

**MK Airlines Limited  
(in Liquidation)**

Joint Liquidators' Annual Report

2 December 2015

02481002

**MK Airlines Limited (in Liquidation)**

**Joint Liquidators' Annual Report to Members and Creditors  
For the year ending 6 October 2015**

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**Carter Backer Winter LLP  
66 Prescott Street  
London  
E1 8NN**

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**MK Airlines Limited**  
**(in Liquidation)**

Joint Liquidators' Annual Report

2 December 2015

**1. STATUTORY INFORMATION**

Company name	MK Airlines Limited
Court	3054 of 2010 In the High Court of Justice Court
Registered office	66 Prescott Street London E1 8NN
Former registered office	21 Buckle Street Enterprise House London E1 8NN
Date of Administration	10 June 2008 to 9 March 2009 (Bridge Business Recovery LLP were Administrators)
Company Voluntary Arrangement	24 June 2010 to 6 October 2010 (SPW Poppleton & Appleby were Supervisors)
Provisional Liquidation	22 June 2010 to 6 October 2010 (Grant Thornton were Provisional Liquidators)
Registered number	02481002
Joint Liquidators' names	Carl James Bowles Stephen M Katz
Joint Liquidators' address	Carter Backer Winter LLP 66 Prescott Street London E1 8NN  David Rubin & Partners Ltd 26-28 Bedford Row London WC1R 4HE
Joint Liquidators' date of appointment	7 October 2010

**2. RECEIPTS AND PAYMENTS ACCOUNT**

Our Receipts & Payments Account for the period from 7 October 2014 to 6 October 2015 and for the liquidation as a whole is attached at Appendix 1. This has been split between the Paragraph 99 Pool and the General pool of assets as directed by the Court and pursuant to the Court Order made on 26 April 2012.

**3. ASSETS**

**3.1 The Bridge Remuneration Claim**

You may recall that the Joint Liquidators received formal sanction to bring proceedings against the former Bridge Administrators for unauthorised drawings of remuneration and expenses during their time in office.

Following confirmation of funding and insurance, our solicitors, Stephenson Harwood LLP have issued proceedings in the High Court against Mr Oldham. This claim was challenged by Mr Oldham and as a consequence a hearing took place on 28 July 2015 at which permission was granted by the Court for the



claim against Mr Oldham to be pursued. The full hearing of the claim is scheduled to take place on 5 July 2016 and the claim is in the sum of circa £850,000 plus interest and costs.

### **3.2 The MK Investments Limited ("MKI") Claim**

The joint liquidators continue to monitor the situation with regard to this claim. Mr Oldham remains as the sole liquidator of MKI and has rejected the company's claim in that liquidation whilst at the same time having retained the proceeds of sale of a DC8 aircraft which were initially banked by the Bridge administrators into an MKA account within the administration.

The latest report seen for the MKI business indicates that Mr Oldham is pursuing a claim against the bond of Mr Bradney, one of the former joint administrators of both MKA and MKI.

Legal advice has been taken on the company's position and we will continue to monitor the situation and if appropriate take action to preserve MKA's position in due course.

### **3.3 Wrongful trading and other potential antecedent transactions**

As set out in our previous report we have continued to investigate a number of potential claims which include amongst others the following areas:

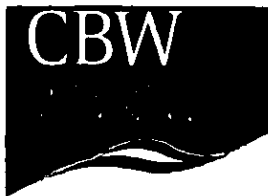
1. A potential claim for damages against Grant Thornton in connection with the maintenance of the airline's assets during the Provisional Liquidation period.
2. Action in connection with the representations made to the CAA and subsequent release of guarantees given by various parties for the benefit of the Company's unsecured creditors.
3. Potential wrongful trading by the former Administrators in connection with losses incurred during the administration period in excess of indemnities given by the shareholders.
4. Potential wrongful trading by the Directors in the period leading up to the Administration.
5. Potential preference claim in connection with the sum of £3.8 million repaid to Flamingo Holdings Limited on 28 December 2006.
6. Potential defects in the CVA put in place by the Bridge Administrators.
7. The involvement of the Bridge Administrators in the pre-administration "planning" and matters relating to the restructuring of the security arrangements by the former ultimate shareholders and Directors (to include De Facto and Shadow Directors).
8. Payment made to Bridge Recovery LLP prior to the administration commencing in the sum of £100,000.
9. Payment of administration pre appointment legal costs to Salan's from post appointment funds without creditor approval.
10. The extent to which Grant Thornton, as successor administrators, may be responsible for failures to investigate and report on failures by the Bridge Administrators and the possible consequences for potential recovery actions within the liquidation.

To date we have been unable to secure funding support for these claims and therefore we have been unable to pursue them.

We will continue to monitor the ability to pursue any such claims based on the success of the action against Mr Oldham and the realisation of funds as a consequence.

### **3.4 Realisations regarding pallets**

There have been no further realisations.



### **3.5 Bank Interest**

We have received bank interest of £1,326.

## **4. LIABILITIES**

### **Crown Creditors**

HM Revenue & Customs' claim still stands at £926,277 and has not yet been adjudicated.

### **Paragraph 99 Creditors**

The outstanding liabilities as ordered by the Court have been paid from both the Paragraph 99 and the general pool of assets. As you may recall there were insufficient assets to pay these costs in full from the Paragraph 99 pool. The amounts paid are as follows -

Provisional Liquidators fees totalling £350k, the final balance of £200k was paid on 17 December 2014

In the event that further recoveries are made in the Paragraph 99 pool these funds will be reimbursed to the general pool

### **Unsecured Creditors**

The statement of affairs included £5,344,945. To date no further claims have been submitted since my last report and unsecured creditor claims stand at £112,501,054.51

## **5. STEPS TAKEN BY THE LIQUIDATORS' PURSUANT TO THE UNDERTAKING**

Pursuant to the Court Order made by the Chancellor on 26 April 2012, it was agreed that the Joint Liquidators would report at 3 monthly intervals to the Paragraph 99 claimants, and to report on (i) our compliance with our undertaking given on 26 April 2012 (ii) our time costs and other costs and disbursements incurred and (iii) other steps taken in the Liquidation

Since our last report, we have specifically reported to the Paragraph 99 claimants on 15 June 2015. We shall continue to do so, until such time as all matters relating to the winding up has been completed

As outlined before, I do not propose to include in this report matters covered specifically by the Liquidators' undertakings that relate directly to the Paragraph 99 claimants, however if you wish to see a copy of our report(s) then hard copies can be provided upon request

We can confirm that with the exception of the requirement to report quarterly and the requirement to convene and hold a final meeting we believe that we have fully complied with all of the undertakings given to the Court

## **6. OTHER STEPS TAKEN IN THE LIQUIDATION**

I set out the undertakings detailed in the Court Order of 26 April 2012 in my last periodic report of 15 June 2015. The progress made since this period is as follows -

6.1 The progress in realising the remaining assets identified at Column 5 of the estimated outcome statement at Page 60 of Exhibit SK12 to the 6<sup>th</sup> witness statement of Stephen Katz dated 23 January 2012 are detailed above within paragraphs 3.1 to 3.4.

6.3 The Joint Liquidators' time costs for this reporting period remain outstanding and are detailed in Section 7 below

6.4 No additional payments have been made to any third parties apart from a sum of £27,502, in respect of the petitioner's creditor's costs to include the costs incurred for challenging the CVA and a sum of £5,000 on account of costs to Hunters, a firm of solicitors



Hunters were retained to investigate the issues arising out of the liquidation as detailed in Paragraph 3.3 above and specifically the release of the guarantee provided by Flamingo Holdings.

They were initially instructed on an informal CFA basis

In June 2015 we agreed to a fixed retainer in the sum of £5,000 plus VAT in order to secure formal advice with the benefit of input from Counsel

Hunters have a dedicated Insolvency department and we were satisfied that they had the necessary specialisation to review this matter and the issues noted above and to provide the required advice

6.5 Since my last report no further distributions have been paid to the Paragraph 99 claimants. Although, we have received a refund in the sum of £19,987 on 7 April 2015 from Deloitte, who claim that this is an overpayment

6.6 The joint liquidators have identified a claim against TAA in the sum of c£100,000 in connection with an amount paid out relating to mesne profits in connection with the Landhurst property. This sum arose during the period in which the aviation assets remained on site following disclaimer of the lease and after the period in which TAA had acquired them. The sum claimed has not been formally pursued as yet on the basis that TAA is a BVI company, the joint liquidators are without funds to do so and the prospects of successful recovery appear to be remote

6.7 Pre-action correspondence has been received from a barrister purporting to act on behalf of an unspecified and undefined group of creditors led by Mr Oldham. The matter has been notified to insurers and Solicitors have been instructed. A Letter of Response has been sent denying liability.

## **7. JOINT LIQUIDATORS' REMUNERATION**

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

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, the Joint Liquidators have drawn remuneration as follows -

The Joint Liquidators have drawn remuneration as approved by the Court at £75,000 from the Paragraph 99 pool. CBW and DRP have drawn funds of £37,500 each in respect of this remuneration.

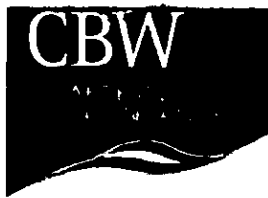
The Chancellor made a further provision of £235,000 for our time costs and associated legal costs going forward post 3 September 2012 on the basis that the Joint Liquidators' gave various undertakings ("the undertaking") to progress the case towards closure. Various sums in respect of CBW's and DRP's time costs have been drawn from this provision as detailed further below -

A further Court hearing was held on 11 September 2012 in part to seek approval from the Court for further remuneration to be drawn from the Paragraph 99 Pool to be calculated on a time costs basis. This was duly approved by the Registrar and the overall quantum of our remuneration to that point in time was agreed at the same time. It was authorised that the Liquidators' post 26 April 2012 costs and remuneration shall fall as a first charge on the assets of the company. CBW has therefore drawn time costs of £43,981 for the period up to 3 September 2012. DRP drew their time costs for the same period of £35,506

CBW has drawn time costs in dealing with matters covered by the undertaking of £27,195 for the period 4 September 2012 to 26 October 2012 and DRP have drawn time costs in dealing with matters covered by the undertaking for the same period of £12,640

CBW has drawn time costs of £15,793 relating to time incurred for the period 26 October 2012 to 26 January 2013. DRP's incurred time costs of £14,136 for the same period. Against these time costs DRP have partly drawn time costs of £5,170

CBW's time costs for the period 7 October 2013 to 26 January 2014 amount to £16,410. DRP's time costs for the same period amount to £6,803



CBW's time costs for the period 27 January 2014 to 26 April 2014 amount to £9,447 DRP's time costs for the same period amount to £6,803

CBW's time costs for the period 27 April 2014 to 26 July 2014 amount to £5,102 DRP's time costs for the same period amount to £24,202

CBW's time costs for the period 27 October 2014 to 26 January 2015 amount to £14,793 DRP's time costs for the same period amounts to £12,432

CBW's time costs for the period 27 January 2015 to 26 April 2015 amount to £1,993 DRP's time costs for the same period amounts to £3,071

CBW & DRP have not drawn any remuneration relating to any of the above periods and creditors should be aware that both practices have very substantial approved costs outstanding

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

Pursuant to the Chancellors order when approving the costs it was acknowledged that sums that have been paid are to be allocated to the free asset pool. We have accordingly reallocated certain payments and the time costs referred to above have been apportioned between the Paragraph 99 pool and the free asset pool

CBW & DRP have drawn time costs totalling £33,155 from the free asset pool CBW has drawn £17,867 and DRP have drawn £15,288

Our remuneration relating to the free asset pool is to be calculated on a time costs basis and to be drawn as and when funds are available, and as approved by creditors by a resolution of the Liquidation Committee by a meeting held on 15 December 2010

Since our last report, both CBW & DRP have drawn remuneration from the free asset pool of £20,000 plus VAT In addition and on the basis that all costs in the various Court proceedings have been discharged, both CBW & DRP have drawn the further sum of £25,000 plus VAT

#### **8. SUMMARY OF LIQUIDATORS' TIME COSTS**

CBW's time costs for this reporting period amounts to £30,004 (being 104 hours at an average hourly rate of £288) See Appendix 2 DRP's time costs for the same period amount to £42,633 (being 114 hours at an average hourly rate of £372)

CBW's cumulative time costs for the period 7 October 2010 to 6 October 2015 amounts to £604,375 (being 1,976 hours at an average hourly rate of £306) DRP's time costs for the same period amount to £464,921 (being 1,241 hours at an average hourly rate of £375)

A description of the routine work undertaken in the liquidation in respect of time incurred in connection with the paragraph 99 pool and free asset pool to date are as follows

- 1 **Administration and Planning**
  - Preparing the documentation and dealing with the formalities of appointment
  - Statutory notifications and advertising.
  - Preparing documentation required
  - Dealing with all routine correspondence
  - Maintaining electronic records and case information
  - Review and storage
  - Case bordereau.
  - Case planning and administration
  - Preparing reports to members and creditors.
  - Convening and holding meetings of members and creditors
  - Review and storage of books and records
- 2 **Cashiering**
  - Maintaining and managing the liquidator's cashbook and bank account
  - Ensuring statutory lodgements and tax lodgement obligations are met



**3**     **Creditors**

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining electronic creditor records
- Reviewing and adjudicating on proofs of debt received from creditors

**4**     **Investigations**

- Conduct investigations into suspicious transactions.
- Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors

**5.**     **Realisation of Assets**

- Corresponding with debtors and attempting to collect outstanding book debts
- Liaising with the company's bank regarding the closure of the account

In addition to the routine work above, I have spent additional time as follows:

- Investigating potential litigations claims and liaising with our professional advisors,
- Attendance at Court hearings and complying with the Liquidators' undertakings,
- Liaising with solicitors acting on behalf of the Administrators of MK Airlines Property Limited,
- Exchange of communication with the Liquidation Committee and reporting to them accordingly,
- Preparing our quarterly reports pursuant to the Court,
- Providing a full report to the charge-holders and regular updates to the Paragraph 99 Creditors,
- Liaising with Grant Thornton in relation to their claims during the Provisional Liquidation period,
- Liaising with Grant Thornton in connection with their Receivership costs and making payment;
- Liaising with all other known third parties,
- Liaising with all legal advisors concerning various proceedings,

A copy of 'A Creditors' Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals is available at [www.cbw.co.uk/creditor-guides](http://www.cbw.co.uk/creditor-guides). Please note that there are different versions for cases that commenced before or after 6 April 2010 and in this case you should refer to the post-April 2010 version. A hard copy is available on request.

**9. JOINT LIQUIDATORS' EXPENSES**

CBW's expenses to 6 October 2015 amount to £3,043

DRP's firm's "category 1" expenses amount to £5.

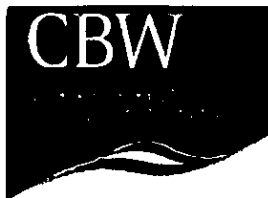
The following agents or professional advisors have been utilised in this matter:

Professional Advisor	Nature of Work	Fee Arrangement
Stephenson Harwood	Solicitors	Time costs & subject to a CFA
Follett Stock LLP	Solicitors	Full or partial CFA basis
Brechters	Solicitors	Time costs
Hunters	Solicitors	Full or partial CFA basis and then fixed fee

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

**10. FURTHER INFORMATION**

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 Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.



An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

#### **10. DIVIDEND PROSPECTS**

Based on current estimates it is not possible to distribute a dividend to the unsecured creditors. However, should the position change we shall notify the creditors accordingly.

#### **11. SUMMARY**

The liquidation will remain open until all outstanding matters have been fully resolved and we are therefore unable to provide you with an estimated timescale to complete. Once all issues have been dealt with and the Liquidators have complied with the undertakings given to the Court, the liquidation will be finalised and our files will be closed.

Should you have any queries regarding this matter please contact Danielle Bennett on d +44 (0)20 7309 3833.

A handwritten signature in black ink, appearing to read 'C J Bowles', is located below the summary text.

**C J Bowles**  
**Joint Liquidator**





**MK Airlines Limited**

**(in Liquidation)**

Joint Liquidators' Annual Report

2 December 2015

## **APPENDIX 1**

### **Joint Liquidators' Receipts and Payments Account**

**MK Airlines Limited - in Liquidation**

**Joint Liquidators' Abstract of Receipts and Payments  
for the period 6 October 2014 to 6 October 2015**

	<b>Total Para 99 Pool as at 06/10/2014</b>	<b>Total General Pool as at 06/10/2014</b>	<b>Para 99 Pool from 07/10/2014 to 06/10/2015</b>	<b>General Pool from 07/10/2014 to 06/10/2015</b>	<b>Total Para 99 Pool £</b>	<b>Total General Pool £</b>	<b>Total</b>
<b>Receipts</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Halifax	43,316	-	-	-	43,316	-	43,316
KPMG Zambia 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 Kitzons	-	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	836,164	130,990	-	-	836,164	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	64	-	-	-	64	-	64
Client Account	-	-	-	-	-	-	-
Interest Received from ISA Net of Tax	8,881	12,961	352	-	9,233	12,961	22,194
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
	<u>2,765,865</u>	<u>1,039,896</u>	<u>352</u>	<u>-</u>	<u>2,766,217</u>	<u>1,039,896</u>	<u>3,806,113</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 Debt Balance	2,235	-	-	-	2,235	-	2,235
Specific Bond	-	2,520	-	300	-	2,820	2,820
Joint Liquidators Fees	190,101	33,155	-	90,000	190,101	123,155	313,256
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 Currents	-	3,662	-	-	-	3,662	3,662
Grant Thornton Receivership costs	38,693	-	-	-	38,693	-	38,693
Grant Thornton Provisional Liquidator's	150,000	-	200,000	-	350,000	-	350,000
Provision for Landlord claim in Game	-	-	-	-	-	-	-
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 - Healy's 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 Nuyes expert account	20,599	-	-	-	20,599	-	20,599
Zambian correspondent DM 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	-	1,291	-	147	-	1,438	1,438
Statutory Advertising	-	402	-	-	-	402	402
ISA CH	187	67,980	-	3,769	187	71,748	71,935
Paragraph 99 Distribution	1,009,723	228,301	201,627	27,502	1,211,350	228,301	1,439,651
Petitioners Costs & Disbursements	-	-	-	157	-	157	157
Committee expense	-	-	-	-	-	-	-
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 receivable	-	-	-	-	-	-	-
	<u>2,907,916</u>	<u>361,388</u>	<u>406,627</u>	<u>121,874</u>	<u>3,293,745</u>	<u>483,262</u>	<u>3,797,805</u>
	<u>(142,051)</u>	<u>678,508</u>	<u>406,275</u>	<u>121,874</u>	<u>527,528</u>	<u>556,634</u>	<u>8,308</u>



**MK Airlines Limited**

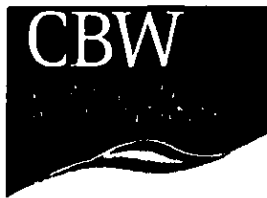
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Joint Liquidators' Annual Report

1 December 2015

## **APPENDIX 2**

**Details of Time Incurred in accordance with  
Statement of Insolvency Practice 9  
together with CBW's & DRP's current charge out rates  
for this type of work**



**MK Airlines Limited**

**(in Liquidation)**

Joint Liquidators' Annual Report

2 December 2015

## **APPENDIX 2**

**Details of Time Incurred in accordance with  
Statement of Insolvency Practice 9  
together with CBW's & DRP's current charge out rates  
for this type of work**

**K Airlines Limited - In Compulsory Liquidation**

**Time and Charge Out Summary for the period from 7 October 2010 to 6 October 2015**

Hours

	Partner	Director	Manager	Other Senior Professionals	Assistants and Support Staff	Total Hours	Total Costs	Average Hourly Rate
Administration and Planning	164.93	99.85	23.05	376.24	352.31	1,016.38	£299,275.20	£294.45
Attending Court	5.00	7.45	0.00	0.00	0.00	12.45	£5,155.00	£414.06
Charging	0.00	0.00	0.00	22.50	137.25	159.75	£0.00	£0.00
Use conferences and meetings (gal)	2.00	1.00	0.00	0.00	0.00	3.00	£1,350.00	£450.00
Compliance	22.50	0.00	0.25	28.23	0.00	50.98	£20,036.67	£393.03
Editors	16.50	5.70	2.50	95.72	7.40	127.82	£46,075.34	£360.47
Debtor Realisations	6.50	0.00	0.00	0.00	0.00	6.50	£3,007.50	£462.69
Insolvency Investigation	0.00	0.50	0.00	1.75	0.00	2.25	£200.00	£88.89
Interventions	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 disqualification)	1.00	0.50	0.60	1.10	0.00	3.20	£1,185.00	£370.31
Legal	38.95	3.10	0.00	27.62	0.00	69.67	£28,322.84	£406.53
Meetings (Non-statutory)	0.00	2.00	1.00	11.21	0.00	14.21	£5,127.67	£360.34
Opposition 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	80.01	5.00	281.26	£108,978.10	£387.46
Report Preparation & Review	5.00	9.25	0.00	116.73	0.00	130.98	£48,916.67	£373.47
Reservation of Title	0.00	0.00	0.00	0.10	0.00	0.10	£35.00	£350.00
Review	7.00	1.20	0.00	51.97	0.00	60.17	£22,395.84	£372.21
Statutory Meeting Attendance	0.00	0.00	2.50	2.20	0.00	4.70	£1,745.00	£371.28
Statutory Meeting Preparation	0.00	0.00	1.50	5.50	0.00	7.00	£2,510.00	£358.57
Training	2.00	0.00	0.00	7.60	0.00	9.60	£3,644.00	£379.58
	363.33	235.65	32.10	843.08	501.96	1,976.12	£604,375.00	£305.84
1st Per Employee Category	£158,703.83	£94,260.00	£12,301.00	£293,354.29	£45,755.88		£604,375.00	

**Net Per Employee Category**

Disbursements	£
Couriers	9.61
Insolvency Bond	260.00
Other	272.95
PPS	713.83
Search Fees	36.00
Storage	6,255.74
Sundries	1,091.00
Travel / Fares	941.61
Advertising	148.50
<b>Total</b>	<b>11,729.24</b>

**K Airlines Limited- In Compulsory Liquidation  
Time and Charge Out Summary for the period from 7 October 2014 to 6 October 2015**

**Hours**

	Partner	Director	Manager	Other Senior Professionals	Assistants and Support Staff	Total Hours	Total Costs	Average Hourly Rate
Administration and Planning	4	0 00	0 00	27 97	13 62	45 59	£12,922 33	£283 45
Accounting	0 00	0 00	0 00	0 00	13 50	13 50	£0 00	£0 00
Editors	0 00	0 00	0 00	14 33	0 30	14 63	£5,476 67	£374 35
Implementation	0 00	0 00	0 00	0 70	0 00	0 70	£266 00	£380 00
Investigations (Non disqualification)	0 00	0 00	0 60	0 00	0 00	0 60	£144 00	£240 00
Legal	1 50	0 00	0 00	0 30	0 00	1 80	£834 00	£463 33
Realisation of Assets	0 00	0 00	0 00	0 10	0 00	0 10	£38 00	£380 00
Report Preparation & Review	0 00	0 00	0 00	15 50	0 00	15 50	£5,890 00	£380 00
View	0 00	0 00	0 00	10 07	0 00	10 07	£3,825 34	£379 87
Execution	0 00	0 00	0 00	1 60	0 00	1 60	£608 00	£380 00
<b>Sub Total</b>	<b>5 50</b>	<b>0 00</b>	<b>0 60</b>	<b>70 57</b>	<b>27 42</b>	<b>104 09</b>	<b>£30,004 34</b>	<b>£288 25</b>

**Cost Per Employee Category**

**£405 00**

**£26,815 34**

**£144 00**

**£0 00**

**£2,640 00**

Disbursements	£
Advertising	148 50
PPS	565 35
Storage	2,229 24
<b>Total</b>	<b>3,043 09</b>

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

**CORPORATE RECOVERY AND INSOLVENCY DEPARTMENT**

**INSOLVENCY APPOINTMENTS**

**TIME COST CHARGE-OUT RATES FROM 1 JANUARY 2015**

	<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

**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

## MK AIRLINES LIMITED - IN COMPULSORY LIQUIDATION

LIQUIDATOR'S TIME COSTS							
FOR THE PERIOD 07 OCTOBER 2014 TO 06 OCTOBER 2015							
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	04 54	02 30	08 06	00 48	16 18	4,076 00	250 0
Investigations	10 00	00 00	00 00	00 00	10 00	3,950 00	395 0
Realisations of assets	76 18	00 00	00 48	00 00	77 06	30,247 50	392.3
Creditors	10 54	00 00	00 18	00 00	11 12	4,359 50	389 2
Total hours and costs	102 06	02 30	09 12	00 48	114 36	42,633 00	372 0

LIQUIDATOR'S CUMULATIVE TIME COSTS							
FOR THE PERIOD FROM 07 OCTOBER 2010 TO 06 OCTOBER 2015							
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 24	00 00	01 48	390 00	216 6
Statutory filings circulars, notices, etc	04 18	27 42	06 06	00 00	38 06	8,566 00	224 8
Case planning, strategy & control	01 00	00 24	00 00	00 00	01 24	513 00	366 4
Accounting & Cashiering	01 54	00 54	03 00	04 48	10 36	2,163 50	204.1
Case reviews & Diary maintenance	32 30	02 12	02 06	00 00	36 48	13,515 00	367.2
Statutory reporting and compliance	29 48	07 42	15 42	00 00	53 12	16,258 00	305 6
<b>Investigations</b>							
OR CDDA matters & correspondence	01 48	00 18	00 00	00 00	02 06	799 50	380 7
Antecedent transactions & wrongful trading	41 54	00 00	00 00	00 00	41 54	16,450 00	392 6
Proceedings & recoveries	83 36	00 12	00 18	00 00	84 06	33,120 00	393 8
<b>Realisation of assets</b>							
Freehold & leasehold properties	00 00	00 00	01 36	00 00	01 36	224 00	140 0
Book debts collection	01 30	00 00	00 00	00 00	01 30	585 00	390 0
Tangible assets	401 00	04 42	00 48	00 00	406 30	156,875 50	385 9
<b>Creditors</b>							
Secured creditors	483 36	00 00	01 42	00 00	485 18	188,279 00	387 9
Unsec'd Creditors correspondence & claims	30 54	02 42	00 18	00 00	33 54	12,747 00	376 0
Preferential creditors & employees	02 30	01 00	00 00	00 00	03 30	1,203 00	343 7
Creditors' Committee	27 36	08 00	02 12	00 00	37 48	12,852 00	340 0
<b>Trading</b>	01 00	00 00	00 00	00 00	01 00	380 00	380 0
Total hours and costs	1144 54	56 12	35 12	04 48	1241 06	464,920 50	374 6



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 06/10/15	cumulative p/e 06/10/14
	£	£
Travel and meeting expenses	-	368 76
Companies House search fees	2 00	88 00
Courier costs	-	82 30
Land Registry search fees	3 00	25 00
Carriage and Archiving	-	70 00
	<u>5.00</u>	<u>634.06</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