

Petroleum Pipe Group Limited
Pipeline Supplies Bahrain W.L.L. Limited
both in Liquidation (together “the Companies”)
Six Monthly Progress Report
27 February 2019

Ernst & Young LLP



Abbreviations

The following abbreviations are used in this report:

BoS	Bank of Scotland plc
Court	The Royal Court of Jersey
Creditors' Report	Creditors' Meeting Report dated 4 October 2018
date of appointment	28 August 2018
EY	Ernst & Young LLP
Joint Liquidators	CP Dempster, GD Yuill and SA Gardner
PPC Cayman	PPC Limited – in Official Liquidation
PPC UK	Petroleum Pipe Co Limited – in Administration
PPG	Petroleum Pipe Group Limited – in Liquidation
PSB	Pipeline Supplies Bahrain W.L.L. Limited – in Liquidation
the Banking Group	together, the PPG Group, the Petrostem Group and the Maxtube Group
the Companies	together, PPG and PSB
the Innospection Group	Innospection Group Limited and its subsidiary undertakings
the Law	Companies (Jersey) Law 1991
the Major Creditors	Salzgitter Mannesmann International (USA) Inc. Salzgitter Mannesmann International GmbH Longulf Trading (UK) Limited Traxys North America LLC
the Maxtube Group	Maxtube Holdings Limited and its subsidiary undertakings
the MRS Group	Machine Rebuilding & Sales Limited and its subsidiary undertakings
the Petrostem Group	Petrostem Group Limited (In Liquidation) and its subsidiary undertakings
the Pioneer Group	Pioneer Group Ventures Limited and its subsidiary undertakings
the PPG Group	The Petroleum Pipe Group of companies, a structure chart for which is provided at Appendix B

Contents

1. Introduction	2
2. Conduct of the liquidations since 27 August 2019	3
3. Outcome for creditors.....	7
4. Liquidators' receipts and payments.....	9
5. Costs of the liquidations, the Joint Liquidators' remuneration, disbursements and payments to other professionals	10
6. Other matters	13
Appendix A Statutory information	15
Appendix B PPG Group structure	17
Appendix C Receipts and payments account – PPG	18
Appendix D Receipts and payments account – PSB	19
Appendix E PPG – Joint Liquidators' time costs for the period from 28 August 2018 to 27 February 2020	20
Appendix F PSB – Joint Liquidators' time costs for the period from 28 August 2018 to 27 February 2020	21

1. Introduction

1.1 Introduction

On 28 August 2018, the Royal Court of Jersey ('the Court') ordered that, pursuant to Article 155 of the Companies (Jersey) Law 1991 ('the Law'), Petroleum Pipe Group Limited ('PPG') and Pipeline Supplies Bahrain W.L.L. Limited ('PSB') (together, 'the Companies') be placed into Just and Equitable Winding Up and that CP Dempster, SA Gardner and GD Yuill be appointed Joint Liquidators for the purposes of such winding up.

I write, in accordance with paragraph 11 of the Act of the Court under which we were appointed Joint Liquidators, to provide creditors with a report on the progress of the Liquidations. This report covers the period from 28 August 2019 to 27 February 2020 and should be read in conjunction with the Creditors' Meeting Report dated 4 October 2018, our six month progress report to 27 February 2019 and six month progress report to 27 August 2019.

Certain statutory information relating to the Companies and the appointment of the Joint Liquidators is provided at Appendix A.

SA Gardner, CP Dempster and GD Yuill are UK licenced insolvency practitioners and, consequently, are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the liquidations.

1.2 Creditors' Meeting and Liquidation Committee

By the Act of Court under which we were appointed Joint Liquidators, the Court instructed the Joint Liquidators to convene a meeting of creditors within 6 weeks of the date of appointment.

The purpose of the meeting was to lay before that meeting an account of the circumstances giving rise to the insolvency of the Companies, the Joint Liquidators' proposed strategy in relation to the liquidations and, in accordance with Article 162 of the Law, to afford creditors the opportunity to elect a Liquidation Committee.

As previously reported, the meeting was held on 4 October 2018 and no liquidation committee was elected for either PPG or PSB. However, a Creditors' Steering Committee was elected in respect of the liquidations of the Companies and also of three related companies in the Petrostem Group.

We liaise with the Creditors' Steering Committee on a regular basis, as required, in relation to the liquidation of the Companies. In particular, we convened a first meeting of the Creditors' Steering Committee on 27 November 2018 and have provided the Committee with written updates on 20 December 2018, 6 February 2019, 17 May 2019 and 30 October 2019. We also engage with the Creditors' Steering Committee in respect of specific aspects of the liquidation of the Companies as and when required. We expect to convene a further meeting of the Committee in April 2020.

2. Conduct of the liquidations since 27 August 2019

2.1 Purpose of the liquidation

As detailed in the Creditors' Report, the Joint Liquidators strategy in respect of the insolvency of the PPG Group, including PPG and PSB, is to:

- ▶ Cease to trade the business of each of the entities to which the Joint Liquidators have been appointed (with the exception of the completion of certain orders, as discussed below);
- ▶ Collect in the debtor balances due to the PPG Group; and
- ▶ Market for sale their stock of production tubing and casing (and, in the case of PPC Cayman, a fellow subsidiary of the PPG Group, drilling pipe and related tools).

2.2 Asset realisations – PPG

The principal assets of PPG are its shareholdings in its nine wholly owned subsidiaries, and intragroup and intergroup receivables (which aggregated \$7.7m and \$61.8m respectively at 28 August 2018), each of which are discussed below.

2.2.1 Investments in subsidiaries

As detailed in the Creditors' Report, each of the entities within the PPG Group, with the exception of PSG, will be wound-down in insolvency (in the case of PSB, PPC Cayman and PPC UK) or on a managed basis by their existing directors, subject to the supervision of the Joint Liquidators of PPG. Accordingly, there is no realisable value from the shareholdings of PPG's subsidiaries.

We have previously reported that the Joint Liquidators completed the sale of PPG's shareholding in PSG and of certain trade names of PPG (PPC, Petroleum Pipe, Pipeline Supplies) to Maxtube ME Limited, a new company formed specifically as a subsidiary of Maxtube Group to acquire certain contracts held by PPC Cayman. The full consideration for the sale had been received at the time of our last report and is secured to BoS.

2.2.2 Intragroup and intergroup balances

A summary of the intragroup and intergroup balances due to PPG as at 28 August 2018 is provided below. We anticipate that any recovery from these balances will be covered by the security granted in favour of BoS by PPG.

Intragroup receivable balances

	At 28 August 2018 (\$m)	Estimated recovery
Petroleum Pipe Co Limited (In Administration)	6.1	No recovery anticipated.
Petroleum Pipe Singapore Pte Limited ('PPS')	1.6	Nominal recovery of \$58k received. No further recovery anticipated.
Total	7.7	

Intergroup receivable balances

	At 28 August 2018 (\$m)	Estimated recovery
Petrostem Group Limited (In Liquidation)	42.9	1.2% of the balance
MRS Group	8.4	Uncertain
Pioneer Group	4.1	Uncertain
Innospection Group	6.4	Uncertain
Total	61.8	

2.2.2.1 Petrostem Group

As previously reported, PPG's books and records showed that it had claims against four companies in the Petrostem Group. However, these balances excluded certain accounting entries reflected in the books and records of Petrostem Group. After taking account of those unrecorded accounting entries, PPG's claim is consolidated to a claim of \$42.9m against Petrostem Group Limited only. This amended claim has been accepted by the Liquidators of Petrostem Group Limited.

The recovery from this balance will, therefore, depend on the outcome of the insolvency process in Petrostem Group Limited ("PGL"). I am pleased to report that an interim dividend of \$357k has been received from the liquidation of PGL and, based on current estimates, a further dividend of c\$150k is anticipated.

2.2.2.2 MRS Group

As previously reported, we have engaged in discussions with the sole shareholder of the MRS Group in relation to the recovery of the intergroup balance of \$8.4m due to PPG. We await an offer in respect of settlement of the debt due to PPG. However, based on a review of the trading and balance sheet position of MRS, a material recovery from MRS appears unlikely.

In September 2018, the KTT Trust (the investment vehicle which held a 50.01% shareholding in MRS Group) sold its shareholding in MRS Holdco for a consideration of \$0.1m payable in 10 equal instalments. In December 2018, the Joint Liquidators agreed with the KTT Trust that this consideration would be paid to PPG, as PPG had provided the funds to acquire the 50.01% interest in MRS Holdco.

During the period covered by this report, a further \$10k has been received bringing total realisations to \$40k. Further realisations based on the agreed instalments are expected.

2.2.2.3 Pioneer Group and Innospection Group

Our previous report detailed our rejection of the settlement offer received from the Pioneer and Innospection Groups of \$0.3m in relation to the amounts due to both the PPG and Petrostem Groups (Pioneer Group - \$38.0; Innospection Group - \$10.6m).

As previously reported, we had been approached by an independent third party, interested in acquiring the Pioneer Group on a debt free basis. These discussions are continuing, and heads of terms have now been agreed with that party. The price agreed represents a material discount to the debt due to PPG by Pioneer Group. We have considered alternative approaches to realising value from this debt but consider that acceptance of this offer is in the best interests of the creditors of PPG, in light of the likely realisations from or uncertainties associated with those alternatives. We are, therefore, now documenting the conditional conversion of the debt due to PPG to equity in Pioneer Group to allow the transaction to proceed. We will update creditors on progress in our next report.

We have received no interest in the Innospection Group and continue to consider how best to realise the substantial balance due by that Group.

We will update creditors on progress in our next report.

2.3 Asset realisations – PSB

2.3.1 Intragroup debtors

PSB has an ordinary unsecured claim of \$10.6m in the liquidation of PPG. As PPG is now subject to liquidation proceedings, the balance will, therefore, represent an unsecured claim in the insolvency of PPG. As set out at Section 3.3 below, the recoveries for unsecured creditors of PPG are unlikely to be material.

2.3.2 Trade debtors and uncompleted orders

The recovery of the full pre-appointment debtor balance due by PSB's sole customer, Tatweer Petroleum Bahrain Field Development Company W.L.L. (Tatweer), was detailed in our previous report. No further debtor recoveries are anticipated.

We have previously reported our decision to complete the nine separate orders with Tatweer that were outstanding at the date of liquidation. I am pleased to report that these orders have now been completed and fully paid for by Tatweer.

The total sales value of these orders was \$6.9m and they have generated a profit of c. \$1.3m, an excellent result for creditors which fully justifies the decision taken to complete these orders on our appointment.

We have been able to recover \$61k in respect of pre-payments made by PSB to pipe suppliers prior to our appointment that have subsequently been utilised by other companies in the group.

Asset realisations in respect of PSB are now complete, with the exception of further recoveries from the intragroup debtor balance due to PSB by PPG.

2.4 Asset realisations for the PPG Group

The other insolvent entities within the PPG Group (PPC UK and PPC Cayman) are not registered in Jersey and are therefore subject to insolvency proceedings in other jurisdictions. Accordingly, these entities are not within the remit of this report.

Notwithstanding this, the Joint Administrators' recognise the inter-linked nature of the PPG Group and therefore detailed discussion of the insolvency proceedings and potential asset realisations for these entities is provided within the separate reports to the creditors of these companies which are available from the following website:

<https://www.ey.com/uk/en/services/transactions/restructuring/ey-ppg-petrostem-insolvencies>

2.5 Investigations

As detailed in our previous report, the Joint Liquidators have performed a thorough review of the conduct of the directors in the lead up to the insolvency of the Companies.

Following that review, the Joint Liquidators continue to investigate certain matters raised by our investigations and are in correspondence with the Directors and their advisers in this regard. When we have received and reviewed all of the requested information, we will consider with our legal advisers and the Creditors' Steering Committee whether any further action is warranted.

No funding has been provided by any third parties to meet the costs of these investigations.

3. Outcome for creditors

We provide below, for information, an indication of the current position with regard to creditors' claims.

3.1 Secured creditors

The principal lender to the Companies is Bank of Scotland plc (BoS). BoS had submitted a formal claim against the Companies of \$28.0m. This debt comprises amounts directly owed by the PPG Group to BoS and amounts due to BoS by the PPG Group under cross-guarantees granted in favour of BoS in relation to its lending to certain companies within the Petrostem and Maxtube Groups.

BoS has claimed to hold security over the assets of PPG under the terms of a Jersey Law security interest agreement granted by PPG in its favour. This security covers all of the asset realisations in PPG. Accordingly, the net realisations from the liquidation of PPG will fall to be paid to BoS in full.

However, whilst PSB granted in favour of BoS an English law debenture, BoS has not submitted a claim to hold security over the assets of PSB. Accordingly, BoS's claim in the liquidation of PSB will, therefore, be an unsecured non-priority claim.

We have reviewed the make-up of BoS's claim and have adjudicated it as a secured claim in the sum of \$27.8m in the liquidation of PPG and as an unsecured non-priority claim in the sum of \$26.5m in the liquidation of PSB.

3.2 Priority creditors

Neither PPG nor PSB employed any employees. Accordingly, the balance due to priority creditors is \$Nil in respect of claims for employees' salaries and holiday pay.

We are also currently not aware of any other priority creditors under the Law.

3.3 Unsecured non-priority creditors

As BoS has a secured claim in the liquidation of PPG, we have put on hold the adjudication process in respect of the unsecured non-priority creditors in that company.

However, we wrote to all known creditors of the PSB on 9 December 2019 advising them that any claims in the insolvency of PSB required to be notified to the Joint Liquidators by 24 January 2020.

Having then adjudicated on all such unsecured non-priority claims, we declared a dividend of \$780k (2.6%) which was paid in February 2020. This represented the majority of the net funds available in PSB. Therefore, any future dividend is expected to be minimal.

3.4 Creditor claims

If you have not yet submitted a formal claim in the liquidations please complete and return a proof of debt form along with any supporting documentation (invoices, statements, contracts, etc.) to Gordon Wilson at this office or by email to ppcgroup@uk.ey.com. The proof of debt form can be downloaded from the following web site:
<https://www.ey.com/uk/en/services/transactions/restructuring/ey-ppg-petrostem-insolvencies>

Certain debts due from the Companies may have priority in accordance with Article 166 of the Law. If you consider that you have a claim in this category, please advise me immediately. If you hold any security for your claim or you consider that you have title to any assets in either Companies' possession, please forward details to me as soon as possible.

Any sums due to either company arising after our appointment must be paid in full and without set-off against any debts incurred by the relevant company prior to our appointment.

4. Liquidators' receipts and payments

A summary of the Liquidators' receipts and payments for the period from 28 August 2019 to 27 February 2020 is attached at Appendix C for PPG and Appendix D for PSB.

5. Costs of the liquidations, the Joint Liquidators' remuneration, disbursements and payments to other professionals

5.1 Cost of the liquidation

In accordance with Article 165 of the Law, all costs, charges and expenses properly incurred in a winding up, including the remuneration of the liquidator, are payable out of the Companies' assets in priority to all other claims.

5.2 Remuneration and disbursements

By order of the Act of Court, the Joint Liquidators are permitted to charge their remuneration and any reasonable costs, charges and expenses of the Liquidation in accordance with Article 165 of the Law.

The above, in accordance with Article 163 of the Law, is subject to agreement between the Joint Liquidators and the Liquidation Committee or, if there is no Liquidation Committee, between the Joint Liquidators and the creditors or, failing such an agreement, as is fixed by the Court.

As no liquidation committee was formed, the Joint Liquidators wrote to the general body of creditors on 11 October 2018 seeking approval for:

- ▶ Their remuneration to be fixed on the basis of time properly given at the hourly rates set out below;
- ▶ Approval to draw their disbursements;
- ▶ For the Joint Liquidators to draw, as an interim claim, their remuneration for the period from the date of their appointment to Friday 21 September 2018; and
- ▶ That the Joint Liquidators may draw their remuneration four weekly in arrears subject to the provision in advance of a statement of such costs.

Grade	Hourly rate (\$)	Equivalent hourly rate (£)
Partner	855	658
Executive Director / Director	700	538
Senior Manager	590	454
Manager	490	377
Senior (Level 3)	450	346
Senior (Level 1 / 2)	355	273
Analyst	210	162
Intern	185	142

Note: Equivalent hourly rate is based on exchange rate of £1 / \$1.30

These resolutions were passed by the general body of creditors on 26 October 2018.

To 27 February 2020, the Joint Liquidators have incurred time costs (based on the above hourly rates) of \$501,968 and \$481,139 in relation to PPG and PSB respectively. Attached at Appendices E and F are detailed analyses of these time costs. Of these amounts, \$Nil had been paid in respect of PPG and \$331,758 had been paid in respect of PSB to the date of this report.

Subsequent to the date of this report, further fees of \$341,090 and \$103,344 in relation to PPG and PSB respectively, have been drawn. Accordingly, this brings total fees drawn to \$341,090 and \$435,102 in relation to PPG and PSB respectively.

The time has principally been spent in relation to the following activities:

- ▶ Fulfilling the statutory obligations required of the Joint Liquidators including preparation of this report, preparation of the previous progress report, preparation of the Creditors' Meeting Report, and notifying the Joint Liquidators' appointment to all known creditors;
- ▶ Investigating the conduct of the Directors' and the circumstances leading up to our appointments as Joint Liquidators;
- ▶ Negotiating the sale of PPG's shareholding in PSG and trade names to Maxtube ME Limited;
- ▶ Undertaking all activities associated with evaluating and delivering the completion of PSB's outstanding customer orders with Tatweer;
- ▶ Addressing correspondence and queries received from creditors; and
- ▶ Adjudicating on the claim of BoS and the unsecured non-priority claims in PSB and calculating and paying an interim dividend thereto.

Appendices E and F also include a breakdown of the Joint Liquidators' disbursements and statements detailing the Joint Liquidators' policy for charging disbursements.

To 27 February 2020, the Joint Liquidators have incurred Category 1 disbursements of \$3,568 and \$4,334 in relation to PPG and PSB respectively. To the date of this report, \$Nil has been paid in respect of PPG and \$4,334 has been paid in respect of PSB.

Subsequent to the date of this report, expenses of \$2,046 and \$Nil in relation to PPG and PSB respectively, have been drawn. Accordingly, this brings total expenses drawn to \$2,046 and \$4,334 in relation to PPG and PSB respectively.

5.3 Statement of Liquidators' charging policy for remuneration

The Joint Liquidators have engaged managers and other staff to work on the Liquidations. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Companies' bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Liquidators.

All time spent by staff working directly on case-related matters is charged to a time code established each entity. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown at Appendices E and F. The current hourly rates are shown in paragraph 5.2 above.

5.4 Payments to other professionals

By order of the Act of Court, the Joint Liquidators are permitted to engage such other professional advisors as the Joint Liquidators may deem appropriate or necessary and providing for their fees and expenses (whether incurred before or after the date on which the Companies were placed into liquidation in accordance with Article 155 of the Law) to be settled in accordance with Article 165 of the Law.

The Joint Liquidators have engaged the services of the following during the course of the liquidations:

Name of firm	Nature of service	How contracted to be paid
Pinsent Masons	Legal advisors – UK and UAE	Time costs
CMS Cameron McKenna	Legal advisors - UK	Time costs
Carey Olsen	Legal advisors – Jersey and Cayman Islands	Time costs
ANM Group	Asset safeguarding and realisation strategy	Time costs
Dean Foster (former director of the Petrostem Group)	Asset marketing and realisation	Combination of day rate and commission
Calash Limited	Energy sector strategy consultants	Time costs
Wallbrook Advisory Limited	Diligence	Time costs

6. Other matters

6.1 Future conduct of the liquidations

The Joint Liquidators will continue to manage the affairs, business and property of the Companies to achieve the purpose of the liquidations. This will include, inter alia:

- ▶ Realising the remaining assets of the Companies and in particular any intragroup and intergroup debtor balances
- ▶ Dealing with corporation tax and VAT matters, which includes filing statutory returns;
- ▶ Dealing with unsecured creditor enquiries;
- ▶ Completing our investigations into the conduct of the directors in the lead up to the insolvencies of the Companies;
- ▶ In their capacity as Joint Liquidators of PPG, supervising the managed wind-down of the other subsidiaries of PPG which are not subject to insolvency proceedings;
- ▶ Distributing realisations to BoS in its capacity as a secured creditor of PPG;
- ▶ Where possible, making further distributions to unsecured creditors;
- ▶ Ensuring all statutory reporting and compliance obligations are met; and
- ▶ Finalising the liquidations of the Companies, including payment of all liquidation liabilities.

6.2 The end of the liquidations

At the end of the liquidations the Joint Liquidators shall apply to the Court to close the liquidations and will send a notice to that effect to the Jersey Registrar of Companies. The Companies will be dissolved shortly after registration of the notice.

6.3 Matters to be brought to the attention of the Joint Liquidators

In accordance with Article 184 of the Law, the Joint Liquidators are required to report possible misconduct to the Attorney General.

If there are any matters concerning the Companies' affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to me in writing as soon as possible

6.4 Reporting

I will report to you again at the conclusion of the Liquidations or in six months' time, whichever is the sooner.

The report will be made available on the following website:

<https://www.ey.com/uk/en/services/transactions/restructuring/ey-ppg-petrostem-insolvencies>

Should you wish to discuss any aspect of this report, please contact Gordon Wilson on 0131 777 2305.

Yours faithfully
for the Companies



Gavin Yuill
Joint Liquidator

C P Dempster and G D Yuill are licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants of Scotland. S A Gardner is licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants in England and Wales.

The Joint Liquidators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix A Statutory information

Company Information

Company Name:	Petroleum Pipe Group Limited – in Liquidation Pipeline Supplies Bahrain W.L.L Limited – in Liquidation
Registered Office Address:	c/o Ernst & Young LLP Liberation House Castle Street St Helier Jersey, JE1 1EY
Registered Number:	PPG – 93767 PSB – 114076
Trading Name(s):	n/a

Details of the Liquidators and of their appointment

Liquidators:	C P Dempster, G D Yuill and S A Gardner
Date of Appointment:	28 August 2018
By Whom Appointed:	The appointment was made by an Act of the Royal Court of Jersey
Court Reference:	220 of 2018.

All powers and obligations granted or imposed upon the Joint Liquidators by Acts of the Royal Court of Jersey, the Law or otherwise may be exercised by the Joint Liquidators on a joint and several basis such that both act together or one may act without the other (and by so doing will bind the other) in the exercise of their said powers and obligations.

Share capital

Petroleum Pipe Group Limited (in Liquidation) is wholly owned by PPH Petroleum Pipe Holdings Limited, a company registered in Cyprus.

Pipeline Supplies Bahrain W.L.L Limited (in Liquidation) is wholly owned by Petroleum Pipe Group Limited (In Liquidation).

Directors and their shareholdings

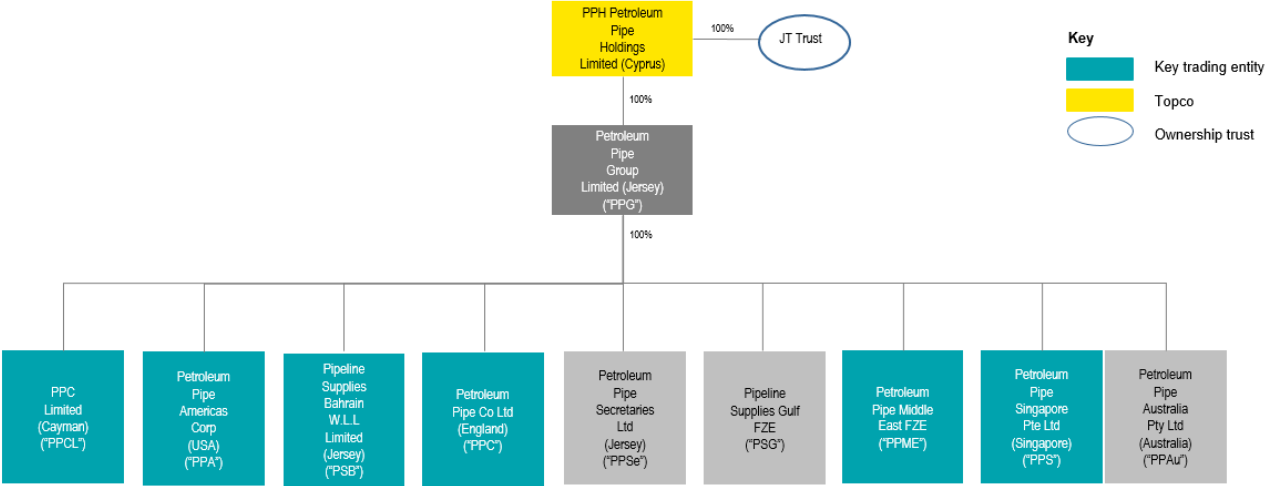
Petroleum Pipe Group Limited

Name	Date appointed	Date resigned	Current shareholding
Richard Gordon Morrice	20 June 2006	n/a	-
Julian Charles Tyacke	27 June 2006	n/a	-
John Alan Simpson	31 July 2010	n/a	-
Richard Mark Farnfield	31 July 2006	n/a	-
Peter Robin Schulte	27 November 2006	26 August 2016	-
Peter Duthie	17 May 2008	1 December 2017	-

Pipeline Supplies Bahrain W.L.L Limited

Name	Date appointed	Date resigned	Current shareholding
Richard Gordon Morrice	25 June 2010	n/a	-
Julian Charles Tyacke	16 January 2012	n/a	-
Craig Brand	10 September 2012	n/a	-
Paul John Moir	10 September 2012	n/a	-

Appendix B PPG Group structure



Appendix C Receipts and payments account – PPG

Receipts and Payments for the period from 28 August 2018 to 27 February 2020

	Period 28 August 2018 to 27 August 2019	Period 28 August 2019 to 27 February 2020	Total period 28 August 2018 to 27 February 2020
	US\$	US\$	US\$
Receipts			
Cash at Date of Appointment	259	-	259
Recovery of Pre-Appointment Deposit	26,679	-	26,679
Sale of investment in MRS	30,000	10,000	40,000
Recovery of Inter-company balance (PPS)	58,220	-	58,220
Sale of investment in Pipeline Supplies Gulf	64,019	-	64,019
Dividend from liquidation of Petrostem Group Ltd	-	357,473	357,473
	179,178	367,473	546,651
Payments			
Advertising	107	-	107
Bank charges	191	20	211
Insurance	89,848	(108,351)	(18,503)
Legal Fees	29,582	52,637	82,219
Exchange rate difference on f/x payments	-	147	147
	119,728	(55,547)	64,182
	59,449	423,020	482,469
Represented by:			
Bank balances			
Royal Bank of Scotland	94,521		482,469
Inter-company - PPC Limited (In Liquidation)	(72,828)		-
Inter-company - Petroleum Pipe Company Limited (In Administration)	37,757		-
	59,449		482,469

Notes

1. Payments are likely to require reapportionment between the four entities within the PPG Group which are subject to insolvency proceedings (e.g. where multiple entities utilise staff, yard space, etc. but are paid for by one entity) and as such are subject to amendment once final costs are known.
2. Receipts and payments are stated net of VAT or other applicable goods and services taxes.
3. These accounts do not reflect estimated future realisations or associated costs.
4. The following exchange rates have been applied to the above: GBE:US\$, 1.3; and US\$:AED, 3.673.
5. The credit balance on Insurance follows the recharging of certain costs to other companies in the group and will be unwound when the final insurance costs are settled.

Appendix D Receipts and payments account – PSB

Receipts and Payments for the period from 28 August 2018 to 27 February 2020

	Period 28 August 2018 to 27 August 2019	Period 28 August 2019 to 27 February 2020	Total period 28 August 2018 to 27 February 2020
Receipts	US\$	US\$	US\$
Cash at Date of Appointment	7,740		7,740
Post-appointment sales	6,906,121		6,906,121
Pre-appointment debtors	84,922		84,922
Prepayments recovered from other group companies	-	61,251	61,251
	6,998,783	61,251	7,060,034
Payments			
Bank charges	820	83	903
Inspection fees	2,000		2,000
Legal fees and expenses	5,238	780	6,018
Liquidators' Fees & Expenses	336,092		336,092
Material purchases	4,900,828		4,900,828
Pipe handling / packing / shipment charges	464,688		464,688
Statutory advertising	107		107
Prepayment recharges from other group companies	-	164,521	164,521
Payroll recharges from other group companies	-	115,785	115,785
Insurance recharges from other group companies	-	90,700	90,700
Distribution to ordinary creditors		780,000	780,000
	5,709,774	371,869	6,861,642
	1,289,009	(310,617)	198,392
Represented by:			
Bank balances			
Royal Bank of Scotland	2,439,031		198,392
Bank of Scotland	-		-
Inter-company - PPC Limited (In Liquidation)	(1,150,022)		-
Inter-company - Petroleum Pipe Company Limited (In Administration)	-		-
Inter-company - Petroleum Pipe Group Limited (In Liquidation)	-		-
	1,289,009		198,392

1. Payments are likely to require reapportionment between the four entities within the PPG Group which are subject to insolvency proceedings (e.g. where multiple entities utilise staff, yard space, etc. but are paid for by one entity) and as such are subject to amendment once final costs are known.
2. Receipts and payments are stated net of VAT or other applicable goods and services taxes.
3. These accounts do not reflect estimated future realisations or associated costs.
4. The following exchange rates have been applied to the above: GBE:US\$, 1.3; and US\$:AED, 3.673

Appendix E PPG – Joint Liquidators’ time costs for the period from 28 August 2018 to 27 February 2020

	Staff Grade						Total Hours	Time Cost	Average Hourly Rate
	Partner	Director	Senior Manager	Manager	Executive	Analyst			
								(\$)	(\$)
Accounting and Administration	2.5	2.8	6.8	-	46.7	65.0	123.8	35,584.0	287
Bank & Statutory Reporting	18.5	22.6	84.3	-	4.0	1.3	130.7	83,068.0	636
Creditors (Mandatory)	5.0	19.2	91.4	2.0	57.3	40.1	215.0	101,384.0	472
Debtors	6.0	18.5	5.1	-	25.5	-	55.1	30,142.0	547
Immediate Tasks	0.5	2.9	1.1	-	-	-	4.5	3,107.0	690
Investigation/CDDA (Mandatory)	17.0	95.0	114.3	-	22.0	8.6	256.9	158,089.0	615
Job Acceptance & Strategy (M)	-	1.1	-	-	-	-	1.1	770.0	700
Legal Issues	-	0.6	-	-	-	-	0.6	420.0	700
Other Assets (Mandatory)	2.5	38.5	20.5	-	2.0	-	63.5	41,893.0	660
Other Matters	2.5	11.1	10.5	-	-	-	24.1	16,103.0	668
Statutory Duties	1.0	10.4	-	6.5	38.2	-	56.1	24,881.0	444
Trading (Mandatory)	-	1.0	4.0	-	-	0.4	5.4	3,144.0	582
VAT & Taxation	-	0.2	2.0	0.7	-	6.5	9.4	3,028.0	322
Stock and Fixed Assets	-	-	-	-	1.0	-	1.0	355.0	355
Total Hours	55.5	223.9	340.0	9.2	196.7	121.9	947.2		
Time Costs (\$)	47,453	156,730	200,600	4,508	67,074	25,599		501,968	
Average Hourly Rate (\$)	855	700	590	490	341	210		530	
Category 1 Disbursements (\$)	3,568								
Category 2 Disbursements (\$)	-								
	3,568								

Note: Time is charged in 6 minute intervals

Joint Liquidators’ charging policy for disbursements

Statement of Insolvency Practice No. 9 divides disbursements into two categories.

Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent’s affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent’s assets without approval from the Liquidation Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 disbursements are charges made by the office holder’s firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

Appendix F PSB – Joint Liquidators' time costs for the period from 28 August 2018 to 27 February 2020

	Staff Grade						Total Hours	Time Cost	Average Hourly Rate
	Partner	Director	Senior Manager	Manager	Executive	Analyst			
								(\$)	(\$)
Accounting and Administration	2.5	3.6	8.6	0.2	76.1	18.1	109.1	40,588	372
Bank & Statutory Reporting	16.5	23.2	123.0	-	1.0	0.9	164.6	103,462	629
Creditors (Mandatory)	2.0	12.6	40.1	-	27.0	1.7	83.4	44,131	529
Debtors	11.0	3.0	24.0	-	-	-	38.0	25,665	675
Employee Matters	-	-	-	-	0.5	-	0.5	178	356
Immediate Tasks	0.5	3.1	1.1	-	-	-	4.7	3,247	691
Investigation/CDDA (Mandatory)	16.5	4.8	10.8	0.4	15.5	-	48.0	29,538	615
Job Acceptance & Strategy (M)	-	1.2	-	-	-	-	1.2	840	700
Legal Issues	-	1.2	-	-	-	-	1.2	840	700
Other Matters	-	11.6	0.3	7.8	-	-	19.7	12,119	615
Statutory Duties	0.5	7.4	-	4.0	36.7	-	48.6	20,596	424
Trading (Mandatory)	15.5	28.7	244.7	-	49.3	9.3	347.5	197,170	567
VAT & Taxation	-	0.1	2.0	0.7	-	0.3	3.1	1,656	534
Stock and Fixed Assets	-	-	-	1.0	0.5	2.1	3.6	1,109	308
Total Hours	65.0	100.5	454.6	14.1	206.6	32.4	873.2		
Time Costs (\$)	55,577	70,350	268,214	6,909	73,285	6,804		481,139	
Average Hourly Rate (\$)	855	700	590	490	355	210		551	
Category 1 Disbursements (\$)	4,334								
Category 2 Disbursements (\$)	-								
	4,334								

Note: Time is charged in 6 minute intervals

Joint Liquidators' charging policy for disbursements

Statement of Insolvency Practice No. 9 divides disbursements into two categories.

Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the Liquidation Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 disbursements are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn

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