

# WU07

## Notice of progress report in a winding-up by the court



Companies House

WEDNESDAY



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A07

13/12/2017

#162

COMPANIES HOUSE

### 1 Company details

Company number 0 2 4 8 1 0 0 2

Company name in full MK Airlines Limited

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Carl James

Surname Bowles

### 3 Liquidator's address

Building name/number 66 Prescott Street

Street London

Post town E1 8NN

County/Region

Postcode

Country

### 4 Liquidator's name ①

Full forename(s) Stephen M

Surname Katz

① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number 26-28 Bedford Row

Street

Post town London

County/Region

Postcode W C 1 R 4 H E

Country

② Other liquidator

Use this section to tell us about  
another liquidator.

WU07

Notice of progress report in a winding-up by the court

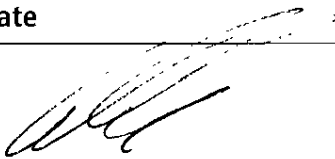
**6** Period of progress report

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**7** Progress report

<input checked="" type="checkbox"/> The progress report is attached	
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**8** Sign and date

Liquidator's signature	Signature <b>X</b>  <b>X</b>														
Signature date	<table border="1"><tr><td>d</td><td>0</td><td>6</td></tr></table>	d	0	6	<table border="1"><tr><td>m</td><td>1</td><td>2</td></tr></table>	m	1	2	<table border="1"><tr><td>y</td><td>2</td><td>0</td><td>1</td><td>7</td></tr></table>	y	2	0	1	7	
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WU07

Notice of progress report in a winding-up by the court

 **Presenter information**

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

Contact name	Danielle Bennett
Company name	Carter Backer Winter LLP
Address	66 Prescott Street London
Post town	E1 8NN
County/Region	
Postcode	
Country	
DX	
Telephone	020 7309 3800

 **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)



**JOINT LIQUIDATORS' ANNUAL PROGRESS REPORT**

**For the year ending 6 October 2017**

**MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION**  
**In the In the High Court of Justice No. 3054 of 2010**

**23 November 2017**

Carter Backer Winter LLP  
66 Prescott Street  
London  
E1 8NN

# **MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION**

## **Joint Liquidators' Annual Progress Report**

**23 November 2017**

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3. Joint Liquidators' actions since their Last Progress Report
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5. Liabilities
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7. Investigation into the affairs of the Company
8. Joint Liquidators' Remuneration
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3. Details of the work undertaken during the course of the Reporting Period
4. Details of Time Incurred in accordance with Statement of Insolvency Practice 9 together with CBW's current charge out rates for this type of work and policy on the reimbursement of Category 1 and Category 2 disbursements

# **MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION**

## **Joint Liquidators' Annual Progress Report**

**23 November 2017**

### **ABBREVIATIONS**

The following abbreviations are used throughout this Report and are summarised below:

<b>BBR</b>	Bridge Business Recovery LLP, 39 -45 Shaftesbury Avenue, W1D 6LA
<b>BVI</b>	British Virgin Islands
<b>CBW</b>	Carter Backer Winter LLP of 66 Prescott Street, London E1 8NN
<b>Claims</b>	(i) Bridge Remuneration & (ii) MK Investments Limited
<b>Company</b>	MK Airlines Limited of Landhurst, Hartfield, East Sussex, TN7 4DL, with registration number 02481002
<b>DRP</b>	David Rubin & Partners Limited of 26-28 Bedford Row, London WC1R 4HE
<b>HMRC</b>	HM Revenue & Customs
<b>Joint Liquidators</b>	Carl James Bowles of CBW and Stephen M Katz of DRP
<b>Liquidation Period</b>	7 October 2010 to 6 October 2017
<b>MKI</b>	MK Investments Limited of Victoria House, 26 Victoria Street, Douglas, IM1 2LE, Isle of Man
<b>Reporting Period</b>	7 October 2016 to 6 October 2017

# MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION

## Joint Liquidators' Annual Progress Report

23 November 2017

### 1. EXECUTIVE SUMMARY

- 1.1. Statutory information in relation to the Company is attached at **Appendix 1**.
- 1.2. A Winding Up Order was made against the Company on 6 October 2010 following a creditor's Winding Up Petition being served on them on 12 April 2010.
- 1.3. The Joint Liquidators were appointed to deal with the Company's Liquidation on 7 October 2010.
- 1.4. On 1 December 2010, the Company's creditors decided to form a Liquidation Committee. On 14 December 2010, the Certificate of Constitution was duly filed with the Registrar of Companies and was formed. Since its initial formation, two of the members of the Committee have resigned and we have recently been advised that a third member; TAA has entered into liquidation in the BVI. We are investigating whether the Committee remains properly constituted and in place.
- 1.5. Within two months of each anniversary of the Joint Liquidators' appointment, a progress report must be prepared and circulated to creditors. This report covers the seventh year of the Liquidation and should be read in conjunction with the Joint Liquidators' Report to Creditors dated 4 November 2010 and previous Annual Progress Reports dated 5 December 2011, 17 December 2012, 16 December 2013, 12 December 2014, 2 December 2015 and 28 November 2016.

### 2. RECEIPTS AND PAYMENTS ACCOUNT

- 2.1. My Receipts & Payments Account for the Liquidation Period which incorporates the Reporting Period, is attached at **Appendix 2**.
- 2.2. The balance of funds is held in the Insolvency Services Account operated by The Insolvency Service.

### 3. JOINT LIQUIDATORS' ACTIONS SINCE THEIR LAST REPORT

- 3.1. I continue to discharge with my statutory duties and prepare my reports at three monthly intervals pursuant to the Court Order made by the Chancellor on 26 April 2012.
- 3.2. I am continuing to liaise with my solicitors and assist them, as appropriate, in respect of the claims.
- 3.3. There is certain work that I am required by the insolvency legislation to undertake work in connection with the Liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is contained in **Appendix 3**.

### 4. ASSETS

#### *The Bridge Remuneration Claim*

- 4.1. Following Judgement on 5 October 2016 in favour of the Company, in the sum of £1,035,326, Mr Oldham (in his capacity as the former administrator) appealed the decision made by the Judge. The appeal was heard on 18<sup>th</sup> – 19<sup>th</sup> July 2017.
- 4.2. At the hearing, Judgement was reserved and the Judge asked for further submissions which are due to be addressed at an oral hearing, to be heard by the Court on 30 November 2017.
- 4.3. Mr Oldham has advised that he does not have sufficient insurance cover or personal assets to meet the claim, even if it is determined that the Company is successful in defending the appeal, the prospects of any recovery for creditors is, subject to Paragraph 4.4 below, unlikely.
- 4.4. A protective claim was registered with Mr Oldham's regulator and enabling bond underwriter in 2011. The bond is a statutory policy designed to protect creditors from loss caused by the fraudulent acts of the incumbent insolvency practitioner. The regulator has claimed that the notification made did not warrant them notifying the bondsman, and at this stage, despite the

# MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION

## Joint Liquidators' Annual Progress Report

23 November 2017

claim also being notified directly to the bondsman at the same time, the policy has failed to respond. This matter remains on hold pending the outcome of the appeal.

- 4.5. I have recently become aware that the regulator was put on notice in respect of this case and the potential claims arising by the partners of BBR when the frauds committed by their partner; Mr Bradney (one of the former joint administrators) was discovered. As such, it is possible that the bondsman was already on notice at a much earlier stage in the life of this case.

### **MKI**

- 4.6. I previously reported that there was no potential to recover any assets from MKI with the substantial claim of the Company having been rejected by Mr Oldham in his capacity as sole remaining liquidator of MKI.
- 4.7. I have since been advised by Mr Oldham that following the conversion of MKI from administration to liquidation, he was not in fact appointed as one of the joint liquidators when it was converted from administration into liquidation. Mr Duncan therefore became the sole liquidator, following the loss of Mr Bradney's insolvency licence, who subsequently resigned in 2012. We have since invited Mr Duncan to discuss this matter further but he has declined further involvement.
- 4.8. In September 2016, MKI was dissolved in the Isle of Man. At present, we have invited Mr Oldham's and Mr Duncan's regulator to review the position and to assist with an application to restore MKI to the Register of Companies to ascertain what happened between the period of Mr Duncan's resignation and dissolution. It appears that Mr Oldham may well have been a trespasser over MKI's assets during this period and therefore may be accountable to MKI's creditors for any losses suffered.
- 4.9. There is also the possibility that some liability may fall on Mr Duncan for having resigned and failed to protect the assets of the company.
- 4.10. There is also the potential to make a claim against Mr Bradney's bond in relation to assets from the sale of a DC8 aircraft as the proceeds from the sale in the sum of \$250,000 were drawn by BBR as fees relating to the MKA administration and do not appear to have been accounted for in either this company or MKI. This matter remains under review.

### **Bank Interest**

- 4.11. We have received Gross Bank Interest of £76.

## **5. LIABILITIES**

### **Crown Creditors**

- 5.1. HMRC claim stands at £926,277 and on the basis that there is no prospect of a dividend to non-preferential unsecured creditors, their claim has not been adjudicated.

### **Paragraph 99 Creditors**

- 5.2. The outstanding liabilities as ordered by the Court have been paid from the Paragraph 99 and the general pool of assets. You may recall that there were insufficient assets to pay these costs in full, from the Paragraph 99 pool and therefore funds from the general pool have been applied to discharge those expenses.

### **Non-Preferential Unsecured Creditors**

- 5.3. The non-preferential unsecured creditor position remains unchanged, claims received stand at £112,501,055. None of the claims received have been adjudicated for dividend purposes.



# MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION

## Joint Liquidators' Annual Progress Report

23 November 2017

### 6. DIVIDEND PROSPECTS

- 6.1. As previously advised, at present there are insufficient asset realisations to pay a dividend to the non-preferential unsecured creditors.

### 7. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

- 7.1. There are no additional matters that justified further investigation during the Reporting Period in the circumstances of this appointment.

### 8. JOINT LIQUIDATORS' REMUNERATION

#### *Remuneration relating to the Paragraph 99 Charge*

- 8.1. Pursuant to the Chancellor's Court Order of 26 April 2012, it was agreed that costs and remuneration up to a specified limit should fall as a first charge on the assets of the Company, since my last annual progress report the Joint Liquidators have incurred time costs as follows:-
- 8.2. CBW'S time costs for the period 27 October 2016 to 26 January 2017 amount to £9,267. DRP's time costs for the same period amount to £9,553.
- 8.3. CBW's time costs for the period 27 January 2017 to 26 April 2017 amount to £2,302. DRP's time costs for the same period amount to £829.
- 8.4. CBW's time costs for the period 27 April 2017 to 26 July 2017 amount to £4,337. DRP's time costs for the same period amount to £10,547.
- 8.5. CBW time costs for the period 27 July 2017 to 26 October 2017 amount to £1,035. DRP's time costs for the same period amount to £2,449
- 8.6. CBW & DRP have not drawn any remuneration relating to any of the above period and creditors should be aware that both practices still have very substantial approved costs outstanding.
- 8.7. A schedule of my time costs incurred to date which incorporates the Reporting Period is attached as **Appendix 4**.

#### *Remuneration relating to the Free Asset Pool*

- 8.8. As previously advised, both CBW & DRP have drawn remuneration from the free asset pool of £10,000 plus VAT, however, this fell outside of the last Reporting Period and is reflected in the attached Receipts and Payments Account.

### SUMMARY OF JOINT LIQUIDATORS' REMUNERATION

- 8.9. CBW's time costs amounts to £646,507, representing 2,118 of hours work at an average charge out rate of £305 per hour, of which £19,911 was incurred in the Reporting Period. DRP's time costs for the same period amount to £503,275 representing 1,343 hours of work at an average charge out rate of £375 per hour, of which £25,163 was incurred in the Reporting Period.
- 8.10. Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.
- 8.11. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows Carter Backer Winter LLP's fee policy are available at the link <http://www.cbw.co.uk/creditor-guides/>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the post April 2010 version.

# MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION

## Joint Liquidators' Annual Progress Report

23 November 2017

### 9. JOINT LIQUIDATORS' EXPENSES

9.1. CBW's expenses to 6 October 2017 amount to £15,375 of which £2,195 was incurred in the Reporting Period. DRP's expenses to 6 October 2017 amount to £750 of which £111 was incurred in the Reporting Period. CBW & DRP have not been able to draw any expenses in this matter.

9.2. I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Stephenson Harwood LLP Augusta Funding	Solicitors ATE Insurance and litigation	Time costs & subject to a CFA To be calculated based on recovery

9.3. The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

### 10. FURTHER INFORMATION

10.1. An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Liquidators' remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

10.2. An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Liquidators' as being excessive, and/or the basis of the Joint Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

10.3. To comply with the *Provision of Services Regulations 2009*, some general information about Carter Backer Winter LLP, including about our complaints policy and Professional Indemnity Insurance and the Insolvency Code of Ethics, can be found at <http://www.cbw.co.uk/wp-content/uploads/2017/10/Provision-of-Services-Regulations-2009-Oct-17.pdf>.

### 11. OTHER MATTERS

#### Code of Ethics

11.1. As Insolvency Practitioners, when carrying out all professional work relating to an insolvency appointment, Stephen M Katz and I are bound by the Insolvency Code of Ethics, as well as by the regulations of our professional body.

11.2. Stephen M Katz and I can confirm that we have not identified any threats to the ethical fundamental principles in respect of this case. Please note that regular monitoring of potential and actual threats to these principals continue throughout the Liquidation.

#### Timeframe to Conclude the Liquidation

11.3. The Liquidation will remain open until all outstanding matters have been fully resolved.

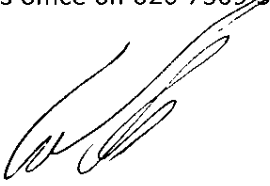
# **MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION**

## **Joint Liquidators' Annual Progress Report**

**23 November 2017**

### **Contact Details**

- 11.4. If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, please do not hesitate to contact Danielle Bennett of this office on 020 7309 3833 or by email at [danielle.bennett@cbw.co.uk](mailto:danielle.bennett@cbw.co.uk).



**Carl James Bowles**  
**Joint Liquidator**

**MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION**

**Joint Liquidators' Annual Progress Report**

**23 November 2017**

**APPENDIX 1**

**Statutory Information**

# MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION

## Joint Liquidators' Annual Progress Report

23 November 2017

### STATUTORY INFORMATION

Company's name: MK Airlines Limited

Company's number: 02481002

Trading address: Landhurst, Hartfield, East Sussex TN7 4DL, &, Brabazon Hangar, Filton Aerodrome, Filton Bristol

Registered office: 66 Prescott Street  
London  
E1 8NN

Former registered office: 21 Buckle Street  
Enterprise House  
London  
E1 8NN

Principal trading activity: Aviation

Court: In the High Court of Justice

Court Number: 3054 of 2010

Winding Up Petition date: 12 April 2010

Winding Up Order date: 6 October 2010

Joint Liquidators' names: Carl James Bowles and Stephen M Katz

Joint Liquidators' address: Carter Backer Winter LLP  
66 Prescott Street  
London  
E1 8NN

David Rubin & Partners Limited  
26-28 Bedford Row  
London  
WC1R 4HE

Joint Liquidators' date of appointment: 7 October 2010

Actions of the Joint Liquidators: Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both Joint Liquidators acting jointly or alone

Previous Insolvencies: Date of Administration-

(i) 10 June 2008 to 9 March 2009  
(*whilst Bridge Business Recovery LLLP were Administrators*)

(ii) 10 March 2009 to 23 June 2009  
(*whilst Grant Thornton were Administrators*)

Date of Company Voluntary Arrangement -

(i) 26 November 2008 to 21 January 2010  
(*whilst BBR LLP were Supervisors*)

# **MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION**

## **Joint Liquidators' Annual Progress Report**

**23 November 2017**

ii)– 24 June 2009 to 21 June 2010  
(*whilst SPW Poppleton & Appleby were Supervisors*)

Provisional Liquidation-

22 June 2010 to 6 October 2010  
(*where Grant Thornton were Provisional Liquidators*)

Court appointed Receivers –

6 October 2010 to 7 October 2010  
(*whilst Grant Thornton were Receivers*)

**MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION**

**Joint Liquidators' Annual Progress Report**

**23 November 2017**

**APPENDIX 2**

**Joint Liquidators' Receipts and Payments Account**

MK Airlines Limited - in Liquidation

Joint Liquidators' Abstract of Receipts and Payments  
for the period 7 October 2016 to 6 October 2017

	Total Para 99 Pool as at 06/10/2016	Total General Pool as at 06/10/2016	Para 99 Pool from 07/10/2016 to 06/10/2017	General Pool from 07/10/2016 to 06/10/2017	Total Para 99 Pool	Total General Pool	Total
	£	£	£	£	£	£	£
<b>Receipts</b>							
Halifax	43,316	-	-	-	43,316	-	43,316
KPMG Zambian settlement	9,441	-	-	-	9,441	-	9,441
Helicopter	13,733	-	-	-	13,733	-	13,733
Vehicles at Landhurst	11,488	-	-	-	11,488	-	11,488
MK Pallets	11,760	-	-	-	11,760	-	11,760
MK Airlines- Ghana	-	5,754	-	-	-	5,754	5,754
Swissport Litigation Claim	203,998	-	-	-	203,998	-	203,998
Refund from Kitsons	-	1,755	-	-	-	1,755	1,755
British Telecom	564	-	-	-	564	-	564
CAA Refund	-	810	-	-	-	810	810
Aviation Assets	509,423	-	-	-	509,423	-	509,423
South Eastern Power	-	45	-	-	-	45	45
VAT Refunds	-	676,930	-	-	-	676,930	676,930
Debtor - P & T Luxembourg	155	-	-	-	155	-	155
Shell Fuel Refund	-	3,696	-	-	-	3,696	3,696
Business Rates Refund	826,164	130,990	-	-	826,164	130,990	967,154
Exclusivity Payment - TAA	123,609	-	-	-	123,609	-	123,609
Settlement from Insurers	567,797	-	-	-	567,797	-	567,797
Security deposit at RWR	376,195	-	-	-	376,195	-	376,195
Clyde & Co transfer balance	2,778	-	-	-	2,778	-	2,778
JT Power	-	78,982	-	-	-	78,982	78,982
Interest Accrued - Solicitors Client Account	64	-	-	-	64	-	64
Interest Received from ISA Net of Tax	9,233	13,046	61	-	9,294	13,046	22,341
Petty Cash	-	40	-	-	-	40	40
Additional Land at Landhurst	46,500	-	-	-	46,500	-	46,500
National Eastern Bank - Miami	-	125,331	-	-	-	125,331	125,331
Cash at Bank- Held In former CVA trust	-	1,602	-	-	-	1,602	1,602
Petitioners Deposit	-	1,000	-	-	-	1,000	1,000
Marsh Insurance	-	4,965	-	-	-	4,965	4,965
	<u>2,766,217</u>	<u>1,044,946</u>	<u>61</u>	<u>-</u>	<u>2,766,278</u>	<u>1,044,946</u>	<u>3,811,225</u>
<b>Payments</b>							
Direct Labour - Security	98,963	-	-	-	98,963	-	98,963
Direct Expenses - Employees	66,768	-	-	-	66,768	-	66,768
Direct Expenses - Travel	59	-	-	-	59	-	59
RWR fees	342,903	-	-	-	342,903	-	342,903
RWR disbursements	7,359	-	-	-	7,359	-	7,359
Clyde & Co Transfer balance	25,746	-	-	-	25,746	-	25,746
DTI Cheque fees	-	10	-	-	-	10	10
O.R. Debit Balance	2,235	-	-	-	2,235	-	2,235
Specific Bond	-	2,820	-	-	-	2,820	2,820
Joint Liquidators Fees	190,101	123,155	-	20,000	190,101	143,155	333,256
MK Servers - Installation	3,567	-	-	-	3,567	-	3,567
Agents Fees - Engineering One	55,709	-	-	-	55,709	-	55,709
Agents Fees - Key Appraisal	17,477	-	-	-	17,477	-	17,477
IBA Group Professional Services	7,500	-	-	-	7,500	-	7,500
Agents Fees - Currells	-	3,662	-	-	-	3,662	3,662
Grant Thornton Receivership costs	38,693	-	-	-	38,693	-	38,693
Grant Thornton - Provisional Liquidator's	350,000	-	-	-	350,000	-	350,000
Legal Fees - Rosenblatt re Landhurst	12,292	-	-	-	12,292	-	12,292
Legal Fees & Disbursements - Rosenblatts	147,114	2,456	-	-	147,114	2,456	149,570
Counsel Fees	98,279	2,290	-	-	98,279	2,290	100,569
Legal Fees - Healys re Sale of Assets	26,800	-	-	-	26,800	-	26,800
Clyde & Co - CFA Costs	54,933	-	-	-	54,933	-	54,933
Clyde & Co - professional costs re Halifax	17,172	-	-	-	17,172	-	17,172
Clyde & Co - professional costs re KPMG Zambia	13,354	-	-	-	13,354	-	13,354
Clyde & Co - professional costs to include 60% CFA uplift	246,298	-	-	-	246,298	-	246,298
Clyde & Co disputed Invoices	14,322	-	-	-	14,322	-	14,322
Bell Dewar disbursements	31,654	-	-	-	31,654	-	31,654
Gordon Aber Counsel	25,293	-	-	-	25,293	-	25,293
Stephenson Harwood- professional costs re SAA	18,217	-	-	-	18,217	-	18,217
Stephenson Harwood- professional costs Re JT Power	-	19,296	-	-	-	19,296	19,296
Legal costs- Hunters	5,000	-	-	-	5,000	-	5,000
Mike Kruger expert witness costs	20,599	-	-	-	20,599	-	20,599
Zambian correspondent - DH Kemp	3,497	-	-	-	3,497	-	3,497
Royal Mail Redirection	-	25	-	-	-	25	25
Specialist Expenses re Litigation Claims	12,000	-	-	-	12,000	-	12,000
Storage Costs	3,121	-	-	-	3,121	-	3,121
Statutory Advertising	-	402	-	-	-	402	402
ISA CH	293	72,242	22	-	315	72,242	72,557
Paragraph 99 Distribution	1,009,724	402,077	-	-	1,009,724	402,077	1,411,801
Petitioners Costs & Disbursements	-	27,502	-	-	-	27,502	27,502
Committee expense	-	157	-	-	-	157	157
BAE Systems Ltd - Filton Rent	125,000	-	-	-	125,000	-	125,000
Insurance of assets	20,798	-	-	-	20,798	-	20,798
Shortfall due to exchange rate	3,304	-	-	-	3,304	-	3,304
VAT Irrecoverable	7,087	21	-	-	7,087	21	7,108
	<u>3,116,144</u>	<u>656,094</u>	<u>22</u>	<u>20,000</u>	<u>3,123,253</u>	<u>648,435</u>	<u>3,799,369</u>
	<u>(349,927)</u>	<u>388,552</u>	<u>39</u>	<u>20,000</u>	<u>356,975</u>	<u>396,511</u>	<u>11,857</u>



**MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION**

**Joint Liquidators' Annual Progress Report**

**23 November 2017**

**APPENDIX 3**

**Details of the work undertaken  
during the course of the Liquidation**

# **MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION**

## **Joint Liquidators' Annual Progress Report**

**23 November 2017**

**A description of the routine work undertaken in the Reporting Period to date is as follows**

### **1. Administration and Planning**

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Maintaining electronic case files
- Dealing with all routine correspondence and emails relating to the case.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Preparing, reviewing and issuing quarterly reports at three monthly intervals pursuant to the Court Order made by the Chancellor.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns (as appropriate)

### **2. Cashiering**

- Maintaining and managing the Joint Liquidators' estate bank account.
- Maintaining and managing the Joint Liquidators' cashbook.
- Ensuring statutory lodgements and tax lodgement obligations are met

### **3. Creditors**

- Maintaining up to date creditor information on the case management system.

### **4. Realisation of Assets**

- Assisting my solicitors, as appropriate and pursuing claims

**MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION**

**Joint Liquidators' Annual Progress Report**

**23 November 2017**

**APPENDIX 4**

**Details of Time Incurred in accordance with  
Statement of Insolvency Practice 9**

**CBW's current charge out rates for this type of work**

**CBW's policy on the reimbursement of Category 1 and Category 2  
disbursements**

**MK Airlines Limited - In Compulsory Liquidation**

**Time and Charge Out Summary for the period from 7 October 2016 to 6 October 2017**

**Hours**

	Partner	Director	Manager	Other Senior Professionals	Assistants and Support Staff	Total Hours	Total Costs	Average Hourly Rate
Administration and Planning	1.85	0.00	0.00	11.60	15.82	29.27	£6,039.98	£206.35
Cashiering	0.00	0.00	0.00	0.00	7.00	7.00	£0.00	£0.00
Compliance	0.00	0.00	0.00	2.30	0.00	2.30	£920.00	£400.00
Creditors	0.00	0.00	0.00	2.90	0.00	2.90	£1,160.00	£400.00
Legal	7.50	0.00	0.00	2.50	0.00	10.00	£4,675.00	£467.50
Report Preparation & Review	0.00	0.00	0.00	13.37	0.00	13.37	£5,346.66	£399.90
Review	0.00	0.00	0.10	4.00	1.00	5.10	£1,769.00	£346.86
	<b>9.35</b>	<b>0.00</b>	<b>0.10</b>	<b>36.67</b>	<b>23.82</b>	<b>69.94</b>	<b>£19,910.64</b>	<b>£284.68</b>

**Cost Per Employee Category**

**£4,581.50      £0.00      £44.00      £14,546.65      £738.49      £19,910.64**

Disbursements	£
PPS	393.19
Storage	1,606.98
Sundries	195.04
<b>Total</b>	<b>2,195.21</b>

**MK Airlines Limited - In Compulsory Liquidation**

**Time and Charge Out Summary for the period from 7 October 2010 to 6 October 2017**

**Hours**

	Partner	Director	Manager	Other Senior Professionals	Assistants and Support Staff	Total Hours	Total Costs	Average Hourly Rate
Administration and Planning	168.78	99.85	23.05	402.37	379.78	1,073.83	£312,277.85	£290.81
Attending Court	5.00	7.45	0.00	0.00	0.00	12.45	£5,155.00	£414.06
Cashiering	0.00	0.00	0.00	22.50	150.58	173.08	£0.00	£0.00
Case conferences and meetings (legal)	2.00	1.00	0.00	0.00	0.00	3.00	£1,350.00	£450.00
Compliance	22.50	0.00	0.25	32.13	0.00	54.88	£21,570.67	£393.05
Creditors	16.50	5.70	2.50	102.52	7.40	134.62	£48,741.34	£362.07
Debtor Realisations	6.50	0.00	0.00	0.00	0.00	6.50	£3,007.50	£462.69
Disqualification Investigator	0.00	0.50	0.00	1.75	0.00	2.25	£200.00	£88.89
Dividends	0.00	0.00	0.00	2.98	0.00	2.98	£1,133.67	£380.43
Employees	0.00	0.00	0.00	11.60	0.00	11.60	£4,681.50	£403.58
Investigations (Non disqualif	1.00	0.50	0.60	1.10	0.00	3.20	£1,185.00	£370.31
Legal	53.85	3.10	0.00	30.12	0.00	87.07	£36,623.84	£420.63
Meetings (Non-statutory)	0.00	2.00	1.00	11.23	0.00	14.23	£5,127.67	£360.34
Proposal Preparation	0.00	1.50	0.00	0.00	0.00	1.50	£600.00	£400.00
Realisation of Assets	91.95	103.60	0.70	80.21	5.00	281.46	£109,058.10	£387.47
Report Preparation & Review	5.00	9.25	0.00	147.37	0.00	161.62	£60,939.99	£377.06
Reservation of Title	0.00	0.00	0.00	0.10	0.00	0.10	£35.00	£350.00
Review	8.00	1.20	0.10	61.77	1.00	72.07	£26,920.84	£373.54
Statutory Meeting Attendanc	0.00	0.00	2.50	2.20	0.00	4.70	£1,745.00	£371.28
Statutory Meeting Preparatio	0.00	0.00	1.50	5.50	0.00	7.00	£2,510.00	£358.57
Taxation	2.00	0.00	0.00	7.60	0.00	9.60	£3,644.00	£379.58
	<b>383.08</b>	<b>235.65</b>	<b>32.20</b>	<b>923.05</b>	<b>543.76</b>	<b>2,117.74</b>	<b>£646,506.97</b>	<b>£305.28</b>

**Cost Per Employee Catego £168,381.33 £94,260.00 £12,345.00 £324,676.27 £46,844.37 £646,506.97**

Disbursements	£
Conveyers	9.61
Insolvency Bond	260.00
Other	272.95
PPS	1,273.63
Search Fees	36.00
Storage	11,146.99
Sundries	1,286.04
Travel / Fares	941.61
Advertising	148.50
<b>Total</b>	<b>15,375.33</b>

**CARTER BACKER WINTER LLP ("CBW")**

**CORPORATE RECOVERY AND INSOLVENCY DEPARTMENT**

**INSOLVENCY APPOINTMENTS**

**TIME COST CHARGE-OUT RATES FROM 1 JANUARY 2017**

	<u>Per Hour</u>
	<u>£</u>
Partner	490
Directors	490
Managers	440
Assistant Managers	400
Senior Administrators	390
Administrators	260
Junior Administrators	125 - 150
Cashier	0
Support Staff	0 - 185

**Note:**

Work undertaken on cases is recorded in 6 minute units utilising time-recording software.

Time properly incurred on insolvency cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. CBW's charge-out rates change from time to time.

**DISBURSEMENT RECOVERY**

Disbursements are categorised as either Category 1 or Category 2.

Category 1 disbursements generally comprise external supplies of incidental services specifically identifiable to the case. Where expenses are incurred and then recharged to the case, approval from creditors is not required. Examples of Category 1 disbursements include statutory advertising, specific bond insurance, document storage, postage, company search fees, and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot be practically provided internally, such as printing and room hire.

Category 2 disbursements include elements of shared or allocated costs where supplied internally. Category 2 disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. CBW does not charge Category 2 disbursements.

**CARTER BACKER WINTER LLP ("CBW")**

**CORPORATE RECOVERY AND INSOLVENCY DEPARTMENT**

**INSOLVENCY APPOINTMENTS**

**TIME COST CHARGE-OUT RATES FROM 1 JANUARY 2016**

	<u>Per Hour</u>
	<u>£</u>
Partner	475
Directors	475
Managers	430
Assistant Managers	400
Senior Administrators	380
Administrators	250
Junior Administrators	100
Cashier	0
Support Staff	0

**Note:**

Work undertaken on cases is recorded in 6 minute units utilising time-recording software.

Time properly incurred on insolvency cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. CBW's charge-out rates change from time to time.

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MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION							
LIQUIDATOR'S TIME COSTS							
FOR THE PERIOD 07/10/16 TO 06/10/17							
SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning	00:54	01:00	00:36	00:00	02:30	743.50	297.40
Investigations	60:24	00:00	00:00	00:00	60:24	23,858.00	395.00
Realisations of assets	00:18	01:30	00:00	00:00	01:48	561.00	311.67
Total hours and costs	61:54	02:30	00:36	00:00	64:42	25,162.50	388.91

LIQUIDATOR'S CUMULATIVE TIME COSTS							
FOR THE PERIOD FROM 07/10/10 TO 06/10/17							
SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
<b>Statutory compliance, admin and planning</b>							
IPS set up & maintenance	00:00	00:24	01:54	00:00	02:18	455.00	197.83
Statutory filings, circulars, notices, etc	04:18	27:42	06:06	00:00	38:06	8,566.00	224.83
Case planning, strategy & control	01:00	00:24	00:00	00:00	01:24	513.00	366.43
Accounting & Cashiering	01:54	00:54	03:12	05:18	11:18	2,281.50	201.90
Case reviews & Diary maintenance	33:00	02:12	02:54	00:00	38:06	13,841.50	363.29
Statutory reporting and compliance	30:54	10:30	19:12	00:00	60:36	18,048.50	297.83
<b>Investigations</b>							
OR CDDA matters & correspondence	01:48	00:18	00:00	00:00	02:06	799.50	380.71
Antecedant transactions & wrongful trading	43:06	00:00	00:00	00:00	43:06	16,924.00	392.67
Proceedings & recoveries	171:12	00:12	00:18	00:00	171:42	67,722.00	394.42
<b>Realisation of assets</b>							
Freehold & leasehold properties	00:00	00:00	01:36	00:00	01:36	224.00	140.00
Book debts collection	01:30	00:00	00:00	00:00	01:30	585.00	390.00
Tangible assets	401:36	06:12	00:48	00:00	408:36	157,555.00	385.60
<b>Creditors</b>							
Secured creditors	483:36	00:00	01:42	00:00	485:18	188,279.00	387.96
Unsec'd Creditors' correspondence & claims	30:54	02:42	01:18	00:00	34:54	12,927.00	370.40
Preferential creditors & employees	02:30	01:00	00:00	00:00	03:30	1,203.00	343.71
Creditors' Committee	27:54	08:00	02:12	00:00	38:06	12,970.50	340.43
<b>Trading</b>	01:00	00:00	00:00	00:00	01:00	380.00	380.00
Total hours and costs	1236:12	60:30	41:12	05:18	1343:12	503,274.50	374.68



The above headings include *inter alia*

**Administration and Planning**

case planning  
 appointment notification  
 maintenance of records  
 statutory reporting and compliance  
 tax and VAT

**Investigations**

general investigatory matters  
 reports and assistance to Official Receiver  
 investigating antecedent transactions

**Realisation of Assets**

identifying and securing assets  
 debt collection  
 property, business and asset sales  
 pursuing antecedent transactions

**Creditors**

communications with creditors  
 creditors claims (including secured creditors, employees and preferential creditors)  
 Dealing with legal actions and claims re Paragraph 99 charge and balance of general pool

**Direct expenses (“Category 1 disbursements”)**

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be

	y/e 06/10/17	cumulative p/e 06/10/17
	£	£
Travel and meeting expenses	-	368 76
Companies House search fees		90 00
Courier costs	-	82.30
Land Registry search fees	-	28 00
Carriage and Archiving	110 50	180 50
	<u>110.50</u>	<u>749.56</u>

**Indirect expenses (“Category 2 disbursements”)**

It is normal practice to also charge the following indirect disbursements (“Category 2 disbursements” as defined by SIP 9) to the case,

**Postage and stationery: circulars to creditors**

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

**Meeting Costs:** Use of Meeting Room is charged at £150 per session

**Storage and Archiving**

**Mileage** incurred as a result of any necessary travelling is charged to the estate at the HM Revenue & Customs approved rate, currently

Our current chargeout rates are as follows:

	£
Senior/Managing Partners	450
Partners/Office holders	300 - 395
Managers / Senior Managers	250 - 295
Senior Administrators	180 - 220
Administrators	130 - 160
Cashiers and Assistants	120 - 160
Supports	110 - 120