2,108 82
Postage & Redirection			260 00
Wages & Salaries			80 213 99
Pensions			4,217 22
Legal Fees			2,800 00
Legal disbursements			700 00
Bank Charges			2 00
Total payments			90,302 03
Balance			231,852 20
Made up of			
I/B Current A/c			231 152 20
VAT Receivable			700 00
Balance in hand			231,852 20

Notes to the receipts and payments account

A Funds totalling £260,527 were realised from the HGHL pre-appointment bank account, representing the balance at the date of appointment

B £61,577 was realised in HGHL from the sale of shares and IT equipment to Ethos

All funds are held in an interest bearing account

All sums shown opposite are shown net of VAT, which is recoverable/payable and will be accounted for to HMRC in due course

The directors' Statement of Affairs values were provided in US dollars and have been exchanged into Sterling using the Bank of England exchange rate at the date of appointment, being $1 = £0 6905

Appendix C
Joint Administrators Receipts and Payments Accounts

ISS Acquisition Limited

ISSA

Joint Administrators' receipts and payments account 4 May 2016 to 24 June 2016

£	*SoA values*	To date
Receipts		
Nil	-	-
Total receipts	-	-
Payments		
Nil		-
Total payments		-
Balance		-
Made up of		
-		-
Balance in hand		-

Notes to the receipts and payments account

No receipts or payments have been incurred in the period for ISSA

Any funds received will be held in an interest bearing account

Appendix C
Joint Administrators Receipts and Payments Accounts

ISS Group Holdings One Limited

ISSG
Joint Administrators' receipts and payments account 4 May 2016 to 24 June 2016

£	SoA values	Notes	To date
Receipts			
Bank Interest Gross			1 15
Cash at Bank	*6,721*	*A*	6,720 93
Total receipts	***6,721***		**6,722 08**
Payments			
Legal Fees			1,000 00
Total payments			**1,000 00**
Balance			**5,722 08**
Made up of			
I/B Current A/c			5,522 08
VAT Receivable			200 00
Balance in hand			**5,722 08**

Notes to the receipts and payments account

A Funds totalling £6,721 were realised from the ISSG pre-appointment bank account, representing the balance at the date of appointment

All funds are held in an interest bearing account

All sums shown opposite are shown net of VAT, which is recoverable/payable and will be accounted for to HMRC in due course

Appendix C

Joint Administrators Receipts and Payments Accounts

ISS Holdings Limited

ISSH

Joint Administrators' receipts and payments account 4 May 2016 to 24 June 2016

£	SoA values	Notes	To date
Receipts			
Cash at Bank	*5,624*	*A*	5,300 03
Bank Interest Gross			0 80
Total receipts	***5,624***		**5,300 83**
Payments			
Legal Fees			1,000 00
Total payments			**1,000 00**
Balance			**4,300 83**
Made up of			
I/B Current A/c			4,100 83
VAT Receivable			200 00
Balance in hand			**4,300 83**

Notes to the receipts and payments account

A Funds totalling £5,300 were realised from the ISSH pre-appointment bank account, representing the balance at the date of appointment

All funds are held in an interest bearing account

All sums shown opposite are shown net of VAT, which is recoverable/payable and will be accounted for to HMRC in due course

Appendix C

Joint Administrators Receipts and Payments Accounts

ISS (HR Services) Limited

ISSHR

Joint Administrators' receipts and payments account
4 May 2016 to 24 June 2016

£	*SoA values*	To date
Receipts		
Bank Interest Gross		0 29
Intercompany loan from ISS		8,331 93
Cash at Bank	*660*	-
Total receipts	*660*	**8,332 22**
Payments		
Wages & Salaries		7,838 86
Pension		493 07
Total payments		**8,331 93**
Balance		**0 29**
Made up of		
I/B Current A/c		0 29
Balance in hand		**0 29**

Notes to the receipts and payments account

ISS provided funding to ISSHR who employed the human resources staff for the Group and who were retained post appointment to assist with winding down the business

All funds are held in an interest bearing account

All sums shown opposite are shown net of VAT, which is recoverable/payable and will be accounted for to HMRC in due course

Appendix C

Joint Administrators Receipts and Payments Accounts

Integrated Subsea Services Limited

ISS

Joint Administrators' receipts and payments account
4 May 2016 to 24 June 2016

£	SoA values	Notes	To date
Receipts			
Furniture & Equipment	20 000		62 50
Book Debts	650,000		453,151 21
Cash at Bank	1,448,162	A	1,218,442 62
Bank Interest Gross			226 60
Third Party Funds			3 770 41
Loans and Advances	44,282		-
Plant, Machinery and Vehicles	100,000		-
Total receipts	2,262,444		1,675,653 34
Payments			
Intercompany loan to Guernsey for salaries		B	15,000 00
Employee Expenses			2,107 18
Wages & Salaries			158,350 09
Pensions			17,055 50
Intercompany loan to ISS HR		C	8,331 93
Contractor fees			4,242 63
Leasehold property arrears ransom			43,784 87
Ransom costs			47,566 20
Transport costs			6,194 84
Legal Fees			1,000 00
Waste disposal			361 42
Telephone & Internet			2,606 64
Hire equipment			1,331 10
Cleaning			1,478 69
Rent			4,713 11
Property service charges + other			1,776 19
Bank Charges			6 20
Total payments			315,906 59
Balance			1,359,746 75
Made up of			
VAT Receivable			3,864 84
I/B Current A/c			1,355,894 41
VAT Payable			(12 50)
Balance in hand			1,359,746 75

Notes to the receipts and payments account

A Funds totalling £1,218,443 were realised from the ISS pre-appointment bank account, representing the balance at the date of appointment

B Short term funding of £15,000 was provided to ISS Guernsey to meet the costs of retaining an employee based in Nigeria to assist with the collection of a debtor balance due to a Group subsidiary company This balance will be repaid by EMEA, which will then be repaid from any debtor recoveries made

C Funding of £8,331 93 was provided to ISSHR who employed the Group's HR staff and who were retained for a short period post appointment to the assist with the wind-down process and deal with Group employee redundancy matters

All funds are held in an interest bearing account

All sums shown opposite are shown net of VAT, which is recoverable/payable and will be accounted for to HMRC in due course

Appendix C

Joint Administrators Receipts and Payments Accounts

Harkand EMEA Limited

EMEA

Joint Administrators' receipts and payments account

4 May 2016 to 24 June 2016

£	SoA values	To date
Receipts		
Sale consideration - Shares in Africa		154,544 05
Bank Interest Gross		20 60
VAT	*1,726*	-
Total receipts	*1,726*	**154,564 65**
Payments		
Postage & Redirection		260 00
Intercompany loan to AME		16,689 86
Legal Fees		4,200 00
Total payments		**21,149 86**
Balance		**133,414 79**
Made up of		
I/B Current A/c		132,574 79
VAT Receivable		840 00
Balance in hand		**133,414 79**

Notes to the receipts and payments account

EMEA provided funding to its subsidiary, AME to meet the wind down costs of the UAE branch

All funds are held in an interest bearing account

All sums shown opposite are shown net of VAT, which is recoverable/payable and will be accounted for to HMRC in due course

The directors' Statement of Affairs values were provided in US dollars and have been exchanged into Sterling using the Bank of England exchange rate at the date of appointment, being $1 = £0 6905

Appendix C

Joint Administrators Receipts and Payments Accounts

Harkand Gulf Contracting Limited

HGCL

Joint Administrators' receipts and payments account
4 May 2016 to 24 June 2016

£	SoA values	Notes	To date
Receipts			
Sale consideration - Customer contracts		B	309,534 56
Sale consdieration - Shares in Mexico SA			928 57
Cash at Bank		A	382 383 98
Bank Interest Gross			121 71
Book Debts		C	506,855 38
Trade receivables	2 493,054		-
Total receipts	2,493,054		**1,199,824 20**
Payments			
Postage & Redirection			260 00
Legal Fees			1,200 00
Total payments			**1,460 00**
Balance			**1,198,364.20**
Made up of			
I/B Current A/c			1,198,364 20
Balance in hand			**1,198,364 20**

Notes to the receipts and payments account

A Funds totalling £382,384 were realised from the HGCL pre-appointment bank account, representing the balance at the date of appointment

B Sale consideration – customer contracts formed part of the pre-packaged sale transaction

C Book debts of £506,855 have been collected from customers of HGCL post appointment

All funds are held in an interest bearing account

All sums shown opposite are shown gross of VAT HGCL was not registered for VAT purposes and therefore these VAT sums are irrecoverable

The directors' Statement of Affairs values were provided in US dollars and have been exchanged into Sterling using the Bank of England exchange rate at the date of appointment, being $1 = £0 6905

Appendix C
Joint Administrators Receipts and Payments Accounts

Harkand Gulf Limited

HGL
Joint Administrators' receipts and payments account
4 May 2016 to 24 June 2016

£	SoA values	To date
Receipts		
Sale consideration - Shares in LLC		0 62
Sale consideration - Shares in Arena SAP		0 62
Sale consideration - Shares in Mexico SA		91,438 27
Bank Interest Gross		12 53
Total receipts	-	**91,452 04**
Payments		
Postage & Redirection		260 00
Legal Fees		1,200 00
Corporation Tax		26,707 98
Bank Charges		16 00
Total payments		**28,183 98**
Balance		**63,268 06**
Made up of		
I/B Current A/c		63,268 06
Balance in hand		**63,268 06**

Notes to the receipts and payments account

£91,438 was realised in HGL from the sale of shares in Mexico SA to Ethos

All funds are held in an interest bearing account

All sums shown opposite are shown net of VAT HGL was not registered for VAT purposes and therefore these sums are irrecoverable

Appendix C

Joint Administrators Receipts and Payments Accounts

Harkand (AME) Limited

AME

Joint Administrators' receipts and payments account
4 May 2016 to 24 June 2016

£	*SoA values*	*Notes*	**To date**
Receipts			
Cash at Bank		*A*	5,067 20
Bank Interest Gross			0 39
Intercompany loan from EMEA			16,689 86
Total receipts	*TBC*		**21,757 45**
Payments			
Employee Expenses			3,728 65
Postage & Redirection			260 00
Bank Charges			12 20
Professional Fees			17,403 10
Total payments			**21,403 95**
Balance			**353 50**
Made up of			
I/B Current A/c			353 50
Balance in hand			**353 50**

Notes to the receipts and payments account

A Funds totalling £5,067 were realised from the AME pre-appointment bank account, representing the balance at the date of appointment

All funds are held in an interest bearing account

All sums shown opposite are shown net of VAT, which is recoverable/payable and will be accounted for to HMRC in due course

Please note that the directors' Statement of Affairs has not yet been received for AME A copy of this will be posted on the insolvency website upon receipt

Appendix D
Joint Administrators Remuneration and Disbursements

The English Companies

Fees Estimate

For the purposes of the fees estimate, the average rate per hour shown for each work activity is based on the estimated time that will be spent by each grade of staff at their specific charge - out rate on that activity

Time Costs to date

These are shown as the average rate per hour for each activity based on the actual time spent by each grade of staff at their specific charge - out rate

Joint Administrators' Fees Estimate

Our fees estimates detailing the work that we anticipate will need to be undertaken on this case for the duration of the appointment together with estimates of the likely cost and amount of time that each part of that work will take to complete, are provided on the following pages

The work anticipated to be undertaken has been categorised by activity which we hope is self explanatory Please also refer to our Post Appointment Strategy on pages 18 to 21, where we have talked in more detail about specific tasks on these cases

We have also separately identified and grouped those work activities that are primarily administrative in nature (including tasks required for statutory, regulatory or compliance purposes) from activities which can be seen to directly add value to the case, such as asset realisation or dealing with claims

Time costs incurred to date

As indicated on pages 26 to 27, we intend to invite creditors and the creditors' committee, if elected, to fix our fees on a time costs basis An analysis of our time costs to 24 June 2016 and average costs for work undertaken to 24 June 2016 is also provided in the fees estimates on the following pages

Please note that all partners and technical staff (including cashiers) assigned to the case record their time spent working on the case on a computerised time recording system Time spent by secretarial staff working on the assignment is not recorded or recovered The appropriate staff will be assigned to work on each aspect of the case based upon their seniority and experience, and having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed

Time is charged in six minute increments

Appendix D
Fee Estimate

Harkand EMEA Limited

EMEA

Activity		Anticipated hours	Avg Rate £/h	Anticipated time costs (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	17 7	530	9,381	3 3	490	1,617
	Case supervision	33 2	529	17,547	4 4	363	1,578
	Case reviews	8 4	463	3,888	-	-	-
	Case closure matters	8 5	505	4,293	-	-	-
	External joint appointees	-	-	-	-	-	-
Statutory & compliance	Compliance & IPS diary	12 0	543	6,510	6 3	341	2,150
	Insurance	11 5	582	6,690	0 4	315	126
	General reporting	53 5	534	28,545	8 9	322	2,870
	Statutory meetings	-	-	-	-	-	-
	Regulatory & other legislation	-	-	-	-	-	-
	Court applications	-	-	-	-	-	-
Initial actions	Appointment matters	2 5	820	2,050	-	-	-
	Securing assets	-	-	-	-	-	-
	Notifications	19 5	439	8,554	16 3	417	6,790
Investigations	CDDA reporting	18 0	500	9,003	-	-	-
	Investigations	8 5	541	4,600	-	-	-
Taxation	Tax	18 6	511	9,510	0 3	822	247
	VAT	16 8	364	6,116	4 2	833	3,500
Correspondence	Creditors	10 5	425	4,463	10 3	382	3,911
	Committee	-	-	-	-	-	-
	Shareholders	0 1	425	43	-	-	-
	Customers	-	-	-	-	-	-
	Press & media queries	-	-	-	-	-	-
Total		**239 8**	**506**	**121,402**	**54 3**	**419 7**	**22,788**

Appendix D
Fee Estimate

Harkand Gulf Contracting Limited

HGCL

Activity		Anticipated hours	Avg Rate £/h	Anticipated time costs (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	254 0	515	130,935	30 6	749	22,914
	Case supervision	299 2	527	157,770	51 8	966	49,985
	Case reviews	10 5	466	4,898	-	-	-
	Case closure matters	16 0	523	8,373	-	-	-
	External joint appointees	-	-	-	-	-	-
Statutory & compliance	Compliance & IPS diary	12 0	543	6,510	5 8	332	1,910
	Insurance	11 5	582	6,690	0 4	315	126
	General reporting	80 3	534	42,818	10 5	326	3,418
	Statutory meetings	-	-	-	-	-	-
	Regulatory & other legislation	2 4	543	1,302	-	-	-
	Court applications	-	-	-	-	-	-
Initial actions	Appointment matters	-	-	-	-	-	-
	Securing assets	-	-	-	-	-	-
	Notifications	30 1	461	13,885	16 3	417	6,775
Investigations	CDDA reporting	18 0	500	9,003	-	-	-
	Investigations	8 5	541	4,600	-	-	-
Taxation	Tax	23 9	583	13,934	1 0	964	964
	VAT	6 4	384	2,460	2 1	848	1,781
Asset realisations	Third party assets	-	-	-	-	-	-
	Book debts	370 0	627	232,025	30 0	736	22,065
	Chattel assets	-	-	-	-	-	-
	Other assets	70 0	598	41,825	-	-	-
	Property	-	-	-	-	-	-
	Retention of title	-	-	-	-	-	-
	Sale of business	66 5	785	52,205	3 5	315	1,103
	Antecedent transactions	-	-	-	-	-	-
Correspondence	Creditors	87 2	425	37,039	15 6	359	5,581
	Committee	-	-	-	-	-	-
	Shareholders	0 1	425	43	-	-	-
	Customers	-	-	-	-	-	-
	Press & media queries	12 6	853	10,752	-	-	-
Distributions	Secured creditors	-	-	-	-	-	-
	Preferential creditors	-	-	-	-	-	-
	Unsecured creditors	40 5	355	14,396	-	-	-
	Shareholder	-	-	-	-	-	-
Total		**1,419 6**	**558**	**791,459**	**167 4**	**696 7**	**116,621**

Appendix D
Fee Estimate

Harkand Gulf Limited

HGL

Activity		Anticipated hours	Avg Rate £/h	Anticipated time costs (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	17.7	530	9,381	3.3	547	1,806
	Case supervision	33.2	529	17,547	4.3	361	1,535
	Case reviews	8.4	463	3,888	-	-	-
	Case closure matters	8.5	505	4,293	-	-	-
	External joint appointees	-	-	-	-	-	-
Statutory & compliance	Compliance & IPS diary	9.6	543	5,208	6.3	333	2,079
	Insurance	5.8	582	3,345	0.4	315	126
	General reporting	53.5	534	28,545	9.1	322	2,933
	Statutory meetings	-	-	-	-	-	-
	Regulatory & other legislation	2.4	543	1,302	-	-	-
	Court applications	-	-	-	-	-	-
Initial actions	Appointment matters	-	-	-	-	-	-
	Securing assets	-	-	-	-	-	-
	Notifications	19.5	439	8,554	16.3	417	6,775
Investigations	CDDA reporting	18.0	500	9,003	-	-	-
	Investigations	8.5	541	4,600	-	-	-
Taxation	Tax	18.4	482	8,863	5.9	991	5,799
	VAT	16.0	384	6,150	6.5	846	5,498
Correspondence	Creditors	14.0	425	5,950	10.1	383	3,848
	Committee	-	-	-	-	-	-
	Shareholders	0.1	425	43	-	-	-
	Customers	-	-	-	-	-	-
	Press & media queries	-	-	-	-	-	-
Total		233.6	500	116,670	62.0	490.7	30,398

Appendix D
Fee Estimate

Harkand (AME) Limited

AME

Activity		Anticipated hours	Avg Rate £/h	Anticipated time costs (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	17 7	530	9,381	2 8	509	1,426
	Case supervision	33 2	529	17,547	4 0	351	1,387
	Case reviews	8 4	463	3,888	-	-	-
	Case closure matters	8 5	505	4,293	-	-	-
	External joint appointees	-	-	-	-	-	-
Statutory & compliance	Compliance & IPS diary	9 6	543	5,208	6 0	330	1,978
	Insurance	2 9	582	1,673	0 4	315	126
	General reporting	53 5	534	28,545	10 8	321	3,469
	Statutory meetings	-	-	-	-	-	-
	Regulatory & other legislation	2 4	543	1,302	-	-	-
	Court applications	-	-	-	-	-	-
Initial actions	Appointment matters	-	-	-	-	-	-
	Securing assets	-	-	-	-	-	-
	Notifications	16 5	504	8,301	16 1	418	6,727
Investigations	CDDA reporting	18 0	500	9,003	-	-	-
	Investigations	8 5	541	4,600	-	-	-
Taxation	Tax	3 7	476	1,762	-	-	-
	VAT	6 3	404	2,545	0 3	523	157
Trading	Day 1 control of trading	-	-	-	-	-	-
	Ongoing trading	-	-	-	-	-	-
	Monitoring trading	-	-	-	-	-	-
	Closure of trade	7 5	655	4,913	-	-	-
Employees	Consultation	-	-	-	-	-	-
	Correspondence	-	-	-	-	-	-
	Employment tribunals	-	-	-	-	-	-
	Pensions	0 5	425	213	-	-	-
Correspondence	Creditors	15 2	425	6,460	10 5	383	4,007
	Committee	-	-	-	-	-	-
	Shareholders	0 1	425	43	-	-	-
	Customers	-	-	-	-	-	-
	Press & media queries	-	-	-	-	-	-
Distributions	Secured creditors	-	-	-	-	-	-
	Preferential creditors	-	-	-	-	-	-
	Unsecured creditors	1 6	315	504	-	-	-
	Shareholder	-	-	-	-	-	-
Total		**214 1**	**515**	**110,178**	**50 8**	**379 5**	**19,276**

Appendix D
Joint Administrators Remuneration and Disbursements

The Scottish Companies

Joint Administrators' time costs incurred to date

A detailed breakdown of our time costs for the period from 4 May 2016 to 24 June 2016 is shown on the next pages

Statutory Tasks and Administration

Some of the work we perform is required by statute or best practice guidance and will not result in any financial benefit for creditors other than to ensure that our work is conducted in a competent and compliant manner Such work includes but is not limited to matters such as – case set up for six cases, periodic case reviews, cashiering and bank reconciliations, statutory reporting, VAT We estimate that the case will be open for 12 months however an extension of the Administration may be sought

Charge out rates

The average charge out rates applicable to the administrations are provided in the tables on the following pages

The above bands are specific to the Restructuring Services department partners and staff In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Financial Advisory or Deloitte Real Estate may be required on the case These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system Time spent by secretarial staff working on the assignment has not been recorded or recovered The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed

Charge out rates increased on 1 September 2015

Restructuring Services charge out rates (£/hour)

Grade	From 1 Sept 2015
Partners & Directors	645 - 1,020
Assistant Directors	500 - 770
Managers	430 - 695
Assistant Managers	325 - 550
Assistants & Support	80 - 325

Appendix D
Joint Administrators Remuneration and Disbursements

The Scottish Companies

Time is charged in six minute increments The work undertaken has been categorised into the following task headings

Statutory Tasks and Administration

- Formulating and implementing an appropriate strategy for each company,
- Case set-up and maintenance, data capture for each entity,
- Case management, compliance, appointment notifications, correspondence and cashiering functions, and
- Statutory notifications and reporting

Trading

- Wind down of trading

Assets

- Book debt realisations including correspondence with agents and debtors,
- Third party asset queries and ROT claims,
- Sale of business including correspondence, planning and strategy resulting in the pre-packaged sale,
- Correspondence with suppliers and agents relating to ROV assets, and
- Property and utility issues relating to the ISS leasehold properties in Aberdeen and Hammersmith

Creditors

- Correspondence and statutory notifications with circa 700 unsecured creditors and circa 200 employees (relating to the Scottish Companies),
- Works undertaken relating to pensions and health and safety considerations, and
- Reviewing preferential and unsecured creditors claims

Case specific matters

- Specific Tax and VAT matters in relation to the Companies, including statutory notifications including overseas entities

Appendix D

Time cost summary

Harkand Global Holdings Limited

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	0 15	136 50	0 50	342 50	1 60	778 00	4 20	1 641 00	1 10	270 50	7 55	3,168 50	419 67
Case Management and Closure	7 00	7,140 00	22 00	11,000 00	0 30	159 00	3 70	1,277 50	8 35	1,775 50	41 35	21 352 00	516 37
Initial Actions	10 50	6,772 50	34 45	19,115 00	0 40	172 00	-	-	32 30	7,638 00	77 65	33,697 50	433 97
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	1 05	220 50	1 05	220 50	210 00
General Reporting	-	-	4 00	2,000 00	-	-	1 70	552 50	6 60	1 356 00	12 30	3,908 50	317 76
	17 65	14,049 00	60 95	32,457 50	2.30	1,109 00	9 60	3,471 00	49 40	11,260 50	139 90	62,347 00	445 65
Trading													
Ongoing Trading	-	-	-	-	-	-	4 00	1 340 00	-	-	4 00	1 340 00	335 00
Closure of Trade	-	-	8 00	4 000 00	-	-	-	-	-	-	8 00	4 000 00	500 00
	-	-	8 00	4,000 00	-	-	4 00	1,340 00	-	-	12 00	5,340 00	445 00
Realisation of Assets													
Book Debts	-	-	7 50	3,750 00	-	-	-	-	-	-	7 50	3 750 00	500 00
Other Assets (e g Stock)	-	-	53 00	37 030 00	-	-	-	-	-	-	53 00	37,030 00	698 68
Chattel Assets	-	-	7 00	5,390 00	-	-	-	-	-	-	7 00	5,390 00	770 00
Property - Freehold and Leasehold	-	-	7 50	4 207 50	-	-	-	-	-	-	7 50	4,207 50	561 00
Sale of Business / Assets	-	-	34 50	25,332 50	-	-	-	-	-	-	34 50	25,332 50	734 28
	-	-	109 50	75,710 00	-	-	-	-	-	-	109 50	75,710 00	691 42
Creditors													
Employees	-	-	2 00	1 000 00	-	-	47 90	18 566 50	5 00	1 075 00	54 90	20,641 50	375 98
Secured	-	-	7 00	3 500 00	-	-	-	-	-	-	7 00	3 500 00	500 00
Unsecured	14 00	9 662 50	1 50	750 00	-	-	-	-	11 00	2,488 25	26 50	12 900 75	486 82
	14 00	9,662 50	10 50	5,250 00	-	-	47 90	18,566 50	16 00	3,563 25	88 40	37,042 25	419 03
Case Specific Matters													
Pensions	-	-	-	-	-	-	0 10	42 50	-	-	0 10	42 50	425 00
VAT	2 20	2 288 00	1 50	1 462 50	-	-	15 60	7,488 00	0 20	42 00	19 50	11,280 50	578 49
Tax	5 20	6 344 00	0 50	462 50	-	-	3 85	1,848 00	-	-	9 55	8,654 50	906 23
	7 40	8,632 00	2 00	1,925 00	-	-	19 55	9,378 50	0 20	42 00	29 15	19,977 50	685 33
TOTAL HOURS & COST	39 05	32,343 50	190 95	119,342 50	2.30	1,109 00	81 05	32,756 00	65 60	14,865 75	378 95	200,416 75	528 87
AVERAGE RATE/HOUR PER GRADE		£ 828 26		£ 624 99		£ 482 17		£ 404 15		£ 226 61			
FEES DRAWN												Nil	

Appendix D

Time cost summary

ISS Acquisition Limited

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	-	-	0 50	342 50	0 20	106 00	0 70	279 50	0 30	94 50	1 70	822 50	483 82
Case Management and Closure	-	-	-	-	-	-	1 60	554 00	7 05	1,501 50	8 65	2,055 50	237 63
Initial Actions	-	-	3 45	1,725 00	0 40	172 00	-	-	12 90	2,709 00	16 75	4 606 00	274 99
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	1 05	220 50	1 05	220 50	210 00
General Reporting	-	-	0 50	250 00	-	-	1 40	455 00	7 65	1,599 00	9 55	2,304 00	241 26
	-	-	4 45	2,317 50	0 60	278 00	3 70	1,288 50	28 95	6,124 50	37 70	10,008 50	265 48
Creditors													
Employees	-	-	-	-	-	-	0 30	97 50	-	-	0 30	97 50	325 00
Unsecured	-	-	1 50	750 00	-	-	-	-	3 95	841 25	5 45	1,591 25	291 97
	-	-	1 50	750 00	-	-	0 30	97 50	3 95	841 25	5.75	1,688 75	293 70
Case Specific Matters													
VAT	0 10	104 00	0 10	103 50	-	-	-	-	0 20	42 00	0 40	249 50	623 75
	0 10	104.00	0 10	103 50	-	-	-	-	0 20	42 00	0 40	249 50	623 75
TOTAL HOURS & COST	0 10	104 00	6 05	3,171 00	0 60	278 00	4 00	1,386 00	33 10	7,007 75	43 85	11,946 75	272 45
AVERAGE RATE/HOUR PER GRADE		£ 1,040 00		£ 524 13		£ 463 33		£ 346 50		£ 211 71			
FEES DRAWN												Nil	

Appendix D

Time cost summary

ISS Group Holdings One Limited

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	-	-	0 50	342 50	0 30	149 00	1 10	413 50	0 40	116 50	2 30	1 021 50	444 13
Case Management and Closure	-	-	-	-	-	-	1 70	587 50	7 35	1 563 50	9 05	2 151 00	237 68
Initial Actions	-	-	3 45	1,725 00	0 40	172 00	-	-	12 70	2,667 00	16 55	4 564 00	275 77
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	1 05	220 50	1 05	220 50	210 00
General Reporting	-	-	0 50	250 00	-	-	1 40	455 00	6 75	1,455 00	8 65	2,160 00	249 71
	-	-	4 45	2,317 50	0 70	321 00	4.20	1,456 00	28 25	6,022 50	37 60	10,117 00	269 07
Realisation of Assets													
Other Assets (e g Stock)	-	-	-	-	-	-	0 20	65 00	-	-	0 20	65 00	325 00
	-	-	-	-	-	-	0 20	65 00	-	-	0 20	65 00	325 00
Creditors													
Unsecured	-	-	1 50	750 00	-	-	-	-	4 85	1,030 25	6 35	1,780 25	280 35
	-	-	1 50	750 00	-	-	-	-	4 85	1,030 25	6 35	1,780 25	280 35
Case Specific Matters													
VAT	0 10	104 00	-	-	-	-	-	-	0 20	42 00	0 30	146 00	486 67
	0 10	104.00	-	-	-	-	-	-	0 20	42 00	0 30	146 00	486 67
TOTAL HOURS & COST	0 10	104.00	5 95	3,067 50	0 70	321 00	4 40	1,521 00	33 30	7,094 75	44 45	12,108 25	272 40
AVERAGE RATE/HOUR PER GRADE		£ 1,040 00		£ 515 55		£ 458 57		£ 345 68		£ 213 06			
FEES DRAWN												Nil	

Appendix D

Time cost summary

ISS Holdings Limited

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	-	-	0 50	342 50	0 30	149 00	1 30	498 50	0 40	116 50	2 50	1,106 50	442 60
Case Management and Closure	-	-	-	-	-	-	1 70	587 50	6 85	1 458 50	8 55	2,046 00	239 30
Initial Actions	-	-	3 45	1 725 00	0 40	172 00	-	-	13 00	2 730 00	16 85	4,627 00	274 60
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	1 05	220 50	1 05	220 50	210 00
General Reporting	-	-	0 50	250 00	-	-	1 40	455 00	6 85	1,416 00	8 75	2 121 00	242 40
	-	-	4 45	2,317 50	0 70	321 00	4 40	1,541 00	28 15	5,941 50	37 70	10,121 00	268 46
Creditors													
Unsecured	-	-	1 50	750 00	-	-	-	-	9 05	2,092 25	10 55	2,842 25	269 41
	-	-	1 50	750 00	-	-	-	-	9 05	2,092 25	10 55	2,842 25	269 41
Case Specific Matters													
VAT	0 10	104 00	-	-	-	-	-	-	0 20	42 00	0 30	146 00	486 67
	0 10	104 00	-	-	-	-	-	-	0 20	42 00	0 30	146 00	486 67
TOTAL HOURS & COST	0 10	104 00	5 95	3,067 50	0 70	321 00	4 40	1,541 00	37 40	8,075 75	48 55	13,109 25	270 02
AVERAGE RATE/HOUR PER GRADE		£ 1,040 00		£ 515 55		£ 458 57		£ 350 23		£ 215 93			
FEES DRAWN												Nil	

Appendix D

Time cost summary

ISS (HR) Services Limited

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	-	-	0 50	342 50	0 50	245 00	1 60	626 00	0 30	66 00	2 90	1 279 50	441 21
Case Management and Closure	-	-	-	-	-	-	2 10	747 50	6 95	1,481 50	9 05	2,229 00	246 30
Initial Actions	-	-	4 45	2,225 00	0 40	172 00	-	-	12 90	2,709 00	17 75	5 106 00	287 66
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	1 05	220 50	1 05	220 50	210 00
General Reporting	-	-	0 50	250 00	-	-	1 40	455 00	8 55	1,833 00	10 45	2 538 00	242 87
	-	-	5 45	2,817 50	0 90	417 00	5 10	1,828 50	29 75	6,310 00	41 20	11,373 00	276 04
Trading													
Ongoing Trading	-	-	-	-	-	-	5 00	1,675 00	-	-	5 00	1,675 00	335 00
Closure of Trade	-	-	1 00	500 00	-	-	-	-	-	-	1 00	500 00	500 00
	-	-	1 00	500 00	-	-	5 00	1,675 00	-	-	6 00	2,175 00	362 50
Creditors													
Employees	-	-	-	-	-	-	36 20	13,585 00	10 25	2,203 75	46 45	15 788 75	339 91
Unsecured	-	-	1 50	750 00	-	-	-	-	13 85	3 347 75	15 35	4,097 75	266 95
	-	-	1 50	750 00	-	-	36 20	13,585 00	24 10	5,551 50	61 80	19,886 50	321 79
Case Specific Matters													
Pensions	-	-	-	-	-	-	1 10	377 50	-	-	1 10	377 50	343 18
VAT	0 10	104 00	-	-	-	-	-	-	0 20	42 00	0 30	146 00	486 67
	0 10	104 00	-	-	-	-	1 10	377 50	0 20	42.00	1 40	523 50	373 93
TOTAL HOURS & COST	0 10	104 00	7 95	4,067 50	0 90	417 00	47 40	17,466 00	54 05	11,903 50	110 40	33,958 00	307 59
AVERAGE RATE/HOUR PER GRADE		£ 1,040 00		£ 511 64		£ 463 33		£ 368 48		£ 220 23			
FEES DRAWN												Nil	

Appendix D

Time cost summary

Integrated Subsea Services Limited

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	0 15	136 50	22 00	14 052 50	3 30	1,519 00	7 80	2,883 00	1 90	446 50	35 15	19 037 50	541 61
Case Management and Closure	69 50	68,800 00	75 00	37,500 00	-	-	19 20	6 311 00	156 05	36,231 50	319 75	148,842 50	465 50
Initial Actions	54 50	35,152 50	60 95	30,475 00	0 40	172 00	13 90	4 517 50	30 80	7,224 00	160 55	77 541 00	482 97
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	1 05	220 50	1 05	220 50	210 00
General Reporting	-	-	8 00	4 000 00	-	-	2 50	812 50	11 40	2,466 50	21 90	7,279 00	332 37
	124.15	104,089 00	165 95	86,027 50	3 70	1,691 00	43 40	14,524 00	201 20	46,589 00	538 40	252,920 50	469 76
Trading													
Day 1 Control of Trading	-	-	-	-	6 00	2,580 00	-	-	-	-	6 00	2,580 00	430 00
Ongoing Trading	-	-	-	-	1 00	430 00	11 50	3 852 50	-	-	12 50	4,282 50	342 60
	-	-	-	-	7 00	3,010 00	11 50	3,852 50	-	-	18 50	6,862 50	370 95
Realisation of Assets													
Book Debts	-	-	7 50	3,750 00	-	-	8 40	2,730 00	37 50	9,395 00	53 40	15,875 00	297 28
Other Assets (e g Stock)	158 75	115,095 00	161 50	82 370 00	127 00	67 310 00	24 10	7,832 50	48 50	11,962 50	519 85	284,570 00	547 41
Chattel Assets	-	-	10 00	5,000 00	-	-	-	-	3 50	892 50	13 50	5,892 50	436 48
Property - Freehold and Leasehold	-	-	-	-	-	-	16 10	5 232 50	-	-	16 10	5,232 50	325 00
Retention of Title	-	-	-	-	-	-	21 00	6,825 00	4 00	820 00	25 00	7,645 00	305 80
Sale of Business / Assets	-	-	51 80	35,508 50	-	-	-	-	-	-	51 80	35,508 50	685 49
Third Party Assets	-	-	4 50	2,250 00	-	-	40 10	13,032 50	1 50	382 50	46 10	15 665 00	339 80
	158 75	115,095.00	235 30	128,878 50	127 00	67,310 00	109 70	35,652 50	95 00	23,452 50	725 75	370,388 50	510 35
Creditors													
Employees	7 00	4 745 00	7 50	3 750 00	-	-	112 70	40 016 50	73 00	15,855 00	200 20	64 366 50	321 51
Unsecured	-	-	1 50	750 00	-	-	2 30	747 50	81 15	19 874 25	84 95	21,371 75	251 58
	7 00	4,745 00	9 00	4,500 00	-	-	115 00	40,764 00	154 15	35,729 25	285 15	85,738 25	300 68
Case Specific Matters													
Pensions	-	-	-	-	-	-	7 80	2 620 00	-	-	7 80	2 620 00	335 90
VAT	3 50	3 640 00	8 10	8 263 50	-	-	-	-	0 20	42 00	11 80	11 945 50	1 012 33
Tax	3 20	3 904 00	-	-	-	-	-	-	3 20	816 00	6 40	4,720 00	737 50
	6 70	7,544 00	8 10	8,263 50	-	-	7 80	2,620 00	3 40	858 00	26 00	19,285 50	741 75
TOTAL HOURS & COST	296 60	231,473 00	418 35	227,669 50	137 70	72,011 00	287 40	97,413 00	453 75	106,628 75	1,593 80	735,195 25	461 28
AVERAGE RATE/HOUR PER GRADE		£ 780 42		£ 544.21		£ 522 96		£ 338 95		£ 234 99			
FEES DRAWN												Nil	

Appendix D
Joint Administrators Remuneration and Disbursements

The English Companies

Disbursements

We estimate that the following disbursements are likely to be incurred in relation to the administrations of the English Companies

Category 1 disbursements

These are payments made by us direct to third parties and for which no approval is required

A summary of all disbursements incurred to date is given below, all figures are shown excluding VAT

Category 1 disbursements incurred

£ (net)	EMEA	HGCL	HGL	AME
Travel	-	12,034 83	-	-
Accommodation	-	406 89	-	-
Telephone	-	-	-	-
Subsistence	-	134 57	-	-
Total expenses	-	12,576 29	-	-

Our estimate of Category 1 disbursements for the duration of the English Companies administrations is given below, please note that this includes any disbursements incurred to date All figures are shown excluding VAT

Estimated Category 1 disbursements

£ (net)	EMEA	HGCL	HGL	AME
Travel	-	12,034 83	-	-
Accommodation	-	406 89	-	-
Bordereau	230 00	230 00	230 00	230 00
Statutory Advertising	84 60	84 60	84 60	84 60
Postage and Couriers	-	134 57	-	-
Total expenses	314 60	12,890 89	314 60	314 60

Category 2 disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs These may also include shared or allocated costs Specific approval is required before these costs and expenses can to be drawn from the administration estate

We estimate that no Category 2 disbursements will be incurred or drawn

Deloitte charges a fixed cost of £500 for each statutory website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointment As the website has been set up on a Group basis, only one charge will be applied equally to HGHL and ISS

To date, no disbursements have been drawn

Appendix D
Joint Administrators Remuneration and Disbursements

The Scottish Companies

Disbursements

We have provided details below of the costs or disbursements that have initially been paid by us and for which we will seek reimbursement as and when sufficient funds are realised

Category 1 disbursements

These are payments made by us direct to third parties, details of which are provided below

Category 2 disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs These may also include shared or allocated costs Specific approval is required before these costs and expenses can to be drawn from the relevant administration estate

Details of disbursements incurred to date are provided in the table below

Mileage is calculated by reference to the mileage properly incurred by the Joint Administrators and their staff, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (currently up to 45p per mile)

Deloitte charges a fixed cost of £500 for each statutory website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointment As the website has been set up on a Group basis, only one charge will be applied equally to HGHL and ISS

Category 1 disbursements incurred

£ (net)	HGHL	ISSA	ISSG	ISSH	ISSHR	ISS
Travel	25 00	-	-	-	-	9,528 53
Accommodation	-	-	-	-	-	10,020 68
Telephone	-	-	-	-	-	111 50
Parking	-	-	-	-	-	24 57
Postage/Couriers	55 00	-	-	-	-	-
Subsistence	62 00	-	-	-	-	2,366 66
Total expenses	**142 00**	-	-	-	-	22,051 94

Category 2 disbursements incurred

£ (net)	HGHL	ISSA	ISSG	ISSH	ISSHR	ISS
Mileage	-	-	-	-	-	725 72
Total disbursements	-	-	-	-	-	725 72