

AM25

Notice of court order ending administration



Companies House

SATURDAY



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03/11/2018

#173

COMPANIES HOUSE

1 Company details

Company number 0 1 0 3 8 4 3 5

Company name in full Moorgate Industries Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) David James

Surname Kelly

3 Administrator's address

Building name/number 7 More London

Street Riverside

Post town London

County/Region

Postcode S E 1 2 R T

Country United Kingdom

4 Administrator's name ①

Full forename(s) Ian David

Surname Green

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 7 More London

Street Riverside

Post town London

County/Region

Postcode S E 1 2 R T

Country United Kingdom

② Other administrator

Use this section to tell us about
another administrator.

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6 Administration end date

End date

d	0	d	3	m	1	m	0	y	2	y	0	y	1	y	8
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

7 Date of court order

Court order date

d	0	d	3	m	1	m	0	y	2	y	0	y	1	y	8
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8 Attachments

- ☒ I have attached a copy of the court order
- ☒ I have attached a copy of the final progress report

9 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	3	d	1	m	1	m	0	y	2	y	0	y	1	y	8
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Notice of court order ending administration



Presenter information

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

Contact name	James Crowther
Company name	PricewaterhouseCoopers LLP
Address	Central Square
29 Wellington Street	
Post town	Leeds
County/Region	
Postcode	L S 1 4 D L
Country	UK
DX	
Telephone	0113 289 4076



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached all the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

This Order supersedes the purported order sealed on 3 October 2018, it having been sealed without approval by mistake.



CR-2018-007845

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
INSOLVENCY AND COMPANIES LIST**

BEFORE INSOLVENCY AND COMPANIES COURT JUDGE JONES

03 OCTOBER 2018

**IN THE MATTER OF MOORGATE INDUSTRIES LIMITED (IN ADMINISTRATION) (Company
Number 01038435)**

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

ORDER

UPON the Application dated 17 September 2018 of David James Kelly of PricewaterhouseCoopers LLP (PWC), OF 7 More London Riverside, London SE1 2RT, and Ian David Green of PricewaterhouseCoopers LLP, OF Benson House, 33 Wellington Street, Leeds, LS1 4JP, being the joint administrators (**Administrators**) of Moorgate Industries Limited (in administration) (**Company**) appointed on 2 October 2015

AND UPON reading the Second Witness Statement of David James Kelly dated 14 September 2018

AND UPON hearing Counsel for the Administrators

AND THE COURT BEING SATISFIED on the evidence that the EU Regulation on Insolvency Proceedings does apply and that these proceedings are main proceedings.

AND UPON the Court insofar necessary waiving the procedural requirements before and after presentation of a petition for a compulsory winding up order

AND UPON Phillip Sykes and Karen Spears of 25 Farringdon Street, London, EC4A 4AB having filed a statement of their qualification to act as an insolvency practitioner in relation to the company and a consent to act.

IT IS ORDERED THAT:

1. Pursuant to the Insolvency Act 1986 and/or the Court's inherent jurisdiction
 - a. The appointment of the Administrators shall cease to have effect.
 - b. The Company be wound up by the court under the Insolvency Act 1986.
 - c. Phillip Sykes and Karen Spears of 25 Farringdon Street, London, EC4A 4AB shall be appointed as Joint Liquidators with effect from the date of this order. Any act which the joint liquidators are required or authorised to do may be done by the Joint liquidators jointly or individually.
 - d. The creditors committee in existence immediately before the winding up order was made shall continue in existence after the date of this order as if appointed as a liquidation committee under section 141, provided that the committee cannot act until the conditions contained in rule 17.29(3) Insolvency (England and Wales) Rules 2016 have been complied with.
2. Pursuant to paragraph 98(1) of Schedule B1 to the Insolvency Act 1986 the Administrators be discharged from any liability in respect of their actions as administrators 28 days after filing their final report.

CASE NUMBER CR-2018-007845

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
INSOLVENCY AND COMPANIES LIST**

**IN THE MATTER OF MOORGATE INDUSTRIES
LIMITED (IN ADMINISTRATION)**

**AND IN THE MATTER OF THE INSOLVENCY ACT
1986**

(1) DAVID JAMES KELLY

(2) IAN DAVID GREEN

Applicants

ORDER

Addleshaw Goddard LLP
Milton Gate
60 Chiswell Street
London
EC1Y 4AG
Tel: 020 7606 8855
Fax: 020 7606 4390
Ref: GOLDA/328790-38

Solicitors for the Applicants

Former joint administrators' final
progress report from 27 August 2018
to 3 October 2018

Moorgate Industries Limited
(formerly in administration)

31 October 2018

High Court of Justice, Chancery Division, Companies
Court

Case no. 6622 of 2015

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Company	Moorgate Industries Limited – in administration
Administrators	David J Kelly and Ian D Green, former joint administrators of the Company
firm	PricewaterhouseCoopers LLP
the Group	International steel trading group which traded as Stemcor
Core Group	Direct and indirect subsidiaries of an intermediate Group holding company, Moorgate Industries 1 Limited (formerly in administration), which carried out the Group's core steel trading operations prior to the administration
RemainCo	The Group's Indian business and various other non-core companies
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
HMRC	HM Revenue & Customs
Junior and Senior Lenders, together the Lenders	Creditors with security in respect of their debt, in accordance with section 248 IA86
prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
unsecured creditors	Creditors who are neither secured nor preferential

Key messages

Why we've sent you this report

I'm pleased to let you know that our work in the administration of the Company is now complete and so, I set out below our final report.

You can still view our earlier reports on our website at www.pwc.co.uk/moorgate. Please get in touch with James Crowther on 0113 289 4076 or at crowther.james@pwc.com if you need any of the passwords to access the reports.

How much creditors have received

The following table summarises the final outcome for creditors*.

Class of creditor	Final outcome	Previous estimate
Senior Lenders	\$71m	Uncertain
Preferential creditors	-	-
Unsecured creditors	£540k	£540k

**Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt trading.*

We have worked with RemainCo management to realise the Company's remaining assets. In total we have distributed \$71m to Lenders. The Lenders are unlikely to be repaid out of the Company's assets.

The Junior Lenders claims were released and transferred as part of the Group's financial restructuring.

There are no known preferential creditors. Employee contracts and all associated liabilities were transferred to other Group Companies.

The prescribed part fund of £540k was distributed to unsecured creditors in July 2018.

What you need to do

This report is for your information and you don't need to do anything.

What happens next

As previously reported, in order to continue asset realisations within the Group following the end of the administration, an application was made to court to move the Company into compulsory liquidation. On 3 October 2018, the court ordered the end of the administration and appointed Phillip Sykes and Karen Spears of RSM Restructuring Advisory LLP as joint liquidators of the Company. Pursuant to paragraph 98(1) of Schedule B1 of the Insolvency Act 1986 we will be discharged from any liability in respect of our actions as administrators 28 days after this report is filed at Companies House.

Overview of our work

Why we were appointed

You may remember that when we were appointed, the position was as follows:

- The Company had been set up as a parent company of the Group.
- we were appointed because the Group experienced trading difficulties following a sustained decline in the global commodity price of steel and a level of debt in excess of \$1bn due to Senior and Junior Lenders, which could not be serviced.
- the Company was facing :-
 - Low demand for steel;
 - Instability within the Group's business in India;
 - Cash shortages;
 - Breaches in asset realisation targets; and
 - No prospect of viable purchaser

Following a high level contingency plan and considerations of the various options, the Group and a co-ordinating committee of the Senior Lenders agreed that a Lender led restructuring was the only viable option to secure a long-term future of the business.

A scheme of arrangement, sanctioned by the Court, became effective on 30 September 2015 to allow the Core Group to be relieved of the pre-restructuring Lender debt and continue as a viable and sustainable business by way of de-merger of the Group. This led to the appointment of administrators over three Group companies:

- The Company by order of the Court on 2 October 2015
- Moorgate Industries 1 Limited and Moorgate Industries Loans Limited on 14 October 2015

As explained in our earlier reports, the Company acting by the Administrators sold its 100% interest in Stemcor Limited, an operating company and intermediary holding company of other Core Group operating entities.

Approval of our proposals

We issued to creditors our proposals dated 25 November 2016 for achieving the purpose of administration. We said in our proposals that we thought the Company did not have enough assets to pay a dividend to unsecured creditors other than from the prescribed part. This meant that we did not have to hold a creditors' meeting to approve our proposals and our proposals would be treated as approved if creditors did not request a meeting in the required manner. As creditors did not request a meeting, our proposals were treated as approved on 7 December 2018.

Creditors' committee

On 16 December 2015, a creditors' committee was formed consisting of the following members:

1. DBS Bank Limited
2. Standard Chartered Bank
3. Zenith Bank (UK) Limited

Throughout the administration, we've spoken with the Creditors' Committee to discuss issues and outline key decisions. We last reported to the committee on 28 September 2018.

Changes of administrator

Anthony Victor Lomas, one of the previous Administrators, left the firm in 2017. As previously reported, an application was made to the Court to release him as joint administrator and was granted with effect from 4 August 2017.

Investigations and actions

Nothing came to our attention during the administration to suggest that we needed to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Tax clearance

We fulfilled our duties as proper officers for tax during the administration and filed VAT and corporation tax returns for all relevant accounting periods. We have liaised with the liquidators regarding filing of a VAT 426 form in order to reclaim VAT on expenses paid in the administration. HMRC raised no queries on our returns.

Our final receipts and payments account

We set out in Appendix B an account of our final receipts and payments in the administration from 2 October 2015 to 3 October 2018. As the primary currency of the Group and of the assets and liabilities of the Company was US dollars, we continue to show our receipts and payments account in US dollars.

Our expenses

We set out in Appendix C a statement of the final expenses that we incurred to the date covered by this report.

The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course in the following compulsory liquidation because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix D an update on our remuneration which covers our fees, disbursements and other related matters.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at: <http://www.icaew.com/en/technical/insolvency/creditors-guides>

You can also get a copy free of charge by telephoning James Crowther on 0113 289 4076.

Ongoing matters

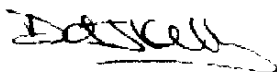
Realisation of remaining assets within the Group

The liquidators of the Company will work with RemainCo management in order to continue winding down and realising assets within the Group and facilitate distributions to lenders.

If you've got any questions, please get in touch.

Yours faithfully

For and on behalf of the Company



David Kelly
Former joint administrator

David James Kelly and Ian David Green were appointed as joint administrators of the Company to manage its affairs, business and property as its agents without personal liability. Both are licensed in the United Kingdom to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales. The former joint administrators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The former joint administrators may act as Data Controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the former Joint Administrators. Personal data will be kept secure and processed only for matters relating to the former Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the former Joint Administrators.

Appendix A: Summary of our proposals

We made the following proposals for achieving the purpose of the administration.

- i) The Administrators will continue to manage and finance the Company's business, affairs and property from asset realisations in such manner as they consider 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).
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 2006, IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise realisations or for any other purpose incidental to these proposals.
- iii) The Administrators will adjudicate the claims of unsecured creditors with a view to distributing a dividend from the Prescribed Part, with the costs of so doing being met as a cost of the Administration as part of the Administrators' remuneration from the Prescribed Part.
- iv) A creditors' committee will be established if sufficient creditors are willing to act on it. The Administrators propose to seek the election of a creditors' committee and to consult with it from time to time. Where the Administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of all creditors.
- v) The Administrators will consult with the creditors' committee concerning the necessary steps to extend the Administration beyond the statutory duration of one year if an extension is considered advantageous. The Administrators shall either apply to the court or seek consent from the appropriate classes of creditors for an extension.
- vi) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances: -

Once all of the assets have been sufficiently realised and the Administrators have sufficiently concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved approximately three months later. If matters arise during the course of the Administrators' work which indicate that the Company should be placed into liquidation, the Administrators will place the Company into compulsory liquidation or otherwise act in accordance with any order of the Court.

- vii) It is proposed that the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 as a set amount and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No.9) be charged in accordance with the Administrators' firm's policy as set out in the attached remuneration report: initial advice to creditors. It will be for the general body of creditors to fix the basis and level of the Administrators' fees and Category 2 disbursements. The basis of the Administrators' remuneration and Category 2 disbursements are to be fixed no later than 18 months after the date of the Administrators' appointment.

Appendix B: Receipts and payments

	Estimated to realise per directors' statement of affairs \$'000	From 2 October 2015 to 26 August 2018 \$'000	From 27 August 2018 to 3 October 2018 \$'000	From 2 October 2015 to 3 October 2018 \$'000	Notes
Receipts					
Opening pre-appointment cash reserve balance	47,655	50,022.1	-	50,022.1	
Deferred TFBB arrangement fee	-	(6,325.0)	-	(6,325.0)	
Release of funds on the direction of the participating Senior Lenders	-	-	-	-	
- the purchaser	-	(41,709.6)	-	(41,709.6)	
- MILL	-	(291.1)	-	(291.1)	
- MILL	-	(163.9)	-	(163.9)	
Closing pre-appointment cash reserve balance	-	1,532.5	-	1,532.5	1
Other pre-appointment bank balances	-	131.5	-	131.5	
Recoveries from book debts	-	64,075.8	5,879.3	69,955.1	2 & 5
Dividends from Acertec Limited	-	712.9	-	712.9	
Insurance claim and refund	Uncertain	443.1	-	443.1	
Rates refund	-	190.6	-	190.6	
Bangkok office recoveries	-	70.1	-	70.1	
Shanghai office recoveries	-	81.6	-	81.6	
Chattel assets	Uncertain	5.8	-	5.8	
Bank interest	-	32.7	-	32.7	
Tax refund	237	-	-	-	
VAT payable / VAT refunded by HMRC	-	48.2	-	48.2	
RemainCo funding	-	144.0	-	144.0	3
Third party funding from the purchaser	-	351.9	-	351.9	4
Rent under the licence to occupy	-	(315.9)	-	(315.9)	4
Insurance paid on behalf of the purchaser	-	(27.4)	-	(27.4)	4
Intercompany transfer	-	-	229.2	-	
Total receipts		67,477.4	6,108.5	73,585.9	
Payments					
Distributions on directions of the participating Senior Lenders	-	64,823.2	6,218.9	71,042.1	5
Administrators' fees	-	329.4	744.8	1,074.2	
Administrators' disbursements	-	3.4	-	3.4	
Legal fees	-	176.1	-	176.1	
Professional fees	-	4.1	-	4.1	
Agents' fees	-	14.3	-	14.3	
Statutory and other costs	-	8.5	3.0	11.5	
Distribution to unsecured creditors	-	714.5	-	714.5	
VAT receivable	-	56.7	149.0	205.7	
Intercompany transfer	-	-	233.6	233.6	
Bank charges	-	-	-	-	
Transfer of funds to liquidator	-	-	96.4	96.4	
Total payments		66,130.2	7,445.7	73,575.9	
Sub-total		1,347.2	(1,337.2)	(10.0)	
Foreign exchange gain/(loss)	-	(18.4)	8.4	(10.0)	
Balance of funds in hand (Notes 6 & 7)		1,328.8	(1,328.8)	0.0	

Notes

- 1 The pre-appointment cash reserve was allocated across the Group as agreed in the restructuring agreement, with the remainder transferred to the post-appointment administration account.
- 2 We realised \$5.8m from book debt recoveries from Group subsidiaries.
- 3 Funding for Administrators' and legal fees in relation to costs incurred in recovering book debts in the Group.
- 4 The Company has been put in funds to pay various costs for the purpose of continuing management of RemainCo.
- 5 \$71m has been distributed to participating Senior Lenders in the administration. This includes \$18.5m paid directly from guarantors which has been brought forward into the current period.
- 6 Funds are held in USD, GBP and EUR accounts. The indicative foreign exchanges used for the purpose of this report, as at 3 October 2018, are: GBP:USD = 1.2984; and EUR:USD = 1.154

Appendix C: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and exclude our fees and distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense in the subsequent liquidation because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix B, which shows expenses actually paid during the period and the total paid to date.

\$'000	Brought forward from preceding period	Incurred in the period under review	Cumulative	Estimated future	Anticipated total	Initial estimate	Variance
Administrators' fees	657.4	28.6	686.0	0.0	686.0	415.6	270.4
Administrators' disbursements	5.1	0.1	5.2	0.0	5.2	0.2	5.0
Legal fees	188.3	0.0	188.3	0.0	188.3	100.0	88.3
Agents' fees	14.3	0.0	14.3	0.0	14.3	0.2	14.1
Professional fees	4.1	0.0	4.1	0.0	4.1	0.0	4.1
Statutory & other costs	8.5	3.0	11.5	0.0	11.5	6.3	5.2
Total	877.7	31.7	909.4	0.0	909.4	522.3	387.1

Explanations for variances against the initial estimate:

- Estimated future expenses have been made in GBP and converted to USD and as such are subject to exchange rate fluctuations.
- Administrators' fees shown in the expenses statement do not reflect what the Administrators' can ultimately draw as fees as these are subject to approval by RemainCo Management.
- Administrators' fees for unforeseen work in connection with RemainCo assets are subject to discussion with RemainCo management and the Senior Lenders which participated in the restructuring as represented by the creditors' committee. Due to the nature of these costs, they were not anticipated in the original budget and it was agreed with the creditors' committee that payment of these expenses would be recoverable once the value of associated asset recoveries had been established and realised.
- Administrators' disbursements include travel and accommodation for the team in connection with working on the completion of the financial restructuring.
- The Company has borne the legal costs of itself and two associated companies that went into administration from initial funding to cover such costs. The initial estimate excluded \$42k which has been reported in the estate of Moorgate Industries Loans Limited. No provision for legal costs was reported in Moorgate Industries 1 Limited.
- Legal fees also include costs associated with recovery of specific realisations outside the scope of the initial estimate which will be paid from asset realisations.
- The increase in agents' fees was due to the work required on the business rates review which was not foreseen but realised a rates refund of \$190.6k.
- Professional fees include unforeseen costs for a notary and administrators' disbursements in addition to legal fees incurred in connection with and on behalf of management of RemainCo entities which were outside the scope of the initial estimate.

Appendix D: Remuneration update

Our fees were approved on a fixed fee basis by a meeting of creditors by correspondence.

In total, we have drawn fees of \$1.1m in line with the approval given, as shown on the enclosed receipts and payments account.

Our work in the period

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work

Area of work	Work we need to do	Whether or not the work will provide a financial benefit to creditors
Accounting & treasury	<ul style="list-style-type: none"> Account closure procedures Performed final bank reconciliations 	<ul style="list-style-type: none"> Ensured proper financial control of cash Required by statute and regulations Statutory duties to manage the affairs, business and property of the Company, settle expenses in the prescribed order of priority, and keep proper books and records
Statutory & compliance	<ul style="list-style-type: none"> Prepared and issued our final report to creditors Updated case records Strategy and case progression reviews by manager and appointment takers every six months following the appointment and on closure 	<ul style="list-style-type: none"> Required by IA86/IR86/IR16; regulatory requirement; or general best practice to comply with industry guidelines
Tax & VAT	<ul style="list-style-type: none"> Complying with the Company's tax obligations and submission of statutory returns Submission of final tax return to closure Final reconciliation of VAT and liaison with the liquidators of the Company to provide VAT information 	<ul style="list-style-type: none"> Governance To ensure tax accounting is accurate for the benefit of creditors as a whole
Closure	<ul style="list-style-type: none"> Closure of internal systems 	<ul style="list-style-type: none"> Required to ensure proper management of the administration estate

Work that was additional to what we expected to do

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Assets		<ul style="list-style-type: none"> To assist RemainCo and ensure that all realisable assets are recovered 	<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors as a whole
Book debts	<ul style="list-style-type: none"> Liaison with management to effect statutory documentation necessary to recover book debts 	<ul style="list-style-type: none"> To achieve better realisation for creditors than if the Company had gone into liquidation (without first being in administration) 	
RemainCo entities	<ul style="list-style-type: none"> Liaison with management to effect statutory documentation necessary to maintain the RemainCo group assets including those that own the slow moving assets 	<ul style="list-style-type: none"> To mitigate potential claims against the Company and preserve assets / Group entities 	
	<ul style="list-style-type: none"> Liaison with RemainCo management to effect documentation in the slow moving assets 	<ul style="list-style-type: none"> To comply with regulatory requirements as statute To preserve the Company's interests in remaining assets 	
	<ul style="list-style-type: none"> Liaison with RemainCo management in relation to potential recoveries for the pre-appointment period 	<ul style="list-style-type: none"> To achieve better realisation for creditors than if the Company had gone into liquidation (without first being in administration) 	

Our previous work

Below are details of things done by the administrators in previous periods.

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Realisation of other assets		<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors as a whole 	
Sale of part of business	<ul style="list-style-type: none"> Completed the sale of shares in Stemcor Limited to Stemcor Acquisitions Limited as part of the wider financial restructuring of the Stemcor Group Entered into ancillary arrangements in connection with the restructuring Assisted the purchaser with the assignment / novation of agreements pertaining to ongoing Core Group operations 		
Property	<ul style="list-style-type: none"> Granted the purchaser a licence to occupy part of the Company's leasehold premises Offered the landlord a surrender of the Company's interest in the remainder of its leasehold premises Liaised with the rating authority regarding cessation of occupation 		
Chattel assets	<ul style="list-style-type: none"> Reviewed the pre-appointment sale of the Company's office furniture and equipment 		
Intangible assets	<ul style="list-style-type: none"> Liaised with and assisted with management regarding RemainCo entities excluded from financial restructuring 		

Insurance	<ul style="list-style-type: none"> • Provided restructuring effective date insurance notifications to the Company's insurers and Senior Lenders' security agent • Agreed directors' and officers' liability insurance • Arranged open cover insurance policy • Corresponded with management and insurance broker regarding pre-appointment claim
Third party assets	<ul style="list-style-type: none"> • Liaised with owners/lessors and landlord regarding collection of assets
Creditors and other stakeholders	<ul style="list-style-type: none"> • Stakeholder management • The Administrators have a duty to act in the best interests of creditors as a whole and maintain proper records
Creditor enquiries	<ul style="list-style-type: none"> • Dealt with enquiries from creditors • Reviewed and prepared correspondence to creditors
Secured creditors	<ul style="list-style-type: none"> • Responded to Lender queries • Effected distributions under security entitlements
Directors	<ul style="list-style-type: none"> • Filed notices of director resignations at Companies House
Unsecured creditors	<ul style="list-style-type: none"> • Received proofs of debts and maintained register • Formally adjudicated claims and declared prescribed part dividend • Distributed £540k to unsecured creditors
Shareholders	<ul style="list-style-type: none"> • Reviewed and prepared correspondence to shareholders

Employees and pensions

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| Contracts | <ul style="list-style-type: none">• Liaised with management regarding the transfer / novation of employee consultants' contracts as part of the restructuring• Verified that the Company has no preferential claims |
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| Pensions | <ul style="list-style-type: none">• Checked the Pension Protection Fund database for evidence of occupational pension schemes• Discussed with management regarding results and subsequent verification that no statutory notices are required |
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Statutory & Compliance

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| <ul style="list-style-type: none">• To comply with regulatory requirements or statute• Duty to take custody of the Company's books and records• Statutory duty to maintain proper records | <ul style="list-style-type: none">• Required by IA86/IR86/IR16 or a regulatory requirement |
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| Initial letters and notifications | <ul style="list-style-type: none">• Prepared and issued all required initial letters and notices regarding the administration and our appointment• Arranged specific penalty insurance in regard to assets distributable to unsecured creditors• Filed notice of change of registered office at Companies House |
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| Statement of affairs | <ul style="list-style-type: none">• Circulated notice to <i>certain directors requiring</i> submission of the statutory statement of affairs as at the date of the administration |
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	<ul style="list-style-type: none"> • Issued notices to other directors regarding statements of concurrence to the statement of affairs • Liaised with the directors regarding the format of the statement and formal extensions to the deadline for submission • Consulted with management and legal advisers regarding the nature of the security held over the Company's assets • Filed the final statement at Companies House and incorporated the same in the Administrators' proposals
Case reviews	<ul style="list-style-type: none"> • Strategy and case progression reviews by case manager and appointment takers
Remuneration report	<ul style="list-style-type: none"> • Prepared and circulated to creditors a report giving details of the work we expect to carry out during the case and the expenses that are likely to be incurred
Proposals	<ul style="list-style-type: none"> • Drafted and reviewed a statement of proposals to creditors including preparation of receipts and payments and statutory information • Circulated notice of the proposals to creditors, members and the Registrar of Companies • Circulated notice of deemed approval of proposals to creditors, members and the Registrar of Companies • Liaised with management and legal advisers to identify the Company's creditor population
Progress Reports	<ul style="list-style-type: none"> • Prepared and circulated progress reports to

	creditors, giving details of the progress of the administration, work carried out and the expenses that are likely to be incurred
Meeting of creditors to form creditors' committee	<ul style="list-style-type: none"> • Prepared meeting notices, proxies and advertisements • Prepared meeting file, including agenda, attendance register and copy documents • Made arrangements for the meeting and attended it • Prepared minutes of meeting and reported the outcome to creditors • Established a creditors' committee and held meetings • Prepared information in support of fee resolutions • Corresponded and met with members of the committee
Books and records	<ul style="list-style-type: none"> • Collected Company books and record • Dealt with records in storage • Sent job files to storage
Investigations and directors' conduct	<ul style="list-style-type: none"> • Circulated questionnaire to all directors and reviewed completed questionnaires • Collected and reviewed the Company's records • Undertook an initial assessment to consider whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate • Prepared and submitted a report on the conduct of the directors in the three years preceding our

	<ul style="list-style-type: none"> appointment to the Department for Business, Innovation and Skills Considered any matters coming to light required to be disclosed in each progress report to creditors 		
Other statutory and compliance	<ul style="list-style-type: none"> Filed documents Updated checklists and diary management system 		
Tax & VAT		<ul style="list-style-type: none"> In compliance with duties as proper officers for tax 	<ul style="list-style-type: none"> Governance To ensure tax accounting is accurate for the benefit of creditors as a whole
Tax	<ul style="list-style-type: none"> Gathered information from the initial tax review Undertook tax review and dealing with enquiries Liaised with HMRC Considered matters arising and potential tax implications Prepared final post appointment tax return for the period to October 2018 		
VAT	<ul style="list-style-type: none"> Collated information for initial VAT review Completed VAT review and dealt with enquiries Arranged VAT registration from appointment date Prepared and submitted quarterly VAT returns Prepared documentation to de-register from VAT 		
Administration		<ul style="list-style-type: none"> To resolve outstanding matters in line with the purpose of administration to achieve a better outcome for creditors than would be the case if the Company went into liquidation (without first being in administration) 	<ul style="list-style-type: none"> The Administrators are required by statute to perform their functions as quickly and effectively as possible Statutory duties to manage the affairs, business and property of the Company, settle

	<ul style="list-style-type: none"> • To maintain the books and records • Pay administration expenses 	expenses in the prescribed order or priority, and keep proper books and records
Strategy and planning	<ul style="list-style-type: none"> • Completed job acceptance tasks • Prepared fee budgets, monitored costs and raised fee bill • Holding team meetings not relating to trading and discussions regarding status of the administration 	
Accounting and treasury	<ul style="list-style-type: none"> • Bank account opening, closure and arrangement of facilities • Processed receipts, payments and journals • Periodic reconciliations of bank accounts 	

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration and has been approved by the creditors' committee where required.

The following disbursements arose in the period of this report.

Category	Policy	Costs incurred £
1	Postage and couriers	51.35
Total		51.35
Equivalent in US\$1.2984:GBP £1		66.67

Our relationships

We had no business or personal relationships with the parties who approved our fees or who provided services to the administration where the relationship could give rise to a conflict of interest.

Details of subcontracted work

No work, which we or our staff would normally do, has been done by subcontractors in the period.

Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services, including: <ul style="list-style-type: none"> • appointment related matters; • sales of business / restructuring contracts and associated agreements; and • RemainCo matters. 	<ul style="list-style-type: none"> • Freshfields Bruckhaus Deringer LLP 	<ul style="list-style-type: none"> • Industry and company knowledge 	<ul style="list-style-type: none"> • Time costs up to pre-agreed amount contemplated in the financial restructuring • Additional costs subject to approval by RemainCo and the Senior Lenders who participated in the restructuring
<ul style="list-style-type: none"> • Other legal services, including; • Application to court to remove Tony Lomas as administrator and release him from all liability 	<ul style="list-style-type: none"> • CMS Cameron McKenna Nabarro Olswang LLP 	<ul style="list-style-type: none"> • Industry knowledge 	<ul style="list-style-type: none"> • Agreed share of fixed fee
<ul style="list-style-type: none"> • Business rates revaluations agent 	<ul style="list-style-type: none"> • Federick Holt and Company Limited 	<ul style="list-style-type: none"> • Industry Knowledge 	<ul style="list-style-type: none"> • Agreed share of fixed fee
<ul style="list-style-type: none"> • Notary 	<ul style="list-style-type: none"> • Cheesewrights Notaries 	<ul style="list-style-type: none"> • Reputation in the Industry 	<ul style="list-style-type: none"> • Fixed fee
<ul style="list-style-type: none"> • Insurance broker's advice in relation to the Company's insurance claim 	<ul style="list-style-type: none"> • Marsh 	<ul style="list-style-type: none"> • Industry knowledge 	<ul style="list-style-type: none"> • Time costs, as agreed with RemainCo

Appendix E: Other information

Court details for the administration:	High Court of Justice, Chancery Division, Companies Court 6622 of 2015
Company's registered name:	Moorgate Industries Limited
Trading name:	Stemcor
Registered number:	01038435
Registered address:	7 More London Riverside, London SE1 2RT
Date of the joint administrators' appointment:	2 October 2015
Joint administrators' names, addresses and contact details:	David James Kelly of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT and Ian David Green of PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Extension(s) to the initial period of appointment:	Two years to 2 October 2018 by order of the court