

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

MK Airlines Property Limited

Company number

6018471

In the  
Birmingham District Registry

(full name of court)

Court case number  
8320 of 2010(a) Insert full  
name(s) and  
address(es) of  
administrator(s)I/We (a)  
Matthew James Cowlshaw  
Deloitte LLP  
Four Brindleyplace  
Birmingham  
B1 2HZDavid John Langton  
Deloitte LLP  
Four Brindleyplace  
Birmingham  
B1 2HZ

administrator(s) of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 11 May 2014

(b) 10 November 2014

Signed

Joint / Administrator(s)

Dated

5-1-15

**Contact Details.**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to the public register

Holly Savage  
Deloitte LLP  
Four Brindleyplace  
Birmingham  
B1 2HZ

0121 696 8838  
DX Exchange

number

When you have completed and signed this form, please send it to the  
Registrar of Companies at -  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

Compar

WEDNESDAY



A23 07/01/2015 #220  
COMPANIES HOUSE

**MK AIRLINES PROPERTY LIMITED  
(IN ADMINISTRATION)  
("the Company")**

**Court No 8320 of 2010**

**SIX MONTHLY PROGRESS REPORT TO CREDITORS AND COURT  
FOR THE PERIOD TO 10 NOVEMBER 2014  
PURSUANT TO RULE 2.47 AND RULE 2.112 OF THE INSOLVENCY RULES 1986 AND  
THE INSOLVENCY (AMENDMENT) RULES 2010**

**5 December 2014**

**This report has been prepared for the sole purpose of requesting an extension to the Administration from Court and reporting on the progress to the Creditors. 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**

**Matthew James Cowlishaw and David John Langton were appointed Joint Administrators of MK Airlines Property Limited on 7 July 2010. 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**

**All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners**

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## ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"the Administrators"	Matthew James Cowlishaw and David John Langton of Deloitte LLP
"the Company" / "MKAP"	MK Airlines Property Limited (in Administration)
"MKA"	MK Airlines Limited (in Compulsory Liquidation)
"Deloitte"	Deloitte LLP
"the Court"	Birmingham District Registry
"the Property" / "Landhurst"	Landhurst, Hartfield, East Sussex, TN7 4DH
"TAA"	Transatlantic Aviation Limited
"the Bank" / "Secured Creditor"	Bank of Scotland Plc
"QFCH"	Qualifying Floating Charge Holder
"the PP"	Prescribed Part
"SIP2 (E&W)"	Statement of Insolvency Practice 2 (England & Wales)
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)

## **1 INTRODUCTION**

### **1.1 Introduction**

This report has been prepared in accordance with Rule 2.112 and 2.47 of the Rules to request an extension of the Administration from the Court and to provide creditors with an update on the progress of the Administration of the Company since our last report to creditors dated 6 June 2014.

Given the information previously provided to creditors in our earlier reports to creditors, we have not included detailed background information in respect of the Company and have focused on progress of the Administration subsequent to our last report to creditors.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

### **1.2 Details of the appointment of the Administrators**

Matthew James Cowlishaw and David John Langton of Deloitte were appointed Joint Administrators of the Company by the Bank of Scotland Plc, New Usher House, 11 Earl Grey Street, Edinburgh, EH3 9BN on 7 July 2010, following the filing of a Notice of Appointment of Administrators by the Bank as a QFCH of the Company.

The Court having conduct of the proceedings is High Court of Justice, Birmingham District Registry (case number 8320 of 2010).

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

## **2 ADMINISTRATORS' PROPOSALS**

### **2.1 Introduction**

As previously reported to creditors, the sole asset of the Company is the freehold Property at Landhurst, Hartfield, East Sussex, TN7 4DH, which at appointment was let to a tenant, MKA. The Company has significant secured debts and as a result of the unpaid rents, with the tenant MKA twice having been subject to various insolvency proceedings, the Company was unable to service this debt.

Against this background, restructuring of the Company or a sale of its business and assets as a going concern was not possible. Therefore the Administrators have performed their functions with the objective set out in Paragraph 3(C) of Schedule B1 of the Act, which is to realise property in order to make a distribution to the Secured Creditor.

### **2.2 Approval of the Proposals**

The Administrators issued their formal proposals to creditors on 26 August 2010. As part of those proposals the Administrators made a statement in accordance with Paragraph 52(1)(b) of Schedule B1 of the Act that as there are no funds likely available for distribution to the unsecured creditors they would not be convening a creditors meeting unless required to do so.

This statement having been made and no valid requests from creditors in the prescribed format for a formal meeting having been received in the 8 business days subsequent to their issue the Administrators' Proposals were presumed deemed approved pursuant to Rule 2.33(5) of the Rules. A formal notice confirming this was sent to all creditors on 13 September 2010.

A copy of the proposals is detailed at Appendix 2.

### **2.3 Progress on and achievement of the approved proposals**

We have summarised below the progress and current status in respect of each of the approved proposals.

<b>Proposal</b>	<b>Current status</b>
<b>1</b>	The Administrators continue to manage the affairs and assets of the Company and are requesting a further 12 month extension of the Administration from 6 January 2015 to 5 January 2016 in order to realise the outstanding rent and make a final distribution to the Secured Creditor.
<b>2</b>	The statutory required confidential reports in relation to the directors' conduct have been submitted to the Insolvency Service in line with statutory requirements.
<b>3 &amp; 4</b>	On present information, the Administrators anticipate that funds will only be available to the Secured Creditor.
<b>5</b>	No creditors' committee was formed in respect of the Company.
<b>6 &amp; 7</b>	The Administrators have obtained approval from the Company's Secured Creditor (in the absence of any known preferential creditors) with regards to the basis and drawing of the Administrators' remuneration, on-going expenses and the pre Administration Costs.
<b>8 &amp; 9</b>	The Administrators are unable to confirm when the Administration will conclude. However,

	as there appears to be no prospect of a dividend to the unsecured creditors, the Joint Administrators are likely to exit the Administration by filing a notice of dissolution in accordance with Paragraph 84 of Schedule B1 of the Act
<b>10</b>	The Administrators have obtained approval from the Company's Secured Creditor with regards to the Administrators' discharge of liability per paragraphs 98 & 99 of Schedule B1 of the Act

Further information in respect of the realisation of assets, the status of liabilities and the estimated outcome for creditors is contained in the following sections of this report

### **3 ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

#### **3.1 Introduction**

Attached at Appendix 3 is a Receipts and Payments account covering the period from appointment to 10 November 2014, with details of the transactions in the period covered by this report being 11 May 2014 to 10 November 2014, this has been prepared in accordance with SIP7 (E&W)

In this section, we have summarised the main asset realisations during the six month period and an estimation of those assets yet to be realised

#### **3.2 Asset realisations**

##### *Arrears of Rent and associated legal costs*

As previously reported, the Liquidators of MKA substantially disputed that the arrears of rent at our appointment and that the rent accrued post appointment was payable. The matter became subject to court proceedings and the matter was concluded earlier in the year, with a settlement of £395k in respect of rent arrears. As part of the settlement it was also agreed £95k would be paid to the Company as a contribution to the legal costs incurred by the Administrators. Payments are to be made from the liquidation estate of MKA as realisations allow.

During the period of this report £73,688 and £25,211 were received in respect of rent arrears and contribution to legal fees respectively. This brings total recoveries in respect of rent to £381,474, and £85,855 in respect of legal fees.

##### *Bank Interest*

All funds have been banked on an interest bearing bank account, interest received in the period amounts to £939.

#### **3.3 Estimated future realisations**

The only remaining assets to realise are the residual rent payments being £13,526 and associated legal costs contribution of £9,145 due from MKA. VAT in respect of rent received has been accounted for to HM Revenue & Customs. However, we are yet to receive the associated VAT from MKA of £20,746.

#### **3.4 Estimated outcome for creditors**

As previously reported to creditors, there will be insufficient realisations to make a distribution to the unsecured creditors.



## **4. DISTRIBUTIONS TO CREDITORS**

### **4.1 Secured creditors**

There is a fixed and floating charge debenture and legal charge in favour of the Bank both dated 8 February 2007. The Company's bank debt at the date of the appointment of the Administrators was £5,964,418.

During the period £100,000 was distributed to the Bank under their fixed charge, total distributions paid to date amount to £1,050,000. Further realisations from the arrears of rent will be available to the Bank under its security. The Bank will not be paid in full.

### **4.2 Preferential creditors**

The Company had no employees and thus there are no preferential claims.

### **4.3 Prescribed Part**

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors. This equates to

- 50% of net property up to £10,000,
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000

In our first report to creditors dated 3 February 2011 we reported that we anticipated that there would be no Prescribed Part distribution.

Now that we are close to finalising the Administration, we have confirmed that there are no funds available to pay a Prescribed Part distribution as floating charge realisations are offset by costs of realisation attributable to the floating charge.

### **4.4 Unsecured creditors and claims process**

On present information available, there will be no distribution to the unsecured creditors of the Company.

A Proof of Debt form is attached at Appendix 6 should you wish to submit a claim.

## **5. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS**

### **5.1 Extensions to the initial appointment period**

In accordance with the provisions of the Act incorporated by the Enterprise Act 2002, all Administrations automatically come to an end after one year unless an extension is granted by the Court or with consent of the creditors

#### *Extension 1*

On the basis that there remained a Property and unpaid rents to be realised, the Administrators initially submitted a request to the Secured Creditor seeking an extension of the period of the Administration by six months to 6 January 2012, which was granted

#### *Extension 2*

Based upon the advice received from Savills for the timescales potentially required to realise the Property a further extension application was submitted to the Court seeking to extend the period of the Administration by 24 months to 6 January 2014, which was granted

#### *Extension 3*

Whilst the Property had been realised and a settlement agreed with the Liquidator of MKA for unpaid rents and legal fee contribution, all rent realisations and legal fee contributions were not realised by 6 January 2014. We therefore applied to the Court to extend the Administration for a further 12 months to 6 January 2015 to complete our final asset realisation, finalise the VAT position and make a final distribution to the Secured Creditor

#### *Extension 4*

Due to further rent realisations outstanding, the Administrators request from the Court a further 12 month extension so as to complete the final asset realisations, finalise the VAT position and make a final distribution to the Secured Creditor

The Administrators will look to conclude matters as soon as reasonably practicable and then end the Administration

### **5.2 Investigations**

As part of the Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed

In this regard, a confidential report was submitted to The Insolvency Service on 5 January 2011

### **5.3 SIP2 – Initial Assessment of Potential Recoveries**

As part of our duties as Administrators, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment

included enquires into any potential claims that may be brought against parties either connected to or who have had past dealings with the Company

Having completed this review, no further avenues of recovery were identified

### **5.3 Exit**

In our proposals dated 26 August 2010, we reported on all the various exit routes available to the Administrators

As there appears to be no prospect of a distribution to unsecured creditors, the Joint Administrators are likely to exit the Administration by a move to dissolution in accordance with Paragraph 84 of Schedule B1 of the Act

### **5.4 SIP13 (E&W) – Transactions with connected parties**

In accordance with the guidance given in SIP13 (E&W), we confirm that during the period of this report rent arrears and a legal fee reimbursement have been received from MKA, a connected company, as detailed in Section 3.2

### **5.5 EC Regulations**

As stated in the Administration Order in respect of the Company, Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation

## **6 PRE-ADMINISTRATION COSTS**

Included within the Administrators' Report and Proposals dated 26 August 2010 was a Statement of Pre-Administration Costs, in accordance with rule 2.33(2)(ka) of the Rules

The basis of the Administrators' Pre-Administration costs was fixed on 8 September 2010 by the Secured Creditor on a time costs basis together with expenses. Pre-Administration costs amounting to £14,700 were paid on 1 March 2013.

## **7 ADMINISTRATORS' REMUNERATION AND EXPENSES**

### **7.1 Administrators' Remuneration**

#### **7.1.1 Basis of Remuneration**

Where the Administrators have made a statement under Paragraph 52(1)(b) of Schedule B1 of the Act, and in the absence of a creditors' committee, or any preferential creditors, the Administrators' remuneration may be fixed by approval of each secured creditor of the Company. Approval was obtained from the Secured Creditor of the Company on 8 September 2010.

The basis of the Administrators' remuneration has been fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed (plus VAT). In addition, that the Administrators be authorised to draw their remuneration from the Administration estate, together with expenses incurred which relate specifically to the case, as and when funds allow.

#### **7.1.2 Remuneration**

From 11 May 2014 to 10 November 2014 the Administrators have incurred time costs of £36,619 made up of 78.65 hours at an average charge out rate of £465.60 across all grades of staff, a breakdown of this time is detailed at Appendix 4.

The total time costs incurred during the period of the Administrators' appointment, from 7 July 2010 to 10 November 2014 is £879,633 made up of 1,953.73 hours at an average charge out rate £450.23 across all grades of staff, a breakdown of this time is detailed at Appendix 5.

Of this sum, a total of £410,000 has been drawn and paid as indicated in the Receipts and Payments account at Appendix 3. The Administrators' time costs will not be drawn in full.

The work has been categorised into the following task headings and sub categories:

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashiering and accounting.
- **Investigations** includes investigating the Company's affairs and in particular any antecedent transactions and also reporting on the conduct of its directors.
- **Realisation of Assets** includes identifying, securing and insuring assets, sale of freehold property, obtaining vacant possession and other property issues, collection of rents, VAT and taxation matters.
- **Trading** includes closing down the operations of the Company.
- **Creditors** includes set-up of creditor records, creditor communications and unsecured claims.

- **Other** includes time spent on VAT and tax matters and time spent dealing with the litigation issues regarding outstanding rents

"A Creditors' Guide to Remuneration" is available for download at [www.deloitte.com/uk/sip-9-england-and-wales](http://www.deloitte.com/uk/sip-9-england-and-wales).

Should you require a paper copy, please send your request in writing to the Administrators at the address on the front of this report and this will be provided to you at no cost

### Expenses

The Administrators' expenses incurred during the period of this report are £474 and relate only to bonding. The total expenses incurred from 7 July 2010 to date are as follows

Nature of expenses	Total Incurred £	Paid £	Outstanding £
Mileage	288 77	288 77	-
Sustenance	3 00	3 00	-
Train / Taxi Travel	583 06	439 56	143 50
Copying	2 50	2 50	-
Bonding	474 00	-	474 00
<b>Total</b>	<b>1,351 33</b>	<b>733 83</b>	<b>617 50</b>

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

## 7.2 Charge out rates

The range of charge out rates for the separate categories of staff is summarised below. Manager rates include all grades of assistant manager.

Grade	2010	2011	2012 (Jan-Aug)	2012 / 2013 (Sept 2012 - Aug 2014)	Sept 2014 Onwards
	£ per hour	£ per hour	£ per hour	£ per hour	£ per hour
Partner & Director	535 – 895	560 - 895	585 - 920	605 - 950	615 – 970
Manager	265 – 640	280 - 670	295 - 700	305 - 720	310 – 735
Associate	165 – 265	175 - 280	150 - 295	155 - 305	160 - 310

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Deloitte Real Estate may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system, this time is charged in six minute increments. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Charge out rates used to 30 August 2014 have not changed since those advised as at 1 September 2012. As at 1 September 2014 charge out rates have been subject to an average increase of 2% and are set out in the above table.

### 7.3 Other professional costs

As previously advised, the Administrators have engaged Drivers Jonas Deloitte (now Deloitte Real Estate) to review the planning issues and alternative use / redevelopment options for use of the site. Their work has been provided on a fixed fee basis approved by the Secured Creditor following a competitive proposal.

GVA Gnmley Limited assisted with clearance of the site and supervised TAA's removal of assets from the Property. As previously detailed, TAA contributed £5k to these costs.

Savills Plc, a firm of property agents, were instructed by the Administrators to undertake a reinstatement valuation of the Property for insurance purposes, and to market and sell the Property. They also supervised urgent repair work on the Property.

Eversheds LLP were instructed by the Administrators to advise on appropriate legal matters, especially the rent claim, obtaining vacant possession and the Property sale, with Counsel also instructed to progress the rent claim.

The professional costs incurred to date are summarised in the table below.

Name of lawyer/agent	NET (£)	VAT (£)	TOTAL (£)
Drivers Jonas Deloitte	5,801.35	1,160.27	6,961.62
GVA Gnmley Limited	12,964.31	2,592.86	15,557.17
Savills Plc – Property repairs and reinstatement valuation	5,062.99	987.60	6,050.59
Savills Plc – Marketing costs	14,371.25	2,874.25	17,245.50
Savills Plc – Agents Fees	28,070.00	5,614.00	33,684.00
Eversheds LLP – Counsel Fees	61,530.00	12,306.00	73,836.00
Eversheds LLP – Legal Fees	285,000.00	57,000.00	342,000.00
<b>Total</b>	<b>412,799.90</b>	<b>82,534.98</b>	<b>495,334.88</b>

In addition to the costs detailed above legal disbursements of £7,138.14 have been approved for payment. All professional costs are reviewed and analysed before payment is approved.

### 7.4 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 leave of the Court, may, in writing, request the Administrators to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2.47(1)(fa) and 2.48A of the Rules.

#### **7.5 Creditors' right to challenge Remuneration and/or Expenses**

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2.109(4) of the Rules), reducing the amount or the basis of remuneration which the 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 remuneration and/or expenses being complained of, in accordance with Rule 2.109 of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.



**MK AIRLINES PROPERTY LIMITED - IN ADMINISTRATION**

**STATUTORY INFORMATION**

Company Name	MK Airlines Property Limited
Proceedings	In Administration
Court	Birmingham District Registry
Court Reference	8320 of 2010
Date of Appointment	7 July 2010
Joint Administrators	Matthew James Cowlishaw and David John Langton Deloitte LLP Four Brndleyplace Birmingham B1 2HZ
Registered office Address	c/o Deloitte LLP Four Brndleyplace Birmingham B1 2HZ
Company Number	06018471
Incorporation Date	5 December 2006
Company Secretary	Mr Kevin Bodley (resigned 30 June 2010)
Bankers	Bank of Scotland Plc
Auditors	Rizvi & Co Chartered Accountants
Appointment by	Bank of Scotland Plc as Qualified Floating Charge Holder – under paragraph 14 of Schedule B1 of the Insolvency Act 1986
Directors at date of Appointment	Mr Omar Abdullah Alanizi (appointed 28 June 2010) Mr Loay Jolag (resigned 25 June 2010) Mr Michael Kruger (resigned 25 June 2010) Mr Richard Taylor (resigned 8 April 2009)
Directors' Shareholdings	Mr Abdullah Alanizi (98 Ordinary Shares, 98%) Transatlantic Aviation Limited (2 Ordinary Shares, 2%)

### Joint Administrators' Proposals

The following were deemed approved on 26 August 2010

- 1 the Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all Administration expenses,
- 2 the Administrators continue with their enquiries into the conduct of the Directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company,
- 3 the Administrators be authorised to agree the claims of the secured and unsecured creditors against the Company unless the Administrators conclude, in their reasonable opinion, that a Company will have no assets available for distribution,
- 4 the Administrators be authorised to distribute funds to the secured creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of the Company so determine, at meetings of creditors, a creditors Committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of that Company,
- 6 that, if a Creditors' Committee is not appointed, the secured creditors and preferential creditors (if applicable) of the Company shall be asked to fix the basis of the Administrators' remuneration in accordance with Rule 2 106(5A)(a), to be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT. In addition those creditors shall also be asked to agree the Administrators' expenses of which the Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred, plus VAT where applicable,
- 7 that, the Administrators' Pre Administration Costs as detailed in Appendix 4 of the Administrators' Proposals be approved and that the Administrators be authorised to draw their Costs, plus VAT, from the Administration estate,
- 8 that, following the realisation of assets and resolution of all matters in the Administrations, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administrations. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Company or alternatively, seeking to put the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 9 that, if the Company were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 4 174 of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to the time given in attending to matters arising in the Administrations. As per Paragraph 83(7) of Schedule BI of the Act and Rule 2 117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors. For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and
- 10 in the absence of Creditors' Committees, the secured creditors of the Company agree that the Administrators be discharged from liability per Paragraphs 98 and 99 of Schedule BI of the Act immediately upon the Administrators' filing their final report to creditors and vacating office

## APPENDIX 3

### Joint Administrators' Receipts and Payments Account For the period 7 July 2010 to 10 November 2014

	Notes	7 July 2010 to 10 May 2014 £	11 May 2014 to 10 November 2014 £	7 July 2010 to 10 November 2014 £
<b>Receipts</b>				
Property Sale		2,005,000 00	-	2,005 000 00
Rent arrears		307 786 00	73,688 00	381,474 00
Legal Fees recovered		60,644 25	25,211 00	85 855 25
TAA access costs reimbursed		5,000 00	-	5 000 00
Bank Interest	A	2 180 97	939 30	3 120 27
		<u>2,380,611 22</u>	<u>99,838 30</u>	<u>2,480,449 52</u>
<b>Payments</b>				
<i>Property costs</i>				
Security Costs		108,782 38	-	108 782 38
Site Clearance Costs (includes GVA Gnmley Costs)		31,618 31	-	31,618 31
Other Property Expenses		26,735 12	-	26,735 12
Insurance of Assets		84 861 42	-	84 861 42
Surveys		14,820 00	-	14,820 00
Maintenance (includes Savills repair costs)		24,898 25	-	24,898 25
Electricity		38,403 60	1,605 39	40 008 99
Property Searches		21 00	-	21 00
<i>Sundry Costs</i>				
Statutory Advertising		75 60	-	75 60
Bank Charges	A	4,320 38	-	4 320 38
Irrecoverable VAT	B	9 299 14	-	9 299 14
<i>Professional Costs</i>				
Pre Appointment Administrators Fees		14,700 00	-	14,700 00
Administrators Fees	C	410 300 00	-	410 300 00
Administrators Expenses	C	733 83	-	733 83
Planning Fees		5 801 35	-	5,801 35
Marketing Costs		14,371 25	-	14,371 25
Property Agents Fees		28 070 00	-	28 070 00
Counsel Fees		61 530 00	-	61 530 00
Legal Fees		285,000 00	-	285,000 00
Legal Expenses		7 138 14	-	7 138 14
<i>Distribution</i>				
Secured Creditor	D	950 000 00	100,000 00	1,050,000 00
		<u>2,121,479 77</u>	<u>101,605 39</u>	<u>2,223,085 16</u>
<b>Balance in Hand</b>		<b>259,131 45</b>	<b>(1,767 09)</b>	<b>257,364 36</b>
		<u>2,380,611 22</u>	<u>99,838 30</u>	<u>2,480,449 52</u>
<b>Represented by</b>				
Interest Bearing Account	A	238,915 25	(2 088 16)	236 827 09
VAT due from MKA	E	20 745 64	-	20 745 64
VAT	B	(529 44)	321 07	(208 37)
		<u>259,131 45</u>	<u>(1,767 09)</u>	<u>257,364 36</u>

- A An overdraft facility was provided by the Secured Creditor to defray Property holding costs. This has been fully repaid. All funds are banked in an interest bearing account, any corporation tax payable on interest will be accounted for to HM Revenue & Customs in due course.
- B The Joint Administrators have registered the Company for VAT with HMRC in order to recover a proportion of input tax. All sums shown above are shown net of VAT.
- C The Joint Administrators were authorised by the Secured Creditor to draw their fees on a time costs basis on 8 September 2010.
- D Distributions totalling £1 050,000 were made to the Secured Creditor under the terms of their Fixed Charge security previously granted by the Company.
- E VAT in respect of rent received has been accounted for to HM Revenue & Customs, however we have yet to receive the associated VAT from MKA of £20 745 64.
- F Further information, including a creditors right to request further information or to challenge remuneration and/or expenses can be found in sections 7.5 and 7.6 of the report.

# APPENDIX 5

## MK AIRLINES PROPERTY LIMITED (IN ADMINISTRATION)

### JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD 11 MAY 2014 TO 10 NOVEMBER 2014

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning	-	-	0 30	158 50	0 40	200 00	1 30	518 50	1 60	427 00	3 60	1 304 00	362 22
Cashiering and Statutory Filing	2 00	1 420 00	1 00	465 00	-	-	2 00	646 00	6 45	1 369 00	11 45	3 930 00	343 23
Case Management and Closure	-	-	-	-	4 30	1 720 00	-	-	-	-	4 30	1 720 00	400 00
General Reporting	2 00	1 420 00	1 30	623 50	4 70	1 920 00	3 30	1 164 50	8 05	1 828 00	19 35	6 954 00	359 38
Realisation of Assets													
Book Debts	-	-	-	-	0 70	287 00	-	-	-	-	0 70	287 00	410 00
Property - Freehold and Leasehold	19 40	11 833 00	-	-	-	-	-	-	-	-	19 40	11 833 00	609 95
	19 40	11 833 00	-	-	0 70	287 00	-	-	-	-	20 10	12 120 00	602 99
Creditors													
Secured	-	-	-	-	-	-	2 90	928 00	0 25	50 00	3 15	978 00	310 48
	-	-	-	-	-	-	2 90	928 00	0 25	50 00	3 15	978 00	310 48
Case Specific Matters													
VAT	0 90	824 50	9 25	7 318 75	7 90	3 172 00	0 70	224 00	4 10	943 00	18 75	11 539 25	615 43
Tax	-	-	-	-	0 70	367 50	12 50	3 717 50	4 10	943 00	17 30	5 028 00	290 64
	0 90	824 50	9 25	7 318 75	8 60	3 539 50	13 20	3 941 50	4 10	943 00	36 05	16 567 25	459 56
<b>TOTAL HOURS &amp; COST</b>	<b>22 30</b>	<b>14 077 50</b>	<b>10 55</b>	<b>7 942 25</b>	<b>14 00</b>	<b>5 746 50</b>	<b>19 40</b>	<b>6 034 00</b>	<b>12 40</b>	<b>2 819 00</b>	<b>78 65</b>	<b>36 619 25</b>	<b>465 60</b>
<b>FEE'S DRAWN</b>													

**MK AIRLINES PROPERTY LIMITED  
(IN ADMINISTRATION)**

**JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD 7 JULY 2014 TO 10 NOVEMBER 2014**

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assessments & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning	0.60	505.00	5.80	3,500.00	18.80	7,034.00	57.00	18,372.00	33.17	7,201.30	113.47	39,135.80	336.09
Cashflow and Statutory Filing	2.30	1,633.00	18.75	7,346.25	35.25	13,807.00	18.40	4,320.50	56.25	11,064.50	126.95	38,801.25	305.64
Case Management and Closure	18.50	10,372.50	-	-	30.50	10,827.50	8.30	2,845.50	10.75	1,773.75	68.05	25,619.25	371.02
Initial Accounts and Insolvency Practitioners	13.50	7,425.00	-	-	34.55	12,683.00	20.20	6,193.00	68.10	11,009.50	136.35	38,110.50	278.50
General Reporting	34.90	19,335.50	22.65	10,849.75	117.10	45,351.50	102.90	32,131.00	168.27	32,499.05	445.32	140,666.80	315.52
Investigations													
Investigations	0.50	280.00	-	-	1.00	355.00	-	-	11.50	11.50	11.50	11.50	1.00
Reports on Directors Conduct	0.50	280.00	-	-	1.00	355.00	-	-	5.00	825.00	0.50	1,460.00	224.62
Trading													
Day 1 Control of Trading	-	-	-	-	-	-	1.90	567.50	13.50	2,430.00	15.40	2,997.50	194.84
Ongoing Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-	-	-	-	-
Realisation of Assets													
Book Debts	1.30	923.00	-	-	0.70	287.00	-	-	-	-	2.00	1,210.00	605.00
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-	-	-	-	-
Chattel Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Freehold and Leasehold	696.20	403,320.50	17.00	10,890.00	378.65	146,640.25	53.35	18,788.50	37.40	6,712.00	1,182.80	586,351.25	495.73
Retention of Title	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	1.70	530.50	-	-	1.70	530.50	312.06
Third Party Assets	637.50	404,243.50	17.00	10,890.00	379.35	146,927.25	55.05	19,319.00	37.40	6,712.00	1,184.50	588,091.75	495.65
Creditors													
Employees	-	-	-	-	-	-	-	-	-	-	-	-	-
Preferential	145.20	81,847.50	-	-	5.50	2,145.00	2.90	928.00	1.55	288.50	155.15	85,210.00	549.21
Secured	-	-	-	-	0.50	177.50	-	-	3.80	21.00	4.10	198.50	48.41
Unsecured	145.20	81,847.50	-	-	6.00	2,322.50	2.90	928.00	5.15	310.50	159.25	85,408.50	536.32
Case Specific Matters													
Litigation	10.80	7,368.00	-	-	-	-	-	-	-	-	10.80	7,368.00	694.81
Pensions	2.90	2,572.00	30.05	23,688.25	24.60	9,628.50	14.50	6,102.50	11.80	2,471.50	64.45	44,463.75	526.51
VAT	-	-	0.65	383.75	2.40	1,090.00	18.05	5,324.75	12.81	2,368.65	33.71	9,187.15	271.94
Tax	13.50	9,338.00	31.30	24,073.00	27.00	10,718.50	32.55	11,627.25	24.41	4,840.15	128.76	60,996.90	473.73
<b>TOTAL HOURS &amp; COST</b>	<b>831.60</b>	<b>516,244.50</b>	<b>70.95</b>	<b>45,812.75</b>	<b>530.65</b>	<b>205,574.75</b>	<b>195.30</b>	<b>64,372.75</b>	<b>265.23</b>	<b>47,628.20</b>	<b>1,953.73</b>	<b>879,632.95</b>	<b>450.23</b>
<b>FEES DRAWN</b>												<b>410,300.00</b>	

Rule 2 72

Form 4 25

## PROOF OF DEBT - GENERAL FORM

**In the matter of MK Airlines Property Limited - In Administration  
and in the matter of The Insolvency Act 1986**

Date of Administration 7 July 2010

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show -  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Rule 2 72      PROOF OF DEBT - GENERAL FORM (CONTD    )

Form 4 25

Admitted to Vote for

£

Date

Administrator

---

Admitted preferentially for

£

Date

Administrator

---

Admitted non-preferentially for

£

Date

Administrator