



For further information, please refer to our guidance at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number	0	4	3	4	3	8	4	1
Company name in full	Petropavlovsk PLC							

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

### 2 Administrator's name

Full forename(s)	Allister
Surname	Manson

### 3 Administrator's address

Building name/number	322 High Holborn
Street	
Post town	London
County/Region	
Postcode	W C 1 V 7 P B
Country	

### 4 Administrator's name<sup>1</sup>

Full forename(s)	Trevor
Surname	Binyon

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

### 5 Administrator's address<sup>2</sup>

Building name/number	322 High Holborn
Street	
Post town	London
County/Region	
Postcode	W C 1 V 7 P B
Country	

**2 Other administrator**  
Use this section to tell us about another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	1	8	0	1	2	0	2	3
To date	1	7	0	7	2	0	2	3

### 7 Progress report

I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature



Signature date

1 | 6 | 0 | 8 | 2 | 0 | 2 | 3

# AM10

## Notice of administrator's progress report



### Presenter information

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

Allister Manson

Opus Restructuring LLP

322 High Holborn

London

Postcode	W	C	1	V		7	P	B
----------	---	---	---	---	--	---	---	---

DX

020 3326 6454



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

# Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
All fields are mandatory unless specified or indicated by \*

## 1 Appointment type

Tick to show the nature of the appointment:

- Administrator
- Administrative receiver
- Receiver
- Manager
- Nominee
- Supervisor
- Liquidator
- Provisional liquidator

① You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,  
- WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)	Joanne
Surname	Rolls

## 3 Insolvency practitioner's address

Building name/number	322 High Holborn							
Street								
Post town	London							
County/Region								
Postcode	W	C	1	V		7	P	B
Country								

**In the High Court of Justice Reference No. 002121 of 2022**

**Petropavlovsk PLC (In Administration)**

**The Joint Administrators' Progress Report to 17 July 2023**

**Allister Manson  
Trevor John Binyon  
Joanne Kim Rolls**

**Opus Restructuring LLP  
322 High Holborn  
London  
WC1V 7PB  
020 3326 6454  
[petropavlovsk@opusllp.com](mailto:petropavlovsk@opusllp.com)**

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Allister Manson, Trevor John Binyon and Joanne Kim Rolls were appointed Joint Administrators of Petropavlovsk PLC on 18 July 2022. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

## **Contents**

- 1.** The Progress of the Administration
- 2.** Creditors: Claims and Distributions
- 3.** Investigations
- 4.** Ethics
- 5.** The Joint Administrators' Fees and Expenses
- 6.** Conclusion

## **Appendices**

- I.** Statutory Information and Definitions
  - II.** The Joint Administrators' Receipts and Payments Account for the period 18 January 2023 to 17 July 2023
  - III.** The Joint Administrators' Time Costs
  - IV.** Charge-out Rates and Bases of Expenses
  - V.** Details of Work Undertaken
-

## 1. THE PROGRESS OF THE ADMINISTRATION

### 1.1. The Joint Administrators' receipts and payments account

Attached at Appendix II is a receipts and payments account in respect of the Administration of Petropavlovsk PLC ("the Company" or "PLC") for the period 18 January 2023 to 17 July 2023 ("the Review Period").

This report describes the key developments in the Administration during the Review Period. For a detailed list of work undertaken by the Joint Administrators as a whole, see Appendix V.

In this section, we have summarised the main asset realisations during the Review Period and an estimation of those assets yet to be realised, together with details of the associated costs incurred but as yet remaining unpaid.

We would recommend that this report is read in conjunction with the previous Progress Report dated 17 January 2023 and the Joint Administrators' Proposals dated 8 September 2022, for further background and detail in relation to the Administration of the Company. These can both be accessed on the creditor portal and at <https://petropavlovskplc.com/administration-news/>.

### 1.2. Administration (including statutory reporting)

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards.

During the Review Period, primarily these tasks have included:

- Providing information to stakeholders;
  - Issuing information regarding the Scheme of Arrangement.
  - Drafting and issuing the previous progress report to creditors;
  - Considering whether an extension to the Administration is necessary and, seeking approval for this via creditors and issuing notice of the outcome;
  - Realising assets of the Company (as detailed further below);
  - Monitoring the completion of a Scheme of Arrangement with the Company's creditors, with the Holding Trust Period continuing until 25 January 2024;
  - Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
  - Maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Administrators that materially affect the Administration;
  - Monitoring and maintaining an adequate statutory bond;
  - Conducting periodic case reviews to ensure that the Administration is progressing efficiently, effectively and in line with the statutory requirements;
  - Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;
  - Completing periodic tax returns;
-

- Dealing with matters relating to the Administration bank account and liaising with Citi Bank;
- Liaising with various banks in order to find a replacement estate bank. Further details are below;
- Issuing updates to all stakeholders at various key stages of the Administration process which includes publications on the Company's website;
- Various Court hearings and liaising with solicitors and counsel;
- Identifying all bond and noteholders to the extent possible and preparing to make the payments due to them under the Scheme of Arrangement;
- Adjudicating on all creditor claims advanced against the Company; and
- Making distributions to all classes of creditors.

### **1.3. Corporation Tax**

Since appointment, the Joint Administrators have been working alongside advisers Macintyre Hudson LLP ("MHA"), in dealing with the corporation tax position following the sale of a majority of the Company's subsidiaries to UMMC.

The tax returns had been submitted and agreed by HMRC. However, following the insolvency of other group entities (that were not disposed of), it has been necessary to report various adjustments (to the Company's tax computations) to HMRC. In that regard, a proposal has been put to HMRC (via MHA). We await a response which is anticipated shortly. It should be noted that this has proved to be a particularly complex area.

### **1.4. VAT Refunds**

Due to the nature of its business, the Company did not provide taxable services. However, taking into account the level of professional fees that were incurred, an agreement was made with HMRC to allow the Company to reclaim 66% of its input VAT. Following appointment, discussions were entered into with HMRC who agreed to allow the Company to continue to reclaim VAT at the same rate.

### **1.5. Banking**

As has generally been publicised in the UK press, it has been extremely difficult to find banking facilities for any Company with a Russian connection. This has resulted in significant time costs and professional fees being incurred in sourcing a facility.

Creditors may recall that the Company, prior to Administration, had an operational banking facility provided by CitiBank ("Citi"). As the Joint Administrators were unable to open a banking facility once appointed, following extended discussions with Citi, it was agreed that the banking facility would remain in place so that the Joint Administrators could carry out their duties to creditors.

However, in or around November 2022, Citi advised the Joint Administrators that the account would be closed by the end of December 2022. Accordingly, the Joint Administrators again approached various UK banks to request an account, all of whom declined. As a result of this, the Joint Administrators engaged various banking consultants, both in the UK and abroad, to assist in sourcing a facility.

---



Whilst this was ongoing, Citi agreed to extend the account closure deadline to 31 January 2023.

During January 2023 the Joint Administrators were not able to source a bank account. Further discussions were held with Citi who agreed to a final account closure date of 31 March 2023. Citi further confirmed that at this date, the account would be “frozen” and not available for operation but that they would hold the funds until a new facility was found.

In February 2023 the Joint Administrators were introduced to an international banking consultant who was engaged to assist finding alternative banking solutions. An introduction by this individual was made to Maccorp Exact Exchange E.P. S.A. (“Maccorp”), an EU authorised and regulated payment institution whose headquarters are in Madrid, Spain.

Lengthy discussions were entered into with Maccorp to ensure that the facility met with the requirements as set out by UK insolvency legislation and the Joint Administrators Regulatory Professional Body’s guidelines. Legal advice was also sought in respect of this, as well as the terms and contracts provided by Maccorp.

In May 2023, following lengthy discussions, the account became operational.

#### **1.6. Realisation of assets**

As mentioned in the previous Progress Report, on 1 August 2022, following a Court Order of Jonathan Hilliard KC sitting as a Deputy Judge of the High Court made on that date which granted the Administrators the liberty to enter in the transaction, the Administrators and UMMC executed the Share Sale Deed (“SPA”). This transaction impacted the subsidiary companies of the Company as the transaction included the transfer of the shares of a large majority of these subsidiary companies.

The transfer of these shares was substantially completed on 7 September 2022.

The total nominal consideration agreed with UMMC was \$619m, summarised as follows:

- The Administration Fund of \$20m
  - The Administration Top Up Fund of \$10m
  - The Contingency Fund of \$6m
  - The Adjusted Cash Consideration, being the amount of \$380.5m less the value of any 2022 Notes that are already held by the Purchaser as described below.
  - The 2022 Note Consideration Amount, being the face value of the Buyer 2022 Notes held by the Purchaser by completion date and tendered to the Company. UMMC had purchased 177,509 Notes as at the completion date, all of which were considered by the Company to be capable of acceptance by way of consideration.
  - The Term Loan Consideration – an amount equal to any and all outstanding amounts payable in respect of the Term Loan from time to time (save for any statutory interest payable in respect of the Term Loan). This was anticipated to be \$202,500,000 and is owed to UMMC. This figure will be offset against UMMC’s claim as an unsecured creditor in the Administration following the completion of distributions to all creditors. Any and all surplus funds following the offset, will be returned to UMMC once the distributions have been made.
-

### 1.7. Estimated future realisations

There remains the sum of approximately USD \$25 million held in a bank account with Bank GPB International S.A. ("GPB Luxembourg"). The Joint Administrators consider on advice that a licence from the Office of Financial Sanctions Implementation ("OFSI") is required before these funds can be realised by the Joint Administrators. That application was made in October 2022 and, since then, the Joint Administrators and their legal team have entered into ongoing correspondence with OFSI.

Given the requirement to obtain a licence from OFSI and the challenges in dealing with realisations of this nature, it is difficult to anticipate exactly when these funds will be realised. However, the Joint Administrators remain optimistic that a licence will be received within the coming weeks.

There also remains the sum of £91,363 outstanding and due from BDO, who were paid a retainer on account prior to the Administration. The Joint Administrators continue to pursue this sum for repayment into the estate.

The Joint Administrators have not yet realised any amount in relation to furniture and equipment, due to ongoing usage by the Company's skeleton staff. We anticipate future realisations totalling approximately £5,000 from the sale of the assets at the next available auction. These sales are being completed by the instructed asset agent PDS Valuers. Further details regarding this agent are stated below in the Other Professionals Instructed section.

### 1.8. Costs incurred but remaining unpaid

The following table summarises the costs incurred during the Review Period, but which as yet remain unpaid:

<b>Cost Description</b>	<b>(£)</b>
Legal fees (JHA and Counsel Fees)	146,121.50 plus VAT
Marsh	1,344.00 (VAT exempt)
MHA	5,065.00 plus VAT
Opus Pear Tree Limited	58,727.50 plus VAT
<b>TOTAL</b>	<b>211,258 plus VAT</b>

During the Review Period, the Joint Administrators have also incurred time costs and direct expenses, not all of which have yet been discharged. Further details of these costs are set out in section 5 below.

## 2. CREDITORS: CLAIMS AND DISTRIBUTIONS

As reported in the Joint Administrators' previous six-month progress report, a Scheme of Arrangement was the process chosen by the Joint Administrators to make a distribution to the "trade & expense" creditors of PLC.

---

Accordingly, following sufficient votes being received from creditors of the Company, on 20 January 2023 the High Court of Justice sanctioned PLC's Scheme of Arrangement. The Scheme effective date is 30 January 2023.

It is important to note that a Scheme of Arrangement is governed by the Companies Act and not the Insolvency Act and, as a result of this, there is no requirement under the terms of the Scheme in the present case to differentiate between classes of creditor i.e no preferential, secondary preferential and ordinary unsecured classes. All traditional classes of creditors are therefore treated the same: no creditor classes are prejudiced by this treatment as all classes of creditors are receiving a distribution of 100p in the £ under the terms of the Scheme.

However, to remain consistent with the manner in which previous creditor information has been reported, we have elected to present the impact of the Scheme on each of the classes of creditor as set out in insolvency legislation.

There are no secured creditors.

## **2.1. Preferential creditors**

The Joint Administrators adopted certain employees' contracts to assist with a range of ongoing issues, particularly matters relating to the Bond and Note Holders, the shareholders and the sale of the assets (including post-sale administrative matters), to take advantage of their knowledge and experience of the business operations.

In addition, the Joint Administrators and their staff have assisted employees in calculating and finalising what entitlements they would be due following the termination of their employment. Legal employment advice was received for the additional complexity of their redundancies following their post-appointment employment.

Preferential claims relating to unpaid holiday pay and pension contributions were estimated at £98,451.00 in the Administrator's Estimated Financial Statement. During the Review Period, the Joint Administrators agreed these claims at £55,096.06. Three of the preferential creditors are still employed by the Company and therefore, they have not been paid their entitlement, which will be paid to them once they have been made redundant. On this basis, £11,663.85 was paid to the employees on 1 June 2023, via the Scheme of Arrangement and £43,432.21 remains to be paid.

## **2.2. Secondary Preferential creditors**

In any insolvency process started from 1 December 2020, HMRC is a secondary preferential creditor for the following liabilities:

- VAT
  - PAYE Income Tax
  - Employees' NIC
  - CIS deductions
  - student loan deductions
-

This will mean that, if there are sufficient funds available, any of the above amounts owed by the Company will be paid after the preferential creditors have been paid in full.

The Joint Administrators and their staff have incurred significant time costs in finalising HMRC's claim which has included email correspondence and meetings with HMRC staff from the relevant departments.

Secondary Preferential claims relating to VAT and PAYE were estimated at £12,904,353.00 in the Administrator's Estimated Financial Statement.

Significant time has been incurred liaising with HMRC directly and the Joint Administrators instructed accountants to minimise the final claim of HMRC. The final claim of £2,792,717.23 was received from HMRC by the Joint Administrators, which was paid in full via the Scheme of Arrangement on 6 April 2023.

### **2.3. Unsecured creditors**

Unsecured creditor claims, including claims of the Petropavlovsk 2010 and the Petropavlovsk 2016 Note and Bond Holders, were estimated at £1,681,794,629.00 in the Administrator's Estimated Financial Statement.

As reported in the Joint Administrators six-month progress report, a Scheme of Arrangement was the intended process to make a distribution to the "trade & expense" creditors of PLC.

Accordingly, following sufficient votes being received from creditors of the Company, on 20 January 2023 the High Court of Justice sanctioned PLC's Scheme of Arrangement. The Scheme effective date was 30 January 2023.

The Joint Administrators had envisaged Scheme claims totalling \$23,560,725.00.

Significant time has been spent adjudicating creditor claims and negotiating with certain creditors which has resulted in claims received of £6,041,186.04, €15,702.42 and \$1,323,310.96.

In the main, negotiations were entered into with HMRC in respect of the Company's treatment of VAT. This reduced the estimated liability of \$13,002,804.00 down to £2,792,717.23 (approximately \$3,500,000.00).

Negotiations were also entered into with the landlord of the Company's former trading premises which resulted in a reduction in their claim of £110,000, and a former employee where a settlement was reached thereby reducing their claim by approximately £320,000.

Of the claims received, payments of £5,056,897.58, €16,391.13 and \$1,378,708.74 have been made. This includes the principal amount of debt and the scheme multiplier.

There remain outstanding claims totalling £1,761,799.26 (including the scheme multiplier) which the Joint Administrators anticipate paying within the next reporting period. The reasons for these not yet being paid vary, but in the main represent employee and director payments for those still retained by the Joint Administrators for the purposes of the Administration.

---

## **2.4. Bond and Note Holders**

### Petropavlovsk 2010 Limited ("POG10") Scheme of Arrangement

Creditors may recall that PLC is a guarantor in respect of certain bonds issued by POG10. POG10 is now in Administration and is also subject to a Scheme of Arrangement, as sanctioned by the High Court of Justice on 20 January 2023.

As guarantor of the notes, it is the responsibility of PLC to pay the claims as POG10 does not have the ability to do so. Prior to the Scheme, the total liabilities were estimated to be \$34,149,435.

The terms of Scheme are that holders would be paid the principal holding (i.e face value of the bond), together with a scheme multiplier of 1.07692, which is designed to compensate creditors for the loss of future interest and any missed coupon payments.

Claims received in the Scheme total \$32,800,000, of which \$5,599,984 (inclusive of the Scheme multiplier) has been paid.

Due to the global nature of the bonds, it has been critical that the Joint Administrators investigate holders so to comply with Sanctions imposed by OFAC, OFSI and the EU. This has meant that all holders have been scrutinised and significant amounts of information requested. Where deemed necessary, the Joint Administrators have utilised the services of a private investigator to carry out enhanced due diligence. The findings have then been provided to leading sanctions Counsel to ascertain whether the claims can be paid. These investigations, and the advice of leading Counsel, have resulted in claims totalling \$26,800,000 being put on hold whilst further due diligence was conducted. As at the date of this report, the Joint Administrators and their legal advisors are in ongoing dialogue with the relevant holders to gather further information.

There remains an unclaimed principal amount of £200,000 and the Joint Administrators are considering options in respect of further announcements requesting that remaining holders come forward.

All amounts either not yet claimed or which are on hold are currently held in trust by the paying agent. The trust is due to expire on 30 January 2024 and the Joint Administrators are currently in discussions with their legal advisors as to the merits of extending the trust period and/or the Scheme.

### Petropavlovsk 2016 Limited ("POG16") Scheme of Arrangement

Creditors may recall that PLC is a guarantor in respect of certain notes issued by POG16. POG16 is now in Administration and is also subject to a Scheme of Arrangement, as sanctioned by the High Court of Justice on 20 January 2023.

As guarantor of the notes, it is the responsibility of PLC to pay the claims as POG16 does not have the ability to do so. Prior to the Scheme, the total liabilities were estimated to be \$134,848,433.

The terms of Scheme are that holders would be paid the principal holding (i.e face value of the bond), together with a scheme multiplier of 1.10727, which is designed to compensate creditors for the loss of future interest and any missed coupon payments.

Claims received in the Scheme total \$106,724,000, of which \$69,638,000 (inclusive of the Scheme multiplier) has been paid.

---

Due to the global nature of the bonds, it has been critical that the Joint Administrators investigate holders so to comply with Sanctions imposed by OFAC, OFSI and the EU. This has meant that all holders have been scrutinised and significant amounts of information requested and subsequently approved. Where deemed necessary, the Joint Administrators have utilised the services of a private investigator to carry out enhanced due diligence. The findings have then been provided to leading sanctions Counsel to ascertain whether the claims can be paid. These investigations, and the advice of leading Counsel, have resulted in claims totalling \$13,991,000 being put on hold whilst further due diligence was conducted. As at the date of this report, the Joint Administrators and their legal advisors are in ongoing dialogue with the relevant holders to gather further information.

Recent claims of \$22,000,000 have been received and the Joint Administrators are currently in the process of obtaining further documentation from the claimants. It is hoped that these will be paid shortly.

A claim of \$200,000 has been received, but no supporting documents have been submitted. The Joint Administrators are currently in the process of contacting the claimants to request the necessary documents.

A claim of \$670,000 was received from a sanctioned individual and these funds remain held in the trust until such time that either a) the trust period ends or b) the individual is no longer sanctioned.

There remains an unclaimed principal amount of \$20,036,000 and the Joint Administrators are considering options in respect of further announcements requesting that remaining holders come forward.

All amounts either not yet claimed or which are on hold are currently held in trust by the paying agent. The trust is due to expire on 30 January 2024 and the Joint Administrators are currently in discussions with their legal advisors as to the merits of extending the trust period and/or the Scheme.

## **2.5. Claims process**

In accordance with the Scheme, unsecured creditors had a deadline of 90 days from the date of the Scheme Effective Date to submit a claim into the Scheme if a claim had yet to be submitted. This deadline passed on 30 April 2023.

Bond and Noteholders have a deadline of 365 days from the date of the Scheme Effective Date to submit a claim into the Scheme if a claim has yet to be submitted. Any claims should be submitted to the Managing Agent, I2 Capital Markets Limited using the details provided in the Proof of Debt form.

## **3. INVESTIGATIONS**

### **3.1. Investigations**

In accordance with the Joint Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed.

### **3.2. Initial Assessment of Potential Recoveries**

As part of our duties as Joint Administrators, we are obliged to review shortly after appointment all the information available to us and conduct an initial assessment of whether there are any matters which may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

This review has been completed and we confirm that we did not identify any further assets or actions which would lead to a recovery for creditors. Should creditors be aware of any matters that they believe that the Joint Administrators should investigate, they should make these known to the Joint Administrators.

#### **4. ETHICS**

Please also be advised that the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

##### **General ethical considerations**

Prior to the Joint Administrators' appointment, the following threats and potential issues were identified:

- Professional Competence and Due Care – the particular complexities and high-profile nature of this case, coupled with the unfavourable sanctions landscape in which the Group finds itself, could be deemed to present an ethical threat. However:
  - the Joint Administrators are satisfied that the significant experience and knowledge possessed by the Administrators' team (and their advisors) is commensurate to the risk of any potential ethical breach. The core Administration team is made up of the three Joint Administrators (who are all licenced insolvency practitioners with significant experience), three Associate Directors, a Senior Administrator and three paralegals; and;
  - the Joint Administrators have carefully considered, with the benefit of specialist legal advice, the risk presented by applicable sanctions legislation and have taken steps to mitigate that risk, which were set out in detail to the Court.
- Validity of Appointment – in order to provide complete transparency to all and any potential stakeholders regarding the validity of the Administration, and to provide an opportunity for any party to attend and participate in the process of appointment, the appointment of the Joint Administrators was sought by way of an application to Court. The appointment of the Joint Administrators was made at a Court hearing on 18 July 2022 (as set out in the subsequent Order dated 19 July 2022).

The safeguards put in place to mitigate these threats are:

- An internal ethical review having been completed by Opus and approved by the Joint Administrators;
  - Disclosure of the potential ethical matters identified in our letter dated 4 August 2022 (and, similarly, to the Court); and
-

- The team dealing with the Administration having had no prior involvement or relationship with the Company or its Directors.

The safeguards have been reviewed continuously and we are satisfied that the issues identified above are being appropriately managed. During the Review Period, no new threats to compliance with the Code of Ethics have been identified and the safeguards put in place to mitigate threats previously identified have been reviewed and they are effectively managing those threats.

### **Specialist Advice and Services**

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are, obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

### **Legal Advisors and Corporate Agents**

- Joseph Hage Aaronson LLP (“JHA”) advised in relation to legal issues surrounding the Sale including negotiation of the SPA and subsequent work in relation to completing the Sale. They have continued to assist the Joint Administrators with matters arising in the Administration. JHA were initially instructed by the Company pre-appointment (alongside insolvency counsel) to assist with placing the Company into Administration and preparing the required documentation, including the initial application to Court for the appointment of administrators, as well as subsequent Court applications by the Administrators.
- In addition, JHA advised on the potential impact of sanctions on the Administration and the sale of the Company’s assets and assisted in corresponding multiple times with OFSI. The majority of JHA’s pre-appointment costs were paid by the Company during the pre-Administration period.
- JHA also extensively worked on preparing and organising the Scheme of Arrangement in order to facilitate payment to the creditors. During the Review Period, their costs have totalled £668,564.93 excluding VAT. In the Review Period JHA have been paid a total of £1,256,119.49 excluding VAT. The sum of £1,013,296.41 excluding VAT has been paid directly to JHA and the sum of £242,823.08 has been paid from funds held on account. Please note that £686,189.06 of the total amount paid in the Review Period, was paid in relation to work incurred in the previous review period.

Additionally, the Joint Administrators are yet to receive JHA’s invoice for July 2023 and thus there will be an element of unknown unbilled WIP from JHA that will be disclosed in the next report to creditors.

- The Joint Administrators also instructed insolvency counsel (Peter Arden KC and Joseph Wigley) and sanctions counsel (Jim Sturman KC) to provide specialist advice and
-



representation. The above costs to JHA also include payments to Counsel that were included in the invoices from JHA.

- Legal advice has been provided by Isadore Goldman Limited in relation to the Company's leasehold interest in its trading premises. Isadore Goldman provided advice regarding whether to assign or surrender the current lease and in respect of the quantum of dilapidations claimed in accordance with the terms of the lease. This matter has now been resolved and the lease has been surrendered. During the Review Period, their costs have totalled £5,003.40 including VAT and disbursements, and have been paid in full.
- DAC Beachcroft LLP ("DAC") were instructed by the Company prior to the Administration to deal with the outstanding employee claim prior to our appointment. The Joint Administrators instructed DAC to continue providing advice and assistance in dealing with this following their appointment. This matter has now been resolved with a settlement reached with the Claimant. During the Review Period, their costs have totalled £2,400 including VAT and disbursements, and have been paid in full.
- Shoosmiths LLP have been instructed to provide advice relating to all employment matters with the existing team and any potential TUPE implications. They assisted with the employee retention agreements entered into by the Company prior to Administration, as well as providing other employment and insolvency advice. During the Review Period, their costs have totalled £17,970.00, and have been paid in full.
- As stated above, to facilitate the transfer of the shares the Company holds in its key subsidiaries as part of the Sale, lawyers have been instructed in various jurisdictions to assist in preparing the relevant legal paperwork and documentation. The professionals instructed are:
  - Harneys Fiduciary (Cayman) Limited – Cayman Island Shares.
  - Infracore, a Russian law firm, have provided Russian legal advice throughout the administration.
  - Baker Tilly – Cyprus Shares. During the Review Period they have not incurred any costs.

#### **Accounting and Tax Advisors**

- As advised earlier in this report, MHA have continued to assist with all tax matters. During the Review Period, adjustments to the Company's corporation tax returns have been required as a result of the insolvency of other group entities. Accordingly, MHA, on behalf of the Joint Administrators, are in direct contact with HMRC regarding the position and are awaiting agreement from them as regards the proposal put forward. Matters are well advanced and it is anticipated that a resolution will be reached in the near future.
  - During the Review Period, MHA's costs have totalled £36,565.00 excluding VAT. In the Review Period, they have been paid £32,100.00. Please note that £5,065.00 of their fees incurred in the Review Period has not yet been invoiced and therefore remain outstanding. Additionally, MHA's work in the Review Period has also involved other group entities, thus the fees incurred in the Review Period also relate to Petropavlovsk 2010 Limited and Petropavlovsk 2016 Limited too.
-

- A4G provided advice in connection with stamp duty arising on the sale of the UK based shares and withholding tax on the Term Loan. During the Review Period, their costs have totalled £3,117.24 including VAT, and have been paid in full.
- Opus Pear Tree Ltd (OPT) and Pear Tree Forensic Accounting Ltd (PTFA), both associated companies to the Joint Administrators and Opus Restructuring LLP, have provided advice in relation to sanction checks the Administrators undertake before proceeding with certain creditor distributions. They have also assisted with sanction checks and enhanced due diligence that have been carried out on certain Bond or Note Holders, where deemed necessary. During the Review Period, their costs have totalled £78,915.00 excluding VAT and they have been paid £19,687.50 in the Review Period and £65,231.25 to date. Please note that £58,727.50 has not been invoiced and is therefore unpaid. Their total costs to date are £137,642.50.
- The Joint Administrators also instructed tax counsel (Rupert Baldry KC) to provide specialist advice and representation. The above costs to JHA also include payments to Counsel that were included in the invoices from JHA.

#### **Other professionals instructed**

- SIA Group, professional valuers, were instructed to assist with the practical advice and valuation of the lease and to negotiate with the landlord in respect of the amount claimed for dilapidations. During the Review Period they have incurred £18,481.52 excluding VAT and they have been paid in full.
  - GN2, property agents, were instructed by the Company pre-appointment to identify an interested party for an assignment of the lease and were subsequently instructed by the Joint Administrators to assist with the proposed assignment of the lease to the interested party identified. However, since our appointment, negotiations have broken down. To date, no funds have been received and costs have been paid to them.
  - Office Freedom, property agents, were instructed to source alternative offices. The Company vacated their old office at the end of September 2022 into a new office from the beginning of October 2022. To date, no funds have been received and costs have been paid to them.
  - Burton & Smith Moving Limited were instructed to assist with the office move at the end of September 2022. This involved providing resources to carry out the relocation including crate hire delivery and collection. During the Review Period they have not incurred any costs.
  - PDS Auctioneers & Valuers, a firm of chattel agents, was instructed by the Joint Administrators to undertake inventories and valuations of the Company's chattels and intangible assets where appropriate. The agent has been instructed to realise the assets once trading has ceased. These assets have negligible value in the overall context of the Administration. To date, no funds have been received and costs have been paid to them.
  - The Company's pre-appointment public relations company and website administrator, Thoburns, has been instructed to assist with publication of updates by the Joint
-

Administrators to the Company's website. As explained above, publication in this way is intended to ensure that interested parties are kept abreast of the Administration and are supplied with copies of relevant documentation. During the Review Period, their costs have totalled £550.00, and have been paid in full.

- As previously reported, Clumber Consultancy Limited were instructed to assist with matters relating to the Company's pension scheme. Work will be required to wind down the pension scheme and deal with the RPS regarding any unpaid pension contributions which will be claimed in the Administration as a preferential creditor claim. During the Review Period no costs have been incurred.
  - The post-appointment insurance requirements are being dealt with by Marsh Commercial Limited who have been instructed to maintain adequate insurance cover for of the Company in Administration. From the date of appointment, their total costs amount to £1,344.00 inclusive of insurance premium tax. In the Review Period, their costs have totalled £336.00, and they have not been paid.
  - The Joint Administrators are due to instruct CAPA, a firm of specialists in dealing with assessing the business rates position and whether the Company are entitled to any potential refunds. CAPA are contractually entitled to be remunerated by reference to a percentage of any refunds achieved. To date, no funds have been received and costs have been paid to them.
  - The Trustees of the 2010 Bonds is Apex. The Trustee of the 2022 Notes was, until recently, CitiBank and is now I2 Capital Markets. The Joint Administrators have engaged in ongoing dialogue with the trustees in order to assist with future distributions to the bond and noteholders. During the Review Period, their costs (Apex and CitiBank) have totalled £18,500.00 and have been paid in full.
  - Nick Hood, an external consultant to Opus, who has significant experience with the media has been retained to assist with managing the public relations both prior to and following the Administration. Nick Hood will be paid on an hourly rate and is working alongside the Joint Administrators' team. During the Review Period, his costs have totalled £5,730.00, and he has been paid in full.
  - The Joint Administrators have paid an external consultants £40,000 and excluding VAT in relation to providing banking due diligence services. This agent is not an associate of Opus.
  - Go Ahead Advise S.L, a Madrid based banking and legal consultancy firm we engaged to assist in sourcing a bank account facility, which provided successful. Their fees were agreed on the basis of a fixed fee of €15,000 (no VAT chargeable) for a consultancy fee and 1% of total funds transferred on successfully opening an account facility from their own introductions. Accordingly, a success fee of €51,480.11 excluding VAT has been paid.
  - Imperial & Legal have provided payroll information for the employees whilst they have remained employed. During the Review Period, their costs have totalled £375.00, and they have been paid in full.
-

- I2 Capital Markets Limited (“I2”) have been instructed following the resignation of Citibank as Trustee for the 2022 Notes. I2 have been instructed to facilitate the distribution and payment of Note and Bond holders in a capacity of Settlement Agent. They have also been instructed in the capacity of Tabulation Agent which involves them collating information on Bond and Note holders who claim in the Scheme and ensuring sufficient checks are completed on their Sanction status. They were also instructed as Information Agent and in this capacity, they would communicate with holders any information that the Joint Administrators may wish to publish to holders. I2 have also been instructed to arrange payments of the unsecured creditors, and distributions to the unsecured creditors have been made in full following the Review Period. During the Review Period no costs have been paid to them.
- All professional fees are based upon the parties’ recorded time costs incurred at their standard charge out rates, unless a fixed fee is agreed or a percentage of realisations and will be reviewed and agreed by the Joint Administrators before being approved for payment.

## 5. THE JOINT ADMINISTRATORS’ FEES AND EXPENSES

### 5.1. Pre-Administration Costs

Included within the Joint Administrators’ Proposals was a Statement of Pre-Administration Costs. These costs were approved as detailed, below:

All amounts exclude VAT	Amount approved (\$)	Converted to £
		as at 17 July 2023
*Conversion rate used 1.284		
This may be subject to change.		£
		(Conversion rate: 0.76365)
Opus Restructuring LLP	1,635,900	1,249,262
OPT and Pear Tree Forensic Accounting	50,947	38,905.90
Outlook Investment Ltd	14,350	10,958.40
Agents’ costs – SIA Group	6,888	5,260.05
Agents’ costs – PDS Valuers	2,623	2,003.06
Transfer of Shares Legal Fees – Infralex	46,139	35,234.20
ERA Specialists Fee	689	526.16
MHA MacIntyre Hudson	120,540	92,050.90
JHA	1,238,110	945,488
JHA – disbursements	313,173	239,156
<b>TOTAL</b>	<b>3,429,359</b>	<b>2,618,844.67</b>

---

Further pre-appointment costs were approved on 28 November 2022, as below:

All amounts exclude VAT (unless otherwise stated)	Amount (£)
Weil, Gotshal & Manges (London) LLP	1,028,289.72
	(including disbursements and VAT)
Nick Hood (publicity and investor relations)	38,750
<b>TOTAL</b>	<b>1,067,039.72</b>

These have all been paid.

## 5.2. The Joint Administrators' Fees

The basis of the Joint Administrators' fees was fixed on 26 September 2022 by a resolution of creditors as follows:

1. A fixed fee of £2,800,000 plus VAT.

A breakdown of the time costs incurred during the Review Period and for the Administration as a whole is provided at Appendix III and further information regarding the charge-out rates of the Joint Administrators and their staff is provided at Appendix IV.

### Expenses

**An amended Statement of Insolvency Practice (SIP), SIP 9, was issued on 1 April 2021. The amended SIP 9 has changed some of the terminology and introduced additional disclosure requirements. The information below may therefore not reflect the information previously provided.**

The expenses, which include disbursements, that have been incurred and not yet paid during the period are detailed below. Also below is a comparison of the expenses likely to be incurred in the Administration as a whole with the original expenses estimate, together with reasons where any expenses are likely to exceed that estimate.

The category 1 expenses paid for in the period are detailed on the Receipts and Payments account at Appendix II and represent payments to parties not associated with the firm, who have provided services or goods for the administration of the assignment.

The category 2 expenses paid for in the period are detailed on the Receipts and Payments account at Appendix II. The basis of calculation of this category of expense was disclosed to creditors prior to their approval, which was given on 26 September 2022, and are also detailed below.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Fees' together with the firm's charge-out rate and expenses policy may be found at [www.opusllp.com](http://www.opusllp.com). A hard copy of both the Creditors' Guide and the firm's charge-out rate and expenses policy may be obtained on request.

---

## Other professional costs

### Sub-contracted work

During the administration of the case some of the work that was required to be undertaken was sub-contracted. The work consisted of providing employment advice and calculations on estimated redundancy costs as well as liaising with the current pension provider to understand the pension position. This work was contracted to Clumber Consultancy Ltd ("Clumber") which is an unconnected party.

This work could have been carried out by the office holders and their staff, but the decision was made to instruct Clumber, because they are a reputable and respected firm that provides a wide range of specialist Employee Remuneration, Pension & Cyber Security services in the UK restructuring and insolvency market. Clumber are commonly instructed on Opus cases, and have demonstrated that they are reliable and cost-effective. Clumber are specialist sector providers and there are few other providers of these services. This work is ongoing and their costs to date are £1,274.40, which have been paid in full.

### Associates

Nick Hood was instructed as a media and public relations liaison in relation to assist with managing the public relations both prior to and following the Administration and as previously advised they are considered associates under SIP 9. Their costs have been agreed and approved by creditors on 26 November 2022 on the basis of time costs, plus disbursements and VAT. Their fees for the Review Period amount to £5,420. Their total time costs from the date of appointment amount to £5,420 and they have been paid in full.

Opus Pear Tree Ltd and Pear Tree Forensic Accounting Ltd were instructed as forensic accountants to conduct a forensic review of the bondholder position and debts held both prior to and following the Administration and as previously advised they are considered associates under SIP9. Their costs have been agreed and approved by creditors on 26 November 2022 on the basis of time costs, plus disbursements and VAT. Please see above for updated costs in the Review Period and to date.

## 5.3. Comparison of estimates

The expenses incurred to date are compared with the original expenses estimate as follows:

Expenses	Original expenses estimate \$ (estimate was provided in the Proposals in \$)*	Original expenses estimate converted to £ as at 17.07.23 £ (Conversion rate: 0.76365)	Actual expenses incurred in the Review Period £ (payments of expenses have been made in £)	Actual expenses incurred to date £ (payments of expenses have been made in £)	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Legal Fees (JHA)	1,607,200.00	1,227,338.28	398,532.50	1,060,386.50	
Legal Disbursements (JHA)	212,960.58	162,628.00	123,897.93	278,993.16	

**Petropavlovsk PLC (In Administration)**  
**The Joint Administrators' Progress Report to 17 July 2023**

Legal Fees (Sanctions)	300,000.00	229,096.00	-		Counsel has been instructed to provide specific sanctions advice during the Review Period. These costs have been invoiced through JHA.
Tax and Accountancy Fees	57,400.00	43,833.70	35,579.71	103,269.71	This figure contains fees that relate to both Petropavlovsk PLC and the group entities Petropavlovsk 2010 Limited and Petropavlovsk 2016 Limited
Transfer of Shares Legal Costs	249,306.57	190,384.00	1,708.29	107,827.86	
Tax Advice Fees – Stamp Duty	54,630.21	41,718.60	-	47,000	
Consultants' Fees	117,525.00	89,748.40	5,730.00	21,690	
Forensic Costs (Sanctions checks and Financial Review)	86,100.00	65,750.60	19,687.50	65,231.25	
Agents' Fees (Property)	18,222.20	13,915.50	-	-	Estimate was provided as payable on completion on the assignment of the lease. This taken place during the Review Period but took longer than expected.
Legal Fees (Property)	1,052.72	803.91	2,969.50	2,969.50	Further advice needed in regard to dilapidation report and issues with landlord.
Agents' Fees (Rates Refund)	Uncertain	Uncertain	-		
Legal Fees (Employees)	51,955.04	39,675.70	14,022.00	17,030.00	Further advice needed in regard to employees with regard to retention bonuses and contracts.
Legal Fees (Employment Tribunal Claim)	20,664.00	15,780.10	4,197.00	93,237.00	
Website Management Fees	10,000.00	7,636.54	5,776.65	13,200.00	
Insurance	15,000.00	11,454.80	-	-	
Payroll Costs	17,220.00	13,134.80	75.00	300.00	

**Petropavlovsk PLC (In Administration)**  
**The Joint Administrators' Progress Report to 17 July 2023**

Document Storage	6,000.00	4,581.92	270.00	2,767.18	
Admin Employee Costs	832,011.55	635,369.00	97,029.75	317,165.35	
Admin Directors Costs	100,000.00	76,365.40	-	65,139.21	
Admin Trading Costs (office etc)	68,880.00	52,600.50	-	4,755.01	
ERA / Pension Advisors' Fees	2,870.00	2,191.69	1,102.20	2,376.60	
Provision for Jersey Liquidation	45,000.00	34,364.4	100,000.00	213,167.98	Extensive unanticipated work in relation to Jersey tax filings and legal advice concerning Jersey Company Law.
<b>General Disbursements</b>	<b>19,110.00</b>	<b>14,593.40</b>			
Repairs and Maintenance			-	90	Estimated under General Disbursements
Statutory Advertising			-	310.50	Estimated under General Disbursements
Bank Charges			4,917.95	7,376.10	Estimated under General Disbursements
Courier Charges			75.43	223.13	Estimated under General Disbursements
Property Expenses			-	1,535.62	Estimated under General Disbursements
Postage			-	2,596.55	Estimated under General Disbursements
Trustee Fees			18,500	156,285.47	Additional costs incurred from the Bond and Notes Trustees, that was not originally estimated.
<b>TOTAL</b>	<b>3,870,478.00</b>	<b>2,972,971.96</b>	<b>834,071.41</b>	<b>2,580,168.67</b>	

\*Please note as shown above, the original expenses estimate is provided in USD because the sale was agreed in USD. However, the administration has been conducted in GBP which is why the incurred expenses are shown in GBP.

The bases on which the expenses defined as Category 2 expenses are calculated are explained in Appendix IV.

Having regard for the costs that are likely to be incurred in bringing this Administration to a close, the Joint Administrators consider that:



The original expenses estimate is unlikely to be exceeded as shown in the above table and detailed further below.

#### **Legal Fees (lease)**

The Joint Administrators have spent considerably more time than first anticipated negotiating the Dilapidations Report with the landlord once the property was no longer being used for the purpose of the Administration. This involved liaising with Isadore Goldman to receive legal advice and has meant the expenses estimate has been exceeded. This has now been resolved and we do not anticipate any further costs associated with this.

#### **Tax and accountancy fees**

The Joint Administrators have spent more time than anticipated preparing and organising the Corporation Tax returns with the assistance of MHA. This has required significant collaboration and communication with MHA and thus has meant the original expenses estimate has been exceeded. This matter is ongoing and therefore we anticipate further costs being incurred in this regard.

#### **Trustee Fees**

The Joint Administrators have incurred unexpected additional costs in regard to Trustee Fees in Jersey in respect of the 2022 Notes and 2024 Bonds. This item was not included in the original expenses estimates as it was not anticipated that there would be costs incurred in dealing with these areas.

### **5.4. Creditors' right to request information**

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

### **5.5. Creditors' right to challenge fees and/or expenses**

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

## **6. CONCLUSION**

The Administration will continue in order to finalise the following outstanding matters:

---

- Distributions will continue to be made to creditors through the Scheme and in accordance with relevant sanctions legislation. This includes monitoring the funds paid into the Holding Period Trust for creditors who have not yet claimed but of whom we are aware.
- We will continue to work to receive a licence from OFSI to enable us to realise approximately \$25 million held in the Company's account at GPB Luxembourg.
- When appropriate to do so, we will resolve the remaining employees' employment and terminate their contracts.

Should you require any further information please contact the Petropavlovsk PLC Administration team via email at [petropavlovsk@opusllp.com](mailto:petropavlovsk@opusllp.com).



**Allister Manson**  
**Joint Administrator**

**PETROPAVLOVSK PLC (IN ADMINISTRATION)****STATUTORY INFORMATION**

---

Company Name	Petropavlovsk PLC
Previous Names	Peter Hambro Mining PLC

---

Proceedings	In Administration
Court	High Court of Justice
Court Reference	002121 of 2022
Date of Appointment	18 July 2022
Joint Administrators	Allister Manson Trevor John Binyon Joanne Kim Rolls  Opus Restructuring LLP 322 High Holborn London WC1V 7PB
Registered office address	<b>Formerly:</b> 11 Grosvenor Place Belgravia London SW1X 7HH  <b>Currently:</b> 1 Radian Court Knowlhill Milton Keynes MK5 8PJ
Company Number	04343841
Appointment by	Appointed by the order of the High Court dated 18 July 2022

---

---

**DEFINITIONS**

The Act	Insolvency Act 1986
The Rules	Insolvency Rules 1986 or Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event)
The Joint Administrators	Allister Manson, Joanne Rolls and Trevor Binyon
The Company	Petropavlovsk PLC (in Administration)
The Court	High Court of Justice
SIP	Statement of Insolvency Practice
Review Period	Period covered by the report from 18 January 2023 to 17 July 2023
SPA	Sale & Purchase Agreement
Russia	The Russian Federation
HMRC	HM Revenue & Customs
The Sale	The agreement for the sale of the Company's shares in its main subsidiaries to joint stock company UMMC which was signed on 1 August 2022 and completed on 7 September 2022
UMMC	Joint stock company UMMC-Invest
GPB	Joint stock company Gazprombank
OFSI	Office of Financial Sanctions Implementation
Term Loan	GPB US\$200 million term loan to the Company
JHA	Joseph Hage Aaronson LLP
2022 Notes	US\$500 million 8.125% notes due in November 2022
2010 Bonds	US\$125 million 8.25% convertible bonds due in 2024
DAC	DAC Beachcroft LLP
MHA	MacIntyre Hudson LLP
A4G	A4G Chartered Accountants
OPT	Opus Pear Tree Limited
I2	I2 Capital Markets Limited

---

Adjusted Cash Consideration	a non-refundable cash payment of the amount obtained by deducting the 2022 Note Consideration Amount from the Cash Consideration.
Administration Fund	a payment of USD 20,000,000 which is non-refundable save as specified in clause 12.1 of the Sale Purchase Agreement
Contingency Fund	a non-refundable payment of USD 6,000,000
The 2022 Note Consideration Amount	the amount equal to the face value of the 2022 Notes together with accrued interest thereon or, if higher, the amount due on such Notes;
The Term Loan Consideration	an amount equal to any and all outstanding amounts payable in respect of the Term Loan from time to time (save for any statutory interest payable in respect of the Term Loan).
Scheme	Scheme of Arrangement sanctioned by the High Court on 20 January 2023
Sanctions	any economic or financial sanctions or trade embargoes affecting a person or activity administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Departments of State or Commerce, the United Kingdom Office of Financial Sanctions Implementation, the United Nations Security Council or the European Union, the government of the Bailiwick of Jersey, or the government of the Cayman Islands.

---

**Petropavlovsk PLC - In Administration**  
**Joint Administrators' Abstract of Receipts & Payments**

**From 18 January 2023 To 17 July 2023**

S of A £

From 18/01/23

From 18/07/22

To 17/07/23

To 17/07/23

<b>FIXED CHARGE COSTS</b>			
	Legal Fees	NIL	NIL
	VAT - Unrecoverable	NIL	NIL
NIL		NIL	NIL

<b>ASSET REALISATIONS</b>			
NIL	Cash at Bank	NIL	173,726,294.13
	Rent	NIL	(4,622.75)
	Rates Refund	NIL	21,714.89
	Inter Company Accounts	NIL	(146,272,063.11)
	Refund of retainers	NIL	4,315.93
5,000.00	Furniture & Equipment	NIL	NIL
808.18	Gold	NIL	650.00
NIL	Long term lease	NIL	NIL
NIL	Other Debtors	NIL	NIL
NIL	Inter Company Loans	NIL	8,220,000.00
NIL	Inter Company Receivables	NIL	NIL
138,701.00	Balance held by BDO	NIL	NIL
115,585.00	Balance Held by Bird & Bird	NIL	69,598.50
NIL	Cyprus Funds	NIL	NIL
NIL	Contingency Fund	NIL	3,439,085.20
NIL	Admin fund	NIL	6,167,762.65
NIL	Adjusted Cash consideration	NIL	155,969,423.39
NIL	Miscellaneous Income	2,881.23	3,524.16
260,094.18		2,881.23	201,345,682.99

<b>COST OF REALISATIONS</b>			
	Repairs & Maintenance	NIL	(90.00)
	Agents/Valuers Fees	(329,707.93)	(329,707.93)
	Specific Bond	NIL	(1,170.00)
	Office Holders Fees	(1,600,000.00)	(2,800,000.00)
	Pre-Appointment Agents/Valuers Fees	(16,324.86)	(549,609.66)
	Legal Fees - shares	1,708.29	(113,144.56)
	Storage Costs	(270.00)	(2,767.18)
	Statutory Advertising	NIL	(310.50)
	Bank Charges	(4,917.95)	(7,376.10)
	Accountancy Fees	(8,829.71)	(55,829.71)
	Professional fees - forensics - pre appt	NIL	(23,750.00)
	VAT Irrecoverable (33%)	(134,597.95)	(283,057.64)
	Employee Entitlements	(283.00)	(283.00)
	Commission Payment	(4,500.00)	(4,500.00)
	Courier Charges	(75.43)	(223.13)
	Court Fees	(340.00)	(340.00)
	Property Removal Costs	NIL	(1,535.62)
	PAYE / NIC	(12,386.78)	(12,386.78)
	Legal Fees - Property	(2,969.50)	(2,969.50)
	Postage	NIL	(2,596.55)

**APPENDIX II**

	Transfer Fee	(1,514.72)	(1,514.72)
	Professional fees - forensics	(19,687.50)	(65,231.25)
	IT Costs	(13,637.58)	(27,960.93)
	Legal fees	(754,309.65)	(1,501,847.65)
	Legal fees - pre appt	NIL	(929,357.60)
	Legal disbursements - pre appt	NIL	(121,808.59)
	Legal disbursements	(290,705.76)	(445,803.99)
	IT costs - pre appt	NIL	(83,464.64)
	Payroll costs	(75.00)	(300.00)
	Trustees fees - Petropavlovsk 2016 Ltd	NIL	(80,257.61)
	Professional fees - pensions - pre appt	NIL	(600.00)
	Jersey Administrative Costs - Post.	(35,912.73)	(43,669.63)
	Critical Illness Scheme	NIL	532.20
	Group Life Assurance Scheme	NIL	2,125.70
	Credit card refund	NIL	3,944.61
	VAT (Weil Fees) (irrecoverable)	NIL	(202,288.41)
	Consultancy fees - Media & PR	(5,730.00)	(24,690.00)
	Trustee Expenses Petropavlovsk 2016 LTD	NIL	(52,659.00)
	Professional Fees - Tax	(4,750.00)	(72,440.00)
	Trustee Fees Petropavlovsk 2010 Limited	(18,500.00)	(23,368.86)
	Office Holder Fees - Petropavlovsk 2016	(50,000.00)	(50,000.00)
	Office Holder Expenses Petropavlovsk 2016	(461.77)	(461.77)
	Office Holder Fees - Petropavlovsk 2010	(50,000.00)	(50,000.00)
	Office Holder Expenses Petropavlovsk 2010	(460.57)	(460.57)
	Jersey Legal Fees	(142,748.35)	(142,748.35)
	London Stock Exchange Fees	(250.00)	(250.00)
	Payment to i2 Creditor distribution	(10,562,002.42)	(10,562,002.42)
	Payment to i2 Creditor distribution bond and note holders	(175,895,905.20)	(175,895,905.20)
	Jersey Agent Fees - MHA	(26,750.00)	(26,750.00)
NIL		(189,986,896.07)	(194,590,886.54)

	<b>PREFERENTIAL CREDITORS</b>		
(52.88)	Employee	NIL	NIL
NIL	Trade Creditor	NIL	NIL
(52.88)		NIL	NIL

	<b>SECONDARY CREDITORS</b>	<b>PREFERENTIAL</b>	
(13,984,350.00)	Secondary Preferential Creditors	NIL	NIL
(13,984,350.00)		NIL	NIL

	<b>UNSECURED CREDITORS</b>		
NIL	Employee Claims - Notice & Redundancy	NIL	NIL
(3,945,972.17)	Trade Creditor	NIL	NIL
(3,945,972.17)		NIL	NIL

	<b>TRADING</b>		
	Trading Profit/(Loss)	(225,106.21)	(1,101,706.87)
(3,685,930.87)		(190,209,121.05)	5,653,089.58

**REPRESENTED BY**

---

APPENDIX II

	Vat Receivable		287,169.18
	Vat Control Account		582,257.80
	CLOSED - GBP - AJ Manson, T J Binyon & J K Rolls Jt Adm of Petropavlovsk PLC		NIL
	CLOSED - USD - AJ Manson, T J Binyon & J K Rolls Jt Adm of Petropavlovsk PLC		NIL
	EUR - Petropavlovsk Plc - In Administration		536,022.20
	GBP - Petropavlovsk PLC - In Administration		2,923.64
	CLOSED - USD 1 - AJ Manson, T J Binyon & J K Rolls Jt Adm of Petropavlovsk PLC		NIL
	CLOSED - USD 2 - AJ Manson, T J Binyon & J K Rolls Jt Adm of Petropavlovsk PLC		NIL
	CLOSED - RUB - AJ Manson, T J Binyon & J K Rolls Jt Adm of Petropavlovsk PLC		9,938.13
	USD3		4,234,778.63
			5,653,089.58

---



## PETROPAVLOVSK PLC (IN ADMINISTRATION)

## THE JOINT ADMINISTRATORS' TIME COSTS

Joint Administrators' Remuneration Schedule  
 Petropavlovsk PLC  
 Between 18 January 2023 and 17 July 2023

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
<b>Administration &amp; Planning</b>							
Meeting ,Travel & Waiting Time	0.00	0.00	0.00	0.70	0.70	157.50	225.00
Case Closure	0.00	0.00	0.20	0.00	0.20	82.50	412.50
Internal Documentation and IT	29.70	0.00	0.20	16.00	45.90	23,722.50	516.83
Case Planning	591.10	0.00	41.80	494.10	1,144.20	578,208.75	505.34
Case Reviews including MR1s/MR2s	2.40	0.00	2.40	0.90	5.70	2,812.50	493.43
Administrative Set Up	0.00	0.00	0.00	3.70	5.20	1,845.00	354.81
Appointment Notification	0.10	0.00	1.20	0.60	1.90	697.50	367.11
Maintenance of Records	0.00	0.00	0.00	5.10	5.10	1,147.50	225.00
Statutory Reporting and Compliance	8.60	0.20	15.60	17.80	42.20	16,362.00	387.72
Firms Administration - Feeing etc	2.60	0.00	0.00	2.40	5.00	2,295.00	459.00
Cashiering	15.90	0.00	1.90	86.20	104.00	35,025.00	336.78
Scheme of division	6.00	0.00	0.00	0.00	6.00	5,625.00	937.50
Statutory forms	0.30	0.00	0.40	0.30	1.00	435.00	435.00
Post appointment Corporation tax	2.40	0.00	0.00	0.00	2.40	1,620.00	675.00
Capital gains tax - post appointment	0.50	0.00	0.00	0.00	0.50	337.50	675.00
Post appointment VAT	15.90	0.30	0.00	6.90	23.10	12,420.00	537.66
Statutory Meetings	0.20	0.00	0.00	0.00	0.20	135.00	675.00
File Review	0.00	0.00	0.00	8.50	8.50	1,912.50	225.00
	<b>675.70</b>	<b>0.50</b>	<b>63.70</b>	<b>643.20</b>	<b>1,401.80</b>	<b>684,840.75</b>	<b>488.54</b>
<b>Investigations</b>							
Other Investigations	0.00	0.00	0.00	5.10	5.10	1,147.50	225.00
Internal Documentation	0.00	0.00	0.00	0.50	0.50	112.50	225.00
Legal Correspondence	0.00	0.00	0.00	2.50	2.50	562.50	225.00
Correspondence with director	0.00	0.00	0.00	0.30	0.30	67.50	225.00

**APPENDIX III**

	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8.40</b>	<b>8.40</b>	<b>1,890.00</b>	<b>225.00</b>
<b>Realisation of Assets</b>							
Debt Collection	2.20	0.00	0.00	0.00	2.20	1,485.00	675.00
Internal Documentation	0.30	0.00	0.00	0.00	0.30	202.50	675.00
Correspondence with Agent	0.00	0.00	0.20	0.30	0.50	150.00	300.00
Other assets	1.30	0.00	0.00	0.30	1.60	945.00	590.63
Property, business and asset sales - general	0.30	0.00	0.00	0.00	0.30	202.50	675.00
Cash at Bank	10.90	0.00	0.30	2.50	13.70	9,645.00	704.01
Correspondence/calls and emails with solicitors	2.60	0.00	0.10	0.00	2.70	2,321.25	859.725
	<b>17.60</b>	<b>0.00</b>	<b>0.60</b>	<b>3.10</b>	<b>21.30</b>	<b>14,951.25</b>	<b>701.94</b>
<b>Trading</b>							
Trading Accounts	11.00	0.00	0.00	0.80	11.80	10,492.50	889.20
Ongoing Trading Activities	36.50	0.00	0.00	4.10	40.60	35,141.25	865.55
Employee Matters	8.00	0.00	0.00	3.70	11.70	6,232.50	532.70
Management of operations	32.40	0.00	0.00	0.00	32.90	29,032.50	882.45
HMRC - PAYE and NIC	0.80	0.00	0.00	1.10	1.90	787.50	414.48
	<b>88.70</b>	<b>0.00</b>	<b>0.00</b>	<b>9.70</b>	<b>98.50</b>	<b>81,686.25</b>	<b>829.30</b>
<b>Creditors</b>							
Internal Documentation	15.30	0.00	0.00	4.50	19.80	11,340.00	572.73
Employees	0.50	0.00	0.00	0.70	1.20	495.00	412.50
Employee Communications	0.30	0.00	0.00	0.20	0.50	247.50	495.00
Correspondence and telephone calls	19.20	0.00	0.00	40.30	62.70	25,683.75	409.63
Distributions	26.30	0.00	0.00	2.10	28.60	19,278.75	674.08
Communication with creditors	39.60	0.00	3.80	30.40	74.80	37,650.00	503.34
Dealing with legal reps re creditors	17.90	0.00	0.00	1.40	21.40	13,815.00	645.56
Secured Creditors	0.00	0.00	0.30	0.00	0.30	123.75	412.50
Ordinary creditors	3.70	0.00	0.00	0.00	3.70	2,497.50	675.00
Employee claims	3.90	0.50	2.30	13.50	20.20	6,843.75	338.81
Pre appointment CT returns	0.50	0.00	0.00	0.00	0.50	337.50	675.00
Pre appointment VAT returns	0.30	0.00	0.00	0.00	0.30	202.50	675.00
Adjudication on claims	154.90	0.00	0.00	7.90	166.70	124,717.50	748.16
Dealing with Trade & Expense Creditor Claims	4.40	0.00	0.00	18.80	23.20	7,200.00	310.35
	<b>286.80</b>	<b>0.50</b>	<b>6.40</b>	<b>119.80</b>	<b>423.90</b>	<b>250,432.50</b>	<b>590.78</b>
<b>Case Specific Matters</b>							
Pre-appointment VAT	1.00	0.00	0.00	0.40	1.40	765.00	546.44

---

**APPENDIX III**

Shareholders liaison	11.40	0.00	0.00	0.00	11.60	7,830.00	675.00
legal issues	10.50	0.00	0.00	16.20	26.70	13,357.50	500.28
Pre-appointment Corporation Tax	2.30	0.00	0.00	0.10	2.40	1,575.00	656.25
Response to Regulatory Body	0.00	0.00	0.00	0.70	0.70	157.50	225.00
Pre-appointment PAYE	0.00	0.00	0.20	0.20	0.40	127.50	318.75
	<b>25.20</b>	<b>0.00</b>	<b>0.20</b>	<b>17.60</b>	<b>43.20</b>	<b>23,812.50</b>	<b>551.22</b>

**Pre Appointment**

Conflict Review, Ethical Review and all pre appointment checks	0.00	0.00	0.00	0.50	0.50	112.50	225.00
Case set up, filing and general administration	0.00	0.00	0.10	0.00	0.10	41.25	275.00
	<b>0.00</b>	<b>0.00</b>	<b>0.10</b>	<b>0.50</b>	<b>0.60</b>	<b>153.75</b>	<b>256.25</b>

**Forensics**

<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

<b>Total hours</b>	1,123.80	1.00	71.00	802.30	1,998.10		
<b>Time costs</b>	844,927.50	477.00	29,280.00	183,082.50	1,057,767.00		
<b>Average hourly rate</b>	751.85	477.00	412.40	228.20	529.39		

**Summary of Fees**

Time spent in administering the Assignment	<b>Hours</b>	1,998.10
Total value of time spent to 17 July 2023	<b>£</b>	1,057,767.00
Total Joint Administrators' fees charged to 17 July 2023	<b>£</b>	2,800,000.00

**Disbursements**

<b>Description</b>	<b>Total Incurred £</b>	<b>Total Recovered £</b>
Category1	50,000.00	50,000.00
CAT 1 Travel	2,486.73	0.00
CAT 1 Postage	21.20	0.00
CAT 1 Other fees and Expenses	194,149.75	193,569.54
CAT 2 Other Expenses	34.95	0.00
CAT 1 Subsistence	8.10	0.00
<b>Totals</b>	<b>246,700.80</b>	<b>243,569.50</b>

---

**PETROPAVLOVSK PLC (IN ADMINISTRATION)****CHARGE-OUT RATES AND BASES OF CATEGORY 2 EXPENSES****Information relating to Opus Restructuring LLP's Fees and Expenses****Explanation of Opus Restructuring LLP's charging and expense recovery policies****Time recording**

Work undertaken on cases is recorded in 6-minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are:

	Rates from 04.05.2020 £'s
Partner	863 – 938
Senior Manager / Director	563 – 675
Assistant Manager / Manager	450 – 585
Junior Administrator / Administrator / Senior Administrator	225 – 413
Cashier	300 - 338
Support Staff	225

**Expense recovery**

In line with the revised Statement of Insolvency Practice 9 effective from 1 April 2021, creditors will note that in our previous circulars, expenses were known as disbursements. Should any creditor require any clarification on this point or the impact it will have on their claim, please contact us for further information.

Expenses are categorised as either Category 1 or Category 2.

Category 1 expenses will generally comprise of external parties which will include the supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Opus Restructuring LLP and then recharged to the case, approval from creditors is required and are identified as Category 2 expenses. The amount recharged is the exact amount incurred.

Examples of Category 1 expenses include but are not limited to case advertising, invoiced travel, agents' costs and expenses, solicitors' fees and expenses, external room hire, bank charges, Insolv case management charge and properly reimbursed expenses incurred by personnel in connection with the case (including business mileage up to the HMRC approved rate for cases commenced before 1 November 2011). Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 expenses include elements of shared or allocated costs incurred by Opus and are recharged to the estate; they are not attributed to the estate by a third party invoice and they do not include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 expenses are photocopying, all business mileage (for cases commencing on or after 1 November 2011). Payment of Category 2 expenses require the approval of creditors.

Included in Category 2 expenses are costs incurred with associated parties. These include Forensic work undertaken by Opus Pear Tree Limited.

Examples of the current levels of Category 2 expenses recovered by Opus Restructuring LLP are as follows:

Postage	The current Royal Mail postage rates
Business mileage per mile	£0.45
Physical file set-up cost (per file) this is the actual cost of the stationery used for the setting up of the file*	£6.00
Bank Charges	£2 per month
Opus Pear Tree Limited for forensic work	Forensic work reviewing potential sanction issues and parties

\*The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

## PETROPAVLOVSK PLC (IN ADMINISTRATION)

## DETAILED LIST OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS

General Description	Includes
<b>Administration (including statutory reporting)</b>	
Statutory/advertising	Filing and advertising to meet statutory requirements
Document maintenance/file review/checklist	Filing of documents Periodic file reviews, including ethical, anti-money laundering and anti-bribery matters Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence and liaising with banks regarding the opening of accounts Liaising with Maccorp regarding use of account Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / review	Regular (lengthy) discussions regarding strategies to be pursued (constantly moving) Meetings with team members and independent advisers to consider practical, technical, and legal aspects of the complexities of the case including specialist counsel opinion on matters regarding sanctions Seeking advice on and making application to court as regards Administrators discharge as necessary.
Books and records / storage	Liaising with staff members regarding records to be collected. Dealing with records in storage Sending case files to storage
Creditor reports	Detailed SIP16 disclosure following pre-pack sale of assets Preparing proposal, six monthly progress reports, fee authority report to creditors (where appropriate), conversion to CVL (where appropriate) and final report Seeking extension via creditors (where appropriate) and/or court
Creditors' decisions	Preparation of decision notices, proxies/voting forms Collate and examine proofs and proxies/votes to establish decisions Consider objections received and requests for physical meeting or other decision procedure (For virtual meeting) Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, advertisement of meeting and draft minutes of meeting Issuing notice of result of decision on Proposals
<b>Investigations</b>	
SIP 2 Review	Collection, and making an inventory, of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company if necessary Reviewing company's books and records Preparation of deficiency statement Review of specific transactions (if identified) and liaising with directors regarding certain transactions
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with the Insolvency Service Submission of report to the Insolvency Service Preparation and submission of supplementary report (if required) Assisting the Insolvency Service with its investigations
Examinations	Preparing brief to solicitor* Liaising with solicitors regarding examinations * Attendance at examination* Reviewing examination transcripts * Liaising with solicitors regarding outcome of examinations and further actions available * *subject to findings from investigations
Litigation / Recoveries	Strategy meeting regarding litigation* Seeking funding from creditors* Reviewing terms of solicitors' conditional fee agreements*

	<p>Preparing brief to solicitors/Counsel*</p> <p>Liaising with solicitors regarding recovery actions*</p> <p>Dealing with ATE insurers*</p> <p>Attending to negotiations*</p> <p>Attending to settlement matters*</p> <p>*subject to findings from investigations</p>
<b>Realisation of Assets</b>	
Office furniture and equipment	<p>Liaising with valuers, auctioneers and interested parties</p> <p>Reviewing asset listings</p>
Leasehold Property	<p>Liaising with valuers and agents on marketing strategy and offers received</p> <p>Liaising with landlords</p> <p>Agreeing assignment or surrender</p> <p>Reviewing and negotiation dilapidations position</p> <p>Seeking alternative temporary office space</p>
Leasing	<p>Reviewing leasing documents</p> <p>Liaising with agents and owners/lessors</p>
Sale of the Assets	<p>Detailed, complex and lengthy negotiations regarding the share sale</p> <p>Seeking tax advice as necessary</p> <p>Undertaking daily multinational conference calls in hiatus period (between signing SPA and completion) to report progress and deal with any queries.</p> <p>Finalising the transfer of the shares to the purchaser</p> <p>Collecting full consideration on completion</p> <p>Sanction checks on all bonds prior to transfer and sale</p>
Other assets: Cash held in international bank accounts	<p>Liaising with bank(s) to recover cash at bank</p> <p>Application for OFSI licence to recover funds held in Cyprus</p> <p>Considerations as to residual balances held in other overseas accounts</p>
Insurance	<p>Identification of potential issues requiring attention of insurance specialists</p> <p>Correspondence with insurer regarding initial and ongoing insurance requirements</p> <p>Reviewing insurance policies</p> <p>Correspondence with previous brokers</p>
<b>Trading</b>	
Management of operations	<p>Establishing new accounts with utility providers</p> <p>Ensuring security of premises, computer system and equipment</p> <p>Daily discussions with management and staff</p> <p>Weekly meeting to discuss trading liabilities and authorising expenditure</p> <p>Maintaining purchase order registry</p> <p>Preparing and authorising receipt vouchers</p> <p>Preparing and authorising payment vouchers</p> <p>Liaising with RPO and Job Centre Plus regarding redundancies</p> <p>Arranging new PAYE scheme with HMRC and submitting online payroll returns</p> <p>Concluding payroll and issuing forms P45 when trading ceases</p> <p>Liaising with Pensions regulator regarding auto-enrolment</p>
Accounting for trading	<p>Reviewing company's cashflow</p> <p>Maintaining trading profit &amp; loss</p> <p>Trading strategy review</p> <p>Corporation tax returns</p> <p>Liaising with HMRC re VAT group position and reclaiming VAT</p>
Ongoing employee issues	<p>Review of staffing requirements for trading period</p> <p>Significant level of consultation with employees regarding contracts and entitlements</p> <p>Retention award considerations</p> <p>Deciding on and making redundancies as necessary</p> <p>Director indemnity considerations</p>
<b>Creditors (claims and distribution)</b>	
Creditor communication	<p>Receive and follow up creditor enquiries via telephone</p> <p>Review and prepare correspondence to creditors and their representatives via facsimile, email and post</p> <p>Corresponding with the PPF and the Pensions Regulator</p> <p>Seeking to identify bondholders. Requesting advice and potential application to Court for directions.</p>

## APPENDIX VI

Dealing with proofs of debt ('POD')	<p>Receipting and filing POD when not related to a dividend          Corresponding with RPO regarding POD when not related to a dividend</p>
Processing proofs of debt	<p>Preparation of correspondence to potential creditors inviting submission of POD          Receipt of POD          Adjudicating POD          Request further information from claimants regarding POD          Preparation of correspondence to claimant advising outcome of adjudication          Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims</p>
Distribution procedures	<p>Paying distribution to preferential/secondary preferential or unsecured creditors          The process below will need to be applied for each class of creditor paid:          Preparation of correspondence to creditors advising of intention to declare dividend          Advertisement of notice of intended dividend          Preparation of dividend calculation          Preparation of correspondence to creditors announcing declaration of dividend          Preparation of cheques/BACS to pay dividend          Preparation of correspondence to creditors enclosing payment of distribution          Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC          Dealing with unclaimed dividends          When paying the secondary preferential creditor the adjudication of HMRC's secondary preferential claim, may involve bringing the Company's preferential tax affairs up to date</p>
Scheme of Arrangement	<p>Application to Court          Initial Hearing at Court where Court decides whether to grant permission to call a meeting of proposed Scheme creditors          Communicate with Creditors to ensure they vote on the Scheme and provide claim documents          Meeting of creditors held where they voted to pass the Scheme          Return to Court in order to receive final Court sanction          Calculation of scheme consideration payable to creditors including statutory interest          Distribution to creditors under the Scheme including adjudicating on claim and holding claims in Trust if disputed.</p>