

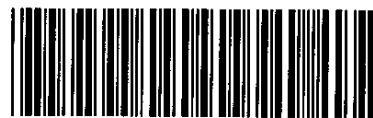
AM10

Notice of administrator's progress report



Companies House

TUESDAY



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17/12/2019

#147

COMPANIES HOUSE

1 Company details

Company number 0 3 9 5 4 2 2 4

Company name in full WEATHERLY INTERNATIONAL PUBLIC LIMITED COMPANY

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

2 Administrator's name

Full forename(s) SIMON

Surname KIRKHOPE

3 Administrator's address

Building name/number FTI CONSULTING

Street 200 ALDERSGATE STREET

Post town LONDON

County/Region

Postcode E C 1 A 4 H D

Country UNITED KINGDOM

4 Administrator's name ①

Full forename(s) ANDREW

Surname JOHNSON

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number FTI CONSULTING

Street 200 ALDERSGATE STREET

Post town LONDON

County/Region

Postcode E C 1 A 4 H D

Country UNITED KINGDOM

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	d	0	d	1	m	0	m	6	y	2	y	0	y	1	y	9
To date	d	3	d	0	m	1	m	1	y	2	y	0	y	1	y	9

7 Progress report

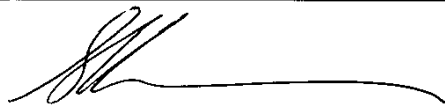
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	1	d	6	m	1	m	2	y	2	y	0	y	1	y	9
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JOINT ADMINISTRATORS' REPORT FOR THE PERIOD 1 JUNE 2019 TO 30 NOVEMBER 2019

WEATHERLY INTERNATIONAL PLC, COMPANY NUMBER: 03954224

REPORT COVERING THE PERIOD 1 JUNE 2019 TO 30 NOVEMBER 2019

16 DECEMBER 2019

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Glossary

Act	Insolvency Act 1986 (as amended)	Secured Lender	Orion Mine Finance (Master) Fund I LP
AML	Anti-Money Laundering	SIP2	Statement of Insolvency Practice 2
CARN	China Africa Resources Namibia Limited	SIP7	Statement of Insolvency Practice 7
CARN Holding	China Africa Resources Namibia Holding Limited	SIP9	Statement of Insolvency Practice 9
FTI	FTI Consulting LLP	St Lucian Subsidiaries	Weatherly (Namibia SL Limited), Weatherly (Namibian Custom Smelters) Ltd, Weatherly (SL) Limited and Weatherly SMF St Lucia Ltd
HMRC	HM Revenue and Customs	The Group	Weatherly International Plc and subsidiaries
Intrepid	Intrepid Mines Limited	The M&A Advisers	Numis Securities Limited and Treadstone Resource Partners
Joint Administrators / Administrators	Simon Kirkhope and Andrew Johnson	the Period	1 June 2019 – 30 November 2019
MVL	Members' Voluntary Liquidation	Proposals	Joint Administrators' Report and Statement of Proposals dated 23 July 2018
Numis	Numis Securities Limited	Treadstone	Treadstone Resource Partners
OML	Ongopolo Mining Limited	WITL	Weatherly International Trustee Company Limited
Pembridge	Pembridge Resources Plc	WMNL	Weatherly Mining Namibia Limited
RPS	Redundancy Payments Service	WNSL	Weatherly (Namibia SL) Limited
Rules	Insolvency (England and Wales) Rules 2016	The Company	Weatherly International Public Limited Company

1. Introduction

- 1.1 Andrew Johnson and I were appointed as Joint Administrators of the Company on 1 June 2018. We are required to provide creditors with a report every six months since appointment setting out what has happened in the Period and how we intend to progress the administration of the Company.
- 1.2 During this period the Joint Administrators have undertaken a significant number of actions to progress the administration, including but not limited to:
 - Sales process negotiations relating to one of the Company's principal assets;
 - undertaking statutory compliance relating to the Company's subsidiaries; and
 - ensuring the appropriate Company tax filings are made.
- 1.3 Full details of the statutory information relating to our appointment are set out at Appendix A.
- 1.4 This report, together with the appendices, contains information in relation to the activities undertaken, receipts and payments in the insolvency estate (Appendix B) and the Joint Administrators' time costs in accordance with SIP 9 (Appendix D) since the date of the Joint Administrators appointment.
- 1.5 Further details surrounding the administration of the Company can be found in the administrators' Proposals dated 23 July 2018.
- 1.6 This report is a six month progress report prepared pursuant to Rule 18.6 of the Rules to report on the progress of the administration during the period 1 June 2019 to 30 November 2019. The previous progress reports for the period 1 June 2018 to 30 November 2018 and 1 December 2018 to 31 May 2019 and were circulated to the Company's creditors on 14 December 2018 and 25 June 2019 respectively, and should be read in conjunction with this report.
- 1.7 No Creditors' Committee has been formed in the administration of the Company.

2. Progress of the Administration

Administration purpose/strategy

- 2.1 As stated in the Proposals we consider the purpose of the administration is to achieve a better outcome for the Company's creditors as a whole than would be possible if the Company were wound up (without first being in administration).

Sales process

- 2.2 Following appointment, the administrators engaged Numis and Treadstone as M&A Advisers to recommence the sales process effective 24 September 2018 (which had been running pre-administration). This was with a view to selling the shares in the Company's two key subsidiaries CARN which held Berg Aukus and WNSL which through OML held Tschudi mine, central operations and Tsumeb township and concentrator.
- 2.3 The M&A process included contacting over 90 parties and a number of indicative offers were received up to December 2018. However, none of these offers resulted in a sale. The M&A process concluded, and Numis and Treadstone ceased to act as M&A Advisers in December 2018 with no sale having been achieved.
- 2.4 Subsequently, further expressions of interest have been received for both share sales and asset sales via direct third-party introductions.

OML

- 2.5 OML currently holds two significant assets, namely the Tschudi and the Otjihase projects. Despite receiving expressions of interest, no sale is currently proceeding in respect of these assets.
- 2.6 The Tschudi mine is continuing to operate whilst decisions are taken between the Joint Administrators and the secured lender on the best disposal options following the unsuccessful sales process set out above. Once a new strategy has been identified the necessary steps will be taken to implement this strategy and dispose of the assets. The chosen strategy is likely to be finalised following the completion of the CARN sale detailed below.

CARN

- 2.7 There has been external interest in purchasing the share capital of CARN held by WTI and China Africa Resources Namibia Holding Limited ("CARN Holding"). CARN Holding is an intermediate holding company that holds a 65% holding in CARN.
- 2.8 In the previous progress report for the period ending 31 May 2019 it was stated that a transaction with a potential purchaser of the share capital of CARN was expected to complete shortly.
- 2.9 However, during this period the Administrators and their legal advisors have undertaken a significant amount of work to meet conditions the purchasers required in order to progress the sales process. As such, we now believe we are close to being in a position to conclude the transaction.

Weatherly International Trustee Company Limited

- 2.10 As set out in our last progress report, WITL, a subsidiary of the Company, was placed into MVL on 8 January 2019 to enable a first and final distribution to the Company as sole shareholder.
- 2.11 This distribution was made on 18 June 2019, with the net amount received in specie to the Company totalling £2,144.
- 2.12 The Liquidation of WITL will conclude pending the resolution of outstanding tax issues, which is expected imminently.

Other subsidiaries and realisations

- 2.13 During the period, the Administrators made statutory filings with the St. Lucian registrar for the following subsidiaries: Weatherly Namibian Custom Smelters Ltd, Weatherly SL Ltd, Weatherly SMF Ltd, Weatherly Namibia Ltd. These filings were required to protect the value of the Company's subsidiaries in the event of any disposal.
- 2.14 We have appointed a turnaround director to a number of the Company's subsidiaries, including to the above St Lucian entities however his appointment will not be recognised until the St Lucian authorities are provided with further information in order to finalise their AML checks (we continue to follow up with the director for this information). Once appointed steps will be taken to achieve any realisable value from these subsidiaries, and if no such value is held the necessary steps will be taken to have the companies struck off the register.
- 2.15 WTI owns 5,769,232 shares in Pembridge Resources Plc (WITL also holds 2,236 Pembridge Resources plc shares). The shares last traded, pre-suspension at 1.275p per share and remain suspended as at 30 November 2019. Based on current information the value of these is unlikely to be sufficient to provide any significant realisations into the estate.

Taxation

- 2.16 HMRC were notified of our appointment and a corporation tax return has been completed for the period ending 31 May 2018. A return for the first year of the administration will be filed in due course and in any event ahead of the required deadline.
- 2.17 A pre-appointment VAT recovery was received from HMRC and totaled £2,814. Included in the deductions of the pre-appointment VAT recovery by HMRC for administration and PAYE liabilities was a Holiday Pay Accrual of £3,048. This accrual had already been paid by us directly to the RPS, therefore resulting in £3,048 being deducted twice from funds belonging to the Company. We are currently chasing RPS for recovery of funds in relation to this double payment.
- 2.18 Post-appointment VAT recoverable for the periods 1 October 2018 to 31 December 2018 of £48,297 and 1 April 2019 to 30 June 2019 of £9,605 have been received from HMRC, there was no VAT recoverable for the period 1 January 2019 to 31 March 2019. A repayment supplement due to the late repayment of these is expected and is currently being processed by HMRC. We have not yet been informed of the exact amount of this supplement but anticipate it to be between 3-5%. We continue to chase the receipt of these funds and they are expected imminently.

Receipts and payments

- 2.19 A full receipts and payments account for the administration and the Period is provided at Appendix B. This allocates both the receipts and payments between fixed and floating charge assets and liabilities.
- 2.20 The Secured Lender has provided the administrators with a funding facility of up to £1m to meet the expenses of the Administration. During the period no drawdowns of the funding facility were made by the Administrators. Future costs of administration are

anticipated to be paid out of realisations from the sale of the Company's assets, however, should the anticipated sale of Berg Aukus not complete in relatively short order a further draw down under the funding facility may be required.

- 2.21 There were no receipts during the period. Payments during the period largely consisted of professional services payments required for the Administration to continue, such as Director and Officer's insurance relating to the Company's subsidiaries, fees payable to the Company's share registrar to exit the current agreement and to collect the relevant data, and legal fees related to the ongoing statutory compliance of the Company's subsidiaries overseas.

Administrators' remuneration

- 2.22 Our Proposals, dated 23 July 2018, were deemed to have been approved on 8 August 2018, in accordance with paragraph 52(1) of Schedule B1 to the Act.
- 2.23 In the Proposals it was set out that should a creditors' committee not be appointed, the secured lender (and preferential creditors if applicable) of the relevant company shall be asked to fix the basis of the Administrators' remuneration in accordance with r18.18 of the Rules, to be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administration. Consent to draw fees to date on this basis was received from the secured creditor by email dated 11 November 2018, and there was no requirement for the Company's preferential creditors to participate in the fixing of the Administrators fees as they were paid in full prior to the Joint Administrators drawing fees.
- 2.24 Details of the rules in relation to Administrators' remuneration together with details of our time costs to date are set out in Appendices C and D.
- 2.25 I confirm that the Administrators have incurred the following time costs during the administration in properly dealing with the administration of the Company:
- Pre-appointment time costs of £21,770 and disbursements of £11, of this amount £15,000 plus VAT has been drawn, following secured creditor approval dated 11 November 2018. The remaining amount has been written off.
 - Time costs for the period total £121,893.76 (plus VAT), during this period no disbursements have been incurred and no fees have been drawn in respect of this amount.
 - Post-appointment time costs of £516,797.27 (plus VAT) and disbursements of £128 have been incurred during the full administration period 1 June 2018 to 30 November 2019, of this balance £190,000 plus disbursements plus VAT has been drawn on account by the Joint Administrators.

Creditors' Right to Challenge Remuneration and/or Expenses

- 2.26 Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or with leave of the Court, may apply to the Court for one or more orders (in accordance with Rules 18.36 or 18.37 of the Rules), challenging the amount or the basis of the remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses in question, in accordance with Rule 18.34 of the Rules.

Creditors' Right to Request Information

- 2.27 Any secured creditor or unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Administrators of the Company to provide additional information regarding remuneration or expenses to that already supplied with this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

3. Estimated Outcomes

Secured Creditors

- 3.1 At the date of appointment, the Secured Lender was owed approximately \$126m by the Group. WTI is a guarantor of this debt. The Secured Lender holds security dated 7 May 2015 over the Group. As a result, the Secured Lender has security over all the Groups

assets, which includes fixed and floating charges. We asked our lawyers to undertake a review of the Company's security and they confirmed all UK charges are valid.

- 3.2 The Secured Lender has provided the Joint Administrators' with a drawdown facility of £1m in order to meet the costs of the Administration. This facility has not been drawn down in full. However, given the continuing length of the administration it is anticipated that the initial draw down facility will be insufficient to meet the costs of the Administration.
- 3.3 The return to the Secured Lenders is currently uncertain and heavily reliant on the realisations from the sale of the Company's assets.

Preferential creditors

- 3.4 All preferential claims were paid in full. Please refer to the Joint Administrators' Progress Report for the period 1 June 2018 to 30 November 2018 for further details.

Unsecured creditors

- 3.5 Unsecured creditors rank behind both secured and preferential creditors.
- 3.6 Under Section 176A of the Act where after 15 September 2003 the Company has granted a creditor a floating charge, a proportion of the net property of the company achieved from floating charge asset realisations must be made available for the unsecured creditors ("the Prescribed Part").
- 3.7 There are unlikely to be sufficient funds to repay the Secured Lender, therefore returns to unsecured creditors would only potentially come from the Prescribed Part, up to a maximum of £600k.
- 3.8 As reported in the Joint Administrators' Progress Report for the period 1 June 2018 to 30 November 2018, the first progress report delivered to Creditors, it was initially expected that a Prescribed Part Dividend to unsecured creditors would be paid, based on the assumption that the Administration would complete within twelve months of the Joint Administrators' appointment.
- 3.9 Based on current information, there is unlikely to be any return to unsecured creditors via a Prescribed Part, this is due to the administration remaining open for longer than anticipated due to the delay in the sales process of the Company's principal assets, there have been significantly higher floating charge costs than were anticipated. As such, the floating charge costs are expected to exceed the floating charge realisations and no Prescribed Part is expected to be paid. In the event that there are further floating charge realisations the position may change with a Prescribed Part dividend becoming payable.
- 3.10 Creditors wishing to submit a claim should use the creditors statement of claim form provided at Appendix F, with any claims made being supported by copy invoices or other relevant documentation sufficient to allow your claim to be adjudicated.

Shareholders

- 3.11 As set out above there is anticipated to be a significant shortfall to the Company's creditors, and as such there will not be a return to the Company's shareholders.

4. Next Report, Discharge and Further Information

- 4.1 A 12-month extension was requested from the Secured Lender under paragraph 76(2)(1) of Schedule B1 to the Act on 2 May 2019. Furthermore, a notice of extension was deemed delivered to the Registrar of Companies on 20 May 2019 and uploaded to the Administrator's creditors portal on 31 May 2019, pursuant to rule 3.54.
- 4.2 It remains a significant possibility that the administration will require a further extension and an application to court may be required. If this is the case a decision will be taken during H1 next year, and any decision will be disclosed to the Company's creditors.
- 4.3 We are required to provide a further progress report to all creditors within one month of the end of the period ending 30 May 2020, or when the Administration comes to an end, whichever is sooner.
- 4.4 Should creditors wish to receive a hard copy of any of the documents (including this report) they are available at <https://www.fticonsulting-emea.com/cip/weatherly-international-plc>, or if you have any specific queries in relation to this report or the Administration in general, please contact a member of the Joint Administrators' staff at wtishareholders@fticonsulting.com or +44 (0)20 3727 1616 or by writing to FTI Consulting LLP, 200 Aldersgate Street, London, EC1A 4HD.

Yours faithfully

For and on behalf of the Company

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

Simon Kirkhope

Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators. The Joint Administrators act as agents of the Company and without personal liability.

Simon Kirkhope and Andrew Johnson are licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales, under Section 390A(2)(a) of the Insolvency Act 1986.

Appendix A – Statutory information

Company and Appointment Information

Company Name	Weatherly International Public Limited Company								
Trading names	N/A								
Registered number	03954224								
Former Registered office	Orion House Bessemer Road Welwyn Garden City Hertfordshire AL7 1HH								
Director(s)	Craig Thomas, Alan Stephens and John Bryant								
Company secretary	Kevin Ellis								
Directors' shareholdings	<table><tr><td>Craig Thomas</td><td>4,812,105</td></tr><tr><td>Alan Stephens</td><td>300,300</td></tr><tr><td>John Bryant</td><td>739,830</td></tr></table>			Craig Thomas	4,812,105	Alan Stephens	300,300	John Bryant	739,830
Craig Thomas	4,812,105								
Alan Stephens	300,300								
John Bryant	739,830								
Court reference	CR-2018-4537								
Court	High Court of Justice, Business and Property Courts of England and Wales Insolvency and Companies List (ChD)								
Appointment date	1 June 2018								
Appointer	The directors of the Company pursuant to Paragraph 22 of Schedule B1 of the Act. Pursuant to Paragraph 29 of the Schedule B1 of the Act, notice of intention to appoint administrators was given to, and waived by the Secured Lenders.								
Appointers address	Orion House Bessemer Road Welwyn Garden City Hertfordshire AL7 1HH								
Current Registered Office	c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD								

Administrators' Information

	Administrator 1	Administrator 2
Name	Simon Kirkhope	Andrew Johnson
Address	200 Aldersgate Street, London EC1A 4HD	200 Aldersgate Street, London EC1A 4HD
Authorising body	ICAEW	ICAEW

The appointment of the Administrators was made by the directors of the Company pursuant to Paragraph 22 of Schedule B1 to the Act.

The security is in favour of Orion Mine Finance (Master) Fund I LP (the Secured Lenders) and was granted on 7 May 2015 and is a fixed and floating charge.

Pursuant to Paragraph 100 of Schedule B1 of the Act, any function of the Administrators may be exercised by any or all of the Administrators named above.

The centre of main interest of the Company is United Kingdom. Therefore, the EC Regulations on Insolvency Proceedings 2000 apply to the Administration. The proceedings are main proceedings as defined by Article 3 of those regulations.

The affairs, business and property of the Company is being managed by the Joint Administrators, acting as agents without personal liability.

As Administrators, we are bound by the Insolvency Code of Ethics. Prior to our appointment we considered potential ethical threats in undertaking the Administration in accordance with the Code. We did not consider that there were any matters that would prevent us taking the appointment. Should creditors require any further information in respect of the ethical code, they should request a hard copy either by telephone on +44 (0)20 3727 1616, by email to wtishareholders@fticonsulting.com or by writing to FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD. Creditors can also use these contact details to request a hard copy of this report if required.

The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. FTI Consulting LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at:

<https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>.

Appendix B – Administrators' receipts and payments

Weatherly International Plc - Joint Administrators' account of receipts and payments						
£	Statement of Affairs Estimated To Realise	From To	01/06/2018 30/11/2018	01/12/2018 31/05/2019	01/06/2019 30/11/2019	Total
Fixed charge receipts						
Administration Funding ¹			674,000	-	-	674,000
Investments	174,396.8		-	-	-	-
Total Fixed Charge Receipts			674,000	-	-	674,000
Fixed charge payments						
Professional Fees ²			(133,952)	-	-	(133,952)
Travel			(37,907)	(13,991)	-	(51,898)
Website Maintenance			(1,294)	-	-	(1,294)
Payroll Services			(500)	-	-	(500)
Consultancy Services			(130,119)	(103,890)	-	(234,009)
Bank Charges			(351)	(115)	-	(466)
Sundry Expenses			(369)	(4,364)	-	(4,733)
Joint Administrators' Fees and Expenses			(149,386)	-	-	(149,386)
Legal Fees			(52,050)	-	(3,865)	(55,914)
Data Room Costs ³			-	(32,374)	-	(32,374)
Agents/Valuers Fees			-	(58,255)	-	(58,255)
Total Fixed Charge Payments			(505,927)	(212,990)	(3,865)	(722,782)
Fixed Charge Surplus/(Deficit)			168,073	(212,990)	(3,865)	(48,782)
Floating Charge Receipts						
Kitumba Deposit	298,234		277,300	-	-	277,300
Bank interest			20	85	-	105
Cash at bank	6,543		6,978	-	-	6,978
Bank refund			-	24,988	-	24,988
Pre-Appointment VAT	36,248		-	-	-	-
Prepayments	8,848		-	-	-	-
Rent Deposit	708		-	-	-	-
Total Floating Charge Receipts			284,299	25,073	-	309,371
Floating Charge Payments						
Legal Fees			(14,195)	-	-	(14,195)
Joint Administrators' Fees and Expenses			(40,742)	-	-	(40,742)
Arrears - Wages and Salaries			(10,827)	-	-	(10,827)
Wages and Salaries			(36,076)	-	-	(36,076)
Employee Expenses			(723)	-	-	(723)
PAYE & NI			(3,998)	-	-	(3,998)
Sundry Expenses			(101)	(1,141)	(200)	(1,441)
Joint Administrators Pre-Appointment Fees			(15,000)	-	-	(15,000)
Specific bond			(264)	-	-	(264)
Agents/Valuers Fees			-	(1,024)	-	(1,024)
Professional fees ²			-	-	(6,254)	(6,254)
Insurance			-	-	(13,440)	(13,440)
Bank Charges			-	-	(30)	-
Total Floating Charge Payments			(121,925)	(2,164)	(19,924)	(143,984)
Floating Charge Distributions						
Preferential Creditor Distribution			(29,542)	-	-	(29,542)
Total Floating Charge Distributions			(29,542)	-	-	(29,542)
Floating Charge Surplus/(Deficit)			132,832	22,908	(19,924)	135,846
Total Surplus/(Deficit)			300,904	(190,081)	(23,789)	87,034
Made up as Follows						
Vat Receivable						55,151
Floating Charge Account (interest-bearing)						31,883
						87,034

Notes

¹A further £326,000 can be drawn under the funding agreement and this will be used to cover the fixed charge deficit and will be utilised against both fixed and floating charge payments.

² Professional fees includes NOMAD, book-keeping and management, M&A, share registrar, Kitumba scoping, immigration and tax advisory fees, and subsidiary liquidation fees

³We have reviewed the position of Data Room costs that had previously been equally attributed to the fixed and floating charge. However, on further analysis and the nature of goods being sold we feel these should be attributed 100% against the fixed charge.

Appendix C – Administrators' time costs and expenses

Administrators Fees

The Administrators have incurred the following time costs in properly dealing with the administration of the Company:

- Pre-appointment time costs of £21,770 and disbursements of £11
- Post-appointment time costs of £121,894 for the Period; £516,797 and disbursements of £128 since the date of the appointment

During the period no fees have been requested nor authorised by the Secured Lender.

Administrators' fee basis

Pursuant to Rule 18.16 of the Rules the remuneration of the Administrators can be fixed on the basis of one of the following:

- as a percentage of the value of property with which he has to deal;
- by reference to time properly given by the Administrators and their staff attending to matters arising in the administration; or
- a set amount.

The basis of the Administrators' fees was fixed in accordance with the time properly given by the Administrators and their staff attending to matters arising in the administration. The basis of the Joint Administrators' fees was agreed by the secured lender on 11 November 2018.

Fee approval

Where the Administrators have made a statement under Paragraph 52(1)(b) of Schedule B1 of the Act, the basis of the Administrators' remuneration may be fixed by approval of:

- Each secured creditor; or
- If the Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and a decision of the preferential creditors in a decision procedure.

There is no requirement for unsecured creditors to pass a resolution in respect of Administrators' remuneration as no return is expected to the Company's unsecured creditors other than by way of the prescribed part. As all preferential creditors were paid 100p in the £ on 26 October 2018 there was no requirement for the preferential creditors to agree the Joint Administrators' remuneration. Fee approval is therefore only required from the Secured Lender.

Secured Lender approval was sought and provided in relation to the Administrators drawing of fees on 11 November 2018. Any future fee drawings by the Administrator will require further approval from the Secured Lender.

A creditors' guide to administrators' fees setting out creditors' rights to further information and how fees are approved can be found here:

https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_fees_April_2017.pdf

Creditors can find further information in respect of insolvency in general here:

<http://www.creditorinsolvencyguide.co.uk/>

If creditors wish to be supplied with a hard copy of either of these guidance documents they should contact a member of the Administrators' staff at wtishareholders@fticonsulting.com or +44 (0)20 3727 1616 or by writing to FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD. Creditors can also use these contact details to request a hard copy of this report if required.

Additional information in relation to the Administrators' staffing policies can be found in Appendix E.

Post-appointment time costs and expenses

For the period 1 June 2018 to 30 November 2019 a total of 1,315.3 hours have been spent working on the above tasks in the administration, and total time costs are £516,797 charged at an average charge out rate of £392.8. Secured Lender approval was sought and provided in relation to the Administrator's drawing of £190,000 (Net of VAT) post-appointment fees on 11 November 2018.

The main body of our report includes narrative on the main areas of our post-appointment work on the Administration. The table below summarises the main areas of work by category, with an indication as to whether this work is ongoing (O), completed (C) or intended future work (F). We have also indicated in the table below the rationale for undertaking the work e.g. whether required by statute, or whether a potential direct benefit for creditors.

Category	Description (O – Ongoing, CP – Completed in period, F – Future, C - Completed)	Rationale
Administration & Planning	<ul style="list-style-type: none"> Supporting board changes and director resignations / appointments of Company subsidiaries in order to maximise realisations to the Company's creditors- C Cashiering and reconciliation of bank accounts - O Complying with statutory formalities including relevant filings and statutory communications for WTI and subsidiaries – O Maintaining the Administration record – O Ensuring relevant insurance, D&O cover are in place for the business - C Placement of WITL into MVL – C Requesting a creditor led extension to the Administration and complying with statutory formalities – C 	Statutory / compliance requirement, and to ensure efficient project management
Investigations	<ul style="list-style-type: none"> Review of relevant accounting and statutory records in accordance with SIP2 – C Gathering books and records of the business and ensuring appropriate storage facilities in place – C Completion and filing of the relevant forms to the Insolvency Service with regards Directors conduct – C 	Statutory requirement and to assess whether potential claims
Realisation of Assets	<ul style="list-style-type: none"> Liaising with advisers and secured lender regarding sale process - O Facilitating sale of Berg Aukus via share sale of CARN – O Performing background checks, collating information and reviewing legal documentation to progress sale processes – O 	Identify, assess and seek to realise potential value from Company assets
Creditors & Shareholders	<ul style="list-style-type: none"> Responding to shareholder queries – O Correspondence with Secured Lender – O 	Statutory requirements and required for orderly case management
Tax	<ul style="list-style-type: none"> Notifications to relevant tax authorities - O Liaising with taxation team to ensure recovery of pre and post-appointment tax recoverable – O Completion of quarterly VAT returns and chasing repayments due from HMRC – CP 	Statutory requirements. Ensure tax attributes assessed and utilized. Recovery of taxes.
Reporting & other matters	<ul style="list-style-type: none"> Reporting to the Secured Lender – O Statement of Proposals - C 	Required by statute and to inform creditors

- Joint Administrators' Progress Reports – O, CP

For the avoidance of doubt, the fees of FTI Australia in relation to its separate engagement are not included in the time cost analysis in Appendices B and C. However, in order to ensure full transparency, FTI Australia have incurred fees of AUD\$1,395,588.70 Which have been (or will be) met by OML, and fall outside of the administration estate.

In addition, we have incurred no Category 2 expenses and Category 1 (out-of-pocket) expenses of £128, during the Administration. These expenses were paid on 21 November 2018.

Category 1 expenses are not subject to creditor approval. Category 2 disbursements do require approval from creditors and relate to services provided to us by associated companies and costs which are apportioned overheads such as mileage and data storage. Further details in relation to this can be found at Appendix E (if applicable) together with additional information in relation to our policy on staffing, the use of subcontractors, and details of our current charge out rates by staff grade.

Administrators' fee estimate

A breakdown of the fees incurred to date together with the fee estimate as per the progress report for the period ending 31 May 2019, as well as the revised fee estimate is provided below:

Weatherly International Plc (in Administration)									
	Incurred to date			To be incurred		Revised Fee Estimate		Estimate May 2019	
	Avg £/Hr	Hr	£	Hr	£	Hr	£	Hr	£
Administration and Planning	352	489	172,158	51	17,842	540	190,000	380	140,000
Investigations	355	73	25,735	-	-	73	25,735	73	25,735
Realisation of assets	518	345	178,651	26	13,667	371	192,318	342	185,000
Trading	427	91	38,860	26	11,140	117	50,000	60	31,280
Creditors	298	56	16,761	28	8,239	84	25,000	90	27,985
Tax	337	82	27,490	16	5,510	98	33,000	79	30,000
Reporting	316	180	56,887	26	8,113	206	65,000	176	60,000
Administrators' fee estimate	393	1,315	516,542	173	64,511	1,488	581,053	1,199	500,000
Administrators' expenses			128				5,000		5,000

As the above table details, fees incurred in relation to the Administration have exceeded our previous estimate. The reasons for this are as follows:

- The sales process of the principal assets of the Company has been significantly more complex and time-consuming than anticipated
- Increased time spent on case compliance and reviews due to length of case being longer than previously anticipated
- Additional statutory duties in relation to overseas Company subsidiaries.

The numbers shown above are exclusive of VAT.

These revised estimates are based on the administration concluding in May 2020 with no requirement for an extension of the administration. If the administration remains open for longer, or any of the work streams become more time intensive than anticipated, the Administrators may provide a further revised estimate to creditors.

The main areas of work that will result in further incurrence of time costs are as follows:

- Finalisation of sales processes for all remaining Company assets
- Reporting to creditors and other statutory duties
- Distribution of funds to the Secured Creditor and for any Prescribed Part
- Case closure

Pursuant to Rule 18.30 of the 2016 Rules (Rule 2.109AB of the 1986 Rules) the Administrators will seek further fee approval from the Secured Creditor in relation to the time costs incurred when appropriate. No fees in excess of those already approved by the Secured Creditor will be drawn until after the required approval has been granted.

Administrators' expenses

Estimates of likely costs to be incurred in the administration of the Company were given in the progress report for the period ending 31 May 2019. We currently anticipate that administration expenses will be in line with the estimates given.

Appendix D – Time cost analysis

Weatherly International PLC - Analysis of Administrators' Time Costs In Accordance with SIP9 for the period 1 June 2018 to 30 November 2019

Task		Senior Managing Director	Managing Director / Sr Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration & Planning								
Strategy and planning	A1	23.1	-	52.7	8.8	84.6	48,500.0	573.3
Appointment and related formalities	A3	7.5	-	33.6	14.8	55.9	25,087.0	448.8
Receipts and payments accounts	A4	-	-	-	45.9	45.9	10,197.0	222.2
Checklist / Reviews / Filing	A5	-	-	33.6	127.2	160.8	44,476.5	276.6
Cashiering and reconciliations	A6	-	0.4	11.4	49.0	60.8	15,778.0	259.5
Administration & Planning	A7	6.3	0.3	24.5	50.0	81.1	28,119.5	346.7
Subtotal		36.9	0.7	155.8	295.7	489.1	172,158.0	352.0
Investigations								
Correspondence with directors	B1	4.4	-	-	0.7	5.1	3,897.5	764.2
Directors questionnaire/checklists	B2	3.5	-	-	-	3.5	2,975.0	850.0
Statement of affairs	B3	-	-	5.1	-	5.1	2,226.0	436.5
Reports of Directors' conduct	B4	1.6	-	6.5	4.1	12.2	5,252.0	430.5
Books and records	B5	-	-	4.6	30.0	34.6	8,744.5	252.7
Electronic records	B6	-	-	-	12.0	12.0	2,640.0	220.0
Subtotal		9.5	-	16.2	46.8	72.5	25,735.0	355.0
Realisation of assets								
Cash and investments	C1	-	-	4.0	2.6	6.6	2,419.0	366.5
Sale of business	C2	79.2	3.2	138.0	68.7	289.1	154,536.8	534.5
Post-completion obligations	C3	2.8	-	-	-	2.8	2,450.0	875.0
Property, plant and vehicles	C6	-	-	7.0	0.6	7.6	3,352.0	441.1
Other assets	C7	-	-	1.0	2.4	3.4	995.0	292.6
Health & Safety / Insurance / Regulatory	C8	-	-	-	5.7	5.7	1,282.5	225.0
Legal issues/litigation	C9	-	-	14.6	-	14.6	6,716.0	460.0
Fixed charge property	C10	-	-	15.0	-	15.0	6,900.0	460.0
Subtotal		82.0	3.2	179.6	80.0	344.8	178,651.3	518.1
Trading								
Ongoing trading / monitoring	D2	13.8	-	47.0	30.2	91.0	38,860.0	427.0
Subtotal		13.8	-	47.0	30.2	91.0	38,860.0	427.0
Creditors (correspondence and claims)								
Unsecured creditors	E1	-	-	-	5.5	5.5	1,227.0	223.1
Secured creditors	E2	1.5	-	4.4	11.5	17.4	5,886.5	338.3
Employees	E4	-	-	6.8	9.0	15.8	5,141.5	325.4
Shareholders	E6	-	-	2.6	14.9	17.5	4,506.0	257.5
Subtotal		1.5	-	13.8	40.9	56.2	16,761.0	298.2
Tax								
Initial reviews CT and VAT	F1	-	-	6.0	-	6.0	2,788.5	464.8
Pre-appointment CT	F2	4.0	7.5	6.3	1.6	19.4	10,293.0	530.6
Pre-appointment VAT	F3	-	-	-	9.0	9.0	2,005.0	222.8
Post appointment CT	F4	-	-	-	1.4	1.4	312.5	223.2
Post appointment VAT	F5	-	-	10.3	28.4	38.7	9,333.5	241.2
Tax advice on transactions	F6	0.5	-	1.5	2.3	4.3	1,447.5	336.6
Other post appointment tax	F7	-	1.0	1.2	0.6	2.8	1,310.0	467.9
Subtotal		4.5	8.5	25.3	43.3	81.6	27,490.0	336.9
Other								
Proposals	G2	5.8	-	25.3	8.4	39.5	18,416.0	466.2
Other statutory reports/meetings	G3	-	2.0	12.0	66.7	80.7	21,661.5	268.4
Secured creditor reports	G4	-	-	14.2	45.7	59.9	16,809.5	280.6
Subtotal		5.8	2.0	51.5	120.8	180.1	56,887.0	315.9
Total Time by Grade		154.0	14.4	489.2	657.7	1,315.3		
Total Cost by Grade		129,592.2	8,336.5	232,291.3	146,449.8	516,669.8		
Average by Grade		841.5	578.9	474.8	222.7	392.8		
		Total Time Costs	Category 1	Category 2	Total			
Total Costs to Date		516,669.8	127.5	-	516,797.3			
Amount Billed		190,000.0	127.5	-	190,127.5			
WIP		326,669.8	-	-	326,669.8			

**Weatherly International PLC - Analysis of Administrators' Time Costs
In Accordance with SIP9 for the period 1 June 2019 to 30 November 2019**

Task		Senior Managing Director	Managing Director / Sr Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration & Planning								
Strategy and planning	A1	1.0	-	21.9	4.2	27.1	13,974.5	515.7
Appointment and related formalities	A3	-	-	-	-	-	-	-
Receipts and payments accounts	A4	-	-	-	8.5	8.5	1,912.5	225.0
Checklist / Reviews / Filing	A5	-	-	10.6	73.5	84.1	22,420.5	266.6
Cashiering and reconciliations	A6	-	-	1.5	1.5	3.0	1,170.0	390.0
Administration & Planning	A7	-	-	-	16.3	16.3	3,667.5	225.0
Subtotal		1.0	-	34.0	104.0	139.0	43,145.0	310.4
Investigations								
Correspondence with directors	B1	-	-	-	-	-	-	-
Statement of affairs	B3	-	-	-	-	-	-	-
Reports of Directors' conduct	B4	-	-	-	-	-	-	-
Books and records	B5	-	-	-	-	-	-	-
Electronic records	B6	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-
Realisation of assets								
Cash and investments	C1	-	-	-	-	-	-	-
Sale of business	C2	9.7	-	61.4	36.9	108.0	50,643.8	468.9
Post-completion obligations	C3	-	-	-	-	-	-	-
Property, plant and vehicles	C6	-	-	-	-	-	-	-
Other assets	C7	-	-	-	0.6	0.6	135.0	225.0
Health & Safety / Insurance / Regulatory	C8	-	-	-	-	-	-	-
Legal issues/litigation	C9	-	-	-	-	-	-	-
Fixed charge property	C10	-	-	-	-	-	-	-
Subtotal		9.7	-	61.4	37.5	108.6	50,778.8	467.6
Trading								
Ongoing trading / monitoring	D2	1.0	-	-	29.8	30.8	7,580.0	246.1
Subtotal		1.0	-	-	29.8	30.8	7,580.0	246.1
Creditors (correspondence and claims)								
Unsecured creditors	E1	-	-	-	2.0	2.0	450.0	225.0
Secured creditors	E2	-	-	-	3.4	3.4	765.0	225.0
Employees	E4	-	-	-	-	-	-	-
Shareholders	E6	-	-	-	3.8	3.8	855.0	225.0
Subtotal		-	-	-	9.2	9.2	2,070.0	225.0
Tax								
Initial reviews CT and VAT	F1	-	-	-	-	-	-	-
Pre-appointment CT	F2	-	-	-	-	-	-	-
Pre-appointment VAT	F3	-	-	-	4.5	4.5	1,012.5	225.0
Post appointment CT	F4	-	-	-	-	-	-	-
Post appointment VAT	F5	-	-	7.5	12.2	19.7	5,032.5	255.5
Tax advice on transactions	F6	-	-	-	2.3	2.3	510.0	221.7
Other post appointment tax	F7	-	1.0	-	0.6	1.6	660.0	412.5
Subtotal		-	1.0	7.5	19.6	28.1	7,215.0	256.8
Other								
Proposals	G2	-	-	-	-	-	-	-
Other statutory reports/meetings	G3	-	2.0	-	40.9	42.9	10,452.5	243.6
Secured creditor reports	G4	-	-	-	2.9	2.9	652.5	225.0
Subtotal		-	2.0	-	43.8	45.8	11,105.0	242.5
Total Time by Grade		11.7	3.0	102.9	243.9	361.5		
Total Cost by Grade		10,237.5	1,775.0	55,011.3	54,870.0	121,893.8		
Average by Grade		875.0	591.7	534.6	225.0	337.2		
		Total Time						
		Costs	Category 1	Category 2	Total			
Total Costs to Date		121,893.8	-	-	121,893.8			
Amount Billed		-	-	-	-			
WIP		121,893.8	-	-	121,893.8			

Appendix E – Additional Information in relation to Administrators' fees pursuant to SIP9

Detailed below is FTI's policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Senior Managing Director, Managing Director, Director, Senior Consultant and Consultant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment.

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g., report compilation and distribution, do we seek to charge and recover our time in this regard

Professional advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement	Work Stream	Fees paid to date (£) (Net of VAT)
Simmons & Simmons	Hourly rate and disbursements	Legal Adviser	56,465
Strand Hanson	Fixed fee	NOMAD	14,632
ERA Solutions	Hourly rate and disbursements	Employee Specialist	350
Additions Accountants	Fixed Fee	Bookkeeping	500
OME Global Ltd	Fixed Fee	Website Maintenance	1294
Numis Securities	Fixed Fee	M&A Adviser	55,000
Treadstone Resource Partners	Fixed Fee	M&A Adviser	81,463
Doyle Clayton	Hourly rate and disbursements	Legal Adviser	1,063
Grant Thornton	Hourly rate and disbursements	Tax Adviser	2,714
Link Asset Services Limited	Hourly rate and disbursements	Share Registrar Services	5,000
Cooley (UK) LLP	Hourly rate and disbursements	Legal Advisor	9,780
Engling, Stritter and Partners	Hourly rate and disbursements	Legal Advisor	3,558
Hanburys	Hourly rate and disbursements	Bookkeeping	600
EPE Reynell	Fixed Fee	Statutory Advertising	79
Bara Consulting (Pty) Ltd	Hourly rate and disbursements	Mining Consultancy	29,178
Rollings Butt LLP	Fixed Fee	Liquidation Services	5,254
Axeman Overseas Limited	Hourly rate and disbursements	Consultancy Fees	1,024

Our choice was based on our view of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

We have utilised the services of other teams within FTI Consulting LLP to assist with the Administration processes. The fees of our tax and strategic communications teams have been included in our SIP9 analysis provided to creditors of the Company and allocated to the work streams and entities to which their work related, for approval by those parties approving our fees.

We consider that the rates chargeable for these services are in line with general market practice and that the service is comparable to similar firms of professional advisors. In addition, by working closely with our internal teams, we believe a more coordinated and cost-effective approach to the Administration work streams has been possible.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred which relate to payments due to associated Company for the provision of services to the office holder.

On this assignment we have not yet incurred any category 2 disbursements.

Charge-out rates

A schedule of FTI's charge-out rates for this assignment is as follows:

Please note our minimum time unit is six minutes.

Grade	2018 (£ per hour)	2019 (£ per hour)
Senior Managing Director	850	875
Managing Director	735	755
Senior Director	680	700
Director	610	625
Senior Consultant	540	555
Consultant	460	475
Analyst (experienced)	305	315
Analyst (junior)	220	225
Executive Assistant	165	170

Appendix F – Creditors' statement of claim form

Weatherly International Plc

Name and address of creditor:

Amount claimed in the Administration:

(Including VAT)

£

Signature of creditor:

Name of creditor:

Telephone:

E-mail:

Date:

/

/

Please provide appropriate documentation in support of your claim.

If you are registered for VAT the amount claimed should include VAT even if VAT bad debt relief has been claimed under the Value Added Tax Act 1994

Please return this form when you have completed it to FTI Consulting LLP, 200 Aldersgate Street, London, EC1A 4HD or email it to wtishareholders@fticonsulting.com

Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with Section 36 Value Added Tax Act 1994. In broad terms relief is available when the debt is six months old and "written off" by the creditor entering it on his VAT refunds-for-bad-debts-account.

Claims lodged in the Administration should be gross, including any VAT element. If/when dividends are paid, creditors who have claimed VAT bad debt relief must apportion the dividend between VAT and the net element of their claim and account to HM Revenue and Customs for the VAT element through their VAT return.

Insolvency Practitioners have no role in administering VAT bad debt relief under the Value Added Tax Act 1994. Creditors who are uncertain how to claim should contact their VAT office or take professional advice.



wtishareholders@fticonsulting.com
020 3727 1889

About FTI Consulting

FTI Consulting, LLP is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

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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 NISHANTH NARAYANAN

Company name FTI CONSULTING

Address 200 ALDERSGATE STREET

Post town LONDON

County/Region

Postcode E C 1 A 4 H D

Country UNITED KINGDOM

DX

Telephone 020 3727 1491



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 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