

The Insolvency Act 1986

Administrator's progress report

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company

Pelamis Wave Power Limited

Company number

SC182368

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

I

Blair Carnegie Nimmo
KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

administrator of the above company attach a progress report for the period

from

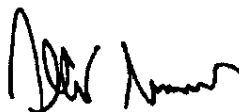
to

(b) Insert date(s)

(b) 21 November 2014

(b) 20 May 2015

Signed



Administrator

Dated

30 June 2015

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

Kirsty Marshall
KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Tel +44 (0) 131 222 2000

MONDAY



SCT

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06/07/2015

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COMPANIES HOUSE

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Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge,
Edinburgh, EH3 9FF
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2



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Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 4).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+PEB24E5700.html>. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 5).



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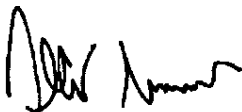
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1 Executive summary

- The directors resolved on 21 November 2014 to place the Company into administration. The notice of appointment was lodged at the Court of Session on 21 November 2014 and we were duly appointed.
- The background and events leading up to the administration were outlined in our Statement of Proposals (the 'proposals'), sent to all known creditors on 14 January 2015. The proposals were deemed to be approved without modification on 3 February 2015. This progress report covers the period from the date of our appointment to 20 May 2015
- A sale of the Company's assets to WES completed on 16 January 2015 (Section 2 - Progress to date).
- We anticipate there will be a substantial shortfall to the secured creditor, Scottish Enterprise (Section 3 - Dividend prospects).
- We anticipate that preferential creditors will receive a dividend of 100p in the £ (Section 3 - Dividend prospects).
- Unsecured creditors are unlikely to receive a dividend other than through the Prescribed Part (Section 3 - Dividend prospects).
- Following his retirement from KPMG, Gary S Fraser has resigned as Joint Administrator of the Company with effect from 10 June 2015 (Section 4 – Other matters).
- Steps will shortly be taken to pay the preferential creditor dividend and the process of adjudicating unsecured creditor claims will commence. At present, an extension to the period of administration is not being sought (Section 6 – Future strategy).
- Please note: you should read this progress report in conjunction with our proposals which were issued to the Company's creditors and can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+PEB24E5700.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Blair C Nimmo
Administrator



2 Progress to date

This section updates you on the strategy for the administration and on progress to date. It follows the information provided in the proposals.

2.1 Strategy and progress to date

Strategy

As detailed in the proposals, following a brief sales process, no buyer was found for the business and assets as a going concern. Highlands and Islands Enterprise ('HIE') acting through its subsidiary, WES, was the highest bidder for the assets of the Company.

A period of exclusivity was granted to WES until 16 January 2015 and a transaction was successfully completed on this date for a sum of £305,000. The sale to WES comprised the majority of the Company's tangible assets, intellectual property and know-how.

Following the sale of assets to WES, a licence to occupy the Company's former leasehold premises was granted to WES whilst it arranged for the assets to be transferred to its location. During the period that the licence was in place and WES occupied the premises, it was responsible for all rent, rates and utilities in relation to the site. WES provided funds in advance to enable payments to be made by the Company.

The premises have since been vacated and the keys were returned to the landlord on 27 March 2015.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2). Summaries of the most significant realisations during the period are provided below.

Intangible assets

All of the Company's intellectual property rights, patents, trademarks, copyrights and knowhow were acquired by WES.

Plant, machinery and other tangible fixed assets

The majority of plant, machinery and other tangible assets were acquired by WES. A small number of assets, primarily office equipment and a scrap motor vehicle, were disposed of on a piecemeal basis via our plant and machinery agent, GMG.

Stock

As noted in the proposals, the Company was not actively manufacturing, therefore it did not have any significant levels of stock. All stock on hand was included in the sale to WES.

Debtors

As the Company was not generating revenue, it had no trade debtors of note that we are aware of. During the period there have been some small recoveries from sundry debtors (e.g. prepaid insurance).

Cash at bank

At the date of the administration appointment, the Company's bank account held funds totalling £482,000. Shortly after our appointment, on our instruction, the Company's payroll was processed through the pre-administration bank account as a facility was not in place for payments to be made



through the administration. These payments were made in the ordinary course of business to employees in respect of post appointment wages and salaries. The balance of funds, approximately £390,000, was transferred to the administration bank account.

In addition, the Company's bank, The Royal Bank of Scotland Plc ('RBS') transferred a sum of £20,000 to the administration in respect of a security deposit held to cover sums due from the Company's corporate credit cards, and a residual balance of funds held. No further funds are expected from RBS and the pre appointment account has now been closed.

Other

The Company holds shares in two Joint Ventures; Aegir Wave Power Limited and Campanhia da Energia Ocanica SA (Portuguese). In relation to the former, there may be a small return to the administration through the solvent liquidation of the Joint Venture which is currently in progress. It is unlikely that Portuguese Joint Venture will yield a return to the administration, however our investigations are ongoing.

Investigations

We reviewed the affairs of the Company to find out if there are any actions which could be taken against third parties to increase recoveries for creditors however no such actions were identified and we have concluded that further investigation work will not be necessary. If you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to the Administrator at KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG United Kingdom.

We have complied with the relevant statutory requirements to provide information on the conduct of the Company's directors and any shadow directors to the Department for Business, Innovation and Skills. The contents of our submission are confidential.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2). Summaries of the most significant payments made during the period are provided below.

Employees

The main cost of the administration to date has been the direct labour cost resulting from the retention of 16 members of staff throughout the period from 21 November 2014 to 24 December 2014. In addition, the 40 staff who were made redundant shortly after the administration appointment were paid for two days of employment following our appointment. The costs associated with paying employees are shown under the "Direct labour" caption at Appendix 2.

Agents' fees

Agents' fees totalling £10,812 have been paid to date to GMG for valuation services, site clearance and sale of remaining plant and machinery.

Solicitors' fees

To date, legal fees of £50,435.70 have been paid to our solicitor, Harper Macleod, for arranging the administration appointment documentation and assisting with legal matters - in particular in relation to the sale of assets to WES.

Rent

Following the administration appointment, a daily rental rate was agreed with the landlords at the Company's premises in Edinburgh. This cost was borne by the administration until exclusivity was granted to WES who then became responsible for property costs. No further property costs are expected to be incurred.



Other

In order to maintain the Company's IT systems and ensure data security/backups, we continued to utilise the Company's IT service provider during the Administration. Upon completion of the sale to WES, this service ceased.

3 Dividend prospects

3.1 Secured creditors

RBS

RBS had set off rights over £20,000 held in a deposit account in relation to the Company's corporate credit cards. These funds have now been returned to the administration and RBS have no further claim in the administration.

Scottish Enterprise

As outlined in our Proposals, Scottish Enterprise provided funding to the Company which was secured by a bond and floating charge over the Company's business and assets. Scottish Enterprise has confirmed that at the date of our appointment, the principle debt owed by the Company was £12,880,647. The dividend available to Scottish Enterprise will be dependent on the realisations in the administration. It is currently estimated that a small dividend may be available to Scottish Enterprise however we expect it will incur a significant shortfall on its debt.

3.2 Preferential creditors

Preferential claims total £187,612.

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100p in the £ (plus statutory interest, where applicable). We are currently working with our legal advisors, Harper Macleod to enable this payment to be facilitated.

3.3 Unsecured creditors

Based on current estimates, it is unlikely that there will be a dividend to unsecured creditors, other than a small distribution under the Prescribed Part. The amount of any dividend will ultimately be dependent on the final level of realisations and associated costs of the administration, however it is likely that any dividend will not be material in the context of the Company's debts.

4 Other matters

4.1 Resignation of Gary S Fraser as Joint Administrator

Following the decision to retire, Gary S Fraser left the employment of KPMG on 30 June 2015. It was therefore necessary for him to resign as Joint Administrator of the Company. I would advise that the resignation took effect from 10 June 2015. Blair Nimmo currently acts as Administrator and will continue in his sole capacity.



5 Joint Administrators' remuneration and outlays and disbursements

5.1 Joint Administrators' remuneration, outlays and disbursements

Time costs

From the date of our appointment to 20 May 2015, we have incurred time costs of £292,336.50. These represent 803.30 hours at an average rate of £363.92 per hour.

Disbursements

During the period, we have incurred disbursements totalling £362.49.

Additional information

We have attached (Appendix 3) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from our appointment to 20 May 2015. We have also attached our charging and disbursements policy.

6 Future strategy

6.1 Future conduct of the administration

We will continue to manage the affairs of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Facilitating payment of a preferential creditor dividend.
- Continuing to log creditors' claims and, in the event that a Prescribed Part dividend is available for distribution, adjudicating on these claims and making the distribution.
- Facilitating the assignation of the lease for the premises previously occupied by the Company in Orkney.
- Statutory reporting to creditors to provide updates on the progress of the administration
- Seeking advice, as appropriate from our specialist corporation tax team in relation to the tax position of the Company and any tax liability arising during the administration.
- Attending to all statutory aspects of the administration process.

6.2 Future reporting

We will provide a further progress report within six weeks of 21 November 2015 or earlier if (1) an extension request is necessary or (2) the administration has been completed prior to that time.



Appendix 1 Statutory information

Company information

Company name	Pelamis Wave Power Limited
Date of incorporation	26 January 1998
Company registration number	SC182368
Present registered office	KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG

Administrators' information

Administration appointment	The administration appointment granted in Court of Session
Appointor	Directors
Date of appointment	21 November 2014
Joint Administrators' details	Blair Nimmo and Gary Fraser until 10 June 2015, following which Blair Nimmo as sole administrator
Prescribed Part distribution	<p>The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply.</p> <p>Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors.</p>
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	20 November 2015

Appendix 2 Joint Administrators' receipts and payments account

Receipts and payments

	From 21/11/2014 To 20/05/2015 (£)	From 21/11/2014 To 20/05/2015 (£)
ASSET REALISATIONS		
Sale of assets to WES	305,000.00	305,000.00
Furniture & equipment	950.00	950.00
Motor vehicles	250.00	250.00
Cash at bank	410,693.21	410,693.21
	716,893.21	716,893.21
OTHER REALISATIONS		
Bank interest, gross	279.97	279.97
Insurance recharge	3,459.96	3,459.96
Sundry refunds	4,485.53	4,485.53
Refund of employee insurance	3,716.40	3,716.40
	11,941.86	11,941.86
COST OF REALISATIONS		
Direct labour	(80,740.38)	(80,740.38)
Consultant fees	(5,500.64)	(5,500.64)
Rates	(3,628.09)	(3,628.09)
Bank charges & interest	(20.00)	(20.00)
Agents'/Valuers' fees	(10,812.00)	(10,812.00)
Legal fees	(50,435.70)	(50,435.70)
Telephone/Telex/Fax	(5,458.25)	(5,458.25)
Electricity	(10,919.57)	(10,919.57)
Statutory advertising	(99.60)	(99.60)
Rent	(23,120.36)	(23,120.36)
Other property expenses	(84.75)	(84.75)
Bank charges	(480.00)	(480.00)
Property Maintenance	(5,904.41)	(5,904.41)
	(197,203.75)	(197,203.75)
PREFERENTIAL CREDITORS		
Employees' wage arrears	(12,800.00)	(12,800.00)

The information in this report is for the purpose of providing information to the relevant parties and is not intended to be used for any other purpose.
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	From 21/11/2014 To 20/05/2015 (£)	From 21/11/2014 To 20/05/2015 (£)
	(12,800.00)	(12,800.00)
UNSECURED CREDITORS		
Employees	(43,895.47)	(43,895.47)
	(43,895.47)	(43,895.47)
	474,935.85	474,935.85
REPRESENTED BY		
Floating ch. VAT rec'able		5,673.63
Floating charge current		537,658.04
Payroll - pre appointment bank account		(63,713.34)
Floating ch. VAT payable		(10,000.00)
Floating ch. VAT control		5,317.52
		474,935.85

Appendix 3 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

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

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

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

https://www.r3.org.uk/media/documents/technical_library/SIPS/Creditors'_Guide_to_Administrators'_Remuneration_Scotland.pdf

If you are unable to access this guide and would like a copy, please contact Kirsty Marshall on 0131 5276658.

Hourly rates

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

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

Charged Out Rates (from 01 Oct 2014)	
Grade	From 01 Oct 2014 £/hr
Partner	595
Director	535
Senior Manager	485
Manager	405
Senior Administrator	280
Administrator	205
Support	125

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



Policy for the recovery of disbursements

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

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

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

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

Mileage claims fall into three categories:

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

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

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Meals	66.35		NIL		66.35
Mileage	NIL		139.40		139.40
Sundry	59.00		NIL		59.00
Travel	97.74		NIL		97.74
Total	223.09		139.40		362.49

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

The Category 2 disbursements have not been approved.

Creditors' right to challenge our remuneration and outlays

If you wish to challenge the basis of our remuneration, the remuneration approved, or the outlays approved during the period covered by this progress report, you must do so by making an application to Court within eight weeks of the accounting period and no later than 15 July 2015 or within 14 days of receiving this progress report.

Applications by any creditor must be made with concurrence of at least 25% in value of unsecured creditors (including the creditor making the challenge).



The full text of the relevant rules can be provided on request by writing to Kirsty Marshall at KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG United Kingdom.

Narrative of work carried out for the period 21 November 2014 to 20 May 2015

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; ■ providing initial statutory notifications of our appointment to the Registrar of Companies, the Register of Inhibitions and Adjudications, creditors and other stakeholders, and advertising our appointment; ■ issuing regular press releases and posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to secured creditors	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of Scottish Enterprise regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; ■ reviewing and processing employee expense requests; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ working initially on tax returns relating to the periods affected by the administration; ■ analysing VAT related transactions; ■ reviewing the Company's duty position to ensure compliance with duty requirements; ■ dealing with post appointment tax compliance.
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment; ■ responding to enquiries from shareholders regarding the administration; ■ providing copies of statutory reports to the shareholders.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Trading	<ul style="list-style-type: none"> ■ preparing cash flow statements to monitor the cash position; ■ attending to supplier and customer queries and correspondence;
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ liaising with finance companies in respect of assets subject to finance agreements; ■ liaising with agents regarding the sale of assets;

Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties, including review of leases; ■ communicating with landlords regarding rent, property occupation and other issues;
Sale of business	<ul style="list-style-type: none"> ■ planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers; ■ seeking legal advice regarding sale of business, including regarding non-disclosure agreements; ■ collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale; ■ dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room; ■ managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties; ■ carrying out sale negotiations with interested parties.
Health and safety	<ul style="list-style-type: none"> ■ liaising with internal health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; ■ holding employee briefing meetings to update employees on progress in the administration and our strategy; ■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns; ■ communicating and corresponding with HM Revenue and Customs; ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; ■ managing claims from employees; ■ ensuring security of assets held by employees.
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes; ■ calculating employee pension contributions and review of pre-appointment unpaid contributions; ■ ensuring compliance with our duties to issue statutory notices; ■ ensuring death-in-service cover for employees remains in place; ■ communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits; ■ agreeing preferential claims; ■ drafting our progress report.
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; ■ arranging for the redirection of the Company's mail; ■ reviewing the questionnaires submitted by the Directors of the Company; ■ reviewing pre-appointment transactions; ■ drafting the statutory report and submitting to the relevant authority.

Time costs

SUP 5 - Time costs analysis, 01.01.2014 to 30.09.2014

	Hours					Time (£)	Cost	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total			
Administration & planning								
Director correspondence								
General correspondence			0.90		0.90	252.00		280.00
Cashiering								
General (Cashiering)			12.15	1.90	14.05	3,152.00		224.34
Reconciliations (& IPS accounting reviews)		0.80	2.40		3.20	1,060.00		331.25
General								
Books and records			11.00		11.00	2,945.00		267.73
Fees and WIP		0.80	0.20		1.00	444.00		444.00
Statutory and compliance								
Appointment and related formalities	11.40	12.75	32.10		56.25	20,213.25		359.35
Bonding and bordereau		0.50	0.60		1.10	388.00		352.73
Closure and related formalities	3.00				3.00	1,605.00		535.00
Reports to debenture holders	6.20	6.90			13.10	6,663.50		508.66
Strategy documents	4.00	5.75	4.00		13.75	6,288.75		457.36
Tax								
Initial reviews - CT and VAT			5.15		5.15	1,442.00		280.00
Post appointment corporation tax		3.50	0.90		4.40	1,949.50		443.07
Post appointment VAT		2.40	10.90		13.30	3,681.00		276.77
Creditors								
Creditors and claims								
Agreement of claims			0.20		0.20	56.00		280.00
Agreement of preferential claims		1.00	8.60		9.60	2,893.00		301.35
Agreement of unsecured claims			0.60		0.60	168.00		280.00
General correspondence		9.10	20.20	0.50	29.80	10,132.00		340.00
Pre-appointment VAT / PAYE / CT			1.00		1.00	280.00		280.00
ROT Claims		0.75	12.50		13.25	3,863.75		291.60
Statutory reports	23.30	11.25	15.75	1.50	51.80	23,533.25		454.31
Employees								
Agreeing employee claims			0.20		0.20	56.00		280.00



SIP 9 - Time costs analysis (24/11/2014 to 20/03/2015)

	Hours					Time (£)	Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total			
Correspondence	1.70		138.35	0.90	140.95	39,760.00		282.09
DTI redundancy payments service			9.80		9.80	2,744.00		280.00
Pension funds			2.10		2.10	588.00		280.00
Pensions reviews			6.30		6.30	1,576.50		250.24
Investigation								
Directors								
Correspondence with directors		1.25	0.50		1.75	746.25		426.43
D form drafting and submission			3.00		3.00	840.00		280.00
Statement of affairs			4.45		4.45	1,246.00		280.00
Investigations								
Review of pre-appt transactions			2.30		2.30	644.00		280.00
Realisation of assets								
Asset Realisation								
Cash and investments			2.95		2.95	826.00		280.00
Debtors		0.60	2.40		3.00	963.00		321.00
Health & safety		1.00	6.40		7.40	2,197.00		296.89
Leasehold property		9.15	22.10		31.25	10,625.75		340.02
Office equipment, fixtures & fittings		1.25	3.40		4.65	1,558.25		335.11
Open cover insurance			5.60		5.60	1,568.00		280.00
Other assets	0.20	2.25	3.00		5.45	2,038.25		373.99
Plant and machinery		1.25	12.50		13.75	4,106.25		298.64
Sale of business	34.50	153.75	104.80		293.05	122,370.25		417.57
Vehicles			3.70		3.70	1,036.00		280.00
Cash & profit projections & strategy	6.20		7.40		13.60	5,389.00		396.25
Purchases and trading costs			1.60		1.60	448.00		280.00
Total in period	90.50	226.00	482.00	4.80	803.30	292,336.50		363.92

Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	803.30	292,336.50
Carry forward time (appointment date to SIP 9 period end date)	803.30	292,336.50



Appendix 4 Glossary

Company	Pelamis Wave Power Limited - in Administration
GMG	GMG Asset Management
Harper Macleod	Harper Macleod LLP
Joint Administrators/we/our/us	Gary Fraser and Blair Nimmo
KPMG	KPMG LLP
Secured creditor	Scottish Enterprise
WES	Wave Energy Scotland Limited

Any references in this progress report to sections, paragraphs or rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Scotland) Rules 1986 respectively.



Appendix 5 Notice: About this report

This report has been prepared by Gary Fraser and Blair Nimmo, the Joint Administrators of Pelamis Wave Power Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency (Scotland) Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report 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 Company.

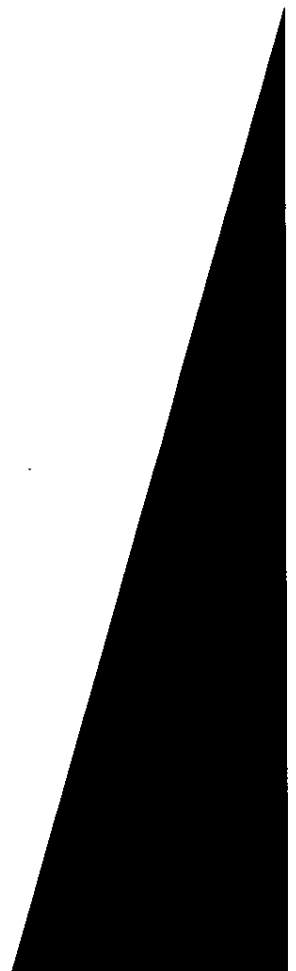
Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (Scotland) Rules 1986 does so at its 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 this report to any such person.

Gary Steven Fraser and Blair Carnegie Nimmo are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

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





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