

AM03

Notice of administrator's proposals



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 09468908

Company name in full CargoLogicAir Ltd.

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) David

Surname Buchler

3 Administrator's address

Building name/number 64 North Row

Street

Post town London

County/Region

Postcode W1K7DA

Country

4 Administrator's name ①

Full forename(s) Joanne

Surname Milner

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 64 North Row

Street

Post town London

County/Region

Postcode W1K7DA

Country

② Other administrator

Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6

Statement of proposals

☒ I attach a copy of the statement of proposals**7**

Qualifying report and administrator's statement ^①

☐ I attach a copy of the qualifying report☐ I attach a statement of disposal

^① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8

Sign and date

Administrator's
Signature

Signature

X**X**

Signature date

^d 1 ^d 1

^m 0 ^m 1

^y 2 ^y 0 ^y 2 ^y 3

AM03

Notice of Administrator's Proposals



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

Anoushka Desai

Company name

Buchler Phillips Limited

Address

64 North Row

Post town

London

County/Region

Postcode

W

1

K

7

D

A

Country

DX

Telephone



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 and dated 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 or email 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



BUCHLER PHILLIPS

CORPORATE RECOVERY AND RESTRUCTURING

Joint Administrators' Report and Statement of Proposals Pursuant to Paragraph 49 of Schedule B1

CargoLogicAir Ltd - In Administration
("the Company")

The affairs, business and property of the Company are being managed by the Administrators who act
as agents of the Company and without personal liability

64 North Row, London W1K 7DA | e: info@buchlerphillips.com | t: +44 (0)20 7647 9011 | w: buchlerphillips.com
Buchler Phillips LLP trading as Buchler Phillips | Registered in England and Wales. No: OC434327
All Insolvency Practitioners at Buchler Phillips are licensed to act in the UK by the ICAEW

CONTENTS

- 1** Introduction and Background
- 2** Administration Strategy and Objective
- 3** Joint Administrators Receipts and Payments
- 4** Financial Position
- 5** Proposals
- 6** Exit Routes
- 7** Pre-administration Costs
- 8** Joint Administrators Remuneration
- 9** Estimated Outcome
- 10** Proposals approval and next report

APPENDICES

- A** Statutory Information
- B** Receipts and Payments Account for the Period from 16 November 2022 to 11 January 2023
- C** Summary of the Estimated Financial Position of the Company as at 16 November 2022
- D** Time Analysis for the Period from 16 November 2022 to 11 January 2023
- E** Additional Information in Relation to the Joint Administrators' Fees, Expenses & the use of Subcontractors
- F** Estimated Outcome Statement as at 11 January 2023

1 Introduction and Background

- 1.1 The Company was incorporated on 3 March 2015 to provide freight air transport. It received its Air Operator Certificate from the UK Civil Aviation Authority ("CAA") and performed its first revenue generating flights on its B747 aircraft in January 2016.
- 1.2 The Company saw a period of growth and established routes between the United Kingdom, Europe, Asia, Africa and Americas which led to a fourth B747 aircraft being obtained by the Company in October 2018. This allowed the Company to continue to grow and offer a greater range of services to customers, which included more flights to the USA.
- 1.3 The air cargo industry experienced a difficult year in 2019 with declining yields witnessed on all major trade lanes partially driven by the influx of wide body passenger aircrafts. This put significant pressure on the Company and a decision was made to reduce the fleet from four to two aircraft in the first quarter of 2020.
- 1.4 The Company was the UK's only main-body air freight carrier and requested the suspension of their Air Operator Certificate from the CAA in February 2020 due the economic pressure on the Company and reduced international flights at the start of the COVID-19 pandemic.
- 1.5 In April 2020, the Company relaunched its operations and the CAA reinstated the Company's Air Operator Certificate because of the need for immediate capacity to transport urgent medical supplies to combat COVID-19. The medical supplies included medical masks, test kits, medical gloves, gowns and other personal protective equipment.
- 1.6 For the year ended 31 December 2020, the Company achieved turnover of US\$148,910,070 and posted profit of US\$45,430,411.
- 1.7 In February 2022 Russia invaded the Ukraine and the United Kingdom government imposed sanctions on Alexey Isaykin, the Company's ultimate beneficial owner and former director of the Company, on 16 June 2022 pursuant to the Russia (Sanctions) (EU Exit) Regulations 2019 (as amended) as he was deemed a Designated Person because of alleged links to the Russian government. Mr Isaykin resigned as a Director of the Company on 17 June 2022 with Mr Konstantin Vekshin remaining as Sole Director. The Russian – Ukrainian conflict resulted in the Company being unable to operate flights in EU and US airspace and saw its planes grounded because of the Russian links.
- 1.8 The Office of Financial Sanctions Implementation ("OFSI"), part of the UK Treasury, issued the Company a licence on 8 August 2022 authorising the Company to make payments in relation to its basic needs and make payments for its prior obligations.
- 1.9 Despite the OFSI Licence being in place, Citibank, the Company's bankers, began to cause significant delays in actioning payment requests raised the Company. Citibank wanted to undertake its own detailed evaluation of the payments requested which caused significant delays in payments being processed, including payments to the Company's staff and suppliers. This began to have a severe impact on the Company, the staff and the Company's Creditors as the Company was not meeting its liabilities as they fell due because of the time taken for Citibank to process authorised payments.
- 1.10 In order to divest itself of the Russian ownership issue the Company's Management team made an application to OFSI to enable ownership of the Company to be transferred to a British based and registered employee-owned trust structure with ownership and control to move from the Parent Majority Shareholders to the Company's Employees, but on 1 September 2022 the Senior Decision makers at OFSI determined to refuse this proposed reorganisation. This refusal caused the Director to take a decision that the Company could no longer maintain employment for all its staff and gave notice to the majority of its employees that their contracts of employment would be terminated in November 2022. Form HR1 was filed at the same time.
- 1.11 The Company's Director, Mr Vekshin determined that he needed to take urgent advice from insolvency experts because of the impact of the Sanctions regime and the Citibank stance on

the Company and its ability to pay its creditors on a timely basis. He met with David Buchler and Joanne Milner of Buchler Phillips Limited on 28 September 2022 regarding the Company's financial situation and its options.

- 1.12 Buchler Phillips Limited were formally instructed on 10 October 2022 to assist the Company with consideration of various Insolvency Options, including a Part 26A Companies Act 2006 Restructuring Plan, a Moratorium under Part A1 of the Insolvency Act 1986, or the Appointment of Administrators or other formal Insolvency Process, all subject to OFSI approval.
- 1.13 On 28 October 2022, Citibank notified the Company of its intention to close the Company's only operational bank accounts on or by 30 November 2020 which would have left the Company without an operational bank account. This would have meant that the Company would have even more difficulties in dealing with any other future operations and also drew attention to the difficulties that would be faced in finding an operational bank account from another source as the Company had already found that the UK banks were very reluctant to provide banking facilities to any Company or business operated with or through Russia. The Company's Russian ultimate ownership meant that it was unable to find any alternative banking facilities in the UK.
- 1.14 Consequently, it was determined that an Administration would be the best option available to the Company and its creditors in order that control could be taken by an independent third party with a view to obtaining bank accounts and stabilising the Company's position. It was felt that an Administrator may have the best chance of obtaining banking facilities or alternatively would be able to make emergency arrangements with the Insolvency Service to use the Insolvency Service Account. An OFSI licence application for the conduct of the proposed Administration was made on 1 November 2022 by the Company, Buchler Phillips Limited, and the proposed Administrators, David Buchler and Joanne Milner.
- 1.15 An Administration application was made by Konstantin Vekshin as Director of the Company on 8 November 2022 under paragraph 12(1)(b) of Schedule B1 of the Insolvency Act 1986.
- 1.16 David Buchler and Joanne Milner of Buchler Phillips Limited, 64 North Row, London, W1K 7DA were appointed Joint Administrators of the Company on 16 November 2022 after a Hearing at the High Court of Justice, Business and Property Courts of England and Wales. The Administrators are authorised to act jointly and severally in the Administration.

Ethical Considerations

- 1.17 Prior to our appointment, the Joint Administrators undertook a review of ethical issues, and the following potential ethical matters were identified:
- 1.18 Professional Competence and Due Care - the particular complexities and high-profile nature of the case, coupled with the sanctions landscape in which the Company finds itself, could be deemed to present an ethical threat. However, the Joint Administrators are satisfied that the significant experience and knowledge possessed by the Administrators' team and their advisors is commensurate to the risk of any potential ethical breach. The Joint Administrators have carefully considered, with the benefit of specialist legal advice, the risk presented by applicable sanctions legislation and have taken steps to mitigate any such risks.
- 1.19 Validity of Appointment – in order to provide complete transparency to all and any potential stakeholders regarding the validity of the Administration, and to provide an opportunity for any party to attend and participate in the process of appointment, the appointment of the Joint Administrators was sought by way of an application to Court.
- 1.20 The Joint Administrators are also satisfied that the level of these ethical risks is acceptable due to:
 - An internal ethical review has been completed by Buchler Phillips Limited and approved by the Joint Administrators;

- Disclosure of the potential ethical matters identified; and
- The team dealing with the Administration having had no prior involvement or relationship.

1.21 The Administrators did not receive any confirmation until 26 December 2022 that the OFSI licence applied for on 1 November 2022 was likely to receive approval. The Administrators received draft copies of the OFSI license on 9 January 2023 and the final version of the OFSI licence is expected imminently. Any funds that may ordinarily be paid to the Company's ultimate shareholder will remain in a blocked account until Alexey Isaykin is no longer subject to UK sanctions or other such determination as the UK government will make with regard to Sanctioned assets.

1.22 Information about the way that we will use and store personal data on insolvency appointments can be found at www.buchlerphillips.com/privacy-policy/. If you are unable to download this, please contact us at cla@buchlerphillips.com and a hard copy will be provided to you.

1.23 This report incorporates the Administrators' statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 11 January 2023.

Type of proceedings

1.24 The proceedings flowing from the Administration appointment will be COMI proceedings. The Company's centre of main interests is England & Wales.

Administration Strategy and Objective

1.25 The Administrators must perform their functions with the purpose of achieving one of the following objectives set out at paragraph 3(1) of Schedule B1 of the Insolvency Act 1986:

- Rescuing the Company as a going concern; or
- Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

1.26 It was apparent that purpose paragraph 3(1)(a) was unlikely to be achieved due to the Company's two B747 aircraft having been taken back by their lessors, only a small number of employees remaining and the complexities of achieving a sale of the business with the sanctions imposed. However, the Joint Administrators are continuing to consider whether a sale can be achieved of the business and assets going forward.

1.27 It is believed that purpose paragraph 3(1)(b) is achievable as all known creditors of the Company are expected to be paid in full based on current information.

Consideration of Proposals by Creditors

1.28 Under Para 52(1) of Schedule B1 to the Insolvency Act 1986, where an Administrator thinks that:

- (a) The Company has sufficient property to enable each creditor of the Company to be paid in full,
- (b) The Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, or

- (c) The Company cannot be rescued as a going concern, or a better result as a whole than would be likely if the Company were wound up (without first being in Administration) cannot be achieved,

then the Administrator is not required to seek a decision from the Company's creditors as to whether they approve these Proposals.

- 1.29 In this case the Joint Administrators think that the Company has sufficient property to enable each creditor of the Company to be paid in full and they are therefore not required to seek a decision from creditors to approve their Proposals unless the requisite number of creditors request such a decision within the prescribed period.
- 1.30 Creditors whose debts amount to at least 10% of the total debts of the Company may however request a decision be sought from the unsecured creditors as to whether to approve my Proposals. If you wish to request that a decision be sought in this manner, your request must be delivered to my office in writing by 23 January 2023, being 8 business days from the date of delivery of my Proposals.
- 1.31 Please note that in the absence of any such request by the above date, my Proposals will be deemed approved.
- 1.32 Although there is no requirement to seek a decision from the unsecured creditors on the approval of my proposals, there are certain matters which do require specific approval from creditors including the agreement to the basis of the Administrators' remuneration (including unpaid pre-administration costs), category 2 expenses, as well as our discharge from personal liability immediately upon my appointment ceasing to have effect. I intend to deal with these decisions by way of electronic voting and details of how to vote are included on the letter dated 9 January 2023 that creditors received.

Progress Since Appointment

Administration (including statutory compliance and reporting)

- 1.33 Following our appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work included detailed liaison with solicitors to deal with any legal considerations surrounding the Administration and liaising with valuation agents to consider the most appropriate means of realising the value in the Company's business and assets.
- 1.34 We have also dealt with a number of statutory formalities which are required of us under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and advertising our appointment in the London Gazette, together with preparing these proposals to creditors outlining how the purpose of the Administration may be achieved.
- 1.35 The Joint Administrators have been liaising with DLA Piper UK LLP regarding the Company's OFSI license for the conduct of the Administration. This has included numerous strategy calls and emails between the Administrators and DLA Piper UK LLP, and discussing the draft license. The OFSI license is required for the Administrators' to achieve the purpose of the Administration and realise assets for the benefit of creditors and, as stated above, on 9 January 2022 a draft Licence was received from OFSI.
- 1.36 The Company occupied leasehold premises at 3 Roundwood Avenue, Stockley Park under an agreement with another of Mr Isyakin's companies, Volga Dnepr UK Limited, which is also subject to UK Sanctions as a consequence of the Russian – Ukrainian conflict. Shortly after the appointment of the Administrators the landlord locked both companies out of the premises. The Joint Administrators contacted the landlord's agents and were able to gain access to the premises to secure the Company's books and records and to determine with our agents whether there were any assets of value that could be realised for the benefit of the creditors. The bulk of Chattel assets in the premises were the property of Volga-Dnepr UK Limited and

any residual assets of the Company were not deemed of sufficient value to merit movement and were therefore abandoned.

- 1.37 The Company had encountered difficulties in obtaining access to its electronic records which had been blocked by Microsoft as a result of the Sanctions regime. DLA Piper UK LLP have written to Microsoft on behalf of the Joint Administrators to enable access to the Company's electronic records. A decision on the options available to the Administrators to secure the records will be made once the full and final OFSI license has been received.
- 1.38 Other statutory duties performed are outlined in further detail in the fees estimate which can be found at Appendix E. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvency estate.

Realisation of assets

- 1.39 The work undertaken by the Administrators and their staff to date in realising the Company's assets has been necessary in order to make payments to creditors in due course. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in future progress reports.
- 1.40 The tax refund figure of £3,000,000 in the estimated statement of affairs relates to a terminal loss relief claim in respect of Corporation Tax. The Company has paid approximately £6,000,000 in corporation tax since it began operating, and the sanctions has resulted in what were substantial profit and loss reserves being depleted which may lead to a refund being possible. Tax advisors will need to be instructed by the Administrators to determine whether terminal loss relief is available which will be done once the final OFSI Licence is received
- 1.41 The Company has VAT refunds outstanding totalling £204,004.84 in respect of three returns to August 2022. The Administrators' will be able to pursue this when the final OFSI license has been obtained and banking facilities organised.
- 1.42 The stock figure of £2,187,934.77 included on the estimated statement of affairs relates to B747 aircraft parts. This includes a 73% provision against current asset inventory and a 50% provision against aircraft rotables. The Joint Administrators are working with specialist agents at Lambert Smith Hampton to review the stock in its various locations and determine an asset realisation programme.
- 1.43 The Administrators have undertaken work with the retained employees and our agents to verify the location of the stock. The majority of the stock is held at East Midlands Airport, Amsterdam Airport and Hahn Airport. Our agents were satisfied that there were no material discrepancies with the locations, descriptions, part numbers and quantities of the stock held at East Midlands Airport following a site visit. We are in discussions with Amsterdam Airport and Hahn Airport to arrange site visits towards the end of January 2023.
- 1.44 The realisation of the stock depends on gaining access to TRAX, a comprehensive Maintenance, Repair and Operations & Airline Fleet Management Software. The documentation surrounding the ownership of the B747 aircraft parts are saved on the TRAX system. However, access to this software is currently blocked due to the sanctions and the Company's inability to pay for this service. The Administrators' will be able to gain access when the final OFSI license has been obtained and a bank account setup.
- 1.45 The Administrators have been in correspondence with several interested parties regarding the stock. However, details of the sales process will be determined after a final valuation has been received from our agents.
- 1.46 The estimated statement of affairs includes a book debt figure of £1,200,000. Work has been carried out by the Administrators to determine the Company's book debts and recoveries. The Administrators' will be able to pursue these when the OFSI license has been obtained and a bank account setup.

- 1.47 The estimated statement of affairs shows that the recoveries in respect of the deposits are uncertain. Recovery of the deposits given to Aircastle Investment Holding 2 Limited and WWTAI Airopco 1 Bermuda Limited (WWTAI) of £1,000,000 and £2,200,000 respectively in relation to the B747 aircrafts may involve litigation. WWTAI filed a strike out application in respect of the deposit so the Administrators were required to file a witness statement at Court to dismiss the application to allow the Administrators to take detailed advice as to the recoverability of this asset going forwards.
- 1.48 The Administrators' will be able to pursue the deposits mentioned above and the remaining deposits when the final OFSI license has been obtained and a bank account setup.
- 1.49 The intercompany debtors are unlikely to be recoverable because these entities are subject to UK OFSI sanctions and some of the entities are registered outside of the UK with the debts disputed. We will liaise with the liquidators of the related German Company to determine whether any of the intercompany debts are likely to be recoverable.
- 1.50 The Company had £10,583,942.37 in its bank accounts held at Citibank at the date of the Administrators' appointment. Immediately on our appointment we wrote Citibank to advise them of the Administration and our request that no payments should be made unless authorised by the Administrators. However, Citibank processed unauthorised payments totalling £708,980.91 to certain creditors of the Company on 21 November 2022 despite strict instructions having been given to them not to process any payments previously requested by the Company. The Administrators reserve the right to take action in relation to the unauthorised payments and will consider this matter further in due course.
- 1.51 Work has been undertaken by the Administrators to determine exactly who has been paid and how that effects creditors' claims in the Administration. For example, some payments were believed to have been made to Employees which has a direct impact on our assessment of Employee entitlement going forward.

Creditors

- 1.52 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.
- 1.53 Work undertaken by an Administrator in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however an Administrator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrator in dealing with those claims.

Investigations

- 1.54 Some of the work the Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ("CDDA 1986") and Statement of Insolvency Practice 2. Investigations by Office Holders may not necessarily bring any financial benefit to creditors unless these investigations reveal potential asset recoveries that the Office Holder can pursue for the benefit of creditors.
- 1.55 The Administrators are required to submit a report to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 by 16 February 2023. The report is confidential so the Administrators will not be able to disclose the contents.

1.56 The Administrators have written to all known individuals who have served as a director during the three years prior to the Company being placed into Administration requesting them to complete a questionnaire to assist with the investigations. However, no response has been received to date.

1.57 If any creditor has any information concerning the Company's affairs that they would like to bring to the Administrators attention, please so in writing to cla@buchlerphillips.com.

2 Joint Administrators' Receipts and Payments

2.1 A summary of receipts and payments for the Administration period from the date of my appointment to 11 January 2023 is attached at Appendix B.

2.2 No receipts have been received or payments made by the Administrators due to the sanctions on the Company and the delays in obtaining an OFSI license for the conduct of the Administration, except for the unauthorised payments made by Citibank above which are not included on Appendix B.

3 Financial Position

3.1 A Statement of the Company's Affairs has not yet been received because of the sanctions imposed on the Company resulted in access to the Company's electronic accounting records being blocked. The Administrators have been working with the retained employees of the Company to produce an estimated financial position for the Company. We anticipate this will enable the Director to Finalise an Estimated Statement of Affairs of the Company imminently for filing at Companies House.

3.2 Attached at Appendix C is a summary of the Estimated Financial Position of the Company as at 16 November 2022, together with a list of creditors names and addresses along with details of their debts (including details of any security held by them). Creditors should note that the estimated financial position is before the costs of the Administration procedure are considered.

3.3 We have the following observations to make in relation to the Estimated Financial Position of the Company.

- The estimated to realise figure for the tax refunds totalling £3,000,000 relates to a potential terminal loss relief claim in respect of Corporation Tax. The figure is an estimate provided by the Company's finance team, and tax advisors will need to be instructed to determine whether the Company meets the criteria for this claim and process the claim with HMRC.
- The estimated to realise figure is uncertain for the deposits on the leased aircraft as the recoveries of these funds are likely to involve litigation in different jurisdictions. This relates to the recovery of deposits on the B747 aircraft that the Company previously used.
- The intercompany debtors are unlikely to be recoverable because these entities are subject to various sanction regimes and some of these entities are registered outside of the UK with the debts disputed such as the German related company.

4 Proposals

4.1 It is proposed that the Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:

- The Joint Administrators will make an Application to the Court for Directions as to how the Company will be treated in order to affect a distribution to Creditors unaffected by the UK Sanctions regime. This may involve the Company being placed into liquidation – or the Court may order that the Company remain in Administration for an indefinite period with the Joint Administrators being given permission to make a Distribution to the Creditors. Alternatively, the Administrators may consider whether it is appropriate for the Company to enter into a Part 26A Restructuring Plan with its Creditors or a Company Voluntary Arrangement.
- The Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administration.
- If the Administrators consider it necessary to extend the period of the Administration, they will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrators' term of office be extended for a specified period determined by it.
- The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrators' remuneration, Category 2 expenses (where charged) and any proposed act on the part of the Administrators without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- The basis of the Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:
 - As a percentage of the value of the assets they have to deal with, or
 - By reference to time properly spent by the Administrators and their staff managing the Administration, or
 - As a set amount.
- In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Administrators be authorised to draw Category 2 expenses as and when funds are available, in accordance with their firm's published tariff. Details of Category 2 expenses charged by the firm can be found at Appendix E.
- Where no Creditors' Committee is appointed the remuneration and Category 2 expenses of the Administrators shall be fixed by a decision of creditors or where the Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and their discharge from liability in the same manner.
- In this case, the Administrators are seeking to approve the basis of their remuneration as follows:
 - By reference to the time properly spent by the Administrators and their staff in attending to matters arising in the Administration.
- Further details about the proposed fee basis can be found in Section 8 below and Appendix E.

- The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.
- As the Administrator was appointed by way of an application to court under Paragraph 10 of Schedule B1 of the Insolvency Act 1986, the Administrator's discharge from liability under Paragraph 98 of the same Schedule will also be obtained from the court at the appropriate time.

5 Exit Routes

- 5.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office be extended for a specified period of time.
- 5.2 At the time of drafting these Proposals it is anticipated that there will be sufficient asset realisations to make payments in full to all creditors unaffected by the UK Sanctions regime. At present however it is uncertain how other such Creditors are to be dealt with and indeed how any surplus that may arise for the benefit of the ultimate shareholder should be dealt with. The Joint Administrators intend to make an application to Court in due course for Directions as to what steps the Joint Administrators should take in relation to any such funds.
- 5.3 Based on information currently available, the information on the exit routes we believe may be appropriate in this Administration are set out below.

Part 26A Restructuring Plan

- 5.4 A Restructuring Plan under Part 26A of the Companies Act 2006 is an arrangement proposed between the Company and its creditors/members or any class of them for the purpose to eliminate, reduce, prevent or mitigate the effect of any financial difficulties that may affect the ability of the business carrying on as a going concern. If this is proposed then it is likely that the Administration objective pursuant to Paragraph 3 of Schedule B1 of the Insolvency Act 1986 will change to that of Paragraph 3(1)(a), namely rescuing the Company as a going concern. The Joint Administrators will advise Creditors in due course of Directions made by the Court in this regard and whether revised Proposals need to be submitted.

Creditors' Voluntary Arrangement

- 5.5 A CVA is a formal procedure introduced by Part 1 of the Insolvency Act 1986 which enables a company to agree with its creditors how their debts should be paid and in what proportions. It requires the approval in excess of 75% in value of the creditors voting. Once approved, it binds all creditors who received notice of the decision to approve the CVA and were entitled to vote on it, whether they did vote or not. There are special provisions for valuing the votes of creditors who are connected with the Company. The Joint Administrators will advise Creditors in due course of Directions made by the Court in this regard.

Creditors' Voluntary Liquidation

- 5.6 Based on present information, the Administrators think that a distribution will be paid to the unsecured creditors other than by virtue of the Prescribed Part. Ordinarily once an Administrator was in a position to pay all creditors the Administrators would file a notice with the Registrar or Companies in order that the Administration would cease and the Company would move automatically into CVL to facilitate this distribution with the Joint Administrators acting as Joint Liquidators. The Directions Application will determine whether this process will be followed and we will advise Creditors in due course of the steps to be taken.

Dissolution of the Company

- 5.7 If an Application is made to the Court for the Administrators to make a Distribution to the Company's Creditors in the Administration period and the distribution is made, then the Joint Administrator may on completion look to take steps for an immediate dissolution of the Company. Again, this outcome will be dependent on any Order made by the Court in relation to the proposed Directions Hearing mentioned above. The Joint Administrators will advise Creditors in due Court of Directions made by the Court in this regard.

6 Pre-administration Costs

6.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Administrators, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

6.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.

6.3 The pre-appointment fees charged and expenses incurred by the Administrators are as follows:

Fees or Expenses charged by	Brief description of services provided	Total amount charged	Amount paid £	Who payments made by	Amount unpaid
Buchler Phillips Limited	Pre-appointment advice on the Company's options following the sanctions and OFSI decision on licence application & preparing for the Administration	£83,735 plus VAT	Nil	N/A	£83,735 plus VAT
DLA Piper UK LLP	Legal advice on the Company's options following the sanctions, OFSI decision on licence application & dealing with the appointment of the Administrators	£512,256.45 plus VAT	Nil	N/A	£512,256.45 plus VAT
Rabin Kok of South Square Barristers	Preparing for the Court hearing for the appointment of the Administrators	£4,940 plus VAT	Nil	N/A	£4,940 plus VAT
Adam Al-Attar of South Square Barristers	Preparing for and attending the Court hearing for the appointment of the Administrators	£15,290 plus VAT	Nil	N/A	£15,290 plus VAT
Court Fee	Court fees in relation to the administration application	£280	Nil	N/A	£280

The pre-appointment fees and expenses above were charged in accordance with the terms of an engagement letter dated 10 October 2022 between the Administrators' firm and the Company, acting by way of its directors.

- 6.4 In this case, the above work was considered necessary to be carried out prior to the appointment of the Administrators as there was a considerable amount of legal advice given to place the Company into Administration because of the OFSI sanctions imposed on the Company.
- 6.5 Additionally, the work conducted by all parties above was undertaken to preserve the assets of the Company. This included advice given to the Company in relation to Citibank not processing payments and threatening to close the Company's bank accounts by 30 November 2022, resulting in the acceleration of the Administration process.
- 6.6 A review of the B747 aircraft leases and the Air Operator Certificate was undertaken by staff of Buchler Phillips Limited and DLA Piper UK LLP, which included Counsel's opinion. This was necessary to determine the Company's options in pursuing the deposits held by the lessors of the B747 aircraft in the Administration, and to consider the impact of the Administration on the Air Operator Certificate and achieving a sale of the business.
- 6.7 The work carried out included the drafting of the OFSI licence for the Administration period by staff of Buchler Phillips Limited and DLA Piper UK LLP. This was necessary as it details what can be done by the Administrators during the course of the Administration. This will enable the Administrators to realise assets for the benefit of creditors.
- 6.8 Legal advice was given by staff of DLA Piper UK LLP and Counsel in relation to the risk of strike-off of the Company and parent company, Cargo Logic Holding Limited. It was understood that there was a debtor balance due to the Company from Cargo Logic Holding Limited so this work was necessary to preserve the assets of the Company for the benefit of creditors.
- 6.9 Work was undertaken by staff of Buchler Philips Limited to prepare for the Administration, including understanding the asset and liability position of the Company. This included strategy discussions internally, the director and legal advisors. Work was also carried out to consider the different insolvency procedures available to the Company and advice was given to the director on the different options available.
- 6.10 The payment of the unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively by a decision of the creditors where there is no Committee. This sum has already been approved for payment by OFSI in its draft Licence.

7 Joint Administrators' Remuneration

- 7.1 As Joint Administrators, we are required to provide creditors with details of the work we propose to undertake in the Administration and the expenses we consider will be, or is likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which my remuneration will be fixed.
- 7.2 In addition to this, where Administrators seek agreement to the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.
- 7.3 In this case, we are seeking to agree that our remuneration be based on the time properly spent by us and our staff in dealing with the affairs of the Company. Our fees estimate and details of the work we propose to undertake, and the expenses we anticipate will be, or are likely to be, incurred in the Administration can be found at Appendix E. Further information on the work done since our appointment to the date of this report can be found in section 2 of this report.

- 7.4 Please note that where appropriate, the fees estimate may be to a particular stage of the case only and if we consider the estimate will be exceeded during the Administration, we are obliged to seek further approval for any increase in our remuneration. The fees estimate provides details of these matters where relevant and appropriate approval to the basis of our remuneration will be sought as outlined in section 5 of this report.
- 7.5 For information, attached at Appendix D is a time matrix outlining the time spent by us and our staff since the date of our appointment as Administrator. This time is included within the overall fees estimate provided with this report.
- 7.6 In circumstances where our initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, we reserve the right to refer back to creditors to establish how we are to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, we will revert to creditors with our fees estimate for approval.
- 7.7 We will provide updates on the expenses we consider will be, or are likely to be, incurred during this case with our progress reports in due course.
- 7.8 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from <https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2010/creditors-guide-to-administrators-fees-england-and-wales-apr-2010.ashx> If you would prefer this to be sent to you in hard copy please contact Anoushka Desai of this office on 020 7647 9906 or by email cla@buchlerphillips.com.

8 Estimated Outcome

- 8.1 Based on the directors' Estimated Financial Position of the Company all known creditors of the Company are expected to be paid in full.

9 Proposals approval and next report

- 9.1 As the Company has sufficient property to enable each creditor of the Company to be paid in full, the Administrator is not required to seek a decision from the Company's creditors as to whether they approve these Proposals. However, creditors have been requested to make decisions on other matters by electronic voting as detailed in this report.
- 9.2 The Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and we will report to you again at this time.



Joanne Mijner
Joint Administrator

Appendix A

Statutory Information

1 Company information

Company name	CargoLogicAir Ltd.
Trading name(s)	None
Registered number	09468908
Registered office address	64 North Row London W1K 7DA
Former registered office address	3 Roundwood Avenue Stockley Park Uxbridge UB11 1AF
Trading address	3 Roundwood Avenue Stockley Park Uxbridge UB11 1AF
Court details	High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies
Court reference number	004108 of 2022

2 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Directors			
Konstantin Vekshin	17 December 2019	N/A	N/A
Dmitry Grishin	3 March 2015	18 January 2018	N/A
Alexey Isaykin	11 February 2016	17 June 2022	N/A
Shareholder			
Cargo Logic Holding Limited	N/A	N/A	1,000,001 £1 ordinary shares and 200,000 £1 ordinary A shares (100%)
Secretary			
Clyde Secretaries Limited	3 March 2015	27 June 2022	N/A

3 Joint Administrators' Details

Name of Administrators	David Buchler	Joanne Milner
Address	64 North Row London W1K 7DA	64 North Row London W1K 7DA
Telephone Number	0207 647 9011	0207 647 9011
Administrator's IP Number	3134	8761
Authorising Body	ICAEW	ICAEW
Date of Appointment	16 November 2022	

Appendix B

Receipts and Payments Account for the Period from 16 November 2022 to 11 January 2023

CargoLogicAir Ltd. (In Administration) Joint Administrators' Summary of Receipts & Payments From 16 November 2022 To 11 January 2023		
Statement of Affairs	£	£
		£
ASSET REALISATIONS		
2,187,934.77 Stock	0.00	
1,200,000.00 Book Debts	0.00	
3,000,000.00 Tax Refunds	0.00	
204,004.84 VAT Refund	0.00	
10,583,942.37 Cash at Bank	0.00	
		0.00
PREFERENTIAL CREDITORS		
80,800.00 Employee Arrears	0.00	
182,222.79 Employee Holiday Pay	0.00	
		0.00
UNSECURED CREDITORS		
2,045,380.18 Trade & Expense Creditors	0.00	
3,226,129.69 Intercompany Creditors	0.00	
2,602,006.68 Employees / Directors	0.00	
		0.00
<u>9,039,342.64</u>		<u>0.00</u>
REPRESENTED BY		<u>0.00</u>

Appendix C

Summary of the Estimated Financial Position of the Company as at 16 November 2022

Description	Book Value		Estimated to Realise
	£	£	£
Assets			
Uncharged assets:			
Tax Refunds	3,304,087.03		3,000,000.00
Stock	2,187,934.77		2,187,934.77
Book Debts	1,914,599.41		1,200,000.00
Deposits	4,365,784.88		Uncertain
VAT Refund	204,004.84		204,004.84
Intercompany Loan to CLG	2,236,000.00		NIL
Intercompany Debtors	4,097,856.86		NIL
Cash at Bank	10,583,942.37		10,583,942.37
Estimated total assets available to preferential creditors			17,175,881.68
Liabilities			
Preferential Creditors			
Employees - Arrears of Wages (up to £800 per Employee)		80,800.00	
Employees - Holiday Pay (capped at £571 per week)		182,222.79	
			(263,022.79)
Estimated deficiency/surplus as regards preferential creditors			16,912,859.19
2nd Preferential Creditors			
HMRC - PAYE/NIC		Uncertain	
			NIL
Estimated deficiency/surplus as regards 2nd preferential creditors			16,912,859.19
Floating Charge Debts Pre 15/09/2003			
Debts secured by floating charges pre 15 September 2003			
Floating Charge Creditors Pre 15/09/2003			
			NIL
Estimated deficiency / surplus of assets as regards floating charge holders pre 15 September 2003			16,912,859.19
Prescribed Part			
			NIL
Estimated total assets available to floating charge holders post 14 September 2003			16,912,859.19
Floating Charge Debts Post 14/09/2003			
Debts secured by floating charges post 14 September 2003			
Floating Charge Creditors Post 14/09/2003			
			NIL
Estimated deficiency / surplus as regards floating charge holders post 14 September 2003			16,912,859.19
Estimated prescribed part of net property where applicable			
			NIL
Deficiency/Surplus available to unsecured creditors			16,912,859.19

Signature _____ Date _____

Buchler Phillips Limited

Page 1 of 2

CARGOLOGICAIR LTD. - IN ADMINISTRATION

Description	Book Value £	Estimated to Realise £	£
Shortfall to Preferential Creditors			NIL
Unsecured Creditors (excluding floating charge shortfall)			
Trade & Expense Creditors		2,045,380.18	
Intercompany Creditors		3,226,129.69	
Employees - Arrears of Wages (in excess of £800)		492,950.44	
Employees - Redundancy Pay		310,613.83	
Employees - Notice Pay		1,784,398.41	
Employees - Bonus Pay		14,044.00	
			(7,873,516.55)
Unsecured Creditors (excluding floating charge shortfall post 14/09/2003)			9,039,342.64
Shortfall in respect of F.C's post 14 September 2003 (brought down)			NIL
Estimated deficiency/surplus as regards creditors			9,039,342.64
Issued and called up capital			
A Shares		200,000.00	
Ordinary		1,000,001.00	
			(1,200,001.00)
Total Surplus/(Deficiency)			7,839,341.64

Signature _____ Date _____

Buchler Phillips Limited

Page 2 of 2

Company Creditor - Schedule B - Creditors
CargoLogicAir Ltd. (Registered Number - 09468908)

Key	Name	Address	£
CA0000	AIRBRIDGECARGO AIRLINES LLC	28B BUILDING, 3 MEZHDUNARODNOE ROAD, MOSCOW, Russian Federation (the)	2,749,411.26
CA0001	AIRBRIDGECARGO AIRLINES LLC	17/4 KRYLATSKAYA STREET, MOSCOW, 121614, Russian Federation (the)	2,691.74
CA0002	ABSOLUTE FINANCIAL MANAGEMENT LTD	THE BULL YARD, R/O 75 HIGH STREET, ASHFORD, TN24 8SN	3,000.00
CA0003	AUTOMATIC DATA PROCESSING LIMITED	SYWARD PLACE, PYRCROFT ROAD, CHERTSEY, SURREY, KT16 9JT	4,353.48
CA0004	ADVANTIS CREDIT LTD	MINTON HOLLINS BUILDING, SHELTON OLD ROAD, STOKE-ON-TRENT, STAFFORDSHIRE, ST4 7RY	1,820.41
CA0005	AEROFLOT RUSSIAN AIRLINES PJSC	1 ARBAT STREET, 119019, MOSCOW, Russian Federation (the)	14,008.00
CA0006	AEROPEOPLE LTD	UNIT 6023 STANSTED, 600 TAYLORS END, LONG BORDER ROAD, STANDSTED AIRPORT, CM24 1RL	31,000.00
CA0007	AIRFREIGHT LOGISTICS SARL	22 RUE GABRIEL LIPPMANN, L-5365 MUNSBACH, Luxembourg	15,031.21
CA0008	AIRCASTLE INVESTMENT HOLDING 2 LTD	201 TRESSER BOULEVARD, 4000, STAMFORD, CONNECTICUT 06901, United States of America (the)	247,753.52
CA0009	A J Walter Leasing Ireland Limited	ONE SPENCER DOCK, NORTH WALL QUAY, DUBLIN 1, Ireland	181,440.00
CA000A	ALPHA ARROWS TAXIS	TERMINAL BUILDING FIRST AVENUE, DONCASTER AIRPORT, DN9 3RH	1,056.00
CA000B	AMAZON WEB SERVICES EMEA SARL	38 AVENUE JOHN F. KENNEDY, L-1855, Luxembourg	151.03
CA000C	AIRCRAFT MAINTENANCE AND ENGINEERING SERVICE GMBH	FLUGHAFEN LEIPZIG/HALLE, TOWERSTRASSE 1, LEIPZIG, Germany	23,511.85
CA000D	AVIATION SYSTEMS SUPPORT LTD	THE SPINNEY, OXTON HILL, SOUTHWELL, NOTTINGHAMSHIRE, NG25 0RN	67,680.00
CB0002	BAC OFFICE EQUIPMENT LIMITED	UNIT 25, BOUNDARY BUSINESS CENTRE, BOUNDARY WAY, WOKING, GU21 5DH	1,393.92
CB0003	BLACKLANE GMBH	AMTSGERICHT BERLIN-CHARLOTTENBURG, BERLIN, Germany	498.99
CB0004	BMC GROUP LTD	2ND FLOOR, 337 CITY ROAD, LONDON, EC1V 1LJ	2,457.84
CB0005	BOEING COMMERCIAL AIRPLANES GROUP	PO BOX 3707, SEATTLE, WA 98124-2207, United States of America (the)	14,423.35
CB0007	BRITISH AIRWAYS PLC	WATERSIDE, PO BOX 365, HARMONDSWORTH, HOUNSLOW, UB7 0GB	8,064.00
CC0000	CARTER BEDI MCKAY LTD	83 VICTORIA STREET, LONDON, SW1H 0HW	5,108.00

Signature _____ Date _____

Key	Name	Address	£
CC0001	COMET CAR HIRE (CCH) LTD	HEATHROW COACH CENTRE, SIPSON ROAD, WEST DRAYTON, MIDDLESEX, UB7 0HN	1,446.76
CC0002	CHAMP CARGOSYSTEMS S.A.	2 RUE EDMOND REUTER L-5326 CONTERN, GRAND-DUCHY OF LUXEMBOURG, Luxembourg	9,030.00
CC0003	CHAMP Cargosystems UK Ltd	THE OLD VINYL FACTORY 252-254 BLYTH ROAD, HAYES MIDDLESEX, UB3 1HA	1,770.91
CC0004	CONTROL TOWERS INTERNATIONAL B.V.	SNIPWEG 101, 1118 DP, SCHIPHOL ZUID, Netherlands (the)	25,800.00
CC0005	CONTROLACCOUNT PLC CLIENT ACCOUNT	COMPASS HOUSE, WATERSIDE, HANBURY ROAD, BROMSGROVE, WORCESTERSHIRE, B60 4FD	4,139.59
CC0006	CORRECT CUSTOMS CLEARANCE LTD	5 PROSPECT PLACE, MILLENNIUM WAY, PRIDE PARK, DERBY, DE24 8HG	60.00
CD0000	DENTONS EUROPE LLP	P.O. BOX 75510, 1070 AM AMSTERDAM, Netherlands (the)	4,753.08
CD0002	DHL INTERNATIONAL UK LIMITED	SOUTHERN HUB, UNIT 1 HORTON ROAD, COLNBROOK, SLOUGH, SL3 0BB	3,781.54
CD0003	DHL INTERNATIONAL UK LTD D/DEBIT	SOUTHERN HUB, UNIT 1 HORTON ROAD, COLNBROOK, SLOUGH, SL3 0BB	576.18
CD0004	DWP CMG EMPLOYERS	22, MAIL HANDLING SITE A, WOLVERHAMPTON, WV98 2BU	710.80
CE0001	ERSKINE MURRAY LTD	ROSSINGTON'S BUSINESS PARK, WEST CARR, RETFORD, NOTTINGHAMSHIRE, DN22 7SW	14,361.03
CE0002	EQUIVO LIMITED	2 RUSHMILLS NORTHAMPTON, HUDDERSFIELD, NH4 7YB	1,230.08
CF0000	F AND E AIRCRAFT MAINTENANCE LLC	PO BOX 660707, MIAMI SPRINGS, FL 33266, MIAMI, United States of America (the)	6,418.82
CF0001	FEDEX EXPRESS UK LIMITED	EXPRESS HOUSE HOLLY LANE, ATHERSTONE, CV9 2RY	86.45
CF0002	FLIGHTDATAPEOPLE.COM LIMITED	UNIT 17, WELLINGTON BUSINESS PARK, DUKES RIDE BERKSHIRE, CROWTHORNE, RG45 6LS	16,658.63
CF0003	FLIGHTWORX AVIATION LTD	4-8 CAMBRIDGE ROAD, STANSTED MOUNTFITCHET, STANSTED, CM24 8BZ, United Kingdom	7,700.00
CF0005	FRANKFURT AIRPORT	60547 FRANKFURT AM MAIN, FRANKFURT/MAIN , Germany	551.99
CG0000	GATE GOURMET GMBH DEUTSCHLAND	AM WEIHER 6, D- 65451 KELSTERBACH, FRANKFURT/MAIN , Germany	3,970.80
CG0007	Gold Diamond D Heathrow 2005 Ltd	Bath Road, Harlington, Hayes, UB3 5AL	136.27
CH0001	HANGAR 901 AIRCRAFT MAINTENANCE GMBH	HANGAR 900, D-55483 HAHN AIRPORT, FRANKFURT/MAIN , Germany	13,018.59
CH0002	HR4U LTD	5 PATCHAM GRANGE, BRIGHTON, BN1 8UR, United Kingdom	5,239.32
CI0000	INTERNATIONAL AIR TRANSPORT ASSOCIATION	RTE DE L'AÉROPORT 33, 1215 LE GRAND-SACONNEX, GENEVA, Switzerland	56,470.68
CI0001	INTERNATIONAL AIR TRANSPORT ASSOCIATION	800 PLACE VICTORIA, 11TH FLOOR, MONTREAL, QUEBEC, Canada	9,558.00

Signature _____ Date _____

Key	Name	Address	£
CI0002	INVENTORY LOCATOR SERVICE LLC	8001 CENTERVIEW PARKWAY, SUITE 400, CORDOVA, TN 38018	985.20
CI0003	INCHEON INTERNATIONAL AIRPORT CORPORATION	INCHEON AIRPORT 424-47, JUNG-GU GONGHANG-RO, INCHEON	182.22
CI0004	ITVET LTD	ITVET HOUSE, 93 LONDON ROAD, BISHOPS STORTFORD, HERTFORDSHIRE, CM23 3GW, United Kingdom	55,710.43
CJ0000	JET MASTER CLASS (UK) LTD	UNIT 18, LLOYDS COURT, MANOR ROYAL, CRAWLEY, WEST SUSSEX, RH10 9QX, United Kingdom	13,500.00
CK0000	KURA HUMAN FACTORS LTD	75 WESTERN ROAD, SOUTHALL, UB2 5HQ, United Kingdom	1,900.80
CL0000	LEASEPLAN UK LIMITED	165 BATH ROAD, SLOUGH, SL1 4AA, United Kingdom	1,230.08
CL0001	LEGAL AND GENERAL ASSURANCE SOCIETY LTD	ONE COLEMAN STREET, LONDON, EC2R 5AA, United Kingdom	6,844.74
CL0002	LONDON HEATHROW MARRIOTT	GOLD DIAMOND D HEATHROW 2005 LTD, BATH ROAD, HARLINGTON, HAYES, MIDDLESEX, UB3 5AP, United Kingdom	48.53
CL0003	LUFTHANSA TECHNIK AKTIENGESELLSCHAFT	P.O. BOX 630300, 22313, HAMBURG, Germany	134,818.30
CM0000	MANCHESTER AIRPORT GROUP PLC	GROUP FINANCE SHARED SERVICES, OLYMPIC HOUSE, 4TH FLOOR, MANCHESTER, M90 1QX, United Kingdom	275.88
CM0001	MNX GLOBAL LOGISTICS	HEATHROW DEPOT, 361 STOCKLEY CLOSE, WEST DRAYTON, UB7 9BL, United Kingdom	3,630.77
CM0002	MTU MAINTENANCE HANNOVER GMBH	P.O. BOX 10 17 20, 30838 LANGENHAGEN, Germany	25,384.12
CM000B	Marshallmaps Limited	39 Greenacres Avenue, Ickenham, Uxbridge, UB10 8HQ	407.50
CN0000	CITI BANK CREDIT CARD	77 RUE METCALFE STREET, OTTAWA ON, K1P 5L6, Canada	2,123.45
CN0001	NEXONIA TECHNOLOGIES, INC	PO BOX 99261, STN A, TORONTO, ON M5W 0J6, Canada	100.00
CN0002	NICE AIRCRAFT SERVICES AND SUPPORT GMBH	CARGO CITY SUD, GEB 640 60549 FRANKFURT AM MAIN, Germany	3,938.92
CO0000	OFFICE-GROCERIES LTD	43 CHURCH STREET, BILLERICAY, ESSEX, CM11 2SX, United Kingdom	54.60
CP0000	PCB BYRNE LLP	1 PLOUGH PLACE, LONDON, EC4A 1DE, United Kingdom	3,139.23
CP0001	PRIVATE ESTABLISHMENT CORPORATE UNI	11 SOUVOROV PROSPECT, ULYANOVSK	880.92
CP0002	PELESYS LEARNING SYSYEMS INC	13500 MAYCREST WAY #125, RICHMOND, BC V6V 2N8, Canada	11,340.00

Signature _____ Date _____

Key	Name	Address	£
CQ0000	QUALITY AIRCRAFT PARTS INC	5551 NW 159TH STREET, MIAMI LAKES, FLORIDA, MIAMI	12,690.01
CR0000	ROYAL SCHIPHOL GROUP	EVERT VAN DE BEEKSTRAAT 202, 1118 ZG , SCHIPHOL	9,745.83
CR0002	MATHEW MORLAND	[REDACTED]	502.37
CR0002	ROAMING EXPERT COM LTD	Unit 8, Spectre Court Bamber Bridge, Preston, Unit 8, PR56AW	7,800.67
CR0005	KSENIIA PEGUSHINA	[REDACTED]	18.35
CR0007	NADEEM SULTAN	[REDACTED]	459.93
CR0008	MARTIN WILLIAMS	[REDACTED]	68.48
CR000A	VICTORIA WRIGHT	[REDACTED]	37.49
CR000C	IVAN IVANOV	[REDACTED]	810.00
CS0000	Defense.com Cyber Ltd (Formerly SERVERCHOICE LTD)	GATEWAY 1000, UNIT 13, ARLINGTON BUSINESS PARK, STEVENAGE, HERFORDSHIRE, SG1 2FP, United Kingdom	2,136.00
CS0001	SORA RISK SOLUTIONS LIMITED,	GROUND FLOOR, CROMWELL HOUSE, 15 ANDOVER ROAD, WINCHESTER, HAMPSHIRE, SO23 7BT, United Kingdom	6,360.00
CS0002	SAVILLE NOTARIES LLP	46 NEW BROAD STREET, LONDON, EC2M 1JH, United Kingdom	498.82
CS0003	SCHIPHOL COMMERCIAL B.V.	POSTBUS 75776, 1118 ZX SCHIPHOL	9,745.83
CS0004	SITA SWITZERLAND SARL	26 CHEMIN DE JOINVILLE, 1216 COINTRIN, GENEVA, Switzerland	18,290.68
CS0005	SKYPEOPLE INTERNATIONAL LTD	15 LORD STREET GLOSSOP, DERBYSHIRE, GLOSSOP, SK13 7DN, United Kingdom	2,100.00
CS0007	STATION LTD T/A SPACE STATION SELF STORAGE	200 HORTON ROAD, UXBRIDGE, UB7 8HX, United Kingdom	3,005.00
CS0008	SWISSPORT GB LTD	SWISSPORT HOUSE, UNIT D, HAMPTON COURT, MANOR PARK, RUNCORN, WA7 1TT, United Kingdom	31,309.04
CS0009	SWISSPORT FINLAND OY	RAHTIKUJA 1, 01530 VANTAA, Finland	114.05
CS000A	SYNERGY TECHNOLOGY LTD	NATEBY TECHNOLOGY PARK, CARTMELL LANE, NATEBY, PRESTON, LANCANSHIRE, PR3 0LU, United Kingdom	5,804.88
CT0000	TGIS AVIATION MANAGEMENT LTD	STURSTON HALL FARM, MILL LANE ASHBOURNE, DERBYSHIRE, DE6 1LN, United Kingdom	2,970.00

Signature _____ Date _____

Key	Name	Address	£
Additional Details / Security: Retention of Title			
CT0001	TOTAL AOC SOLUTIONS LTD	BUILDING 510, CHURCHILL WAY, WESTERHAM, TN16 3BN, United Kingdom	18,690.12
CT0002	TRAX USA CORP	2601 S BAYSHORE DRIVE, COCONUT GROVE, FL 33133, MIAMI	22,393.71
CU0000	UNILODE AVIATION SOLUTIONS	STEINACKERSTRASSE 2, CH-8302 KLOTEN, Switzerland	19,098.02
CU0001	UNUM LTD	MILTON COURT, DORKING, SURREY, RH4 3LZ, United Kingdom	54,098.22
CV0000	VOLGA DNEPR UK LTD	3 ROUNDWOOD AVENUE, STOCKLEY PARK, UXBRIDGE, UB11 1AF, United Kingdom	290,739.86
CV0001	VOLGA DNEPR UNIQUE AIR CARGO INC	9400 GROGANS MILL SUITE 220, THE WOODLANDS, TX 77380	35,550.88
CV0002	VOLGA-DNEPR AIRLINES LLC	14.0, KARBYSHEVA STR, ULYANOVSK, 432072.0	111,884.63
CV0003	VOLGA-DNEPR AIRLINES LLC	14.0, KARBYSHEVA STR, ULYANOVSK, 432072.0	23,488.32
CV0004	VITALITY HEALTH	SHEFFIELD, S95 1DB, United Kingdom	12,247.61
CV0006	Virgin Atlantic Airways Ltd	Fleming Way, Crawley, West Sussex, RH10 9DF	6,378.93
CW000D	WILLIS LIMITED	51 LIME STREET, LONDON, EC3M 7DQ, United Kingdom	721,673.83
CW000E	WORLD AERO LIMITED	UNIT 24, MID-SUSSEX BUSINESS PARK, DITCHLING, WEST SUSSEX, BN6 8SE, United Kingdom	11,978.50
95 entries totalling			5,271,509.87

Signature _____ Date _____

Company Creditor - Schedule B2 - Consumer Creditors

CargoLogicAir Ltd. (Registered Number - 09468908)

Key	Name	Address	£
No Consumer Creditors to report			
0 entries totalling			0.00

Signature _____ Date _____

Company Shareholders - Schedule C
CargoLogicAir Ltd. (Registered Number - 09468908)

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up Per Share	Total Amt. Called Up
HC0000	Cargo Logic Holding Limited		Ordinary	1.0000	1,000,001	1.00	1,000,001.00
HC0000	Cargo Logic Holding Limited		A Shares	1.0000	200,000	1.00	200,000.00
1 A Shares entries totalling					200,000.00		
1 Ordinary entries totalling					1,000,001.00		

Signature _____ Date _____

Appendix D

Time Analysis for the Period from 16 November 2022 to 11 January 2023

SIP9 Time & Cost Summary CargoLogicAir Ltd. 16 November 2022 to 11 January 2023			
Classification of Work	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration	261.90	143,735.00	548.82
Realisation of Assets	16.00	8,740.00	546.25
Creditors (claims & distributions)	75.30	31,755.00	421.71
Investigations	1.00	440.00	440.00
Total	354.20	184,670.00	521.37

Appendix E

Additional Information in Relation to the Joint Administrators' Fees, Expenses & the use of Subcontractors

Fee Basis and Proposed Expenses

The Administrators are seeking to agree the basis of their remuneration in this case as time properly spent by them and their staff in dealing with the affairs of the Company. Information about the work done to date can be found in the body of the Administrators' Statement of Proposals at Section 1 and is included as part of this fee estimate.

As a time cost basis is being sought in this case, the Administrators' fees estimate is below, which provides details of the rates the Administrators and their staff propose to charge for each part of that work and the time it is anticipated each part of that work will take.

The fees information provided is based on information about the Company's affairs available to the Administrators at the present time. Should any matters arise which impact on the proposed remuneration basis, such as additional investigatory matters or potential realisable assets, further time or cost may be incurred, and it may be necessary to revise the Administrators' estimate of costs.

In this case, I do not currently anticipate that it will be necessary to seek further approval to increase the level of the fees proposed in the Administration. However, we may need to seek further approval for the level of fees depending on the exit route.

Also included within the fees information are details about the Administrators' anticipated expenses, which includes any Category 1 expenses, which generally comprise of external supplies of incidental services specifically identifiable to the case and do not require prior creditor approval to be paid. The information about expenses also outlines any Category 2 expenses charged by this firm which do require prior approval by creditors and are costs which are directly referable to the appointment but are not payments to an independent third party and may therefore include payments to associates of the Administrators or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis.

Fees Information in accordance with The Insolvency (England and Wales) Rules 2016 and Statement of Insolvency Practice 9

Fees Overview

Prior to an office holder agreeing the basis of remuneration, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with an insolvent's affairs must be provided to creditors.

In addition, where an office holder proposes to take all or any part of this remuneration based on the time spent in dealing with the insolvent's affairs, a fees estimate must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

It should be noted that a fees estimate may be provided to a particular milestone or for a designated period in a case, where it is not possible to accurately estimate the work that will need to be done at the outset.

Creditors should be aware that the fees estimate is based on all of the information available now and may be subject to change due to unforeseen circumstances that may arise during the assignment. If it is considered that this estimate will be exceeded, the office holder will provide an update and seek approval to increase the previously agreed estimate.

Work anticipated and the likely outcome to creditors

Some of the work undertaken by an office holder is required by statute and may not necessarily provide a financial benefit to creditors. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund.

It may also be necessary for an office holder to instruct other parties to assist with the assignment because of a particular expertise that they may bring, such as asset valuation, tax or legal advice. Details of any anticipated expenses can be found at the end of this document, although it should be noted that this may change during the course of an assignment where it is necessary to seek additional expertise or specialist support.

Office holders are also required to comment on whether the work they anticipate doing will provide a financial benefit to creditors and to give an indication of the likely return to creditors when seeking approval for the basis of their remuneration. Due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of an insolvent's assets at the outset of a case, this position may change during an assignment, therefore updates will be provided in periodic progress reports to creditors.

In this case, it is anticipated that all known creditors of the Company will be paid in full. Further information on this can be found below in the section on 'Creditors (claims and distributions)'.

Proposed Fee Basis

In this case, it is being proposed that the basis of my remuneration as office holder will be based on the time spent by me and my staff in dealing with the insolvent's affairs. My fees estimate is below however I do not consider that I can accurately estimate my fees for the entire duration of the assignment at this time. I have therefore produced my estimate based on the first 12 months of the Administration which totals £500,625 plus VAT.

Each part of the work to be undertaken will necessarily require different levels of expertise and therefore related cost. In order to aid understanding, for the purposes of my fees estimate, I have indicated an average blended rate of the grades of staff such as myself, the case manager, the case administrator and cashier when estimating the total hours to be spent on each part of the work.

I will update creditors prior to the expiry of this milestone to determine whether I need to provide a revised estimate with a view to seeking further approval as necessary and will update creditors in my future progress reports on the amount I anticipate being paid against this estimate.

Outline of work to be done by the office holder

I have detailed some of the work done to date and future tasks in the body of the Administrators' Statement of Proposals at Section 1, and I have provided the additional work below in support of my fees estimate for the assignment:

Administration (including statutory compliance & reporting)

Office holders are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the claims of creditors. Whilst these tasks are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken.

This work may include:

- Notifying creditors of the office holder's appointment and other associated formalities including statutory advertising and filing relevant statutory notices
- Securing the insolvent's assets and placing insurance where appropriate
- Preparing and issuing progress reports to creditors (and members where applicable)

- Lodging periodic returns with the Registrar of Companies
- Complying with statutory duties in respect of the office holder's specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Redirection of mail to the office holder's premises
- Establishing and holding periodic meetings of any committee formed and associated filing formalities
- Securing the insolvent's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the insolvency with HMRC
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter)
- Opening, maintaining and managing the insolvent estate cashbook and bank account
- Dealing with all post-appointment VAT and corporation tax compliance as applicable to the proceedings
- Finalising the Company's OFSI license application
- Ensuring tasks are undertaken in accordance with the OFSI license
- Monitoring OFSI sanctions and ethical considerations
- Closing the case and preparing and issuing the office holders final account to prescribed parties

Realisation of assets

Details of the assets identified and the work done to date are included in the Administrators' Statement of Proposals Sections 1.39-1.51. We will continue to work with our legal advisors and agents to realise these assets as detailed in the relevant sections of the Administrators' Statement of Proposals.

Work done by the office holders, their staff and any third parties engaged to assist the office holder in realising the insolvent's assets will, it is anticipated, provide a financial benefit to creditors. This may involve realising assets to facilitate a distribution to preferential creditors only, or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the unsecured creditors. If there are no assets to be realised and the costs of the proceedings are to be met by way of a contribution from the directors or another third party, then there will be no direct financial benefit to creditors.

The attached Estimated Outcome Statement provides an illustration of what the outcome for creditors may be at this time. Based on current information, I expect all known creditors of the Company to be paid in full. However, this is subject to fluctuation during the proceedings, depending on actual realisations made, costs incurred and the eventual claims submitted by creditors, all of which cannot be predicted with any certainty at this stage.

Creditors will be updated on the anticipated outcome in future progress reports issued by the office holder.

Creditors (claims and distributions)

As office holder, I will deal with secured, preferential and unsecured creditor correspondence and claims as received, including any claims of creditors under retention of title. Based on the estimated statement of affairs, I currently think that after taking into consideration the costs of realising the assets and dealing with the statutory formalities of the insolvency process and the related costs and expenses, that all known creditors of the Company will be paid in full. I will deal with the review and adjudication of creditors' claims as appropriate, when it is determined that a dividend is to be declared.

Evolve IS are providing support and assistance to employees in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the insolvent entity. I will be liaising with Evolve IS regarding the status of employee claims and the Redundancy Payment Service's claim.

I will be liaising with the Company's payroll provider and reviewing employment contracts to determine the amounts due to the retained employees and process their payments once we have received the Company's funds.

The Company, together with the Volga-Dnepr Group, is subject to claim in France by SAS Strategic Airlift Support for €5,000,000 in relation to a breach of the contract between the parties dated 17 March 2016. The claim was initially dismissed by the Paris Commercial Courts on 17 February 2022 but SAS Strategic Airlift Support are appealing this. Dentons LLP are dealing with this claim on behalf of the Company. I will be liaising with Dentons LLP to understand the Company's position and how this will affect creditors.

Investigations

As office holder, I am required to conduct investigations into the conduct of the directors of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).

This work may not necessarily lead to any financial benefit to creditors yet is work I am required to undertake by statute. My initial investigations may reveal that further recoveries could be available for the insolvent estate and if this proves to be the case and I consider that further work will be required to pursue these assets, I will refer back to creditors about the likely costs involved in pursuing such recoveries.

Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the insolvent's books and records and the identification of potential further asset realisations which may be pursued in the proceedings. Submitting a statutory report to the Insolvency Service under the CDDA

Office Holder's Fees Estimate

Below is my fees estimate for the assignment. The work the office holder anticipates undertaking in relation to this estimate has been outlined above. It is an estimate for the first 12 months of the Administration. If I consider this estimate will be exceeded, I will advise creditors and seek approval for my revised fees estimate as appropriate.

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting, and sanctions matters & reporting regarding the OFSI licenses)	395	489	193,125
Realisation of assets	250	513	128,250
Creditors (claims & distributions)	215	468	100,625
Investigations	155	507	78,625
Total estimated fees	1,210	492	500,625

Category 1 expenses

The following Category 1 expenses are currently anticipated on this assignment:

Expense	Basis of remuneration/cost	Service to be provided	Estimated cost
Agent's fees & expenses	% of realisations to be agreed	Valuation, uplift & sale of the Company's property or chattel assets via auction/private treaty	Uncertain as the enquiries into the stock are ongoing

Legal fees & expenses	Time costs	Advice on sanctions, OFSI Licence, aviation, litigation for pursuing deposits and general restructuring and insolvency advice	Uncertain but £115,000 plus VAT from 16 November 2022 to 16 December 2022
Statutory advertising	Fixed cost	Statutory advertising in London Gazette in respect of the Administrators' appointment	£103.50 plus VAT
Specific Penalty Bond	Fixed cost	Statutory bond required in all insolvency appointments for each office holder appointed	£2,100 plus VAT
Insurance	Variable depending on duration of cover	Asset insurance	Uncertain
External storage costs	£0.16 per box of records stored	Storage of insolvent's books & records for statutory timescales	Uncertain
Re-direction of mail	Fixed cost	Re-direction of the insolvent's mail to the office holder for three months	£216 plus VAT
Payroll advice	Fixed cost	Specialist payroll advice relating the final payroll and P45s	Uncertain
Access to TRAX software	Fixed cost per case	Access to TRAX software to access documentation for the	US\$27,646.56 (£22,758.12 based on exchange rate £1:US\$1.2148)
External Mail Services	Variable depending on number of pages and postage	External mail service costs for creditor circulars	£499.07 plus VAT
Bank charges	Depends on the bank account used and number of payments made	Charges incurred for operating the insolvent estate accounts	Uncertain

Category 2 expenses

The following Category 2 expenses are currently anticipated on this assignment:

Expense	Basis of remuneration/ cost	Payment to Associate or shared/allocated cost	Service to be provided	Estimated cost
Business mileage	45p per mile	Allocated cost	Cost reimbursed to office holder or staff member for case-related business mileage	Approximately £200
Postage charges	£1.45 per creditor circular	Allocated cost	Cost for printing and mail services for the letter to creditors concerning the proposals	£372.93 plus VAT

Staff Allocation and the use of Subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

On this case we have used, or anticipate using, the services of the following subcontractors. It is considered that the cost of subcontracting this work to specialist contractors will be less than, or equivalent to, the cost of these services being undertaken by the office holders or their staff and the outsourcing of this work will bring greater efficiency to this element of the work necessary in the liquidation.

Service	Provider	Work to be done	Basis of fee arrangement	Cost to date	Anticipated total cost
Employee claims processing	Evolve IS	Employee claims support, assisting with the submission of ERA claims to the Redundancy Payments Service and agreement of employee claims with the office holder	Fixed rate agreed at £41 per employee	Nil	£4,223 plus VAT
Pension claims processing	Evolve IS	Assisting with the submission of pension claims to the Redundancy Payments Service and agreement of pension claims with the office holder	Fixed rate agreed	Nil	£975 plus VAT
HR Services	Jacquie Findlay	Employee information support, HR and accounting services where appropriate	£500 per day	£18,912.20 plus VAT	£18,912.20 plus VAT

Charge-Out Rates

Buchler Phillips Limited's current charge-out rates effective from 1 September 2022 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

	(Per hour) £
Partner	750
Senior Manager / Consultant	650
Manager	550
Senior Analyst	450
Analyst	350
Support Staff	275

Appendix F

Estimated Outcome Statement as at 11 January 2023

	£	£
Uncharged Assets:		
Tax Refunds		3,000,000.00
Stock		2,187,934.77
Book Debts		1,200,000.00
Deposits		Uncertain
VAT Refund		204,004.84
Cash at Bank		10,583,942.37
Intercompany Debtors		Nil
Estimated total assets available to preferential creditors		17,175,881.98
Less Pre-Appointment costs:		
Administrators' Pre-Appointment Fees	83,735.00	
DLA Piper UK LLP's Pre-Appointment Legal Fees	512,256.45	
South Square Barrister's Pre-Appointment Fees	20,230.00	
Court Fee	280.00	
		(616,501.45)
		16,559,380.53
Less Estimated Administration Costs:		
Administrators' Fee Estimate	500,625.00	
DLA Piper UK LLP's Fees to 16 December 2022	115,000.00	
Other Administrators' Expenses Included in Administrators' Statement of Proposals	26,249.62	
Evolve IS Fees for Employee and Pension Claims Processing	5,198.00	
HR Services	18,912.20	
		(665,984.82)
		15,893,395.71
Less: Provision for Administration Expenses		(1,000,000.00)
		14,893,395.71
Less: Preferential Creditors		(263,022.79)
Less: Unsecured Creditors		(7,873,516.55)
Less: Provision for SAS Claim		(5,000,000.00)
Surplus		1,756,856.37