

Liquidator's Progress Report**Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986****S.192**

To the Registrar of Companies

Company Number

00814156

Name of Company

(a) Insert full name of
company

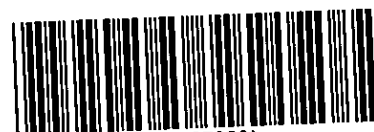
(a) Petroplus Refining Teesside Limited

(b) Insert full name(s)

and address(es)

We (b) Ian David Green and Steven Anthony Pearson of
PricewaterhouseCoopers LLP, 7 More London Riverside, London,
SE1 2RTthe Liquidators of the Company attach a copy of our Progress Report
under section 192 of the Insolvency Act 1986.The Progress Report covers the period from 21 January 2015 to 20
January 2016.

SATURDAY



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COMPANIES HOUSE

Signed

Date 18 / 3 / 16

Presenter's name,
and addressIan David Green of PricewaterhouseCoopers LLP, 7 More London
Riverside, London, SE1 2RT

***Petroplus Refining
Teesside Limited
(in Liquidation)***

*Joint Liquidators' annual
report for the year ended
20 January 2016*

18 March 2016



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IMPORTANT NOTICE

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

This report includes a projection of a range of recoveries potentially available to unsecured creditors. Material uncertainties remain regarding the 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 4.49C of the Insolvency 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.

Abbreviations used in this report

Term	Abbreviation used
Petroplus Refining Teesside Limited	"PRTL" or "the Company"
Petroplus Marketing AG	"PMAG"
Petroplus Refining & Marketing Limited	"PRML"
Petroplus Holdings AG	"PHAG"
Ian David Green and Steven Anthony Pearson	"the Liquidators", "the Joint Liquidators" or "the former Joint Administrators"
Insolvency Rules 1986	"the Rules"
Insolvency Act 1986	"the Act"
Creditors' Voluntary Liquidation	"CVL"
Petroplus Refining Teesside Limited's petrochemical storage and distribution facility in Teesside	"the Storage Facility"
Illustrative final outcome statement	"IOS"
The secured lenders	"the Lenders"
HM Revenue & Customs	"HMRC"
Global Settlement Agreement	"GSA"

Section 1: Introduction

This report has been prepared by the Joint Liquidators of PRTL and is the third 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 third year of the Liquidation;
- outstanding matters; and
- a provisional estimate of the outcome of the Liquidation for unsecured creditors.

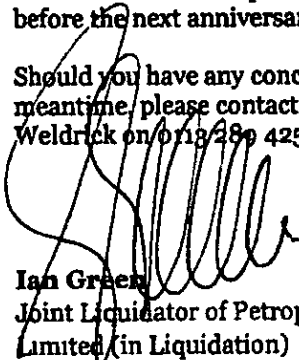
The Joint Liquidators' first and second progress reports were issued to creditors on 18 March 2014 and 20 March 2015 respectively. Prior to the Joint Liquidators' appointment, the former Joint Administrators' first progress report was issued to creditors on 21 August 2012 and the final progress report 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

Next report to creditors

The Liquidators will issue their next statutory report to creditors no later than 20 March 2017 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 Neil Weldrick on 01828 94253.



Ian Green
Joint Liquidator of Petroplus Refining Teesside Limited (in Liquidation)

Section 2: Executive summary

Dividend prospects for creditors

- In our previous progress report, we advised that the dividend for unsecured creditors was projected to be between 28p and 100p in the £, being an increase on previous predictions of 1p to 5p in the £. As a result of the claims adjudication work we have completed during the year, the dividend is currently estimated to be between 30p and up to 100p in the £. The eventual amount of the dividend remains dependent upon the return of funds that were distributed to the Lenders, a brief update on which is provided in section 3 of this report.
- We consider that there is a good prospect of the eventual dividend being at the upper end of the estimated range.
- Creditors should note that the upper and lower limits of this estimate are subject to change as further progress is made and that the dividend level is also dependent on the level of claims admitted to rank for dividend.
- Notice was provided in our letter dated 18 March 2016 pursuant to Rule 11.2 of the Insolvency Rules 1986, that it is our intention to declare a first interim dividend to unsecured creditors of PRTL no later than 22 August 2016.

Key developments

- The following progress has been made during the period:
 - Creditors may recall from our previous report that PRTL, the Lenders and certain other Petroplus group companies were seeking to enter into a GSA to resolve any and all disputes or potential disputes between the parties relating to the post Administration period.
 - After a lengthy period of intensive and complex negotiations, the GSA was signed by all parties on 14 October 2015 and, once certain preceding conditions were met, became effective for PRTL on 7 March 2015.
 - As a result, PRTL has recovered all of the funds distributed to or set off by the

Lenders in the source currency plus interest at a commercial rate. PRTL received £52.3m and \$10.4m including interest, this was received after the end of the period of this report.

- HMRC's claim of £54.2m has been admitted for dividend purposes; and
- PRTL has commenced a mini-bankruptcy in Switzerland in order to pursue claims against PMAG.

The Lenders' position

- PMAG's assets charged to the Lenders (excluding those controlled by PRTL) realised sufficient funds to enable PMAG to repay in full the amounts it owed to the Lenders. The position with the Lenders is now resolved by the GSA.

Ownership of the inventory

- PRTL sold oil stocks on site.
- Certain inventory of oil products on site was sold by PRTL and a dispute arose over its ownership. PMAG claimed title and PRTL also assented ownership.
- The proceeds were retained by PRTL and a commercial settlement was agreed and incorporated in the GSA. This was a more favourable outcome for PRTL than previously indicated.

Intercompany claims

- Unsecured claims from PMAG and PRML have been recorded by PRTL, and PRTL has lodged a claim against PMAG.
- The manner in which the Petroplus group financed itself gave rise to a complex series of agreements which purported to subordinate various intercompany amounts, both payable and receivable. Legal advice has been obtained on the impact of these arrangements in order to inform our determination of the intercompany claims.
- PRML's claim has been resubmitted and is currently under adjudication by PRTL.

Section 2: Executive summary

The claims received from PRML and PMAG require further documents before they are adjudicated

- The final employee unsecured claim has been admitted for dividend purposes following a Court hearing.

Other debtors

- PRTL has submitted an unsecured claim in the Administration of FH Gilman for c.£350k The dividend prospects appear good, however the timing of such distributions remains uncertain

Distribution to unsecured creditors

- Prior to making a distribution to unsecured creditors we are seeking to address PMAG's inbound claims PRTL is a net creditor in PMAG's estate and, as such, we intend to set off any inbound claims from PMAG We are seeking a mutually agreeable resolution of this matter, about of which we intend to seek directions to confirm statutory set off.

Once we have addressed this we will move to make a distribution to creditors.

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

Amounts paid under PRTL's guarantee of PMAG's indebtedness

PRTL guaranteed the indebtedness of PMAG and its subsidiaries to the Lenders. As a result, the Lenders retained or set off the equivalent of US\$36.5m immediately before and shortly after the former Joint Administrators' appointment. The former Joint Administrators also distributed an additional equivalent of US\$60m at the date of the distribution to the Lenders in respect of PMAG's indebtedness.

PMAG's assets charged to the Lenders (excluding those controlled by PRTL) realised enough that PMAG can repay its own obligations.

As part of the GSA, the payments made by the guarantors, including PRTL, were refunded, together with interest.

The GSA

During the period covered by this report, negotiations and revisions continued in relation to the GSA.

The GSA was signed by all parties on 14 October 2015 and, once certain preceding conditions precedent were met, became effective for PRTL on 7 March 2015. The GSA resolves any and all disputes or potential disputes between the parties relating to the post Administration period.

As a result, PRTL has recovered all of the funds distributed to or set off by the Lenders in the source currency plus interest at a commercial rate. PRTL received £52.3m and \$10.4m including interest; these monies were received after the period covered by this report and are therefore not shown in the receipts and payment account.

Intercompany receivables

Intercompany claims were expressly excluded from the GSA and are being adjudicated separately.

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 may arise in the future. PMAG is in Liquidation in Switzerland and we are in discussion with the Swiss Liquidators

regarding the claim.

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

A net unsecured claim of CHF103 million (£76.4m) has previously been submitted against PMAG. However, PRTL's claim in PMAG is to be re-submitted in order to be recognized by the Liquidators. This is currently being reviewed by our advisors.

PMAG submitted an unsecured claim of £213.8m in PRTL's Liquidation. This claim does not take into account any amounts that PMAG owes PRTL.

PMAG and PRTL were party to a deed of subordination and we have sought legal advice on the impact of this agreement on the inter-company claim position. We are advised that PRTL's net claim into PMAG is unsubordinated.

For the purposes of the dividend estimate given in this report, we have not reflected any recoveries from the claim PRTL has submitted against PMAG. We do, however, expect to realise recoveries from this claim.

PRML submitted an unsecured claim in PRTL's Liquidation of c£8m. This claim has been revised to £4.3m and is currently under adjudication.

Ownership of the inventory

As previously reported, PRTL sold oil stocks located at Teesside. The proceeds were retained by PRTL.

PMAG asserted a claim over these proceeds and, following an exchange of correspondence on the legal merits of each party's claim, a commercial settlement was agreed in respect of the sale proceeds and has been dealt with in the GSA.

Taxation matters

Corporation Tax

The second tax period of the Liquidation ended on 20 January 2015. The tax due of £6,810.32 has been paid to HMRC.

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

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.

PRML set off a balance owed to it by PRTL which was incurred during the trading period against VAT due to PRTL. A balance of £130,713.99 was transferred from PRML to PRTL in respect of VAT recoveries for the period to January 2015.

Further VAT refunds are anticipated and are to be transferred from PRML.

Claims adjudication

Up to 20 January 2015, a total of 331 claims have been received or are awaited, which includes 37 employee claims and 2 intercompany claims.

Trade and other creditors

The trade and other creditors' category includes claims from PRTL's pension scheme of £15.4m and a claim from HM Revenue & Customs of £54.2m, which has been admitted in the period covered by this report.

Sembcorp Utilities (UK) Ltd ("Sembcorp") had submitted an unsecured claim against PRTL of £521k. A partial rejection was issued following a detailed review and legal action followed. Litigation proceedings were issued by Sembcorp and an Order was granted by the court. A payment of £106k was made by PRTL in respect of the agreement after the period ended in full and final settlement of the claim.

There remain only 5 creditor claims under adjudication, including 2 intercompany claims, which account for the majority by value of the unadmitted claims of £218.1m.

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

	Admitted	Awaited	Under adjudication	Rejected	Total
Number	207	118	5	1	331
Value £m	80.9	0.8	218.1	2	301.8

Claims of former employees

We previously advised that one former employee's claim was being disputed and that individual had

applied to Court to have their claim adjudicated. The Court ordered that the former employee's claim for enhanced redundancy and compensation for loss of notice be admitted for dividend purposes.

The Court Order had an effect on five other former employee claims and following further work and an additional adjudication process they were also granted enhanced unsecured claims.

Unsecured creditor dividend notice and awaited claims

In our letter to creditors dated 18 March 2016, within which we provided notification of the availability of the third annual report, we gave notice, pursuant to Rule 11.2 of the Insolvency Rules 1986, that it is our intention to declare a first interim dividend to unsecured creditors of the PRTL no later than 22 August 2016.

Any creditors who are yet to prove in the Liquidation should submit their claims, if they have not already done so on or before 22 June 2016, the last date for proving. Please use the proof of debt form, which can be downloaded from www.pwc.co.uk/petroplus to submit your claim to the Joint Liquidators of the Company, at the offices of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP. Please provide documentary evidence in support of any claim submitted.

Preferential Creditor

A dividend of 100p in the £ was paid to the sole preferential creditor of PRTL in the previous period.

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 and Category 2 disbursements for the period from 21 January 2015 to 20 January 2016 is provided in Section 5.

For the period of this report, the Liquidators have incurred time costs of £386,656, which represents 854 hours at an average hourly rate of £452.35. No remuneration has been paid during the period in respect of the Liquidators' time costs.

Section 4: Receipts and payments account for the period from 21 January 2015 to 20 January 2016 and illustrative final outcome statement

GBP receipts and payments account

	21/01/2013 to 20/01/2015	21/01/2015 to 20/01/2016	Total	Previous IOS (best case) 20/01/2015	Previous IOS (worst case) 20/01/2015	Current IOS (best case) 20/01/2016	Current IOS (worst case) 20/01/2016
	£m	£m	£m	£m	£m	£m	£m
Receipts							
Funds received from administrator see note 3	29.1	-	29.1	34.1	34.1	29.1	29.1
RTPC's (gross proceeds)	1.4	-	1.4	1.4	1.4	1.4	1.4
Book debts	0.1	-	0.1	0.1	0.1	0.4	0.1
Received from Commerzbank regarding direct debit guarantee	0.3	-	0.3	0.3	0.3	0.3	0.3
Refunds	0.2	-	0.2	0.2	0.2	0.2	0.2
Rent and service charges	0.3	-	0.3	0.3	0.3	0.3	0.3
Interest received	0.1	-	0.1	-	-	0.1	0.1
Transfer from USD account - see note 2	-	-	-	-	-	13.1	13.1
Recovery of amounts under the GSA see note 1	-	-	-	62.4	-	52.3	52.3
	<u>31.5</u>	<u>-</u>	<u>31.5</u>	<u>98.8</u>	<u>36.4</u>	<u>97.2</u>	<u>96.9</u>
Payments							
Legal fees	(0.1)	(0.1)	(0.2)	(0.4)	(0.4)	(0.5)	(0.7)
Legal fees relating to the Administration period	(0.3)	-	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Administrators' fees (time costs basis)	(1.3)	-	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)
Liquidators' fees (time cost basis)	(0.4)	-	(0.4)	(1.2)	(1.2)	(1.8)	(1.8)
PMAC's share of RTPC's proceeds	(0.7)	-	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
Intercompany balance payment to PRML	-	(0.1)	(0.1)	-	-	(0.1)	(0.1)
Rent and service charges	(0.3)	-	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Other costs	-	-	-	(3.4)	(6.8)	(0.3)	(0.7)
Corporation tax	-	-	-	-	(0.2)	(0.1)	(0.1)
Provision for further payment to the Lenders under PRTL's guarantee	-	-	-	-	-	-	-
	<u>(3.1)</u>	<u>(0.2)</u>	<u>(3.3)</u>	<u>(7.6)</u>	<u>(11.2)</u>	<u>(5.4)</u>	<u>(6.0)</u>
VAT recoverable	(0.1)	0.4	0.3	0.4	0.4	0.3	0.3
Funds in hand	<u>28.3</u>	<u>0.2</u>	<u>28.5</u>				
Available for unsecured creditors				<u>91.6</u>	<u>25.6</u>	<u>92.1</u>	<u>91.2</u>
Unsecured creditors (£m) - see note 4				91.6	91.6	84.9	299.8
Upper dividend range				100 p in £		100 p in £	
Lower dividend range					28 p in £		30 p in £

Note 1 The proceeds received under the GSA, being the amounts previously distributed to or set off by the Lenders, are expected to relate back to the source currency for each transaction

Note 2 For illustrative purposes only, we have converted the balance held in the US\$ account as at 20 Jan 2016. This enables us to show the estimated outcome position, however the exchange rate will differ at the actual date of transfer and this figure should therefore not be relied upon. The exchange rate is £ \$1.4187 at 20.01.16

Note 3 The previous balance has reduced by £5m as the converted US\$ amount has been removed and shown in a separate receipts and payments account

Note 4 The current IOS (worst case) creditor figure is based on claims received, admitted, to be adjudicated and awaited

Expected level of unsecured claims

	per statement of affairs	per claims received / expected 2015	per claims received / expected 2016
Trade creditors (including pension fund and HMRC)	75.8	83.1	79.9
Intercompany claims*	8.2	8.0	4.0
Employee claims**	-	0.5	1.0
	<u>84.0</u>	<u>91.6</u>	<u>84.9</u>

* included within trade creditors on the statement of affairs but excluding PMAC

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

Section 4: Receipts and payments account for the period from 21 January 2015 to 20 January 2016 and illustrative final outcome statement

Funds held as follows.

	expressed in millions
US\$ interest bearing current account	\$0.2
US\$ non-interest bearing deposit account held with Lenders	\$8.0
GBP interest bearing investment accounts	10.3
GBP non-interest bearing deposit account with Lenders	18.0

Exchange rates used for receipts and payments account as at 20 January 2016	£ \$ = 1.4187
	£ € = 1.3019

Funds are held in multiple currencies depending on the currency the originating transaction was entered into. As the issues surrounding PMAG and the Lenders have been finalised (post the reporting period), the funds held in the US\$ accounts will be transferred to GBP.

US\$ receipts and payments account

	21/01/2013 to 20/01/2015 £m	21/01/2015 to 20/01/2016 £m	Total £m	Current IOS (best case) 20/01/2016 £m	Current IOS (worst case) 20/01/2016 £m
Receipts					
Funds received from administrator	8.2	-	8.2	8.2	8.2
Recovery of amounts under the GSA - see note 1	-	-	-	10.4	10.4
	<u>8.2</u>	<u>-</u>	<u>8.2</u>	<u>18.6</u>	<u>18.6</u>
Payments					
	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
VAT recoverable	-	-	-	-	-
Funds in hand	<u>8.2</u>	<u>-</u>	<u>8.2</u>		
Available for unsecured creditors (to be converted and transferred to the GBP account)				<u>18.6</u>	<u>18.6</u>

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.

Euro account

There are also funds held in a Euro account in the sum of €434.12. This is made up of a small balance from the Administration and will be transferred to the GBP account.

Section 5: Details of the Liquidators' remuneration and disbursements for the period from 21 January 2015 to 20 January 2016

Analysis of timecosts for the period 21 January 2015 to 20 January 2016

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	3.00	-	58.17	-	13.15	-	0.30	74.62	39,454.30	528.74
2 Assets and claims	12.20	-	124.53	4.50	8.75	-	-	149.98	83,902.20	559.42
3 Creditor claims / distributions	2.00	0.75	93.31	2.30	116.35	75.25	-	289.96	117,165.40	404.07
4 Accounting and treasury	-	0.10	2.12	2.80	57.05	47.00	-	109.07	35,749.30	327.76
5 Statutory and compliance	1.50	-	97.04	-	47.55	6.70	-	152.79	73,695.10	482.33
6 Tax/VAT/Pensions	3.00	-	11.40	2.65	32.85	26.45	-	76.35	35,100.00	459.72
7 Closure procedures	2.00	-	-	-	-	-	-	2.00	1,590.00	795.00
Total for the period	23.70	0.85	386.57	12.25	275.70	155.40	0.30	854.77	386,656.30	452.35
Brought forward at 20 Jan 2015								1,867.90	802,112.75	
Total								2,722.67	1,188,769.05	

Section 5: Details of the Liquidators' remuneration and disbursements for the period from 21 January 2015 to 20 January 2016

Background

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

Insolvency Rules 1986

By way of context, the manner in which Liquidators' remuneration is determined and approved is set out in the Rules (4.127 to 4.131).

As you may recall, a creditors' committee has not been formed in respect of PRTL's insolvency

Therefore, in accordance with R4.127 of the Rules, the basis of the Liquidators' fees will be the time costs basis previously approved by the creditors in respect of the former Joint Administrators' fees.

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

Creditors' rights and guidance regarding Liquidators' fees

A copy of the guidance available to creditors regarding liquidators' fees can be found at.

www.pwc.co.uk/petroplus

Narrative of key areas of work carried out for the period from 21 January 2015 to 20 January 2016

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
- Continuing to develop the claims agreement strategy
- Ongoing reviews of staffing requirements for the Liquidators' work streams
- Ongoing liaison with the work streams to agree tasks for staff members and monitoring their progress
- Reviewing and authorising critical correspondence and dealing with high level queries
- Internal team strategy meetings and discussions regarding the claim in PMAG
- Strategy meetings regarding creditor schedule and possible creditors located in Switzerland
- Reviewing case records
- Case update and progression meetings

Assets and claims

GSA related activities

- Internal discussions regarding the GSA
- Correspondence and discussions with lawyers regarding the GSA
- Reviewing draft GSA and claim in PMAG and seeking advice from solicitors

PMAG

- PMAG claim correspondence prepared, following a significant review of the Company records

Section 5: Details of the Liquidators' remuneration and disbursements for the period from 21 January 2015 to 20 January 2016

- Reviewing PMAG claim and collating all supporting documentation
- Resubmission of claim to PMAG
- Reproduction of and filing of recognition application in Switzerland
- Liaison with solicitors regarding PMAG correspondence and the PRTL claim
- Reviewing the debtor ledger following queries raised by PMAG
- Responding to queries from PMAG's liquidators regarding PRTL claims
- Internal meetings/calls regarding the PMAG claim position
- Preparing for and attendance at such meetings
- Intercompany reconciliations between PRTL and PMAG, review of claims and associated legal advice

FH Gilman

- Review of FH Gilman debt and potential transfer of the debt following contact by interested party
- Liaison with interested party regarding the transfer of the FH Gilman debt
- Preparing for and attendance at such meetings

Creditor claims / distributions

- Dealing with queries from creditors including requests for reports, further information regarding the process and other queries
- Creditor reconciliation process undertaken
- Claims agreement process, including:
 - Entering details on onto our claims agreement system;
 - Review and adjudication of unsecured claims,
 - Liaison with our legal advisors on complex contractual claims,
 - Further review of the claim submitted by PMAG in PRTL's Liquidation against the net

claim PRTL submitted in PMAG's liquidation,

- Further review work in respect of HMR&C's claim of £63.2m;
- Detailed review of Sembcorp Utilities (UK) Ltd claim of £521k,
- Employee claims agreement;
- Dealing with employee tribunal claim matter;
- Seeking legal advice regarding the employee tribunal matter; and
- Correspondence with creditors regarding the submission of claims

Accounting and treasury

- Processing and approval of various payments and receipts
- Completing regular bank reconciliations
- Treasury of funds and investment strategy
- 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 2nd 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

Section 5: Details of the Liquidators' remuneration and disbursements for the period from 21 January 2015 to 20 January 2016

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
- Specialist VAT advice relating to HMRC's unsecured creditor claim

Corporation Tax

- Preparation and submission of corporation tax return for the period ended 20 January 2015
- Calculation and payment of tax

Pensions

- Pensions queries received and actioned

Closure procedures

- Closure strategy considered

Other matters

In addition, some time has been spent liaising with the Receiver and PMAG. These costs have not been included in this cost analysis because they have not been paid from Liquidation funds. They have instead been paid from PMAG realisations which were held by PMRL as third party funds. We have recovered costs to 9 October 2015 in full with the approval of the Receiver

Section 5: Details of the Liquidators' remuneration and disbursements for the period from 21 January 2015 to 20 January 2016

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 were increased on 1 July 2013, 1 July 2014 and 1 July 2015.

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. 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 as 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 (21/01/15 to 30/06/15) (£)	Maximum rate per hour (01/07/15 to 20/01/16) (£)	Specialist maximum rate per hour (£)
Partner	795	825	1,190
Director	695	725	1,095
Senior Manager	540	550	920
Manager	460	470	665
Senior Associate	380	390	490
Associate	240	245	240
Support staff	120	123	140

Disbursements for services provided by the Liquidators' own firm (Category 2 disbursements)

The Liquidators' firm's expenses policy allows for all properly incurred expenses to be recharged to the case. Disbursements were charged to the assignment as follows:

Photocopying	At 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.
Mileage	At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc).

Section 5: Details of the Liquidators' remuneration and disbursements for the period from 21 January 2015 to 20 January 2016

The following disbursements (excluding VAT) have been incurred by the Liquidators' firm in the period from 21 January 2015 to 20 January 2016

Category 1:	£	Category 2:	£
Travel	396.00	Printing:	59.44
Car parking	25.00		
Postage and couriers	212.70	Total:	59.44
Archiving costs	25.82		
Other	45.12		
Total:	704.64		

Summary of legal and other professional firms and subcontractors instructed in the period from 21 January 2015 to 20 January 2016

Name of firm / organisation	Service provided	Reason selected	Basis of fees	Amount paid in period (£)
Dentons UKMEA LLP	Legal advice on PMAG claim & settlement agreement. Advice regarding sanction in relation to settlement agreement. Assisting in complex unsecured claims and review of contracts Assistance regarding the realisation of the FH Gilman debt General case related matters	Insolvency expertise and industry knowledge	Time costs plus disbursements at cost	96,528.67
HL Legal Solicitors	Legal advice	Successor firm to incumbent	Percentage of realisations	6.92

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 2015 to 20 January 2016

Rule 4 49C (5) and Rule 4 49B (1)(f) of the Rules requires the progress report to include a statement of expenses incurred by the Liquidators during the period of the report, irrespective of whether payment has been made or not. This relates to all costs incurred, and not just the Liquidators' disbursements. Such a summary of expenses is found below.

	Unpaid as at 20 January 2015	Incurred in this Period	Paid in this Period	Unpaid as at 20 January 2016
	£'m	£'m	£'m	£'m
Liquidators' Fees	0.4	0.4	-	0.8
Legal fees and expenses	-	0.1	(0.1)	-
	<u>0.4</u>	<u>0.5</u>	<u>(0.1)</u>	<u>0.8</u>

Section 7: Estimated costs of future work

In accordance with the new SIP9 guidance which became effective on 1 December 2015, we 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 £690k 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 - £150k

The estimated costs comprise of the following work:

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

Book debts

Estimated costs - £10k

Costs involved in the realisation of a potential debtor balance

Intercompany claims

Estimated costs - £250k

The costs in responding to queries from the PRML and PMAG Liquidators in respect of the intercompany claims lodged against both companies could be significant depending on whether any material disputes arise.

Creditor claims and distributions

Estimated costs - £200k

We expect that at least two dividends will be paid to unsecured creditors

Taxation matters

Estimated costs - £80k

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 estimate that future legal costs of between £100-400k will be paid as an additional expense of the Liquidation to those costs detailed above. The potential for litigation in respect of the outstanding matters in the liquidation has a material impact on the estimate for future legal costs.

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: Benson House, 33 Wellington Street, Leeds, LS1 4JP
Type of Insolvency:	Creditors' Voluntary Liquidation
Date of Appointment:	21 January 2013
Appointees:	Ian David Green and Steven Anthony Pearson
Address:	PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP
Estimated dividend for unsecured creditors:	Based on current IOS, between 30p and 100p in the £ (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. However, for the reasons set out in this report, 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
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Liquidation and the proceedings are main proceedings.

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