

The Insolvency Act 1986

Administrator's progress report

Name of Company Moorgate Industries 1 Limited	Company Number 08164949
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 6783 of 2015

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

We (a) David James Kelly of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT
and Ian David Green of PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds LS1
4DL

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

from

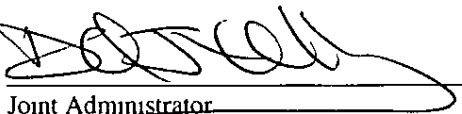
to

(b) Insert dates

(b) 14 April 2016

(b) 12 October 2016

Signed


Joint Administrator

Dated

13/10/2016

Contact Details:

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

Sahil Aggarwal	
7 More London Riverside, London SE1 2RT	
	Tel 020 7804 2389
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

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COMPANIES HOUSE

Joint administrators' final progress
report from 14 April to 12 October
2016

***Moorgate Industries 1 Limited
(in administration)***

13 October 2016

High Court of Justice, Chancery Division,
Companies Court

Case no. 6783 of 2015

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Abbreviations and definitions

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

Abbreviation or definition	Meaning
Company	Moorgate Industries 1 Limited
Administrators	David James Kelly and Ian David Green
firm	PricewaterhouseCoopers LLP
IR86	Insolvency Rules 1986
IA86	Insolvency Act 1986
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
Group	International steel trading group which traded as Stemcor
MIL	Moorgate Industries Limited (in administration), parent company of the Group
MILL	Moorgate Industries Loans Limited (in administration), treasury function and main borrower for the Group
Core Group	Direct and indirect subsidiaries of MIL which carried out the Group's core steel trading operations
RemainCo	The Group's Indian business and various other non-core companies
preferential creditors	Primarily claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
unsecured creditors	Creditors who are neither secured nor preferential
HMRC	HM Revenue & Customs

Key messages

Why we've sent you this report

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

How much creditors have received

The following table summarises the final outcome for creditors*

Class of creditor	Outcome	Comments
Secured creditors	\$1.5k	This is the balance of funds remaining from the cash released by MIL for the purposes of meeting administration costs, which has been returned to MIL
Preferential creditors	N/A	There are no preferential claims as the Company did not have any employees
Unsecured creditors	N/A	There are no unsecured creditors

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

What you need to do

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

What happens next

We have filed a notice of move from administration to dissolution. The Company will be dissolved three months after the notice has been registered by the Registrar of Companies.

The move to dissolution is the most appropriate way to end the administration as we have realised all known assets of the Company and there are no reasons why the Company should be placed into liquidation.

Overview of our work

Why we were appointed

In our proposals for achieving the purpose of the administration and in our previous progress report, we provided the background to the Group's trading difficulties, outlined the Lender-led restructuring plan and summarised the events leading up to the appointment of administrators over three companies in the Group, including the Company

Assets and interests that fell outside of the Core Group formed RemainCo, which is to be wound down in a manner that realises maximum value for the creditors

Asset realisations

On 15 October 2015, MILL acting by the Administrators sold its 100% interest in Stemcor Holdings 2 Limited, an operating company and intermediary holding company of other Core Group operating entities, for £1. Full details of the transaction were provided to creditors as required by Statement of Insolvency Practice 16 on 22 October 2015.

The Company held a minority shareholding in a Slovakian based RemainCo entity, which is in liquidation. On 29 July 2016 this shareholding was transferred to MILL.

Other issues

As previously reported, we've dealt with some additional issues as part of our statutory work as Administrators including tax compliance.

Approval of our proposals

On 25 November 2015, we sent to creditors our proposals for achieving the purpose of administration.

Creditors approved our proposals without modification by correspondence (rather than at a meeting).

We attach a summary of our proposals at Appendix A.

Changes of administrator

One of the appointed Administrators, Paul David Copley, has left the firm. An application was therefore made to the Court for an order that he be removed from office as Administrator. The application was granted and Paul David Copley vacated office on 27 May 2016. He was released from all liability in respect of his conduct as Administrator on 20 June 2016, 28 days after the order was advertised in the London Gazette. We did not think it was necessary for a third administrator to be appointed to replace him.

Investigations and actions

We have reviewed the affairs of the Company and taken into account any points raised by creditors in discharging our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No 2. We confirm that we have complied with these requirements.

Tax clearance

We obtained tax clearance from HMRC in May 2016. We sought updated clearance following the identification and transfer of the Slovakian entity mentioned above. Final clearance was received on 5 October 2016.

We have not needed to seek clearance from HMRC in regard to VAT. No returns have been submitted as VAT is irrecoverable.

Our final receipts and payments account

We set out in Appendix B an account of our final receipts and payments in the administration from 14 April to 12 October 2016

Our expenses

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

Our fees

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

Creditors' rights

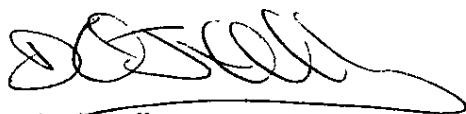
Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 2.48A IR86. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 2.109 IR86. This information can also be found in the guide to fees at

http://www.icaew.com/~media/corporate/files/technical/insolvency/creditors%20guides/2015/guide_to_administrators_fees_oct_2015.ashx

You can also request a copy free of charge by telephoning Sahil Aggarwal on 020 7804 2389

If you've got any questions, please don't hesitate to get in touch

Yours faithfully
For and on behalf of the Company



David Kelly
Joint administrator

David J Kelly and Ian D Green were appointed as joint administrators of Moorgate Industries 1 Limited to manage its affairs, business and property as its agents and act without personal liability. David J Kelly and Ian D Green are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The joint administrators are bound by the Insolvency Code of Ethics which can be found at <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration.

Appendix A: Summary of our proposals

The Administrators made the following proposals for achieving the purpose of administration. Reference to the "Companies" means the Company and MILL.

- a The Administrators will continue to manage and finance the Companies' businesses, affairs and property in such manner as they consider expedient with a view to achieving a better result for the Companies' respective creditors as a whole than would be likely if the Companies were wound up (without first being in Administration)
- b The Administrators may investigate and, if appropriate, pursue any claims that the Companies may have under the Companies Act 2006, IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Companies or to maximise realisations or for any other purpose incidental to these proposals
- c The Administrators may use any or a combination of "exit route" strategies in order to bring the Administrations to an end, but in this particular instance the Administrators are likely to wish to pursue the following option as being the most cost effective and practical in the present circumstances. -

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

- d The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch B1 IA86 in respect of any action of theirs as Administrators 14 days after they cease to be joint administrators of the Companies or in any case at a time determined by the Court
- e It is proposed that the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 as a set amount and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No 9) be charged in accordance with the Administrators' firm's policy as set out in the attached remuneration report. Initial advice to creditors. It will be for the general body of creditors to fix the basis and level of the Administrators' fees and Category 2 disbursements. The basis of the Administrators' remuneration and Category 2 disbursements are to be fixed no later than 18 months after the date of the Administrators' appointment.

Appendix B: Receipts and payments

	<i>Estimated to realise per directors' statement of affairs \$'000</i>	<i>From 14 October 2015 to 13 April 2016 \$'000</i>	<i>From 14 April 2016 to 12 October 2016 \$'000</i>	<i>From 14 October 2015 to 12 October 2016 \$'000</i>	<i>Notes</i>
Receipts					
Funding from MIL on the direction of the participating Senior Lenders	-	163.9	-	163.9	1 & 2
Total receipts		<u>163.9</u>	<u>-</u>	<u>163.9</u>	
Payments					
Administrators' fees		134.9	-	134.9	
Administrators' disbursements		-	0.3	0.3	
Statutory and other costs		0.2	-	0.2	
Transfer of surplus to MIL		-	1.5	1.5	
Irrecoverable VAT expense		27.0	-	27.0	3
Total payments		<u>162.1</u>	<u>1.8</u>	<u>163.9</u>	
Balance of funds in hand		<u>1.8</u>	<u>(1.8)</u>	<u>-</u>	

Notes

- 1 The pre-appointment cash reserve was allocated across the Group as agreed in the restructuring agreement
- 2 All of the Company's assets are subject to the participating Senior Lenders' fixed charge
- 3 The Company was a holding company within the Group and did not trade. Consequently, VAT is not recoverable from HMRC

Appendix C: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and includes our fees, but excludes and distributions to creditors. The table also excludes irrecoverable VAT.

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

\$'000	Paid in the previous period	Paid in the period under review	Cumulative	Initial estimate	Variance
Administrators' fees	134.9	0.0	134.9	134.9	0.0
Administrators' disbursements	0.0	0.3	0.3	0.1	0.2
Statutory & other costs	0.2	0.0	0.2	0.2	0.0
Total	135.1	0.3	135.4	135.2	0.2

Explanation for the variance against the initial estimate:

- Administrators' disbursements are for the appointees' bonding and is required by statute.

Appendix D: Remuneration update

As previously reported, our fees were approved on a fixed fee basis by a meeting of creditors' by correspondence. We have drawn fees of £90k plus VAT (converted to USD at the date of payment) in line with the approval given in respect of statutory and compliance work that we expected to do over the life of the case, as shown on the enclosed receipts and payments account.

Our work for the period 14 April to 12 October 2016

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

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Realisation of assets	<ul style="list-style-type: none"> Working with RemainCo management to finalise matters in connection with the Company's Slovakian subsidiary 	<ul style="list-style-type: none"> To realise all assets before ending the administration 	<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors as a whole
Statutory & compliance		<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86/IR86 or a regulatory requirement
Case reviews	<ul style="list-style-type: none"> Six monthly strategy and case progression review by case manager and appointment takers 		
Administrators' resignations	<ul style="list-style-type: none"> Drafting and preparing administrators' resignation documents Issuing resignation documents to court for filing 		
Progress reports and ending the administration	<ul style="list-style-type: none"> Preparation and circulation of the administrators' first progress report for the six months to 13 April 2016 Preparation of final report to creditors and the Registrar of Companies Preparing notice to move the Company to dissolution 		

Tax & VAT		<ul style="list-style-type: none"> Governance To ensure tax accounting is accurate for the benefit of creditors as a whole 	
Tax and VAT	<ul style="list-style-type: none"> Liaising with RemainCo management and HMRC to seek confirmation that there are no tax matters preventing the administration being brought to an end 		
Administration			
Strategy and planning	<ul style="list-style-type: none"> Holding team meetings not relating to trading and discussions regarding status of the administration 	<ul style="list-style-type: none"> To resolve outstanding matters in line with the purpose of administration to achieve a better outcome for creditors than would be if the Company went into liquidation (without first being in administration) 	<ul style="list-style-type: none"> The Administrators are required by statute to perform their functions as quickly and effectively as possible
Accounting and treasury	<ul style="list-style-type: none"> Processing receipts, payments and journals Undertaking regular bank reconciliations 	<ul style="list-style-type: none"> To maintain the books and records Pay administration expenses 	<ul style="list-style-type: none"> Statutory duties to manage the affairs, business and property of the Company, settle expenses in the prescribed order of priority, and keep proper books and records
Closure procedures	<ul style="list-style-type: none"> Accounting for remaining funds in hand Closure of administration bank accounts Completing checklists and diary management system Closing down internal systems Filing and circulating final progress report and notice of move to dissolution 	<ul style="list-style-type: none"> To ensure closure is correctly actioned and documented 	<ul style="list-style-type: none"> Required by IA86/IR86 or a regulatory requirement

Disbursements

No disbursements were incurred in the period under review

Our relationships

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

Payments to associates

We made no payments to associates

Details of subcontracted work

No work, which we or our staff would normally do, was done by subcontractors

Legal and other professional firms

No legal or professional firms were used during the administration

Appendix F: Other information

Court details for the administration	High Court of Justice, Chancery Division, Companies Court 6783 of 2015
Company's registered name	Moorgate Industries 1 Limited
Trading name	Stemcor
Registered number	08164949
Registered address	7 More London Riverside, London SE1 2RT
Date of the joint administrators' appointment	14 October 2015
Joint administrators' names and addresses	David James Kelly of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT and Ian David Green of PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds LS1 4DL
Extension(s) to the initial period of appointment	None
Appointor's / applicant's name and address	The directors of the Company, 7 More London Riverside, London SE1 2RT
Split of the joint administrators' responsibilities	In relation to paragraph 100(2) Sch B1 IA86, any act required or authorised to be done by the Administrators may be done by all or any one of the Administrators for the time being holding office
