

LIQ03

Notice of progress report in voluntary winding up



Companies House

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17/03/2018

#195

COMPANIES HOUSE

1 Company details

Company number 00814156 /

Company name in full Petroplus Refining Tesside Limited /

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Ian David

Surname Green

3 Liquidator's address

Building name/number 7 More London

Street Riverside

Post town London

County/Region

Postcode SE1 2RT

Country

4 Liquidator's name ①

Full forename(s) Steven Anthony

Surname Pearson

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 1

Street Embankment Place

Post town London

County/Region

Postcode WC2N 6RH

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up


6 Period of progress report

From date	d 2 d 1	m 0 m 1	y 2 y 0 y 1 y 7	
To date	d 2 d 0	m 0 m 1	y 2 y 0 y 1 y 8	

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature	<div>Signature</div> <div>X </div> <div>X</div>		
Signature date	d 1 d 5	m 0 m 3	y 2 y 0 y 1 y 8

LIQ03

Notice of progress report in voluntary winding up

**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	Sandra Andrews					
Company name	PricewaterhouseCoopers LLP					
Address	8th Floor, Central Square					
	29 Wellington Street					
Post town	Leeds					
County/Region						
Postcode	L	S	1		4	D L
Country						
DX						
Telephone	0113 289 4926					

**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

***Petroplus Refining
Teesside Limited
(in Creditors'
Voluntary
Liquidation)***

*Joint Liquidators'
progress report for the
year ended 20 January
2018*

15 March 2018

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IMPORTANT NOTICE

Currency conversions provided within this document are for indicative purposes only.

This report includes a projection of recoveries potentially available to unsecured creditors. These are estimates and could be impacted by the actual level of realisations, costs and the eventual level of creditors' claims.

The Liquidators do not accept any liability for any investment decision made by any party based upon information contained within this report.

This report has been prepared to provide existing creditors with an update on the Liquidation in accordance with Section 104A of the Insolvency Act 1986 and Rule 18.3 of the Insolvency (England and Wales) Rules 1986.

Ian David Green and Steven Anthony Pearson have been appointed as Joint Liquidators of Petroplus Refining Teesside Limited. Ian David Green and Steven Anthony Pearson are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Liquidators 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 Liquidators 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 Liquidation.

Section 1: Introduction

Term	Abbreviation used
Petroplus Refining Teesside Limited	“PRTL” or “the Company”
Petroplus Marketing AG	“PMAG”
Petroplus Refining & Marketing Limited	“PRML”
Ian David Green and Steven Anthony Pearson	“the Liquidators”, “the Joint Liquidators” or “the former Joint Administrators”
Insolvency Rules (England and Wales) 2016	“the Rules”
Insolvency Act 1986	“the Act”
Insolvency (England & Wales) Rules 2016	“IR16”
Creditors’ Voluntary Liquidation	“CVL” or “Liquidation”
Estimated outcome statement	“EOS”
The secured lenders	“the Lenders”
HM Revenue & Customs	“HMRC”
Global Settlement Agreement	“GSA”
Deutsche Bank Trust Company Americas	“DBTCA”

Section 1: Introduction

This report has been prepared by the Joint Liquidators of PRTL and is the fifth annual progress report in the Liquidation.

PRTL entered into CVL on 21 January 2013 and Ian David Green and Steven Anthony Pearson were appointed Joint Liquidators in accordance with the former Joint Administrators' proposals, which were approved by creditors on 2 April 2012.

This report provides a summary of:

- the steps taken during the fifth year of the Liquidation;
- outstanding matters; and
- a provisional estimate of the outcome of the Liquidation for unsecured creditors.

The Joint Liquidators' first, second, third and fourth progress reports were issued to creditors on 18 March 2014, 20 March 2015, 18 March 2016 and 15 March 2017 respectively. Prior to the Joint Liquidators' appointment, the former Joint Administrators' first progress report was issued to creditors on 21 August 2012 and the final progress report was issued on 5 February 2013. These provided a detailed commentary on the background of PRTL, the progress made and the challenges faced during the Administration and the first year of the Liquidation. Much of the detail in the previous progress reports is not repeated in this report and therefore creditors may wish to refer to these previous reports which are available on the following website:

www.pwc.co.uk/petroplus

Please contact Sandra Andrews on 0113 289 4926 or at sandra.andrews@uk.pwc.com if you need any of the passwords to access the report.

Next report to creditors

The Liquidators will issue their next statutory report to creditors no later than 20 March 2019 or sooner should the Liquidation come to an end before the next anniversary.

Should you have any concerns or questions in the meantime, please contact my colleague Sandra Andrews on 0113 289 4926.



Ian Green
Joint Liquidator of PRTL

Section 2: Executive summary

Dividend prospects for creditors

A first interim dividend of 28.9p in the £ was declared and paid to unsecured creditors of PRTL on 19 August 2016. It is now anticipated that a further dividend of 71.1p in the £ will be paid in the next 3 months. This will bring the total return to creditors to 100p in the £. There will later be a small distribution of statutory interest from the remaining funds (currently estimated at approximately 4p to 6p in the £). The timing of the statutory interest dividend will depend on agreement with HMRC of a process to deal with withholding tax on certain payments.

If you have not already done so, please send your claim to us so that we can agree it. A claim form can either be downloaded from our website at www.pwc.co.uk/petroplus or requested by telephoning Sandra Andrews on 0113 289 4926.

All creditors wishing to receive the anticipated dividend must submit a proof of debt form.

Key developments in the year – PMAG/DBTCA claims

The key unresolved matter in the liquidation was a dispute in relation to the claims between PRTL and PMAG, its Swiss parent (and a related claim against PRTL by DBTCA). We are pleased to report that, following the commencement of litigation in England and Switzerland, a settlement has been reached under which all the claims have been formally withdrawn ("the Agreement").

The manner in which the Petroplus group financed itself gave rise to a complex series of agreements which purported to subordinate certain intercompany amounts, both payable and receivable. Legal advice was obtained on the impact of these arrangements in order to inform our determination of the intercompany claims.

PMAG submitted a claim on a gross basis, without deducting the amounts it owes to PRTL (which would fully offset its claim). The Liquidators' legal advice was that statutory insolvency setoff applied, such that the claim into PRTL is nil, and PRTL has a net claim against PMAG.

In April 2016, DBTCA purported to assert a direct claim against PRTL. DBTCA acts as a security agent representing bondholders who are owed monies by virtue of the financing arrangements entered into by the Petroplus Group prior to its insolvency. As part of those financing arrangements, PRTL had entered into a deed of subordination agreeing contractually to subordinate certain defined claims that it may have in respect of intercompany debt. DBTCA have asserted that the effect of the deed of subordination is to subordinate PRTL's claim against PMAG, leaving PMAG to pursue its gross claim against PRTL.

Alternatively, it was claimed by DBTCA that if insolvency setoff applies, PRTL is obliged to account directly to DBTCA in respect of any value retained by PRTL as a result of the operation of insolvency setoff.

Relying on those assertions, DBTCA submitted a proof of debt in the PRTL estate for alternative claims of either £16.9 million or £230.3 million.

Based on legal advice, the Liquidators did not agree with the DBTCA analysis and applied to the English court for directions as to how they should treat PMAG's claim. In the meantime, PMAG formally rejected PRTL's net claim in the PMAG estate.

Through its Swiss mini-bankruptcy proceeding, PRTL formally challenged the rejection of its claim in the Swiss courts.

In order to resolve the situation, the Liquidators met with the PMAG liquidators and legal representatives of DBTCA and, in December 2017, came to a "drop hands" settlement agreement whereby all parties withdrew their claims. The necessary conditions were then cleared with the Agreement becoming effective on 14 February 2018.

Had a settlement not been agreed, and had PMAG also been successful in the legal actions, its claim could have absorbed all funds remaining in the liquidation. The settlement has also minimised further legal costs and enables a dividend to be paid much more quickly.

Section 3: Progress made during the fifth year of the Liquidation

PMAG/DBTCA claims

History

The net intercompany debt due from PMAG at the date of appointment had a book value of £19.3m. As a result of PMAG's insolvency, additional liabilities crystallised and further contingent claims could have arisen in the future. PMAG is in Liquidation in Switzerland and we were in discussion with its Swiss liquidators regarding the claim.

The Liquidators were advised that, in order to ensure that the claim was dealt with, they should apply for recognition of PRTL's Liquidation in Switzerland (and commence a Swiss mini-bankruptcy). That recognition was granted.

PRTL's claim against PMAG was re-submitted from the Swiss mini-bankruptcy in order to be recognized by PMAG's liquidators at CHF141 million pre set off and CHF52 million post set off.

PMAG submitted an unsecured claim of £213.8m against PRTL. This claim did not take into account any amounts that PMAG owes PRTL.

The Petroplus group had raised finance through the issue of bonds by one of the subsidiary companies. DBTCA act as security agent representing the bondholders. In connection with this financing, certain group companies, including PMAG and PRTL, signed an English law deed of subordination. This agreed that certain intercompany claims were subordinated and should not be paid unless the bondholders recovered their lending in full.

In April 2016, a claim was put forward by DBTCA asserting that the contractual subordination arrangements agreed by PRTL had the effect that PRTL was not able to set off its claims against PMAG and that PMAG was entitled to pursue its gross claim against PRTL. Alternatively DBTCA claimed that if insolvency set off applied between the PMAG and PRTL claims, PRTL was obliged to account directly to DBTCA in respect of the value received by it as a result of the operation of insolvency set off.

Relying on those arguments, DBTCA sought to submit a proof of debt in PRTL's estate for £16.9 million or alternatively £230.3 million (the range being dependent upon which of DBTCA's assertions is pursued).

The Liquidators sought the advice of senior counsel on the PMAG and DBTCA claims. Based on this legal advice, the Liquidators concluded that, as a matter of English law, insolvency set off did apply, that PRTL had a net claim against PMAG and that the separate assertions by DBTCA to the effect that the deed of subordination excludes insolvency set off and/or the Liquidators were obliged to account for the value retained by virtue of operation of insolvency setoff, were without merit.

Initial meetings with PMAG and DBTCA seeking a settlement were unsuccessful, so the Liquidators made an application to the UK High Court for directions on how to treat the PMAG and DBTCA claims. Witness statements were exchanged and a hearing listed for November 2017.

In mid-May, PMAG's liquidators formally adjudicated on PRTL's claim in its liquidation. The net (i.e. set-off) claims from the call accounts between the companies were largely admitted for CHF 23.8m, but on a subordinated basis (behind other creditors). The balance of the claim for pensions and redundancy costs were rejected entirely. There was a limited period of time of approximately two weeks to appeal this decision through PRTL's Swiss mini bankruptcy. After taking Swiss legal advice it was decided to limit the appeal to the claim from the set-off call accounts on the basis that these should not be subordinated under the English law deed of subordination.

In August, contact with DBTCA and the PMAG liquidators indicated a desire to reach settlements with PRTL and its parent company PRML. A proposal was made that each of the parties compromise their claims in the other's estate.

We consulted with PRTL's largest creditors and concluded that this was better for the creditors than continuing with the English and Swiss litigation. In particular:

- We were advised that the Swiss court would be unlikely to await the decision of the English court on whether the English law deed of subordination applied to PRTL's claim, but would reach its own judgement on the application of English law.
- An English Supreme Court judgement in another case strengthened PMAG's case

Section 3: Progress made during the fifth year of the Liquidation

against set off should the deed of subordination be found to apply.

- The downside for other creditors of a judgement in favour of PMAG was much greater than the potential upside. The estimated dividends for unsecured creditors were: 28.9p if PMAG was entirely successful; 104p to 106p under the Agreement; and up to 110p if PRTL was fully successful.
- PMAG would have to lose both the English and Swiss litigations for PRTL to achieve the upside position.
- The proposed settlement reduced legal costs and enabled a quicker distribution to creditors.

The settlement was signed in December 2017, but was subject to certain conditions including statutory approvals which PMAG's liquidators were required to obtain. These have now been concluded and the Agreement became effective on 14 February 2018.

Taxation matters

Corporation Tax

The fourth tax period of the Liquidation ended on 20 January 2017. A payment of £120,241.64 was paid to HMRC during the reporting period and a further £140,000 after the period end in respect of corporation tax due for the year to 20 January 2017.

VAT and excise duty

PRTL is a member of a VAT group with PRML. PRML has been the representative member for the post insolvency period and has therefore submitted all group VAT returns.

PRTL is due £45,667 of which £11,695.91 is currently held by PRML from VAT refunds received

Investigations and actions

Nothing has come to the attention of the Liquidators during the period under review to suggest that any further work is required under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No. 2.

Claims adjudication

Up to 20 January 2017, a total of 168 claims have been received and 137 claims are awaited.

Trade and other creditors

The table below sets out the current status of the trade and other creditors' claims:

	Admitted	Awaited	Under adjudication	Rejected	Total
Number	157	135	3	1	306
Value £m	84.8	0.06	See note	2	86.86

Note: These claims are under £1,000

Unsecured creditor distribution

A dividend of 28.93p in the £ was declared. It was paid on 11 August 2016 to those unsecured creditors whose claims had been admitted.

Assuming that no significant new claims are received, we expect shortly to be able to declare a dividend of 71.1p in the £, bringing distributions to unsecured creditors to 100p in the £ on their claims.

Statutory interest distribution

Creditors have an entitlement to statutory interest from the date of liquidation on the unpaid element of their debt. Most creditors will have an entitlement at the judgement rate of 8% simple. Some creditors may be able to claim a higher interest rate if this is stipulated by the creditor's contract with PRTL. If a creditor considers it is entitled to a greater rate of interest, it should write to the liquidators setting out the basis for this.

However, there will be insufficient funds to pay the statutory interest entitlements in full; we currently estimate that this could be approximately 4p to 6p in the £ of the creditors' admitted claims.

A recent UK Court of Appeal decision has determined that statutory interest is subject to UK withholding tax provisions. This may impact certain creditors, particularly any non UK based creditors without a trading operation in the UK. We understand the decision may be subject to appeal to the UK Supreme Court. We intend to liaise with HM Revenue and Customs to agree a process for dealing with any withholding tax issues that may arise.

Preferential Creditors

Section 3: Progress made during the fifth year of the Liquidation

A dividend of 100p in the £ was paid to the preferential creditors of PRTL during the prior Administration. An additional preferential creditor was paid a catch up dividend of 100p in £ on 28 March 2014.

Liquidators' remuneration

In accordance with Rule 4.127 of the Rules, the basis of the Liquidators' remuneration has been fixed by reference to the time properly given by the Liquidators and their staff in attending to matters arising in the Liquidation.

A full analysis of the Liquidators' time costs for the period from 21 January 2017 to 20 January 2018 is provided in Section 5.

For the period of this report, the Liquidators have incurred time costs of £217,775.61, which represents 489.97 hours at an average hourly rate of £444.47. No remuneration has been paid during the period in respect of the Liquidators' time costs.

Next steps

Our next steps will be to:-

- Pay a second and final dividend to unsecured creditors
- Establish the entitlements of creditors to statutory interest
- Liaise with HMRC to agree an approach to withholding tax issues
- Pay a statutory interest dividend
- Deal with any uncashed dividend cheques
- Finalise the VAT and tax positions
- Obtain the relevant clearances from HMRC
- Pay our final costs
- Prepare and circulate the Liquidators' final account to creditors

Section 4: Receipts and payments account for the period from 21 January 2017 to 20 January 2018 and estimated outcome statement ("EOS")

GBP receipts and payments account

	21.01.2017 to 20.01.2017	21.01.2017 to 20.01.2018	Total	Current IOS 20.01.2018	Previous IOS 20.01.2017
	£m	£m	£m	£m	£m
Receipts					
Funds received from administrator	29.03	-	29.03	29.03	29.03
RTFC's (gross proceeds)	1.38	-	1.38	1.38	1.38
Book debts	0.40	(0.00)	0.40	0.40	0.40
Received from Commerzbank regarding direct debit guarantee	0.25	-	0.25	0.25	0.25
Refunds	0.22	-	0.22	0.22	0.22
Rent and service charges	0.34	-	0.34	0.34	0.34
Interest received	0.28	0.17	0.44	0.44	0.30
Transfer from USD account	13.01	-	13.01	13.01	13.01
Pre appointment VAT refund	0.31	-	0.31	0.31	-
Recovery of amounts under the GSA	52.31	-	52.31	52.31	52.31
	<u>97.53</u>	<u>0.17</u>	<u>97.69</u>	<u>97.60</u>	<u>97.24</u>
Payments					
Legal fees	(0.43)	(0.59)	(1.02)	(1.05)	(0.90)
Legal fees relating to the Administration period	(0.20)	-	(0.20)	(0.20)	(0.20)
Administrators' fees (time costs basis)	(1.31)	-	(1.31)	(1.31)	(1.31)
Liquidators' fees (time cost basis)	(1.08)	-	(1.08)	(2.05)	(1.80)
PMAG's share of RTFCs proceeds	(0.69)	-	(0.69)	(0.69)	(0.69)
Rent and service charges	(0.34)	-	(0.34)	(0.34)	(0.34)
Other costs	(0.03)	(0.00)	(0.03)	(0.70)	(0.70)
Corporation tax	(0.02)	(0.12)	(0.15)	(0.40)	(0.10)
Provision for further payment to the Lenders under PRTL's guarantee	-	-	-	-	-
	<u>(4.10)</u>	<u>(0.71)</u>	<u>(4.81)</u>	<u>(6.74)</u>	<u>(6.04)</u>
VAT recoverable/(payable)	0.13	(0.17)	(0.04)		0.50
	<u>93.56</u>	<u>(0.71)</u>			
Available for unsecured creditors			<u>92.84</u>		
Preferential dividend - details			(0.01)		
Unsecured distribution (28.93p/£ declared and paid on 11 August 2016)			(24.21)		
Funds in hand (held in interest bearing account)			<u>68.62</u>		
Available for unsecured creditors				<u>90.95</u>	<u>91.70</u>
Unsecured creditors (£m) - see below				84.86	317.60
Estimated dividend				100p in £	20.8p to 100p in £
Statutory interest dividend***				4p to 6p in £	op to 4p in £
Expected level of unsecured claims					
			per statement of affairs		per claims received / expected 2018
Trade creditors (including pension fund and intercompany claims*)			75.80		80.02
Employee claims**			8.20		4.44
			<u>-</u>		<u>1.00</u>
			<u>84.00</u>		<u>85.46</u>

* £87.3m includes trade creditors on the statement of affairs

** employee claims were not detailed on the statement of affairs

***expressed as dividend on admitted claim

Funds held as follows:

expressed in millions

GBP interest bearing investment accounts 68.62

Section 4: Receipts and payments account for the period from 21 January 2017 to 20 January 2018 and estimated outcome statement ("EOS")

US\$ receipts and payments account

	21/01/2013 to 20/01/2017 \$m	21/01/2016 to 20/01/2017 \$m	Total \$m
Receipts			
Funds received from administrator	8.16	-	8.16
Recovery of amounts under the GSA	10.43	-	10.43
	<u>18.59</u>	<u>-</u>	<u>18.59</u>
Payments			
Transfer to the GBP account - see note 1	(18.59)	-	(18.59)
	<u>(18.59)</u>	<u>-</u>	<u>-</u>
VAT recoverable	-	-	-
Funds in hand	<u>-</u>	<u>-</u>	<u>-</u>
Available for unsecured creditors			

Note 1. The exchange rate prevailing at the time any proceeds received in US\$ are exchanged to GBP will impact on the GBP value of the overall recovery and will therefore also impact on the level of the dividend.

A small amount of interest of US\$437.78 will be transferred to the GBP account shortly and the US\$ account will then be closed.

Section 5: Details of the Liquidators' remuneration and disbursements for the period from 21 January 2017 to 20 January 2018

Analysis of time costs for the period 21 January 2017 to 20 January 2018

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £	Cumulative £
1 Strategy & Planning	5.00	-	3.20	0.20	0.60	-	-	9.00	6,589.20	732.13	103,352.70
2 Trading	-	-	-	-	-	-	-	-	-	-	7,749.00
3 Assets	12.20	-	64.55	-	45.60	-	-	122.35	64,081.55	523.76	279,596.45
4 Creditors	1.00	-	3.10	25.30	26.85	1.25	2.40	59.90	26,311.95	439.26	599,512.80
5 Accounting and treasury	1.00	-	10.75	32.25	120.45	46.95	-	210.40	76,020.50	361.31	281,976.35
6 Liaison with lenders	-	-	-	-	-	-	-	-	-	-	4,773.00
7 C&A related activities	-	-	-	-	-	-	-	-	-	-	43,473.45
8 Statutory and compliance	2.50	-	11.85	17.75	25.10	0.42	6.10	63.72	27,998.11	439.39	308,494.66
9 Tax, VAT & pensions	-	-	3.45	1.55	12.80	-	-	17.80	7,970.30	447.77	229,579.50
10 Employees & pensions	-	6.60	-	-	0.20	-	-	6.80	8,804.00	1,294.71	11,656.90
11 Closure procedures	-	-	-	-	-	-	-	-	-	-	1,590.00
Total for the period	21.70	6.60	96.90	77.05	231.60	47.62	8.50	489.97	217,775.61	444.47	1,801,754.81
Brought forward at 20 January 2017								3,638.91	1,583,979.20		
Total								4,128.88	1,801,754.81		

Section 5: Details of the Liquidators' remuneration and disbursements for the period from 21 January 2017 to 20 January 2018

Background

This section sets out the process that was established for setting and monitoring the Liquidators' remuneration.

As you may recall, during the administration, the creditors fixed the basis of the administrators' fees by reference to time properly given by the administrators and their staff in dealing with the administration.

The fee basis agreed in the administration continues to apply in the liquidation. This means that our fees as liquidators will be calculated by reference to time.

The time cost charges incurred in the period covered by this report are £217,776, bringing costs since the start of the liquidation to £1,801,755. To date we have drawn fees on account of £1,076,906.

Liquidators' charging policy

The time charged to the Liquidation is by reference to the time properly given by the Liquidators and their staff in attending to matters arising.

It is the Liquidators' policy to delegate tasks in the Liquidation to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed.

Matters of particular complexity or significance requiring more exceptional responsibility are undertaken by senior staff or the Liquidators themselves.

Narrative of key areas of work carried out for the period from 21 January 2017 to 20 January 2018

There remain a number of distinct work streams with responsibilities for various aspects of the Liquidation. It should be noted that individuals may have worked in more than one area. The activities of these work streams are summarised below.

Strategy & Planning

- Setting and reviewing strategies and work stream structures
- Meetings regarding outstanding issues and their progress
- Reviewing and authorising critical correspondence and dealing with high level queries
- Internal team strategy meetings and discussions regarding claims
- Reviewing case records
- Case update and progression meetings

Assets and claims

PMAG and DBTCA claims

- Liaison with solicitors regarding PMAG correspondence and the PRTL claim
- Intercompany reconciliations between PRTL and PMAG and providing information to solicitors.
- Providing information to the Swiss trustee.
- Obtaining legal advice in the UK and Switzerland regarding the claim position.
- Drafting and filing witness statements and applications in the UK and Swiss proceedings.
- Negotiating heads of terms of a settlement with PMAG and DBTCA and documenting the agreement legally.

Creditor claims / distributions

- Calculating the impact of the DBTCA/PMAG creditor claims.
- Liaison with significant creditors, including HMRC and pensions scheme on the settlement terms with PMAG and DBTCA.
- Dealing with queries from creditors including requests for reports, further information regarding the process and other queries.
- Dealing with missing/replacement cheques; reissues.
- Tracing "gone away" creditors.

Section 5: Details of the Liquidators' remuneration and disbursements for the period from 21 January 2017 to 20 January 2018

Accounting and treasury

- Processing and approval of various payments and receipts.
- Completing regular bank reconciliations.
- Treasury of funds and investment strategy:
 - Development of treasury policy, credit risk management and monitoring of policy compliance;
 - Weekly maturity analysis and analysis of markets;
 - Treasury planning meetings;
 - Maintenance of bank documentation;
 - Internal audit testing;
 - Planning, placement and recording of money market exchange deals;
 - Account balance monitoring and provision of case liquidity; and
 - Deal verification and confirmation.
- Review and update of the receipts and payments accounting information on our systems.

Statutory and compliance

- Meeting the statutory obligations as prescribed by the Act and the Rules
- Preparation of 4th annual report to creditors. Review by senior staff and appointment takers
- Responding to queries and requests from creditors
- Maintaining the Liquidators' case records
- Reviewing, distributing and responding to correspondence received by the Liquidators
- Maintaining and reviewing the time cost records for the Liquidation
- Regular case reviews
- Archiving documents
- Responding and dealing with pre-appointment insurance claim matters
- Dealing with the storage of aged pre-appointment Company records

Tax / VAT / Pensions

Time included within this category includes the Liquidators' staff time for liaising with our specialist departments and by our specialist departments for undertaking the work.

Only a minimal amount of time has been incurred by our Pensions specialists in this period.

Our Tax, VAT and pensions specialists have undertaken the following work:

VAT

- Completing quarterly VAT returns
- VAT reconciliations between PRTL and PRML due to group registration

Corporation Tax

- Preparing the corporation tax return for the period ended 20 January 2017
- Examining the tax impact of the GSA and consideration of further tax mitigation.
- Calculation and payment of tax

Pensions

- Liaising with pension scheme trustees.

Section 5: Details of the Liquidators' remuneration and disbursements for the period from 21 January 2017 to 20 January 2018

Hourly rates

In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structures. Following the Liquidators appointment the charge out rates increased annually on 1 July each year.

Set out below are the relevant maximum charge-out rates per hour worked for the grades of the Liquidators' staff actually involved on this assignment. The rates applied to this case are PricewaterhouseCoopers LLP's standard rate rates for complex and international insolvencies. All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time charged is three minutes (i.e. 0.05 of an hour). There was no allocation of any general costs or overhead costs.

Specialist departments within the Liquidators' firm, such Tax, VAT, Property and Pensions were also used where expert advice was required. Such specialist rates do vary but the figures below provide an indication of the maximum rate per hour:

Grade	Maximum rate per hour (21/01/17 to 30/06/17) (£)	Maximum rate per hour (01/07/17 to 20/01/18) (£)	Specialist maximum rate per hour (21/01/17 to 30/06/17) (£)	Specialist maximum rate per hour (01/07/17 to 20/01/18) (£)
Partner	840	865	1,365	1315
Director	740	760	1,200	1210
Senior Manager	560	575	1,170	1230
Manager	480	495	700	735
Senior Associate	400	412	515	545
Associate	250	258	255	270
Support staff	125	129	125	160

Payments to associates

The liquidators have made no payments to associates during the period covered by this report.

Our relationships

The liquidators have no business or personal relationships with the parties who approve the liquidators' fees or who provide services to the liquidation where the relationship could give rise to a conflict of interest.

Details of subcontracted work

No work which the liquidators or their staff would normally do, has been done by subcontractors or will be subcontracted out.

Disbursements

The liquidators do not need to obtain approval to draw expenses or disbursement unless they are for shared or allocated services provided by the liquidators' firm, including room hire, document storage, photocopying, communication facilities. These type of expenses are "Category 2" disbursements and the must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves the liquidators' fees. No category 2 disbursements have been incurred in the period.

Section 5: Details of the Liquidators' remuneration and disbursements for the period from 21 January 2017 to 20 January 2018

The liquidators' expenses policy allows for all properly incurred expenses to be recharges to the liquidation and has been approved by the creditors where required.

Category	Policy	£
1	Postage	769.54
1	Travel costs	489.11
1	Bank charges	52.44
1	Solicitors' fees	333.33
	Total	1,644.42

Summary of legal and other professional firms and subcontractors instructed in the period from 21 January 2017 to 20 January 2018

Name of firm / organisation	Service provided	Reason selected	Basis of fees	Amount paid in period (£net)
Dentons UKMEA LLP	Legal advice on PMAG claim & settlement agreement. Instruction of and liaison with Swiss lawyers. Legal advice on DBTCA claim including instructing counsel. General case related matters.	Insolvency expertise and industry knowledge	Time costs plus disbursements at cost	587,307.51
Froriep Renggli	Instructed by Dentons to provide legal advice on PMAG claim & settlement agreement.	Insolvency expertise and industry knowledge	Time costs plus disbursements at cost	Paid by Dentons

The Liquidators require all third party professionals to submit either time cost analyses and narrative or other relevant information in support of invoices rendered. The Liquidators monitor time costs on an appropriate basis and require third party professionals to seek the approval of the Liquidators prior to undertaking work.

Section 6: Statement of expenses incurred from 21 January 2016 to 20 January 2017

The following table provides details of our expenses. Expenses are amounts properly payable by the Liquidators from the estate and includes the Liquidators' fees, but excludes distributions to creditors. The table also excludes any tax liabilities that may need to be paid as a liquidation expense because amounts becoming due will depend on the position at the end of the tax accounting period.

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

	Brought forward from preceding period	Incurred in the period under review	Cumulative	Estimated future	Anticipated total
	£'m	£'m	£'m	£'m	£'m
Legal fees	0.43	0.59	1.02	0.03	1.05
Liquidators' fees	1.58	0.22	1.80	0.25	2.05
PMAG's share of RTFC's proceeds	0.69	-	0.69	-	0.69
Rent & service charges	0.34	-	0.34	-	0.34
Other costs/contingency	0.03	-	0.03	0.47	0.50
Corporation tax	0.02	0.26	0.28	0.12	0.40
Total	3.09	1.07	4.16	0.87	5.03

Section 7: Estimated costs of future work

In accordance with the new SIP9 guidance which became effective on 1 December 2015, the Liquidators set out below the estimated costs of future work in the Liquidation. These costs are estimated based on the information currently available and are not intended to act as a cap on the Liquidators' costs.

The Liquidators estimate that costs of £250k will be incurred for the various work streams in respect of future work in the Liquidation. The estimated costs by key work area are set out below.

Administration (statutory and compliance, treasury and accounting, and strategy and planning)

Estimated costs - £50k

The estimated costs comprise of the following work:

- One further annual progress report and a final report
- Other administrative tasks such as updating case records, budget monitoring, managing investments and arranging payments, and planning for and managing closure of the Liquidation.

Creditor claims and distributions

Estimated costs - £80k

A second and final dividend will be paid to unsecured creditors. In the event that no significant further creditors are admitted compared with those admitted at the first interim dividend, this is anticipated to bring distributions to 100p in the £.

Statutory interest

Estimated costs - £80k

We currently estimate that there will be funds available to make a partial payment of post-liquidation statutory interest. This will involve assessing the claims of any creditors with interest entitlements at greater than 8% and dealing with any withholding tax issues.

Taxation matters

Estimated costs - £40k

Based on the submission of corporation tax returns, preparation and submission of VAT information for the group VAT returns until the closure of the Liquidation, and the costs involved in seeking tax clearance.

Future expenses

The Liquidators consider that with the settlement of the PMAG and DBTCA disputes the key contentious matters requiring legal advice have been concluded. A provision of £30,000 for further costs has been allowed for completing the withdrawal of the litigations in February 2018 and to allow for any advice needed in connection with creditor claims, statutory interest entitlements and withholding tax.

Section 8: Statutory information

Statutory information

Company:	Petroplus Refining Teesside Limited
Registered Number:	00814156
Registered address:	Formerly: Petroplus House, St Marks Court, Teesdale, Stockton on Tees, TS17 6QN Now: 8 th Floor, Central Square, 29 Wellington Street Leeds LS1 4DL
Type of Insolvency:	Creditors' Voluntary Liquidation
Date of Appointment:	21 January 2013
Appointees:	Ian David Green and Steven Anthony Pearson
Address:	PricewaterhouseCoopers LLP, 8 th Floor, Central Square, 29 Wellington Street Leeds LS1 4DL Telephone: 0113 289 4926
Estimated dividend for unsecured creditors:	Based on current EOS, 100p in the £ plus a dividend in respect of statutory interest of 4p to 6p in £ on the principal claim (see body of the report for details)
Estimated values of the prescribed part and the company's net property:	The Lenders have various charges registered against PRTL dating after September 2003. Therefore, the Prescribed Part provisions under Sections 176A of the Act apply. The Prescribed Part is a fund set aside for unsecured creditors before a distribution is made to the Lenders and the Prescribed Part in this case is the maximum value of £600,000. As previously reported, under the GSA the Lenders have repaid all amounts previously distributed and will not make any claims on PRTL's assets. Accordingly, all funds in the Liquidation are therefore available to the unsecured creditors.
Whether and why the Liquidators intend to apply to court under Section 176A(5) of the Act to disapply the prescribed part:	No

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