



For further information, please  
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[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 5 3 0 3 4 9 8

Company name in full Abbey Mine Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Stephen Robert

Surname Cork

### 3 Administrator's address

Building name/number 6 Snow Hill

Street

Post town

London

County/Region

Postcode

E C 1 A 2 A Y

Country

### 4 Administrator's name ①

Full forename(s) Andrew Howard

Surname Beckingham

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 6 Snow Hill

Street

Post town

London

County/Region

Postcode

E C 1 A 2 A Y

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
To date	<sup>d</sup> 2	<sup>d</sup> 2	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

### 7 Progress report

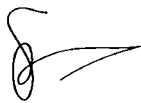
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 0	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
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**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 **Stephanie Larivee**

Company name **Cork Gully LLP**

Address **6 Snow Hill**

Post town **London**

County/Region

Postcode **E C 1 A 2 A Y**

Country

DX

Telephone **02072682150**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

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

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# CORK GULLY

Glyncastle Plc (formerly Unity  
Power Plc) and its  
Subsidiaries

(in Administration)

Joint Administrators' Progress Report



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# Glyncastle Group Progress Report

**Glyncastle plc (formerly Unity Power plc), Glyncastle Mining Limited (formerly Horizon Mining Limited), Glyncastle Mineral Handling Limited (formerly Horizon Mineral Handling Limited), Glyncastle Resource Limited (formerly Unity Mine Limited), Ocean Coal Limited, Abbey Mine Limited, Centreclear Limited (all in Administration) (together “the Group”)**

## 1. Introduction

Andrew Beckingham and I were appointed Joint Administrators of the Group on 30 October 2013.

The automatic end of each Administration was extended from 30 October 2014 to 31 January 2015 by virtue of the consent of creditors (in accordance with paragraph 78(2) of Schedule B1 to the Insolvency Act 1986) and subsequently by the Court to 31 July 2015 and, thereafter, to 31 January 2016, 31 July 2016, 30 November 2016, 31 March 2017, 30 June 2017, 31 January 2018, 6 April 2018, 6 October 2018, 25 January 2019, 22 May 2019, 22 November 2019, 22 November 2020 and 20 November 2021.

This report has been prepared in accordance with Rule 18.2 of the Insolvency Rules 2016 and provides creditors with an update on the progress of each of the Administrations since our last report for the period to 22 August 2021.

In June 2017, the registered names of certain of the Group companies were changed to facilitate the sale process as the name change better reflected the underlying resource. Reference is made in this report on occasion to the former names of the companies in order to maintain consistency with previous reports.

## 2. Details of the Joint Administrators' Appointment

Each of the companies within the Group was placed into administration on 30 October 2013 and Andrew Beckingham and I were appointed as Joint Administrators. The Joint Administrators carry out their functions jointly and severally.

We consider that the EC regulation on insolvency proceedings applies to the Group and also consider that they are “main” proceedings as the Group’s registered office and former management address are in the United Kingdom.

## 3. Statutory Information

The statutory information relating to the Group is attached at Appendix 1.

## 4. Principal Activity of the Group

As previously reported, the principal activity of the Group is the development and operation of an underground anthracite coal mine, located in the Vale of Neath, South Wales. The mine is the largest drift mine in Europe and holds substantial deposits of high-ranking anthracite coal suitable for the steel industry, ferro-alloy production, carbon additive and carbonisation plants and water treatment. For ease of reference, we remind you of the activity of each of the entities within the Group as follows:

- **Glyncastle plc (formerly Unity Power plc) and Glyncastle Mining Limited (formerly Horizon Mining Limited)**

Glyncastle plc is the ultimate parent of the Group and wholly owns all of the other companies, either directly or indirectly. A detailed group structure is attached at Appendix 2. The principal activity of both Glyncastle plc and its immediate subsidiary, Glyncastle Mining Limited, is to raise and provide finance to all other companies within the Group.

- **Glyncastle Resource Limited (formerly Unity Mine Limited)**

The mining operation of the Group is carried out by Glyncastle Resource Limited. Development of the mine began in 2008 and extraction from 2011. Under the current operating license the mine is focused on establishing coal mining operations at the six feet seam, across the licence area.

- **Ocean Coal Limited**

In addition to the above reserves, Ocean Coal Limited, a non-trading entity, held a conditional exploration license to exploit deposits.

- **Centreclear Limited**

To facilitate transport to and from the Unity Mine site a railhead has been constructed on the surface. The existing railway line capacity is 1.8 million tonnes per

# Glyncastle Group Progress Report

year. Centreclear Limited owns the railhead and is the entity responsible for seeking opportunities in rail infrastructure.

- **Abbey Mine Limited and Glyncastle Mineral Handling Limited (formerly Horizon Mineral Handling Limited)**

Both Abbey Mine Limited and Glyncastle Mineral Handling Limited are non-trading entities and are currently classified as dormant.

## 5. Steps Taken Since Our Last Report To Creditors

Since our last report to creditors, we have primarily been engaged with regard to the proposed sale of the shares and/or assets of the Group to enable the orderly handover of the mine site and other assets within the subsidiary companies to a purchaser and the beneficial conclusion of all other matters required in advance of the Joint Administrators ceasing to act.

We have also considered alternative uses for the site, underground mine and mining licenses.

The care and maintenance program has continued in this report period with all statutory roles being fulfilled in accordance with mining regulations.

## 6. Receipts and Payments

Abstract summaries of the Joint Administrators' receipts and payments for the Group are attached at Appendix IV. The statements confirm both the receipts and payments made during this report period, being from 23 February 2021 to 22 August 2021, and the total receipts and payments to date. There have been no receipts or payments with respect to the administration of Glyncastle Mineral Handling Limited (formerly Horizon Mineral Handling Limited), Glyncastle Plc (Formerly Unity Power Plc), Glyncastle Mining Limited (formerly Horizon Mining Limited), Ocean Coal Limited, Abbey Mine Limited and Centreclear Limited.

All receipts and payments disclosed in Appendix IV are net of VAT and VAT is recoverable in respect of each entity through the group VAT registration in the name of Glyncastle plc (formerly Unity Power plc). The receipts and payments are largely self-explanatory, however, we comment on the more

significant transactions in the report period for Glyncastle Resource Limited (formerly Unity Mine Limited), being the Administration of the principal business activity, as follows:

### Receipts

- **Trading Loans**

Given the protracted nature of the sales process, it has been necessary to secure additional funding in order to defray certain trading expenses of the Administration of Glyncastle Resource Limited (formerly Unity Mine Limited). The Secured Creditors have been informed of the trading position and external financial support has been obtained during the report period, totalling £67,952.00, in order to facilitate the conclusion of the sales process. Such advances will be repaid as an expense of the Administration.

### Payments

- **Electricity & Gas**

Electricity and gas bills relating to the care and maintenance program, totalling £3,523.97, have been paid in this report period.

- **Wages & Salaries**

In order to facilitate the ongoing care and maintenance programme, a skeleton team of staff remains employed by Glyncastle Resource Limited (formerly Unity Mine Limited). Wages and salaries paid during the report period totalled £47,535.40.

- **Site Security**

In order to comply with our insurance policies and safeguard the Group's assets, 24/7 security at the surface of the underground deep-mine remain in place. During the report period, £15,964.46 has been paid in this regard.

- **Telephone, Internet and IT Maintenance**

The sum of £787.23 was paid to telecom service providers and IT maintenance companies to ensure the mine's monitoring and communication facilities remain in working order.



# Glyncastle Group Progress Report

- **Stationary, Printing and Postage**

Stationery and printing costs totalled £37.81 in the reporting period.

- **Bank Charges**

Bank charges in the period amounted to £121.80.

- **Repairs and Maintenance**

Repairs and maintenance costs totalled £150.00 in the reporting period to facilitate the ongoing care and maintenance programme.

- **Heat and Light**

Heat and light costs totalled £39.98 in the reporting period.

- **Professional Fees & Expenses**

The sum of £1,666.66 was paid to Feltons Limited by Glyncastle Resource Limited for providing accounting services.

- **Water Rates**

Water rates in the period amounted to £134.34.

## 7. Outcome for creditors

### Secured Creditors

The Joint Administrators would note that all assets held by the Group are subject to collateralised cross guarantees in favor of the Secured Creditors. The relative security rights of these creditors are recorded by a formal priority agreement and as at the date of appointment totalled approximately £84,326,854 (in addition to accruing interest).

### Preferential Creditors

The Directors' statement of affairs for Glyncastle Resource Limited estimated preferential creditors of £162,648 in respect of outstanding employee holiday entitlements. The Redundancy Payments Service has now submitted a claim with respect to preferential amounts paid to employees and, accordingly, it is anticipated preferential claims will total approximately £122,000. The claims are yet to be adjudicated. There are no preferential claims against any of the other companies within the Group on account of these

entities having no employees.

### Non-preferential Unsecured Creditors (including Crown Creditors)

There are provisions within the insolvency legislation that require an administrator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a floating charge over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property."

A company's net property is that which is left from the proceeds of sale after settlement of any fixed charge over the property and after paying any preferential creditors, but before paying the lender who holds a floating charge. An administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property up to a maximum of £800,000.

Following the completion of a sale of the Share Capital, such realisations would be payable to the Secured Creditors under their fixed charge. Given the extent of the indebtedness falling due to the Secured Creditors, there will be no net property and, accordingly, no Prescribed Part can be set aside with which to pay a dividend to the ordinary unsecured creditors.

Under the terms of the CVA Proposals agreed by creditors in October 2016, a contribution was to be made from the sale proceeds (which are the subject of the Secured Creditors' fixed charges) to allow the creation of the CVA Fund so that the costs and expenses of the administration and CVA process ("the Costs and Expenses") could be paid and to permit the payment of a dividend to both the preferential and ordinary unsecured creditors. Unfortunately, the CVAs have failed and there will be no dividend to the preferential and ordinary unsecured creditors.

The statements of affairs submitted in respect of each of the subsidiaries included ordinary unsecured creditors with an estimated total liability of £234,547,330. To date, we have received claims from 123 creditors at a total of £164,738,188. The ordinary unsecured creditors for each of the companies within the Group are as follows:

# Glyncastle Group Progress Report

Company	Statement of affairs (£)	Claims Received (£)
Glyncastle plc	44,285,929	4,926,984
Glyncastle Mining Limited	70,667,343	49,955,151
Glyncastle Resource Limited	163,234,476	103,614,232
Ocean Coal Limited	25,957,947	519,974
Glyncastle Mineral Handling Limited	28,996,935	3,556,790
Abbey Mine Limited	25,796,830	358,857
Centreclear Limited	28,235,708	2,806,200
<b>Total *</b>	<b>234,547,330</b>	<b>164,738,188</b>

\*Please note that the statements of affairs of each company include an unsecured liability of £25,437,973 which has been cross guaranteed against each of the Companies. Despite the liability appearing in each of the statement of affairs, the liability would only need to be repaid by one of the Companies. At present, the claim submitted for this amount has been recorded against the administration of Glyncastle Resource Limited. The above total of £234,547,330 for claims recorded on the director's statement of affairs excludes the duplication of the claim in the additional six statements of affairs.

## 8. Investigation into the Affairs of the Group

Following our initial investigations, we have continued our enquiries into the Group's affairs to establish whether there are any further potential asset recoveries or matters that justify further investigation. Our review has taken into account the public interest, likelihood of potential recoveries, costs of investigation and litigation.

## 9. Achievement of the statutory purpose of the Administrations

The principal purpose of the Administrations was to secure finance to achieve a balance sheet restructuring and an exit from administration (i.e. the rescue of the Group or parts thereof as a going concern). Alternatively (or in parallel) efforts would be made to sell the business and assets of the Group so as to achieve a better return to creditors than would otherwise be the case than if the Group first went into liquidation. Failing which, there would be the sale of Group assets in order to make a distribution to one or more of the secured or preferential creditors.

Since our appointment as Joint Administrators, the global coal and steel industries have faced significant and well documented challenges. Support for coal mining has been in a state of flux for several years. Despite this flux, demand and prices for high grade anthracite have

increased significantly. However, the financing landscape for single-mine development companies is unrecognisable from a decade ago, requiring companies to largely bypass traditional equity and commercial debt avenues. The sales process has therefore been complex and drawn out.

As explained in more detail below, Welsh Government's opposition to coal mining has strengthened in recent years with the refusal to allow planning permission to be granted for the extension of coal mining licences beyond their term (despite agreed licence extensions by the Coal Authority). Such a policy related to the use of coal to generate heat to produce energy and did not include anthracite coal used for other purposes. However, this policy has caused confusion with investors and buyers. It undermined the perceived long-term economic viability of the underground mining operations as the licences are due to expire in 2031 and investors and buyers may well have taken the view that they would not obtain extensions beyond that date. From speaking to a large number of potential buyers and investors, it seems clear to me that many have become increasingly concerned by the stance being taken by Welsh Government, despite the specialist markets into which the anthracite coal would be sold. This is notwithstanding that the relevant local authorities, had previously confirmed that the planning permissions relating to the underground mine remained in place and were due to be renewed pending a revised submission by new owners.

In a written statement published in March 2021 Welsh Government stated that their policy was to now bring to a managed end the extraction and use of coal in Wales regardless of its uses. This effectively brings about the end of the anthracite coal mining operations previously carried out by the Group.

For some time, and in the light of growing opposition to coal mining, the Joint Administrators have considered alternative uses for the site and the licences. Until recently, it was the intention of the Joint Administrators to promote the site and underground mine infrastructure for carbon sequestration (carbon capture, utilisation and storage) using the existing anthracite coal resource in the licence areas. The use of carbon capture, utilisation and storage technology is in line with the stated policy of Welsh Government and HM Government.

Carbon sequestration, in this context is the injecting of

# Glyncastle Group Progress Report

carbon dioxide into the deep lying coal seams where it is adsorbed into the coal matrix replacing natural gas. The coal preferentially adsorbs up 11 times the replaced natural gas. The natural gas is drained from the coal seams to make the mine safe and avoid atmospheric emissions.

Given the optimal depth for carbon sequestration there are five suitable coal seams with an estimated resource at around 12,700 million tonnes of unmined coal in South Wales. Such resource has the potential to permanently store over 423 million tonnes of carbon dioxide.

The anthracite coal mine has a storage capacity of over 43 million tonnes of carbon dioxide. The drained and captured natural gas could have supplied a 49.9MW(e) powerplant with the existing carbon dioxide storage capacity for 418 years, generating net zero carbon energy or used to produce blue hydrogen assuming the proposed underground trails had been successful.

Significant interest had been shown in acquiring the site in order to develop the underground mine infrastructure for carbon sequestration and to undertake underground trials.

The existing coal mining licences allow the operator or owner to carry out any activity which cuts across, disturbs or enters the coal seams although a gas drainage and carbon sequestration licence would be required. Welsh Government has the power to grant such licences.

In August 2021 I met with representatives of Welsh Government to discuss whether Welsh Government would support the carbon sequestration project to the extent required for a gas drainage and carbon sequestration licence to be granted. The stated view of Welsh Government was that in addition to the licences mentioned above, a Petroleum Exploration and Development Licence ("PEDL") would also be required in order to progress the carbon sequestration project. The licence area is covered by an existing a PEDL owned by a third party. I contacted that party and discovered that he was in a legal dispute with Welsh Government. He was of the view that it would be impossible for anyone to use the licence for any purpose (including carbon capture, utilisation and storage) given the stance taken by Welsh Government towards the use of fossil fuels. Whilst he expressed support for the project, he is in dispute with Welsh Government and his ability to assist (or transfer the PEDL) is therefore restricted. I believe

the dispute could easily take years to be resolved and I do not consider there is any obvious way to obtain or resolve any issues over the status of the PEDL in the meantime. It has led me to the conclusion that it is not feasible to pursue further this alternative use of the mine.

## 10. Application for extension

The automatic end of each of the Administrations was originally 30 October 2014. This was extended with the consent of the secured creditors to 31 January 2015 (in accordance with Paragraph 78(2)(a) of Schedule B1 of the Act) and subsequently by the Court to 31 July 2015 and, thereafter, to 31 January 2016, 31 July 2016, 30 November 2016, 31 March 2017 and 30 June 2017, 31 January 2018, 6 April 2018, 6 October 2018, 25 January 2019, 22 May 2019, 22 November 2019, 22 November 2020, and 20 November 2021.

No application is being sought to further extend the end of the Administrations. It is my intention to apply for an order pursuant to Paragraph 79 of Schedule B1 of the Insolvency Act 1986, to end the Administrations.

## 11. Pre-Administration Costs

The pre-administration costs that were incurred and remained unpaid were disclosed in our reports dated 5 December 2013 and 21 May 2014. By way of a brief summary, the following pre-appointment costs were approved by the creditors' committee of Glyncastle Resource Limited (formerly Unity Mine Limited) by written correspondence on 13 January 2014 and ratified at a subsequent meeting of the creditors' committee held on 21 January 2014 as follows:

- Pre-appointment fees charged by Duane Morris in the total sum of £253,356 (inclusive of VAT) and SGH Martineau in the total sum of £3,300 (inclusive of VAT); and
- Unpaid pre-appointment Joint Administrators' time costs in the total sum of £105,547 (exclusive of VAT).

## 12. Administrators' Remuneration

The basis of the Joint Administrators' remuneration in Glyncastle Resource Limited (formerly Unity Mine Limited) and Glyncastle Mining Limited (formerly Horizon Mining Limited) was approved by the creditors' committee for

# Glyncastle Group Progress Report

those two companies on 13 January 2014 by written correspondence and ratified at a meeting of the creditors' committee held on 21 January 2014. It was resolved that the Joint Administrators' fees be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration at the charge out rates of Cork Gully LLP.

In addition, it was resolved that the Joint Administrators will receive a fee of 1% of any investment introduced or assets realised to reflect the extensive time and risk associated with the M&A activity.

At the time of writing, the creditors' committees for both Glyncastle Resource Limited (formerly Unity Mine Limited) and Glyncastle Mining Limited (formerly Horizon Mining Limited) had passed resolutions confirming that the Joint Administrators be authorised to draw fees on account of their time costs up to 12 June 2016, totalling £4,080,407 and £57,309 respectively.

Schedules confirming the total time incurred by us and our staff during the reporting period for each of the Administrations, together with the cumulative time costs to date, are attached at Appendix 5 to this report. Cork Gully LLP staff record time in minimum units of 6 minutes.

The following table summarises the position with regard to each Administration:

Pre appointment fees of £25,000 were paid to Cork Gully prior to the commencement of the Administration. The Joint Administrators have not drawn the balance of their pre-administration costs or any post appointment remuneration

in this matter to date.

A description of the routine work undertaken in respect of the Administrations to 22 August 2021 is as follows:

## 1. Administration and Planning

- Reviews and documentation of Administration strategy
- Site monitoring for matters for environmental and safety concern
- Preparing the documentation and dealing with the formalities of appointment
- Collection of the Group's books and records including extraction of financial and customer information from Pegasus
- Dealing with storage of the Group's records
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on Insolvency Practitioner System ("IPS")
- Case bordereau and insurance
- Liaising with the Groups' directors regarding completion and submission of the statements of affairs
- Preparing the Joint Administrators' proposals and progress reports to creditors
- Maintaining and managing the Joint Administrators' cashbook and bank account

Company	For the period 23 February 2021 to 22 August 2021			For the total period 30 Oct 2013 to 22 August 2021		
	Total Hrs	Time Costs (£)	Av. Hrly Rate	Total Hrs	Time Costs (£)	Av. Hrly Rate
Glyncastle plc	0.70	172.00	245.71	120.06	41,880.50	348.82
Glyncastle Mining Ltd	0.90	238.50	265.00	176.61	75,392.75	426.88
Glyncastle Resource Ltd	558.70	289,108.50	517.47	15,896.25	8,152,200.56	512.66
Ocean Coal Ltd	0.30	79.50	265.00	68.01	21,545.00	315.24
Glyncastle Mineral Handling Ltd	0.30	79.50	265.00	73.04	24,371.25	331.95
Abbey Mine Ltd	0.00	0.00	0.00	57.44	17,434.50	305.81
Centreclear Ltd	0.30	79.50	265.00	81.06	27,496.75	339.21

# Glyncastle Group Progress Report

- Ensuring statutory lodgements and tax lodgement obligations are met
- Strategy planning meetings
- Making necessary arrangements for the extension of the Administrations (either by the consent of the secured creditors or the Court) and drafting the supplementary documents and reports to creditors
- Travelling to and from meetings and the mine

## 2. Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports and circulars to creditors
- Liaising with ERA in relation to employee claims and review of necessary forms for filing with Redundancy Payments Service in respect of employee claims
- Addressing employees as regards their redundancies
- Maintaining creditor information on IPS case management software
- Receiving and logging creditor claims
- Coordinating and holding of the initial meeting of creditors
- Meetings and communication with the creditors' committee
- Reporting regular updates to the consortium of secured lenders and creditor committees;
- Instruction to legal advisers regarding a review of the Secured Creditor's position and subsequent consideration and review of advice received;
- Liaising with the Security Trustee nominated by the consortium of lenders under the terms of the intercreditor agreement;
- Liaising with creditors' auditors
- Answering creditors' queries and recording proxy forms and claims in respect of the meetings of the Companies' creditors to consider the Joint Administrators' revised proposals and proposal for a CVA
- Reporting to the Companies' creditors following the approval of the Joint Administrators' revised proposals

and proposal for a CVA

## 3. Investigations

- Review of the Groups' records
- Prepare and issue questionnaires to directors
- Review and consider questionnaires received from directors
- Review and completion of comprehensive investigation checklists
- Draft and submit a confidential report to the Secretary of State on the conduct of any past or present director.

## 4. Realisation of Assets

- Preparation of an Information Memorandum for perspective investors/purchasers
- Preparation of Non-Disclosure Agreements to facilitate the M&A process
- Set up and ongoing maintenance of a virtual data room for perspective investors/purchasers
- Formulating lists of interested parties from various sources
- Preparing and updating an expression of interest schedule
- Drafting and organising for the placement of adverts seeking investment into the group / sale of the business and assets
- Review of the original long-wall mining model prepared by senior management and sensitivity analysis for discussion with interested parties
- Communication with all interested parties who were sent the information memorandum
- Liaise with parties expressing an interest in investing or acquiring the business and assets of the Group
- Assisting interested parties in conducting their due diligence
- Coordinating and attending site visits and conference calls with interested parties, to include assisting with visa applications for site visit where applicable
- Meetings with and presentations to interested parties

## Glyncastle Group Progress Report

- Review of data room activity reports
- Review of offers received and ongoing negotiations with interested parties
- Liaising with the Secured Creditors
- Liaising with the directors of the Group
- Prepare and discuss enterprise value calculations
- Engage and liaise with our agents, Webster's in relation to the sale of the continuous mining equipment subject to a fixed charge with Barclays Bank and the Welsh Assembly.
- Review and consideration of the tax position of the Group
- Conducting research and investigations in order to compile profiling reports on interested parties
- Instruction to legal advisers regarding draft heads of terms and contract of sale.
- Prepare a flow of funds analysis on the basis that there is a sale of the share capital of Horizon Mining Limited
- In conjunction with drafting a contract of sale, consider and draft a template for a Creditors Voluntary Arrangement ("CVA") proposal in order to rescue the Companies as a going concern and exit via a CVA if required
- Further review and ongoing updates to the draft CVA proposal
- Further review and sensitivity analysis of mine plan and business model to assist interested parties with due diligence
- Verifying niche anthracite markets and pricing per tonne
- Verifying demand per annum for niche anthracite markets, both domestically and globally
- Modifications to mine plan to minimise requisite working capital post acquisition
- Preparation of investor guides to assist with their understanding of the target and potential future markets
- Safeguarding certain intellectual property
- Commissioning independent mining advice to verify feasibility of the elected mining method
- Convening and holding meetings of creditors to consider revisions to the Joint Administrators' proposals
- Finalising the Joint Administrators' proposal for a CVA in respect of Horizon Mining Limited and each of its subsidiaries
- Convening and holding meetings of the Companies' creditors and members to consider the terms of the proposed CVA
- Drafting and filing all requisite statutory documentation following the approval of the Joint Administrators' revised proposals and proposal for a CVA in respect of each of the Companies
- Assisting solicitors with drafting the Sale and Purchase Agreement and other ancillary documents pertaining to the sale of the Share Capital

### 5. Trading / Care and Maintenance Program

- Attend the mine and ascertain site care and maintenance along with health and safety procedures and practices
- Establish and develop systems and controls for Administration period
- Management of cashflow and site maintenance program, including authorisation of purchase orders
- Prepare and consider site care and maintenance program and contingency planning
- Processing and payment of weekly and monthly wages and salaries
- Approval and processing of weekly payments as part of the site care and maintenance program for the mine
- Negotiations on leases and access and hire agreements in relation to the quarry
- Liaising with quarry manager and foreman regarding operations at Bwlch Ffos
- Negotiating terms of supply with stone and coal customers of open-cast quarry

## Glyncastle Group Progress Report

- Weekly monitoring of cashflow forecasts (budget v actual) for both underground mine and open-cast quarry
- Undertaking risk assessment of changes to care and maintenance program and implementation of such changes
- Ongoing assessment of care and maintenance position

A copy of 'A creditors Guide to Administrators' Fees' may be downloaded at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/28872/page/1/administration/>.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

A hard copy of the above documents may be provided to creditors upon request.

### 13. Administrators' Expenses

With regard to the administration of Glyncastle Resource Limited (formerly Unity Mine Limited), Cork Gully LLP has incurred Category 1 expenses to 22 August 2021 totalling £57,387.41 (of which £4,014.00 was incurred in the report period between 23 February 2021 and 22 August 2021).

With regard to the other Administrations, Cork Gully LLP has incurred Category 1 disbursements as follows:

Company	Disbursements	Total
	for period 23/02/21 to 22/08/21	disbursements for period 30/10/13 to 22/08/21
Glyncastle plc	-	564.00
Glyncastle Mining Limited	-	2,260.00
Ocean Coal Limited	-	355.00
Glyncastle Mineral Handling Ltd	-	85.00
Abbey Mine Limited	-	35.00
Centreclear Limited	-	195.00

These expenses have arisen as a direct result of administering the estates and have been paid to independent third parties

by our firm. To date, we have not been reimbursed for any of the expenses incurred, which principally relate to:

- Court filing fees;
- Courier charges;
- Statutory bonding;
- Travel, accommodation and sustenance;
- Statutory advertising;
- Mail redirection from the Companies' head office;
- Contracted printing and postage of circular to creditors; and
- Meeting room hire.

Category 2 disbursements are expenses charged by the firm directly and are not attributable to a third party invoice and may include a profit element. Creditor approval is required prior to any Category 2 disbursements being drawn. No Category 2 disbursements have been charged during the report period or for any of the Administrations to date.

The summary of receipts and payments in respect of Glyncastle Resource Limited (at Appendix 4) confirms that a total of £360,358 has been paid in respect of professional advisor fees and expenses. No further amount has been paid during the reporting period.

The following agents or professional advisors have been engaged in this matter to date (please see page 10):

The choice of professionals was based on the Joint Administrators' perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The fees charged have been reviewed and the Joint Administrators are satisfied that they are reasonable in the circumstances of this case.

### 14. Further Information

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

# Glyncastle Group Progress Report


## 15. Summary

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line and a diagonal stroke.






## Glyncastle Group Progress Report




## Appendix I - Statutory Information

## Appendix I - Statutory Information




## Appendix I - Statutory Information

## Appendix I - Statutory Information



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## Appendix I - Statutory Information



## Appendix I - Statutory Information



## Appendix II - Group Structure

## Appendix III - Extract from the Joint Administrators' Proposals

### **Extract from the Joint Administrators' Proposals dated 6 December 2013 for each of the companies**

The Joint Administrators formally propose to creditors in each individual company that:

- a) The Joint Administrators continue to manage the business, affairs and property of the Companies in order to achieve the purpose of the Administration. In particular that they:
  - i) undertake M&A activity with a view to attracting new investment or, in the alternative, asset or securities disposals;
  - ii) pursue amounts due to the Companies and, where appropriate, agree commercial settlement;
  - iii) investigate and, if appropriate, pursue any claims that the Companies may have against any person, firm or Companies whether in contract or otherwise, including any officer or former officer of the Companies or any person, firm or Companies which supplies or has supplied goods or services to the Companies;
  - iv) do all such things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Companies or maximise the realisations of those assets, or of any purpose incidental to these proposals.
- b) If sufficient new investment in the Companies is achieved the Joint Administrators will seek to exit the Administrations and pass control of the Companies back to the directors.
- c) If it appears that there will be sufficient funds to pay a dividend to the unsecured creditors, the relevant Administrations will end by placing the Companies into creditors' voluntary liquidation and Stephen Cork and Andrew Beckingham will be appointed as Joint Liquidators of the Companies.

For the purpose of the winding up, any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of

the persons for the time being holding office. Creditors may nominate a different person(s) as the proposed liquidator(s), but you must make the nomination(s) at any time after you receive these proposals, but before they are approved.

Information about the approval of proposals is discussed later in this report.

- d) If it appears that there will be insufficient funds to pay a distribution to unsecured creditors of any of the Companies, the relevant Administration will end by filing a Notice of Dissolution with the Registrar of Companies. The relevant company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered.
- e) The Joint Administrators be discharged from liability under the Administration in accordance with Paragraphs 98 and 99 of Schedule B1 of the Insolvency Act 1986 immediately upon the Joint Administrators' filing of their final progress report and vacating office.

### **Joint Administrators revised proposals as agreed by the Creditors of Glynncastle Mining Limited (formerly Horizon Mining Limited) and its subsidiaries on 7 October 2016**

At the meetings of creditors convened under Paragraph 52 of Schedule B1 to the Insolvency Act in respect of Horizon Mining Limited and each of its subsidiaries, the following revisions to the Joint Administrators' proposals were approved:

- THAT the Joint Administrators may seek to exit the Administration and rescue the company as a going concern by way of a company voluntary arrangement in accordance with Part I of the Insolvency Act 1986; and
- THAT the Joint Administrators be discharged from liability under the Administration in accordance with Paragraph 98 and 99 of Schedule B1 of the Insolvency Act 1986 immediately upon the Joint Administrators filing their final progress report with the Registrar of Companies and vacating office.

## Appendix IV - Summary of Receipts & Payments

## Appendix IV - Summary of Receipts & Payments

## Appendix IV - Summary of Receipts & Payments

## Appendix V - Summary of Joint Administrators' Time Costs

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