

# AM10

## Notice of administrator's progress report



Companies House

SATURDAY



A28 \*A7ANW38I\*  
21/07/2018 #61  
COMPANIES HOUSE

### 1 Company details

Company number 0 3 1 7 2 9 8 6

Company name in full Ambrian Plc

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

### 2 Administrator's name

Full forename(s) Matthew E

Surname Richards

### 3 Administrator's address

Building name/number 30 Finsbury Square

Street

Post town London

County/Region

Postcode E C 2 P 2 Y U

Country

### 4 Administrator's name ●

Full forename(s) David J

Surname Dunckley

● Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ●

Building name/number 30 Finsbury Square

Street

Post town London

County/Region

Postcode E C 2 P 2 Y U

Country

● 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> 2	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
To date	<sup>d</sup> 2	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 6	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

**7** Progress report

☒ I attach a copy of the progress report

**8** Sign and date

Administrator's  
signature

Signature

X

*M. Herd*

X

Signature date

<sup>d</sup> 1	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
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# AM10

## Notice of administrator's progress report



### Presenter information

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

Contact name **Matthew E Richards**

Company name **Grant Thornton UK LLP**

Address **30 Finsbury Square**

Post town **London**

County/Region

Postcode **E C 2 P 2 Y U**

Country

DX

Telephone **Tel/Fax**



### Checklist

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

**Please make sure you have remembered the following:**

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



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

Our ref: MER/PAM/RJJ/TXA/A30201091/

To the creditors

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**Recovery and Reorganisation**

Grant Thornton UK LLP  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

T +44 (0)161 953 6900  
F +44 (0)161 953 6317

19 July 2018

Dear Sirs

**Ambrian Plc - In Administration (the Company)**  
**High Court of Justice, Business and Property Court**  
**No 9804 of 2017**

## **1 Introduction**

- 1.1 *Following my appointment as joint administrator of the Company with David Dunckley by the directors on 22 December 2017, I now report on the progress of the administration to 21 June 2018 and attach:*
- Appendix A, an account of our receipts and payments for the period from 22 December 2017 to 21 June 2018 and also for the whole administration to date
  - Appendix B, a statement of the remuneration charged by the joint administrators in the period 22 December 2017 to 21 June 2018 and a statement of expenses incurred in the period
  - Appendix C, an analysis of our time costs as required by Statement of Insolvency Practice 9
  - Appendix D, an extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to request additional information from the administrator (rule 18.9)
  - Appendix E, an extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to challenge the administrator's remuneration or expenses, if excessive (rule 18.34)
- 1.2 Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners. We are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.
- 1.3 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the joint administrators are to be exercised by any or all of them.

## **2 Statutory information**

- 2.1 The Company's registered number is 3172986.

## **3 Progress report**

- 3.1 This six monthly progress report should be read in conjunction with the joint administrators' proposals dated 13 February 2018, which sets out the overall strategy and approach to realising assets for the benefit of the Company's creditors.

### Company updates

- 3.2 On 13 March 2018, the Company's NOMAD formally resigned from acting on behalf of the Company. As a consequence, the Company was de-listed from the Alternative Investment Market (AIM) on 13 April 2018. It should be noted that this will not impact upon the overall realisation strategy below.

### Realisation strategy update

- 3.3 For ease, the creditors are reminded of the inter-company position, which is summarised below:

<u>Debt</u>	<u>Investment</u>	<u>Total</u>
<p>Ambrian plc (the Company) <u>UK</u></p>		
£9.13m (£28.36m)	£12.66m	<b>£21.79m</b> <b>(£28.96m)</b>
<p>Ambrian Metals Limited (AML) <u>Switzerland</u></p>		
£23.31m	£0.03m	<b>£23.34m</b>
<p>CGM (UAE) FZE (CGM) <u>UAE</u></p>		
£3.29m	£18.39m	<b>£21.68m</b>
<p>Cementos da Beira Limitada (CDB) <u>Mozambique</u></p>		

- 3.4 The primary asset of the Company is the inter-company balances due from AML of £9.13 million and £28.36 million (the latter of which is subrogated) and the investment of £12.66 million in AML. The focus to realise these assets is via a sale of the assets in CDB, which trades as an operator of a cement manufacturing plant in Mozambique.
- 3.5 As set out in the joint administrators' proposals, our strategy centres around a short term disposal of CDB in a manner that protects value for creditors and then realises value for shareholders across the group. Fundamental to this situation is that a transaction can be delivered, subject to the necessary sanctioning of key financial stakeholders, at any level across the group.
- 3.6 Accordingly, Grant Thornton Mozambique, Lda (GTM) has been appointed to undertake a sales process of CDB locally, leading on matters relating to the disposal process, primarily site visits and interactions with local interested parties. Grant Thornton UK LLP (GTUK) has separately been engaged to assist GTM in the above process, specifically dealing with documentation, sharing of information, negotiations, stakeholder interaction and completion procedures.
- 3.7 We understand that, to date, approximately ten interested parties have signed non-disclosure agreements to take part in the sales process. These parties predominantly consist of market competitors and sector investment funds. Interest levels appear to be quite strong; however, as the process is at an early stage, it remains uncertain as to the estimated level of realisation or the type of transaction which will be completed.
- 3.8 The timing to complete a transaction remains uncertain. In the meantime, we understand that trading within CDB is stable and loan repayments continue to be made whilst discussions with lenders continue regarding the local debts.

#### **Inter-company realisation flow preservation**

- 3.9 The joint administrators have separately focused on the group companies above CDB in order preserve the funds flow to the Company. Accordingly, as shareholder, significant work has been undertaken in stabilising the management in AML by appointing an independent director to the board of AML as two directors resigned. Not only was this necessary as part of the strategy to protect the funds flow but also to allow for appropriate oversight for decisions required further down the group.
- 3.10 As previously reported, the Company had a freezing order in Switzerland over its Swiss assets (being the inter-company balance due from AML and the shares in AML). In order to protect these assets, we instructed lawyers to file for recognition of the Company's moratorium and avoid the shares potentially being subject to an auction by the Swiss Debt Enforcement Office.
- 3.11 On 25 May 2018, the Swiss courts granted the order to recognise the moratorium in Switzerland and, in doing so, appointed David Dunckley and I as "Sachwalter" – effectively, a Swiss receiver specifically over the inter-company debt and shares of AML (not of AML itself, which continues to exist outside any insolvency process).

#### **Realisations to date**

- 3.12 Our receipts and payments account is attached at Appendix A and this shows that £13,644 has been received in respect of a pre-appointment VAT refund.
- 3.13 Cash of £24,684 in the Company's bank account at the date of my appointment has been transferred to the administration.
- 3.14 Miscellaneous refunds of £1,201 have also been received.

#### **4 Potential outcome to creditors**

- 4.1 As advised in our previous report, due to the uncertainty of any return to the Company from the inter-company balances due and dividends that may become payable from AML, we set out below two possible outcomes which would result in differing conclusions to the administration process.

##### **Option 1 – Realising inter-company balance owed by AML for an amount GREATER than the value of unsecured creditor claims (net of costs)**

- 4.2 The rescue of the Company as a going concern is a possibility if the above strategy achieves a return of inter-company balances owed to the Company greater than the unsecured creditors' liability that would lead to the unsecured creditors being paid in full (including interest). The specific value of such a realisation is predicated upon the final unsecured claims received in the administration.
- 4.3 Should the Company be restored to solvency as a consequence of the above, the joint administrators would propose to convert the administration to a creditors' voluntary liquidation to distribute the proceeds to its members.

##### **Option 2 – Realising inter-company balance owed by AML for an amount LESS than the value of all unsecured creditor claims (net of costs)**

- 4.4 This option would apply should a sale be achieved in CDB, but the return to the Company (net of costs) is lower than the value of the unsecured creditors.
- 4.5 On this basis, the joint administrators will pursue the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
- 4.6 This objective will be achieved by the joint administrators continuing to manage the business of the Company for as long as they believe it appropriate in attempting the most advantageous realisation of assets, through their involvement in the discussions with the wider group in implementing an achievable strategy resulting in funds flowing up to the Company.

- 4.7 As with Option 1 above, it is proposed in the event of this circumstance that the administration will end by the Company going into creditors' voluntary liquidation, or if there are no monies available for unsecured creditors, by the dissolution of the Company.
- 4.8 If during the pursuit of the two options above it becomes necessary to extend the administration beyond 12 months, then the joint administrators will initially approach the creditors to seek their approval for a 12 month extension. Any subsequent extension to the administration will be sought from the Court.
- 4.9 A claim form has been attached and should you wish to make a claim, please complete and return the form to this office in order for your claim to rank in the administration.

## **5 Joint administrators' remuneration and expenses**

- 5.1 On 1 March 2018, the creditors resolved that that the remuneration of the joint administrators be fixed according to the time properly spent by the joint administrators and their staff.
- 5.2 You will note from the SIP 9 table attached at Appendix C that the time costs for the period 22 December 2017 to 21 June 2018 are £147,722 and from the receipts and payments account attached at Appendix A that no fees have been drawn to date.
- 5.3 Time costs incurred in the period but not drawn as remuneration to date are disclosed in Appendix B and C. These costs include initial notifications to stakeholders, complying with statutory requirements, tax compliance, pensions compliance, treasury functions and general case administration. Further narrative is included in the table at Appendix C.
- 5.4 In addition, time costs have been incurred as follows:
- The stabilisation of the subsidiary entities through providing support in appointing independent office holders within CDB and AML. This has involved a significant amount of time being spent liaising with third parties in the UK and abroad (including lawyers)
  - Recognition of the UK moratorium in Switzerland, resulting in the appointment of Matthew Richards and David Dunkley as "Sachwalters" in Switzerland over the shares and inter-company balances in favour of the Company. Such an appointment includes certain statutory obligations such as advertising for claims and reporting to the Court in the canton of Zug. Again, this action has involved a significant amount of time liaising with lawyers in Switzerland
  - Investigating the conduct of current and former directors for the purposes of filing our confidential conduct report to the Secretary of State
  - Some correspondence with interested parties as part of the sales process in the subsidiary entities
  - Communications with creditors and other stakeholders.
- 5.5 In addition, expenses relating to the bordereau charges and out of pocket expenses have been incurred in the period, totaling £104.
- 5.6 Background information regarding the fees of the joint administrators can be found at [https://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Administrators\\_fees\\_April\\_2017.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_fees_April_2017.pdf). Alternatively, we will supply this information by post on request free of charge. Time is charged in 6 minute units.

## **6 Investigations into the affairs of the Company**

- 6.1 The joint administrators continue their investigations into the affairs of the Company and we shall be pleased to receive from any creditor any useful information concerning the Company, its dealings or conduct which may assist us in our investigations into the Company's affairs.

**7 Other expenses incurred by the joint administrators**

- 7.1 The primary expenses incurred to date are legal fees totalling £10,684, of which £2,287 relates to post-appointment fees for our UK lawyers, Gowling WLG, in providing legal advice surrounding the validity of our appointment as joint administrators. The balance of £8,417 relates to fees for our Swiss lawyers, Meyerlustenberger Lachenal, in assisting with the recognition of the UK moratorium in Switzerland.
- 7.2 Other remedial costs totalling £814 have been incurred in relation to costs such as employee claim processing costs (via our agents, ERA Solutions Limited), re-direction of mail services, statutory advertising costs and temporary insurance costs for our insurance brokers, JLT Specialty Limited, for the leasehold premises.

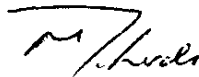
**8 Data Protection**

- 8.1 Any personal information held by the Company will continue to be processed in accordance with completing the administration of the Company and in accordance with meeting our requirements under applicable Data Protection Legislation/law in the United Kingdom.

**9 Contact**

- 9.1 If you have any queries, please contact Richard Jackson on 0161 9536457.

Yours faithfully  
for and on behalf of Ambrian Plc



**Matthew Richards**  
Joint Administrator

The affairs, business and property of Ambrian Plc are being managed by Matthew Richards and David Dunckley, appointed as joint administrators on 22 December 2017.

Enc

Ambrian Plc - in administration  
 Joint Administrators' receipts and payments account  
 from 22 December 2017 to 21 June 2018

Receipts	Statement of Affairs (£)	Total (£)
Investment in Ambrian Principal Inves	3,608,303.00	0.00
Investment in Ambrian Metals Ltd	12,656,029.00	0.00
VAT Refund	25,760.00	13,644.00
Cash at Bank	25,498.00	24,683.71
Amount owed by Ambrian Metals Limited	9,127,653.00	0.00
Misc Refunds		1,201.07
		<hr/> 39,528.78
<b>Payments</b>		
Legal Fees (1)		10,683.65
Professional Fees		275.00
Re-Direction of Mail		204.00
Statutory Advertising		137.40
Insurance of Assets		196.00
Bank Charges		2.00
Vat on Purchases		535.88
		<hr/> 12,033.93
<b>Balance - 21 June 2018</b>		<hr/> <b>27,494.85</b>
<b>Made up as follows</b>		
Floating Current Account NIB		27,494.85
		<hr/> <b>27,494.85</b>

**B Remuneration charged and expenses incurred by the administrators in the period**

	Charged/incurred in period 22/12/2017 to 21/06/2018	Of which paid to 21/06/2018
	£	£
<b>Joint administrators' fees:</b>		
Time costs	164,133	0
Expenses	104	0
<b>Professional fees</b>		
ERA Solutions Limited	275	275
<b>Legal fees</b>		
Gowling WLG LLP	2,267	2,267
Muyerlustenberger Lachenal	8,417	8,417
<b>Insurance</b>		
JLT Specialty Limited	196	196

## C SIP 9 information

### Introduction

The following information is provided in connection with the Joint Administrators' remuneration and disbursements in accordance with Statement of Insolvency Practice 9.

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies:

### Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown below. Tasks are allocated to staff at the appropriate level. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

Current rates from 1 October 2017	£
	up to
Partner	745
Director	595
Associate director	520
Manager	410
Assistant manager	340
Executive	260
Administrator	180
Support staff	80

### Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at 45p a mile. VAT is added to disbursement charges as necessary.

**Ambrian Plc - In Administration**  
**Costs incurred in the period 22 December 2017 to 21 June 2018**

TASKS	Incurred in the period		
	Av Hrlly Rate	Hrs	£
<b>STATUTORY AND ADMINISTRATIVE TASKS</b>	<b>355</b>	<b>181</b>	<b>64,440</b>
Case planning Case set up and acceptance compliance Appointment notification Statutory advertising, record decision procedure outcome File reviews Bank account administration (treasury) Maintenance of records Assisting with the Statement of Affairs			
<b>CREDITORS</b>	<b>336</b>	<b>25</b>	<b>8,377</b>
Report to creditors on appointment and meeting notice Administrators Statement of Proposals Creditor correspondence			
<b>INVESTIGATIONS</b>	<b>341</b>	<b>34</b>	<b>11,502</b>
Review transactions in accordance with SIP 2 Investigate antecedent transactions Director conduct reporting			
<b>PENSIONS</b>	<b>282</b>	<b>1</b>	<b>226</b>
Statutory pensions compliance Liaising with the Pensions Regulator / Schemes			
<b>REALISATION OF ASSETS</b>	<b>538</b>	<b>111</b>	<b>59,890</b>
<u>Preservation of assets</u> Take control of company books and records Review company's bank statements and records Initial letters to various parties inc banks, agents Consider Tax and VAT position Dealing with stock and retention of title claims Dealing with insurance issues  <u>Sale of assets</u> Obtain information from various sources relating to assets Collection of book debts including inter-company balances			
<b>TAXATION</b>	<b>292</b>	<b>11</b>	<b>3,288</b>
Tax compliance VAT compliance			
<b>Total costs</b>	<b>407</b>	<b>363</b>	<b>147,722</b>

# AMBRIAN PLC - A30201091 - SIP 9 TIME COST ANALYSIS

Transaction period : 22/12/2017 to : 21/06/2018

	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£ Avg. Hrly Rate
Administration and Planning (incl statutory reporting)	28.55	16,994.75	64.25	26,010.00	86.35	21,383.00	2.15	52.00	181.30	64,439.75 355.43
Creditors	2.75	1,636.25	5.70	2,407.00	14.50	3,843.75	2.00	490.00	24.95	8,377.00 336.75
Investigations and reports on directors	5.50	3,272.50	5.45	2,144.50	22.75	6,085.00	0.00	0.00	33.70	11,502.00 341.31
Pensions	0.00	0.00	0.30	145.50	0.00	0.00	0.50	80.00	.80	225.50 281.88
Realisation of Assets	77.25	45,963.75	33.60	13,776.00	0.50	150.00	0.00	0.00	111.35	59,889.75 537.85
Taxation	0.00	0.00	5.00	2,127.00	1.25	361.25	5.00	800.00	11.25	3,288.25 292.29
<b>Total</b>	<b>114.05</b>	<b>67,867.25</b>	<b>114.30</b>	<b>46,610.00</b>	<b>125.35</b>	<b>31,823.00</b>	<b>9.65</b>	<b>1,422.00</b>	<b>363.35</b>	<b>147,722.25 406.56</b>

Total fees billed to date (Time) : £

**D An extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to request additional information from the administrator**

**Rule 18.9**

- (1) The following may make a written request to the office-holder for further information about remuneration (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report or account under rule 18.14 –
  - (a) a secured creditor;
  - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
  - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
  - (d) any unsecured creditor with the permission of the court; or
  - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report or account by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by–
  - (a) providing all of the information requested;
  - (b) providing some of the information requested;
  - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if–
  - (a) the time or cost of preparation of the information would be excessive; or
  - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
  - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
  - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of –
  - (a) the office holder giving reasons for not providing all of the information requested; or
  - (b) the expiry of the 14 days within which an office-holder must respond to the request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

**E An extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive**

Rule 18.34

- (1) This rule applies to an application in an administration, a winding up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that-
  - (a) the remuneration charged by the office-holder is in all the circumstances excessive;
  - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
  - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable-
  - (a) a secured creditor;
  - (b) an unsecured creditor with either-
    - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
    - (ii) the permission of the court, or
  - (c) in a members' voluntary winding up-
    - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
    - (ii) a member of the company with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3 or final report or account under rule 18.14 which first reports the charging of remuneration or the incurring of the expenses in question ("the relevant report").

**1 Rule 14.4 of the Insolvency (England and Wales) Rules 2016**

**Proof of debt**

Our ref: A30201091/MER/PAM/RJJ/TXA/J/gen2002

**Ambrian Plc - In Administration**

Date of administration 22 December 2017.		
1	Name of creditor (If a company please also give company registration number)	
2	Address of creditor for correspondence:	
3	Email address:	
4	Telephone number:	
5	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date of insolvency.	£
6	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
7	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form).	
8	Particulars of any security held, the value of the security, and the date it was given.	
9	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
10	Details of any documents by reference to which the debt can be substantiated.	
11	Signature of creditor or person authorised to act on his behalf  _____	
	Name in BLOCK LETTERS  _____	
	Position with or in relation to creditor  _____ Address of person signing (if different from 2 above)  _____	