

# AM10

## Notice of administrator's progress report



Companies House

FRIDAY



A19

\*A74RLTRL\*

27/04/2018

#319

COMPANIES HOUSE

information, please  
guidance at  
k/companieshouse

### 1 Company details

Company number 0 7 7 7 9 2 7 9

Company name in full Monarch 2011 Limited

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) James Robert

Surname Tucker

### 3 Administrator's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

### 4 Administrator's name ①

Full forename(s) Blair Carnegie

Surname Nimmo

① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

② Other administrator

Use this section to tell us about  
another administrator

## AM10

## Notice of administrator's progress report

**6** Period of progress report

|           |                |                |                |                |                |                |                |                |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| From date | <sup>d</sup> 0 | <sup>d</sup> 2 | <sup>m</sup> 1 | <sup>m</sup> 0 | <sup>y</sup> 2 | <sup>y</sup> 0 | <sup>y</sup> 1 | <sup>y</sup> 7 |
| To date   | <sup>d</sup> 0 | <sup>d</sup> 1 | <sup>m</sup> 0 | <sup>m</sup> 4 | <sup>y</sup> 2 | <sup>y</sup> 0 | <sup>y</sup> 1 | <sup>y</sup> 8 |

**7** Progress report☒ I attach a copy of the progress report**8** Sign and dateAdministrator's  
signature

Signature

X

J. Tucker

X

Signature date

|                |                |                |                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <sup>d</sup> 2 | <sup>d</sup> 6 | <sup>m</sup> 0 | <sup>m</sup> 4 | <sup>y</sup> 2 | <sup>y</sup> 0 | <sup>y</sup> 1 | <sup>y</sup> 8 |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|

**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  | Marie Hayden                     |
| Company name  | KPMG LLP                         |
| Address       | 15 Canada Square<br>Canary Wharf |
| Post town     | London                           |
| County/Region |                                  |
| Postcode      | E 1 4 5 G L                      |
| Country       |                                  |
| DX            |                                  |
| Telephone     | Tel +44 (0) 118 964 2000         |

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

# Continuation page

## Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. <sup>①</sup>  
Use extra copies to tell us of additional insolvency practitioners.

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

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

### 1 Appointment type

Tick to show the nature of the appointment:

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

<sup>①</sup> You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

### 2 Insolvency practitioner's name

Full forename(s) Richard James  
Surname Beard

### 3 Insolvency practitioner's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country



Joint  
Administrators'  
progress  
report for the  
period 2  
October 2017  
to 1 April 2018

Monarch Holdings Limited  
and Monarch 2011 Limited -  
both in Administration

26 April 2018

# Notice to creditors

This progress report provides an update on the administrations of each of the Companies.

We have included (Appendix 2) accounts of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for each of the administrations and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 5).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/monarch>. We hope this is helpful to you.

**Please also note that an important legal notice about this progress report is attached (Appendix 6).**

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# 1 Executive summary

- The Directors made applications to Court for each of the Companies to be placed into administration. Administration Orders were made on 2 October 2017 and we were duly appointed.
- This progress report covers the period from the date of our appointment to 1 April 2018 for the Companies. There are three reports to creditors related to the concurrent administrations of 10 of the Monarch group Companies; one for Monarch Airlines, one for Monarch Holidays sub-group and one for the Monarch Holdings sub-group. This report is for the Monarch Holdings sub-group.
- We delivered our Statement of Proposals ('Proposals') to all known creditors on 24 November 2017. They were deemed approved without modification on 6 December 2017.
- Our immediate Group priorities on appointment were to secure the Companies' funds held at various banks, assist the CAA with the repatriation of Monarch customers overseas on 2 October 2017, along with addressing the employees, arranging the return of the aircraft, securing the Companies' IT infrastructure and contacting the Group's key counterparties. Our main focus since our Proposals has been to continue to realise the Companies' assets.
- The Group's key assets are:
  - Slots. The rights to operate these slots are owned by Monarch Airlines. Having won our well-publicised appeal to the UK Appeal Court on 22 November 2017, we completed the sale of Monarch Airlines' Gatwick slots to IAG and the sale of Monarch Airlines' Luton slots to Wizz Air, realising £54 million.
  - Cash at bank at our appointment of £27.8 million, with realisations to date at Monarch Airlines of £20.7 million and Monarch Holidays of £3 million
  - The Group's engineering business, MAEL, is not in an insolvency process and continues to trade normally under the control of its directors. The shares in MAEL are owned by Monarch 2011. In due course, this investment will be realised for maximum achievable value.
- The key asset realisation in Monarch Holdings relates to the sale of its Intellectual Property rights. There have been no realisations in Monarch 2011 to date; the key realisable asset is its interest in the shares of MAEL, as mentioned above (Section 2 – Progress to date).
- The Group had total secured debt at the date of our appointment of approximately £164 million. The senior secured creditor is PJL, owed approximately £95 million at the date of our appointment. The second ranking secured creditor is the PPF, owed £7.5 million. The third ranking secured creditor is WJL, owed approximately £62 million (the amount of WJL secured debt varies across each of the Companies). There are other secured creditors around the Group with specific security over certain assets, such as aircraft and leasehold property. Whilst the engineering business is yet to be realised, in our view value is likely to break in the secured debt. (Section 3 - Dividend prospects).

- We are not aware of any preferential claims against either of the Companies. (Section 3 - Dividend prospects).
- Based on current estimates, it is highly unlikely that there will be a distribution to the unsecured creditors of either of the Companies. (Section 3 - Dividend prospects).
- Please note: you should read this progress report in conjunction with our Proposals which were issued to each of the Companies creditors and can be found at <http://www.insolvency-kpmg.co.uk/monarch>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Jim Tucker  
Joint Administrator

## 2 Progress to date

This section updates you on our strategy for each of the administrations and on our progress to date. It follows the information provided in our Proposals.

### 2.1 Strategy and progress to date

#### Strategy

##### Group Strategy

As set out in our Proposals, the key initial Group wide strategy was focussed on:

- Assisting the CAA with the customer repatriation exercise;
- Communicating with all key stakeholders, in particular the customers affected by the administration;
- Stabilising the IT infrastructure to preserve systems to support the CAA and retaining key employees with a view to securing the Companies' assets, in particular the Slots;
- Support MAEL by migrating the IT infrastructure to become a standalone business.

#### Holdings

The key strategy for Monarch Holdings was to realise assets, including the Intellectual Property/brand and to assist with any group tax filings.

#### Monarch 2011

The key strategy is to monitor the situation in respect of the Company's shareholding in MAEL and consider future exit options.

#### Services and Funding Agreement (SFA)

As stated in the Proposals, certain Group services provided to the CAA at the outset of the administrations in respect of repatriation of Monarch's customers overseas at the time of the administration appointments would not normally have been undertaken in an administration situation. We, therefore, agreed with the CAA that it would pay the cost of these services, including the time spent by us and our staff, so that the estates were not disadvantaged by assisting the repatriation exercise.

Monarch Holdings has provided services to the CAA in acting as Group representative to receive and distribute funds to other companies. It also utilised the facility specifically provided to Monarch Holdings in order to settle various initial costs. The SFA also provided for the costs of placing certain of the Group companies into administration, as certain of these companies had no assets of their own, but were potentially critical to the repatriation exercise.

Monarch 2011 was not provided with a facility under the SFA.

Funding received from the CAA does not represent an asset of the insolvent estates; the funding ensures there is no gain or detriment to creditors as a result of work undertaken on behalf of the CAA.

Costs recharged under the SFA

We have not invoiced the CAA any amounts from Monarch Holdings to date.

Transitional Services Agreement with MAEL

Further to our Proposals, the Transitional Services Agreement (to enable the Group and MAEL to continue to provide certain services to each other) has been extended to 31 July 2018 to allow for the additional time needed to complete the separation project, primarily focussed on IT migration.

Investments

Monarch 2011's main realisable asset is its interest in the shares of MAEL.

MAEL remains outside of an insolvency process and continues to trade under the control of its directors. We continue to work with the directors and other key stakeholders of MAEL to ensure the continued stability of this business and with a view to delivering value in due course.

## **2.2 Asset realisations**

There have been no realisations in Monarch 2011 to 1 April 2018.

Realisations for Monarch Holdings during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period in Monarch Holdings are provided below.

Intellectual property, brand and intangible assets

Monarch Holdings held certain Intellectual Property rights including the registered community trade mark for 'Monarch'. Following our appointment we engaged an independent agent to assist with marketing and realisation of these assets. The majority of the assets were disposed of in February 2018, with residual assets to be disposed of shortly.

We have realised £420,000 for the assets sold to date.

Insurance refund

Prior to appointment, the directors had made a prepayment from Monarch Holdings of approximately £42,000 to an insurance broker. At the time of appointment the cover had not been placed and we were able to obtain a refund.

#### Credit Card settlement

As advised in our Proposals, Monarch Holdings received funds of £286,000 on behalf of Monarch Airlines and Monarch Holidays. We have now transferred the relevant amounts of this sum to these estates.

#### Funding and Facility from CAA

Monarch Holdings received funds of £3.6 million from the CAA, provided to be disbursed to Monarch Airlines and Monarch Holidays to meet urgent administration expenses. Under the SFA any funds not used for these purposes will be used for ongoing administration costs incurred as a result of the CAA repatriation exercise. These funds do not form part of Monarch Holdings' estate.

#### Investigations

We are reviewing the affairs of each of the Companies to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

We have complied with the relevant statutory requirements by submitting the online director conduct assessments for both companies to the Department for Business, Energy and Industrial Strategy. The contents of our submissions are confidential.

## **2.3 Costs**

Payments made in this period from Monarch Holdings are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

#### IT costs

As previously reported, a number of the Companies' IT systems were retained following appointment to support the administration process and assist with the CAA's repatriation exercise. During the period, we made payments totalling £18,000 to IT suppliers for ongoing service of Monarch Holdings' IT infrastructure.

#### Funding and Facility from CAA

We have distributed £45,000 of the funds received from the CAA to Monarch Holidays so that this estate could meet urgent administration expenses, as provided under the SFA. As mentioned above, these funds do not form part of Monarch Holdings' estate.

## **2.4 Schedule of expenses**

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedules of expenses for each of the Companies attached (Appendix 3).

There are approx. £120,000 of legal fees unbilled in respect of the sale of the Intellectual Property for Monarch Holdings.

## **2.5 Allocation of costs**

Any floating charge costs incurred, in excess of the floating charge realisations, will be recovered from the fixed charge realisations of the Intellectual Property. This will be subject to the approval of the secured creditors.

# **3 Dividend prospects**

## **3.1 Secured creditors**

A summary of the material security position for the Companies was set out in our Proposals. As noted in the Executive summary, value is likely to break in the secured debt. Our review of the Group's security position remains ongoing. No distributions have been made to the secured creditors to date.

## **3.2 Preferential creditors**

We are not aware of any preferential claims against either of the Companies.

## **3.3 Unsecured creditors**

Based on current estimates, it is highly unlikely that there will be any dividend to unsecured creditors in either of the Companies.

# **4 Other matters**

## **4.1 Resignation of joint administrator**

Richard Beard recently resigned from KPMG and will shortly give all relevant parties notice of his intention to resign as administrator of both companies. We will provide a further update in our next progress report.

# **5 Joint Administrators' remuneration, disbursements and pre-administration costs**

It is for the secured creditors to approve our remuneration in these administrations.

The Joint Administrators are finalising their fee position with the senior secured creditor. Once we have agreed an indicative position with the senior secured creditor we will seek the required approval from the other secured creditors and the preferential creditors. We will provide a further update in our next progress report.

## Time costs

In Monarch Holdings, from the date of our appointment to 1 April 2018, we have incurred time costs of £68,073. These represent 140 hours at an average rate of £485 per hour.

In Monarch 2011, from the date of our appointment to 1 April 2018, we have incurred time costs of £37,670. These represent 78 hours at an average rate of £482 per hour.

## Disbursements

During the period, we have incurred disbursements of £194 in Monarch Holdings and £716 in Monarch 2011. None of these have yet been paid.

## Additional information

We have attached (Appendix 4) an analysis of the time spent for both of the administrations, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from our appointment to 1 April 2018. We have also attached our charging and disbursements policy.

Under the SFA, the CAA has agreed to meet costs which would not have been incurred but for the work they required in relation to the repatriation exercise. In addition, they have provided a facility to cover statutory costs in relation to those Group companies which have no assets to meet these costs, but which were required to be placed into administration in order to ensure that the repatriation could take place without any hindrance. In both cases, these costs include the fees charged by KPMG in relation to our work.

In agreeing these costs, the CAA is an independent body which is not connected with the Group, the Joint Administrators or KPMG.

## 5.1 Pre-administration costs

We disclosed the following pre-administration costs for each of the Companies, which were unpaid at the date of our appointment, in our Proposals:

| Pre-administration costs – in each of Monarch Holdings & Monarch 2011 |                               |                 |                           |                    |
|-----------------------------------------------------------------------|-------------------------------|-----------------|---------------------------|--------------------|
|                                                                       | Disclosed<br>unpaid costs (£) | Approved<br>(£) | Paid in the<br>period (£) | Outstanding<br>(£) |
| Freshfields' fees                                                     | 12,568                        | 0.00            | 0.00                      | 12,568             |
| Freshfields' disbursements                                            | 6,159                         | 0.00            | 0.00                      | 6,159              |
| <b>Total</b>                                                          | <b>18,727</b>                 | <b>0.00</b>     | <b>0.00</b>               | <b>18,727</b>      |

To date we have not taken steps to obtain approval for these pre-administration costs. We will seek approval for these costs from the applicable secured creditors at the same time as we seek approval for our remuneration. We will provide an update in our next progress report.

## **6 Future strategy**

### **6.1 Future conduct of each of the administrations**

We will continue to manage the affairs, the business and the property of each of the Companies in order to achieve the purpose of the administrations. This will include but not be limited to:

- Realisation of the remaining IP assets and potential tax recoveries.
- Seeking to realise the shares Monarch 2011 holds in MAEL;
- Completing the assistance we are providing to the CAA and determining the final position regarding recharges to the CAA;
- Making distributions to certain secured creditors;
- Paying the costs of the administrations, including our remuneration once this has been approved;
- Seeking approval from the secured creditors to an extension of the period of the administrations as the ongoing matters, set out above, cannot be concluded prior to the present expiry of the administrations;
- Complying with ongoing statutory and reporting obligations.

### **6.2 Future reporting**

We will provide a further progress report within one month of 1 October 2018 or earlier if either of the administrations has been completed prior to that time.

## Appendix 1 Statutory information for each of the Companies

| Company information         |                                                 |
|-----------------------------|-------------------------------------------------|
| Company name                | Monarch Holdings Limited                        |
| Date of incorporation       | 29 March 1974                                   |
| Company registration number | 01165001                                        |
| Present registered office   | 15 Canada Square, Canary Wharf, London, E14 5GL |

| Administration information         |                                                                                                                                    |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Administration appointment         | The administration appointment granted in High Court of Justice, 007270 of 2017                                                    |
| Appointor                          | Court following application by the Directors                                                                                       |
| Date of appointment                | 2 October 2017                                                                                                                     |
| Joint Administrators' details      | Jim Tucker, Blair Nimmo and Richard Beard                                                                                          |
| Prescribed Part                    | The Prescribed Part is not applicable on this case as the net property is expected to be below the prescribed minimum of £10,000   |
| Functions                          | The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) |
| Current administration expiry date | 1 October 2018                                                                                                                     |

| Company information         |                                                 |
|-----------------------------|-------------------------------------------------|
| Company name                | Monarch 2011 Limited                            |
| Date of incorporation       | 19 September 2011                               |
| Company registration number | 07779279                                        |
| Present registered office   | 15 Canada Square, Canary Wharf, London, E14 5GL |

| Administration information         |                                                                                                                                    |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Administration appointment         | The administration appointment granted in High Court of Justice, 007256 of 2017                                                    |
| Appointor                          | Court following an application by the Directors                                                                                    |
| Date of appointment                | 2 October 2017                                                                                                                     |
| Joint Administrators' details      | Jim Tucker, Blair Nimmo and Richard Beard                                                                                          |
| Prescribed Part                    | The Prescribed Part is not applicable on this case as the net property is expected to be below the prescribed minimum of £10,000.  |
| Functions                          | The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) |
| Current administration expiry date | 1 October 2018                                                                                                                     |

## Appendix 2 Joint Administrators' receipts and payments account for each of the Companies

### Monarch Holdings

| Abstract of receipts & payments |                                                      |                                      |                                      |
|---------------------------------|------------------------------------------------------|--------------------------------------|--------------------------------------|
| Statement of affairs (£)        |                                                      | From 02/10/2017<br>To 01/04/2018 (£) | From 02/10/2017<br>To 01/04/2018 (£) |
|                                 | <b>FIXED CHARGE ASSETS</b>                           |                                      |                                      |
| 100,000.00                      | Intellectual Property rights                         | 420,000 00                           | 420,000 00                           |
|                                 |                                                      | 420,000 00                           | 420,000.00                           |
|                                 | <b>FIXED CHARGE COSTS</b>                            |                                      |                                      |
|                                 | Agents'/Valuers' fees                                | (50,000 00)                          | (50,000.00)                          |
|                                 |                                                      | (50,000.00)                          | (50,000.00)                          |
|                                 | <b>FIXED CHARGE CREDITORS</b>                        |                                      |                                      |
| (7,500,000.00)                  | Fixed charge creditor                                | NIL                                  | NIL                                  |
| (94,685,897.00)                 | Fixed charge creditor (2)                            | NIL                                  | NIL                                  |
|                                 |                                                      | NIL                                  | NIL                                  |
|                                 | <b>ASSET REALISATIONS</b>                            |                                      |                                      |
| 442.00                          | Cash at bank                                         | 441.64                               | 441.64                               |
|                                 | Insurance refund                                     | 42,350.00                            | 42,350.00                            |
|                                 | Credit Card settlement - funds for MAL and MHol      | 286,455.16                           | 286,455 16                           |
|                                 | Third party funds paid                               | (288,026 85)                         | (288,026 85)                         |
|                                 |                                                      | 41,219 95                            | 41,219.95                            |
|                                 | <b>OTHER REALISATIONS</b>                            |                                      |                                      |
|                                 | Bank interest, gross                                 | 3,393 17                             | 3,393 17                             |
|                                 | ADVANCES - Advanced funding from the CAA             | 3,560,000 00                         | 3,560,000 00                         |
|                                 | ADVANCES - funding transferred to Monarch affiliates | (2,837,293.12)                       | (2,837,293 12)                       |
|                                 | Facility from CAA                                    | 2,500 00                             | 2,500 00                             |
|                                 | Third party funds received                           | 1,571 69                             | 1,571 69                             |
|                                 |                                                      | 730,171.74                           | 730,171 74                           |
|                                 | <b>COST OF REALISATIONS</b>                          |                                      |                                      |
|                                 | IT costs                                             | (17,812.46)                          | (17,812.46)                          |
|                                 | Legal fees                                           | (4,754.00)                           | (4,754.00)                           |
|                                 | Re-direction of mail                                 | (612 00)                             | (612.00)                             |
|                                 | Statutory advertising                                | (69.00)                              | (69.00)                              |
|                                 | Bank charges                                         | (124.05)                             | (124.05)                             |
|                                 |                                                      | (23,371 51)                          | (23,371.51)                          |
|                                 | <b>UNSECURED CREDITORS</b>                           |                                      |                                      |
| (92,370,200 00)                 | Trade, Intercompany, Other                           | NIL                                  | NIL                                  |
|                                 |                                                      | NIL                                  | NIL                                  |
|                                 | <b>DISTRIBUTIONS</b>                                 |                                      |                                      |
| (168,004,871 00)                | Ordinary shareholders                                | NIL                                  | NIL                                  |
|                                 |                                                      | NIL                                  | NIL                                  |

(362,460,526 00)

1,118,020.18

1,118,020.18

REPRESENTED BY

|                           |                     |
|---------------------------|---------------------|
| Floating ch VAT rec'able  | 4,527.09            |
| Floating charge current   | 1,118,020.18        |
| Fixed charge VAT rec'able | 10,000.00           |
| Fixed charge VAT payable  | (84,000.00)         |
| Floating ch VAT control   | (4,527.09)          |
| Fixed charge VAT control  | 74,000.00           |
|                           | <b>1,118,020.18</b> |

Monarch 2011

Abstract of receipts & payments

| Statement of affairs<br>(£)                | From<br>02/10/2017<br>To 01/04/2018<br>(£) | From<br>02/10/2017<br>To 01/04/2018<br>(£) |
|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| FIXED CHARGE CREDITORS                     |                                            |                                            |
| (7,500,000 00) Fixed charge creditor       | NIL                                        | NIL                                        |
| (94,685,897.00) Fixed charge creditor (2)  | NIL                                        | NIL                                        |
| (20,693,723 00) Fixed charge creditor (3)  | NIL                                        | NIL                                        |
|                                            | NIL                                        | NIL                                        |
| UNSECURED CREDITORS                        |                                            |                                            |
| (19,000,000.00) Trade, Intercompany, Other | NIL                                        | NIL                                        |
|                                            | NIL                                        | NIL                                        |
| DISTRIBUTIONS                              |                                            |                                            |
| (20,000,001 00) Ordinary shareholders      | NIL                                        | NIL                                        |
|                                            | NIL                                        | NIL                                        |
| <b>(161,879,621.00)</b>                    | <b>NIL</b>                                 | <b>NIL</b>                                 |

## Appendix 3 Schedule of expenses for each of the Companies

### Monarch Holdings

| Schedule of expenses (2 October 2017 to 1 April 2018) | Incurred and paid in the period | Incurred in the period and not yet paid | Total               |
|-------------------------------------------------------|---------------------------------|-----------------------------------------|---------------------|
| Expenses                                              | (£)                             | (£)                                     | (£)                 |
| IT costs                                              | (17,812.46)                     | 0.00                                    | (17,812.46)         |
| Legal fees                                            | (4,754.00)                      | (123,736.73)                            | (128,490.73)        |
| Re-direction of mail                                  | (612.00)                        | 0.00                                    | (612.00)            |
| Statutory advertising                                 | (69.00)                         | 0.00                                    | (69.00)             |
| Bank charges                                          | (124.05)                        | 0.00                                    | (124.05)            |
| Third party funds paid                                | (1,571.69)                      | 0.00                                    | (1,571.69)          |
| Joint Administrators' time costs                      | 0.00                            | (68,073.50)                             | (68,073.50)         |
| <b>Total</b>                                          | <b>(24,943.20)</b>              | <b>(191,810.23)</b>                     | <b>(216,753.43)</b> |

### Monarch 2011

| Schedule of expenses (2 October 2017 to 1 April 2018) | Incurred and paid in the period | Incurred in the period and not yet paid | Total              |
|-------------------------------------------------------|---------------------------------|-----------------------------------------|--------------------|
| Expenses                                              | (£)                             | (£)                                     | (£)                |
| Joint Administrators' time costs                      | 0.00                            | (37,670.00)                             | (37,670.00)        |
| <b>Total</b>                                          | <b>0.00</b>                     | <b>(37,670.00)</b>                      | <b>(37,670.00)</b> |

The Joint Administrators are entitled to receive remuneration for their services; pending agreement of the basis of the Joint Administrators' remuneration, it has been accrued on a time cost basis. Where appropriate, this will be adjusted once creditors have approved the basis.

## Requests for further information and right to challenge our remuneration and expenses

### Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors of the relevant company (including, the unsecured creditor making the request) or with the permission of the Court.

### Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors of the relevant company (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to at the Joint Administrators at 15 Canada Square, Canary Wharf, London E14 5GL.

## Appendix 4 Joint Administrators' charging and disbursements policy

### Joint Administrators' charging policy

The time charged to each of the administrations is by reference to the time properly given by us and our staff in attending to matters arising in the respective administration. This includes work undertaken in respect of tax, VAT, employee and pensions advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administrations to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please write to the Joint Administrators at 15 Canada Square, Canary Wharf, London E14 5GL.

### Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved with each of the administrations. Time is charged by reference to actual work carried out on each of the administrations; using a minimum time unit of six minutes.

All staff who have worked on the administrations, including cashiers and secretarial staff, have charged time directly to the relevant administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to either of the administrations but is reflected in the general level of charge-out rates.

| Charge-out rates (£) for: Restructuring |                       |
|-----------------------------------------|-----------------------|
| Grade                                   | From 01 Nov 2016 £/hr |
| Partner                                 | 835                   |
| Director                                | 740                   |
| Senior Manager                          | 645                   |
| Manager                                 | 515                   |
| Senior Administrator                    | 375                   |
| Administrator                           | 285                   |
| Support                                 | 142                   |

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of each of the administrations. In our next statutory report, we will inform creditors of any material amendments to these rates.

#### Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the relevant estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

**Category 1 disbursements:** These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

**Category 2 disbursements:** These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

Monarch Holdings has incurred the following disbursements from the date of our appointment to 1 April 2018.

| Disbursements            | Category 1    |            | Category 2 |            | Totals (£)    |
|--------------------------|---------------|------------|------------|------------|---------------|
|                          | Paid (£)      | Unpaid (£) | Paid (£)   | Unpaid (£) |               |
| Courier & delivery costs | 127.42        |            | NIL        |            | 127.42        |
| Bonding                  | 10.00         |            | NIL        |            | 10.00         |
| Rates                    | 11.00         |            | NIL        |            | 11.00         |
| Sundry                   | 10.00         |            | NIL        |            | 10.00         |
| Travel                   | 35.78         |            | NIL        |            | 35.78         |
| <b>Total</b>             | <b>194.20</b> |            | <b>NIL</b> |            | <b>194.20</b> |

Monarch 2011 has incurred the following disbursements from the date of our appointment to 1 April 2018.

| Disbursements | Category 1    |            | Category 2 |            | Totals (£)    |
|---------------|---------------|------------|------------|------------|---------------|
|               | Paid (£)      | Unpaid (£) | Paid (£)   | Unpaid (£) |               |
| Advertising   | 82.80         |            | NIL        |            | 82.80         |
| Bonding       | 10.00         |            | NIL        |            | 10.00         |
| Rates         | 11.00         |            | NIL        |            | 11.00         |
| Sundry        | 612.00        |            | NIL        |            | 612.00        |
| <b>Total</b>  | <b>715.80</b> |            | <b>NIL</b> |            | <b>715.80</b> |

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of either of the Companies.

The Category 2 disbursements have not been approved.

Narrative of work carried out for each of the Companies for the period 2 October 2017 to 1 April 2018

The key areas of work have been:

|                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Statutory and compliance                  | <ul style="list-style-type: none"> <li>■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences;</li> <li>■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment;</li> <li>■ issuing regular press releases and posting information on a dedicated web page;</li> <li>■ preparing statutory receipts and payments accounts;</li> <li>■ arranging bonding and complying with statutory requirements;</li> <li>■ ensuring compliance with all statutory obligations within the relevant timescales</li> </ul>                                                                                                                                                                                                                                                                                                                                                                  |
| Strategy documents, Checklist and reviews | <ul style="list-style-type: none"> <li>■ formulating, monitoring and reviewing the administration strategies and meetings with internal and external parties to agree the same;</li> <li>■ briefing of our staff on the administration strategies and matters in relation to various work-streams;</li> <li>■ regular case management and reviewing of progress, including regular team update meetings and calls;</li> <li>■ meeting with management to review and update strategies and monitor progress;</li> <li>■ reviewing and authorising junior staff correspondence and other work;</li> <li>■ dealing with queries arising during the appointments;</li> <li>■ reviewing matters affecting the outcome of the administrations;</li> <li>■ allocating and managing staff/case resourcing and budgeting exercises and reviews;</li> <li>■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters;</li> <li>■ complying with internal filing and information recording practices, including documenting strategy decisions</li> </ul> |
| Reports to debenture holders              | <ul style="list-style-type: none"> <li>■ providing written and oral updates to representatives of the secured creditors regarding the progress of the administrations and case strategies.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Cashiering                                | <ul style="list-style-type: none"> <li>■ setting up administration bank accounts and dealing with the Companies' pre-appointment accounts;</li> <li>■ preparing and processing vouchers for the payment of post-appointment invoices (Monarch Holdings only);</li> <li>■ creating remittances and sending payments to settle post-appointment invoices (Monarch Holdings only);</li> <li>■ reconciling post-appointment bank accounts to internal systems;</li> <li>■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments (Monarch Holdings only)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Tax                                       | <ul style="list-style-type: none"> <li>■ gathering initial information from the Companies' records in relation to the taxation position of the Companies;</li> <li>■ submitting relevant initial notifications to HM Revenue and Customs;</li> <li>■ reviewing the Companies' pre-appointment corporation tax and VAT positions;</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                           | <ul style="list-style-type: none"> <li>■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations;</li> <li>■ working initially on tax returns relating to the periods affected by the administrations;</li> <li>■ analysing VAT related transactions;</li> <li>■ dealing with post appointment tax compliance.</li> </ul>                                                                                                                                                                                                                                                                                      |
| Shareholders              | <ul style="list-style-type: none"> <li>■ providing notification of our appointments,</li> <li>■ responding to enquiries from shareholders regarding the administrations;</li> <li>■ providing copies of statutory reports to the shareholders.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| General                   | <ul style="list-style-type: none"> <li>■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9,</li> <li>■ locating relevant books and records for the Companies, arranging for their collection and dealing with the ongoing storage.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                            |
| Asset realisations        | <ul style="list-style-type: none"> <li>■ collating information from the Companies' records regarding the assets,</li> <li>■ liaising with agents regarding the sale of intellectual property assets (Monarch Holdings only),</li> <li>■ working with the directors and other key stakeholders of MAEL in relation to the strategy for stabilising this business and realising value for the shares (Monarch 2011 only),</li> <li>■ corresponding with bankers in relation to cash at bank on appointment and providing such information as they require (Monarch Holdings only);</li> <li>■ reviewing the inter-company debtor position between the Companies and other group companies.</li> </ul> |
| Property matters          | <ul style="list-style-type: none"> <li>■ performing land registry searches</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Health and safety         | <ul style="list-style-type: none"> <li>■ liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with,</li> <li>■ liaising with the Health and Safety Executive regarding the administrations and ongoing health and safety compliance.</li> </ul>                                                                                                                                                                                                                                                                                                               |
| Insurance                 | <ul style="list-style-type: none"> <li>■ arranging ongoing insurance cover for the Companies' business and assets,</li> <li>■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place;</li> <li>■ assessing the level of insurance premiums.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                     |
| Pensions                  | <ul style="list-style-type: none"> <li>■ collating information and reviewing any pension schemes,</li> <li>■ ensuring compliance with our duties to issue statutory notices</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Creditors and claims      | <ul style="list-style-type: none"> <li>■ drafting and circulating our Proposals,</li> <li>■ creating and updating details of unsecured creditors,</li> <li>■ responding to enquiries from creditors regarding the administrations and submission of their claims,</li> <li>■ drafting our progress report.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                               |
| Investigations/ directors | <ul style="list-style-type: none"> <li>■ reviewing Company and directorship searches for both the Companies and advising the directors of the effect of the administrations,</li> <li>■ liaising with management to produce the Statements of Affairs and filing these documents with the Registrar of Companies;</li> <li>■ arranging for the redirection of the Companies' mail;</li> <li>■ reviewing the questionnaires submitted by the Directors of each of the Companies,</li> <li>■ reviewing pre-appointment transactions for each of the Companies;</li> <li>■ submitting the online director conduct assessments for each of the Companies to the relevant authority</li> </ul>           |

## Time costs

### Monarch Holdings

#### Time costs analysis (02/10/2017 to 01/04/2018)

|                                            | Hours | Time Cost (£) | Average Hourly Rate (£) |
|--------------------------------------------|-------|---------------|-------------------------|
| <b>Administration &amp; planning</b>       |       |               |                         |
| Notifying shareholders                     |       |               |                         |
| General correspondence                     | 0.10  | 74.00         | 740.00                  |
| Notification of appointment                | 1.70  | 620.50        | 365.00                  |
| Reports to OR on conduct                   | 0.10  | 74.00         | 740.00                  |
| Cashiering                                 |       |               |                         |
| General (Cashiering)                       | 10.30 | 4,463.50      | 433.35                  |
| Reconciliations (& IPS accounting reviews) | 4.30  | 2,214.50      | 515.00                  |
| General                                    |       |               |                         |
| Books and records                          | 0.20  | 89.00         | 445.00                  |
| Fees and WIP                               | 0.20  | 148.00        | 740.00                  |
| Mail redirection                           | 3.50  | 1,423.50      | 406.71                  |
| Statutory and compliance                   |       |               |                         |
| Appointment and related formalities        | 21.65 | 8,686.25      | 401.21                  |
| Bonding & Cover Schedule                   | 1.70  | 693.50        | 407.94                  |
| Budgets & Estimated outcome statements     | 0.50  | 351.00        | 702.00                  |
| Checklist & reviews                        | 6.50  | 2,589.50      | 398.38                  |
| Court hearings and preparation             | 0.20  | 129.00        | 645.00                  |
| Engagement management                      | 0.70  | 451.50        | 645.00                  |
| Reports to debenture holders               | 0.60  | 444.00        | 740.00                  |
| Statutory advertising                      | 0.10  | 51.50         | 515.00                  |
| Strategy documents                         | 3.00  | 1,776.00      | 592.00                  |
| Tax                                        |       |               |                         |
| Initial reviews - CT and VAT               | 2.30  | 1,082.50      | 470.65                  |
| Post appointment corporation tax           | 15.90 | 10,804.50     | 679.53                  |
| Post appointment VAT                       | 6.60  | 2,783.00      | 421.67                  |
| <b>Creditors</b>                           |       |               |                         |
| Creditors and claims                       |       |               |                         |
| Agreement of claims                        | 0.40  | 296.00        | 740.00                  |
| General correspondence                     | 1.50  | 577.50        | 385.00                  |
| Notification of appointment                | 1.90  | 1,036.50      | 545.53                  |
| Secured creditors                          | 0.60  | 267.00        | 445.00                  |
| Statutory reports                          | 9.30  | 4,047.00      | 435.16                  |
| Employees                                  |       |               |                         |

| Time costs analysis (02/10/2017 to 01/04/2018)                       |               |                  |                         |
|----------------------------------------------------------------------|---------------|------------------|-------------------------|
|                                                                      | Hours         | Time Cost (£)    | Average Hourly Rate (£) |
| Pensions reviews                                                     | 3.85          | 1,106.25         | 287.34                  |
| <b>General analysis</b>                                              |               |                  |                         |
| Administration and planning - general                                |               |                  |                         |
| CAA: Project management and reporting                                | 1.90          | 1,042.00         | 548.42                  |
| <b>Investigation</b>                                                 |               |                  |                         |
| Directors                                                            |               |                  |                         |
| D form drafting and submission                                       | 4.90          | 1,520.00         | 310.20                  |
| Directors' questionnaire / checklist                                 | 5.70          | 2,192.50         | 384.65                  |
| Statement of affairs                                                 | 6.80          | 2,390.00         | 351.47                  |
| <b>Realisation of assets</b>                                         |               |                  |                         |
| Asset Realisation                                                    |               |                  |                         |
| Cash and investments                                                 | 0.50          | 187.50           | 375.00                  |
| Goodwill                                                             | 4.00          | 1,682.50         | 420.63                  |
| Health & safety                                                      | 0.20          | 129.00           | 645.00                  |
| Insurance                                                            | 0.20          | 80.00            | 400.00                  |
| Intellectual Property                                                | 12.30         | 8,019.00         | 651.95                  |
| Leasehold property                                                   | 0.40          | 259.50           | 648.75                  |
| Other assets                                                         | 5.50          | 4,070.00         | 740.00                  |
| Other                                                                |               |                  |                         |
| Employee Matters / PAYE                                              | 0.10          | 74.00            | 740.00                  |
| Purchases and operating costs                                        | 0.30          | 222.00           | 740.00                  |
| <b>Total in period</b>                                               | <b>140.40</b> | <b>68,073.50</b> | <b>484.85</b>           |
| Brought forward time (appointment date to SIP 9 period start date)   | 0.00          | 0.00             |                         |
| SIP 9 period time (SIP 9 period start date to SIP 9 period end date) | 140.40        | 68,073.50        |                         |
| Carry forward time (appointment date to SIP 9 period end date)       | 140.40        | 68,073.50        |                         |

## Monarch 2011

### Time costs analysis (02/10/2017 to 01/04/2018)

|                                            | Hours | Time Cost (£) | Average Hourly Rate (£) |
|--------------------------------------------|-------|---------------|-------------------------|
| <b>Administration &amp; planning</b>       |       |               |                         |
| Notifying shareholders                     |       |               |                         |
| Notification of appointment                | 1.60  | 611.00        | 381.88                  |
| Cashiering                                 |       |               |                         |
| General (Cashiering)                       | 2.20  | 1,105.00      | 502.27                  |
| Reconciliations (& IPS accounting reviews) | 4.90  | 2,467.50      | 503.57                  |
| General                                    |       |               |                         |
| Books and records                          | 0.20  | 89.00         | 445.00                  |
| Fees and WIP                               | 0.20  | 167.00        | 835.00                  |
| Mail redirection                           | 3.35  | 1,270.75      | 379.33                  |
| Statutory and compliance                   |       |               |                         |
| Appointment and related formalities        | 14.85 | 5,945.25      | 400.35                  |
| Bonding & Cover Schedule                   | 1.00  | 375.00        | 375.00                  |
| Checklist & reviews                        | 3.30  | 1,396.50      | 423.18                  |
| Closure and related formalities            | 0.50  | 142.50        | 285.00                  |
| Court hearings and preparation             | 0.20  | 129.00        | 645.00                  |
| Engagement management                      | 0.60  | 387.00        | 645.00                  |
| Statutory advertising                      | 0.10  | 51.50         | 515.00                  |
| Strategy documents                         | 1.00  | 504.00        | 504.00                  |
| Tax                                        |       |               |                         |
| Initial reviews - CT and VAT               | 2.20  | 1,018.00      | 462.73                  |
| Post appointment corporation tax           | 4.90  | 2,255.50      | 460.31                  |
| Post appointment VAT                       | 2.20  | 937.00        | 425.91                  |
| <b>Creditors</b>                           |       |               |                         |
| Creditors and claims                       |       |               |                         |
| General correspondence                     | 0.40  | 183.00        | 457.50                  |
| Notification of appointment                | 1.30  | 773.50        | 595.00                  |
| Secured creditors                          | 0.50  | 229.50        | 459.00                  |
| Statutory reports                          | 15.15 | 7,833.75      | 517.08                  |
| Employees                                  |       |               |                         |
| Pensions reviews                           | 0.10  | 37.50         | 375.00                  |
| <b>Investigation</b>                       |       |               |                         |
| Directors                                  |       |               |                         |
| D form drafting and submission             | 2.90  | 858.50        | 296.03                  |
| Directors' questionnaire / checklist       | 1.95  | 803.75        | 412.18                  |

**Time costs analysis (02/10/2017 to 01/04/2018)**

|                                                                      | Hours        | Time Cost (£)    | Average Hourly Rate (£) |
|----------------------------------------------------------------------|--------------|------------------|-------------------------|
| Statement of affairs                                                 | 2.40         | 931.00           | 387.92                  |
| <b>Realisation of assets</b>                                         |              |                  |                         |
| Asset Realisation                                                    |              |                  |                         |
| Cash and investments                                                 | 9.60         | 6,921.50         | 720.99                  |
| Health & safety                                                      | 0.20         | 129.00           | 645.00                  |
| Insurance                                                            | 0.20         | 80.00            | 400.00                  |
| Leasehold property                                                   | 0.10         | 37.50            | 375.00                  |
| <b>Total in period</b>                                               | <b>78.10</b> | <b>37,670.00</b> | <b>482.33</b>           |
| Brought forward time (appointment date to SIP 9 period start date)   | 0.00         | 0.00             |                         |
| SIP 9 period time (SIP 9 period start date to SIP 9 period end date) | 78.10        | 37,670.00        |                         |
| Carry forward time (appointment date to SIP 9 period end date)       | 78.10        | 37,670.00        |                         |

All staff who have worked on these assignments, including cashiers and secretarial staff, have charged time directly to the assignments and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignments but is reflected in the general level of charge out rates

All time shown in the above analyses is charged in units of six minutes.

## Appendix 5      Glossary

|                                       |                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Avro</b>                           | Avro Limited                                                                                                                                                                                                                                                                                                                     |
| <b>Avro Aviation</b>                  | Avro Aviation Limited                                                                                                                                                                                                                                                                                                            |
| <b>CAA</b>                            | Civil Aviation Authority                                                                                                                                                                                                                                                                                                         |
| <b>CMS</b>                            | CMS Cameron McKenna Nabarro Olswang LLP                                                                                                                                                                                                                                                                                          |
| <b>the Companies</b>                  | Monarch Holdings Limited and Monarch 2011 Limited – both in Administration                                                                                                                                                                                                                                                       |
| <b>First Aviation</b>                 | First Aviation Limited                                                                                                                                                                                                                                                                                                           |
| <b>Freshfields</b>                    | Freshfields Bruckhaus Deringer LLP                                                                                                                                                                                                                                                                                               |
| <b>Group</b>                          | Avro Limited, Avro Aviation Limited, First Aviation Limited, MH Aviation Transport Limited, Monarch 2011 Limited, Monarch Airlines Limited, Monarch Holdings Limited, Monarch Holidays Limited, Monarch Travel Group Limited, somewhere2stay Limited (all in administration) and, as appropriate, MAEL and other group companies |
| <b>IT</b>                             | Information Technology                                                                                                                                                                                                                                                                                                           |
| <b>Joint Administrators/we/our/us</b> | Jim Tucker, Blair Nimmo and Richard Beard                                                                                                                                                                                                                                                                                        |
| <b>KPMG</b>                           | KPMG LLP                                                                                                                                                                                                                                                                                                                         |
| <b>MAEL</b>                           | Monarch Aircraft Engineering Limited                                                                                                                                                                                                                                                                                             |
| <b>Monarch 2011</b>                   | Monarch 2011 Limited                                                                                                                                                                                                                                                                                                             |

|                                |                                           |
|--------------------------------|-------------------------------------------|
| <b>MH Aviation Transport</b>   | MH Aviation Transport Limited             |
| <b>Monarch Airlines</b>        | Monarch Airlines Limited                  |
| <b>Monarch Holdings</b>        | Monarch Holdings Limited                  |
| <b>Monarch Holidays</b>        | Monarch Holidays Limited                  |
| <b>Monarch Travel Group</b>    | Monarch Travel Group Limited              |
| <b>PJL</b>                     | Petrol Jersey Limited                     |
| <b>PPF</b>                     | Pension Protection Fund                   |
| <b>Senior secured creditor</b> | PJL                                       |
| <b>SFA</b>                     | Services and Funding Agreement            |
| <b>Slots</b>                   | Take off and landing slots at UK airports |
| <b>somewhere2stay</b>          | somewhere2stay Limited                    |
| <b>TSA</b>                     | Transitional Services Agreement           |
| <b>WJL</b>                     | Windsor Jersey Limited                    |

Any references in this progress report to Sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

## Appendix 6      Notice: About this report

This report has been prepared by Jim Tucker, Blair Nimmo and Richard Beard, the Joint Administrators of Monarch Holdings Limited and Monarch 2011 Limited – both in Administration (the 'Companies'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of each of the administrations, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in either of the Companies or any other company in the same group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

*Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.*

James Robert Tucker and Richard James Beard are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

Blair Carnegie Nimmo is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

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