

26 NOVEMBER 2019



## Report to creditors for fee approval

---

AVIATOR MAN LIMITED (COMPANY NUMBER: 09422546) ("THE COMPANY")

EXPERTS WITH **IMPACT**<sup>TM</sup>

## Table of Contents

1. Introduction .....	2
2. Executive Summary .....	3
3. Financial Position of the Company.....	3
4. Liquidators’ Fees and Expenses .....	5
5. Additional Information .....	7
Appendix I: Notice of decision by correspondence .....	9
Appendix II: Notices of invitation to form a liquidation committee .....	11
Appendix III: Details of work to be undertaken, and expenses incurred, in the Liquidation .....	12
Appendix IV: Liquidators’ receipts and payments .....	15
Appendix V: Practice Fee Recovery information .....	16
Appendix VI: Proof of Debt form .....	18

## Glossary

<b>The Company</b>	Aviator MAN Limited	<b>Liquidators / Joint Liquidators</b>	Simon Kirkhope and Andrew Johnson, both of FTI Consulting LLP
<b>c.</b>	Approximately	<b>RPO</b>	Redundancy Payments Office
<b>Decision Date</b>	13 December 2019	<b>TUPE</b>	Transfer of Undertakings (Protection of Employment) Regulations
<b>Directors</b>	Tomas Hedstrom, Jo Alex Tanem and Andreas Vassilaros	<b>UK</b>	United Kingdom
<b>FTI</b>	FTI Consulting LLP		

## 1. Introduction

- 1.1 As you are aware, Andrew Johnson and I were appointed Joint Liquidators of the Company on 23 October 2019. I am now seeking approval for our fees for acting as Liquidators.
- 1.2 Creditors are advised that explanatory information, including Statements of Affairs for the Company, was sent to all known creditors in my previous circular dated 24 October 2019. Any creditor requiring a copy of this correspondence can access it at <https://www.fticonsulting-emea.com/cip/aviator-man-limited>, or request a hard copy from my office.
- 1.3 In the absence of a Liquidation Committee it falls to the creditors to fix the basis of my fees. I am seeking a decision by correspondence from the creditors. If you wish to vote on the decision, you must complete and return the enclosed voting form to me by no later than 23.59 on 13 December 2019, the decision date. If you have not already submitted proof of your debt, please complete the enclosed form and return it to me, together with the relevant supporting documentation. Your vote on the decisions will not count unless you have lodged proof of your debt by no later than 23.59 on 13 December 2019.
- 1.4 You are also invited to determine whether to form a Liquidation Committee, and a notice of invitation to form a Liquidation Committee and further instructions are enclosed. To enable you to make an informed decision as to whether you wish to either seek to form a Committee, or to nominate yourself to serve on a Committee, further information about of the role of the Committee and what might be expected from its members has been prepared by R3 and is available at the link <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>.
- 1.5 The following documents are enclosed with this report:
  - Notice of decisions for which approval is sought;
  - Voting Form;
  - Notice of invitation to form a Liquidation Committee;
  - Details of work to be undertaken, and expenses incurred, in the Liquidation;
  - Receipts and payments account;
  - Practice Fee Recovery information; and
  - Proof of debt form.
- 1.6 **Please note that I must receive at least one vote by the decision date or the decision will not be made. I would therefore urge you to respond promptly.**
- 1.7 Should any creditor or group of creditors wish to request a physical meeting of creditors, they must do so within 5 business days of the delivery of the notice that accompanies this letter. Such requests must be supported by proof of their debt, if not already lodged. I will convene a meeting if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where “creditors” means “all creditors.”
- 1.8 Please note that when carrying out all professional work relating to an insolvency appointment, Insolvency Practitioners are bound by the Insolvency Code of Ethics, as well as by the regulations of their professional body. The Liquidators are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.
- 1.9 A copy of ‘A Creditors Guide to Liquidators’ Fees’ published by the R3, together with an explanatory note which shows FTI Consulting LLP’s fee policy are available at the link <https://www.fticonsulting-emea.com/cip/forms-information>. Please note that there are different versions of the Guidance Notes, and in this case you should refer to the April 2017 version. A hard copy of both documents can be obtained on request from this office.

## 2. Executive Summary

- 2.1 My duties and functions as Liquidator are the realisation of the Company's assets, the agreement of the claims of creditors, investigation of the Directors' conduct and the Company's affairs generally, and the eventual distribution of the Liquidation funds between the creditors in accordance with their legal entitlements. This section is a summary of my report seeking fee approval, although more detail about the assets and liabilities of the Company and my proposed fees and expenses are set out in my report below.
- 2.2 The Company's principal assets as at the date of my appointment were cash at bank and trade debtors (£0.7m and £1.6m respectively per the Directors' Statement of Affairs). To date I have realised the cash at bank, which as at the date of my appointment totalled £690,773. The Liquidators have also opened discussions with customers regarding the realisation of trade debtors. Whilst all service contracts were transferred to alternative providers as part of the orderly wind down of the Company's operations, the trade debtors may be subject to set off. A key workstream in the Liquidation will be to maximise realisations by, to the extent possible, seeking to minimise any set off applied.
- 2.3 The transfer of service contracts preserved the jobs of c.80 employees out of a total workforce of c.350. The remaining workforce were made redundant shortly before my appointment. As part of the Liquidation, the Liquidators will work closely with ERA Solutions, a third-party employee claims specialist, to ensure employee claims are dealt with as swiftly and efficiently as possible.
- 2.4 I am seeking approval from creditors that my remuneration as Liquidator is fixed on a time cost basis with time costs estimated at £100,000 at a "blended" rate of £400 per hour for undertaking the following categories of work in the Liquidation namely Administration, Investigations, Realisation of Assets, Creditors, and Reporting.
- 2.5 The estimated expenses of the Liquidation are c.£9,000 + VAT.

## 3. Financial Position of the Company

- 3.1 Based on the Directors' Statement of Affairs, and information I have obtained to date, the assets and liabilities of the Company appear to be as follows:

	Book Value £	Estimated to Realise £
<b>Assets</b>		
Airport, office and computer equipment	18,407	-
Prepayments	171,881	2,119
Trade debtors	1,610,410	402,787
Cash	716,872	690,773
VAT	12,764	12,764
	<b>2,530,334</b>	<b>1,108,443</b>
<b>Liabilities</b>		
Preferential creditors: employees	(192,000)	(72,234)
Unsecured non-preferential claims	(1,657,336)	(1,657,336)
Unsecured employee claims	(254,595)	(350,768)
	<b>(2,103,931)</b>	<b>(2,080,338)</b>
<b>Deficiency</b>		<b>(971,895)</b>

- 3.2 These figures are based on a combination of information provided by the Directors and information I have obtained during the course of my work as Liquidator. Furthermore, the figures do not take into account the costs of realisation of assets, nor the costs and expenses of the Liquidation.

### **Assets**

- 3.3 Information was provided about the assets of the Company in the Statement of Affairs and also in the explanatory information made available to creditors both prior to the liquidation and following my appointment as Liquidator. The following is an update on that information.
- 3.4 As at the date of my appointment, the Company held cash at bank of £690,774 which has been realised in full in the Liquidation. This is in line with the estimated realisable value of £716,872 as per the Directors' Statement of Affairs.
- 3.5 The Directors' Statement of Affairs showed that of the £1,610,410 book value of trade debtors, £544,505 was expected to be realised. No realisations to date have been made in this regard, however, the Liquidators have opened discussions with the Company's customers. The Liquidators will focus on seeking to minimise any set off customers may seek to apply. Based on the information available, I have reduced the estimable realisable value to £402,787 as Thomas Cook accounted for the majority of the Company's trade debtor balance. Realisation of the Thomas Cook debt is dependent on a dividend being paid to unsecured creditors from the Thomas Cook liquidation.
- 3.6 In addition, I expect to receive a refund for an insurance premium of c.£2,000.

### **Receipts and payments**

- 3.7 I attach at Appendix IV an account of the receipts and payments covering the period since I was appointed Liquidator. The receipts represent the assets realised to date, as detailed above as well as payments been made in the Liquidation to date.

### **Secured creditors**

- 3.8 There are provisions of the insolvency legislation that require a Liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a floating charge over its assets to a lender on or after 15 September 2003. This is known as the 'prescribed part of the net property' ("prescribed part"). A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. Any costs of the Liquidation that are payable before the Liquidator has reached a position to make a distribution to the floating charge holder have to be deducted from floating charge realisations before arriving at an amount for the net property of the company. As a result, the costs associated with realising floating charge assets, paying preferential claims in full, the general costs of winding up and the costs of confirming the validity of the floating charge will have to be deducted before the net property is calculated. The prescribed part that the Liquidator then has to set aside for unsecured creditors is:
- 50% of the first £10,000 of the net property; and
  - 20% of the remaining net property
- up to a maximum of £600,000.
- 3.9 As there are no charges registered over the assets of the Company, the prescribed part provisions will not apply.

### **Preferential liabilities - employees**

- 3.10 The Company had employed c.350 staff, and c.80 employees were preserved with the transfer of contracts through the successful Transfer of Undertakings (Protection of Employment) Regulations. The remaining workforce were made redundant shortly before my appointment.
- 3.11 For those employees who were made redundant, I understood that monies will be owed to them in respect of outstanding holiday pay which, subject to statutory limits, is a preferential claim in the Liquidation. It is understood that there are no arrears of wages to the Company's former employees.
- 3.12 It will be some time before I can realise all the Company's assets and agree the claims of creditors. Based on current known information about assets and liabilities it is likely that preferential creditors will be paid in full.

### Non-preferential unsecured creditors

- 3.13 The Statement of Affairs included 53 non-preferential unsecured creditors with an estimated total liability of £1,657,336.
- 3.14 In addition, redundancy pay and payment in lieu of notice due to those employees who were made redundant is an unsecured claim, with an estimated total liability of £350,768.
- 3.15 A proof of debt is enclosed, and if you have not already lodged one you should now complete and return it to me, together with evidence in support of your claim.
- 3.16 It will be some time before I can realise all the Company's assets and agree the claims of creditors. Based on current known information about assets and liabilities it is likely that a dividend will be paid to unsecured creditors, however, the quantum of any dividend is not yet known and will be reliant on asset realisations. Further updates in this respect will be provided in due course.

## 4. Liquidators' Fees and Expenses

4.1 Since I was appointed Liquidator, my principal actions have been as follows:

- Recovered the Company's cash at bank and commenced discussions with the Company's customers regarding the recovery of trade debtors;
- Exited all of the Company's leasehold premises and facilitated the recovery of leased assets;
- Undertaken a review of the Company's records including a detailed review of creditor and employee records;
- Provided all necessary information to my employee claims specialists, ERA Solutions, and continue to liaise closely with them regarding ad hoc employee queries;
- Completed reference requests in respect of employees' employment with the Company; and
- Engaged with creditors, answering their queries regarding the liquidation process and other ad-hoc queries.

4.2 These tasks have been undertaken either as part of my routine administrative functions, or in order to realise the assets of the Company. In addition, I have undertaken routine statutory and compliance work, such as corresponding with creditors, employees, HMRC, and Company advisers to advise them of my appointment, the filing of associated notices with Companies House and the preparation of gazette notices. These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

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

Professional Advisor	Nature of Work	Fee Arrangement
ERA Solutions	Employee claims specialists	Fixed fee based on number of employee claims

4.4 ERA Solutions have been engaged by the Liquidators to assist the Company's former employees in submitting their claims against the Company. They have commenced this work and continue to liaise directly with employees. No payments have been made to ERA Solutions to date. I estimate that c. 265 employees will be lodging claims against the Company. Accordingly, I currently envisage ERA Solutions fees in the Liquidation will total c.£8,000 plus VAT. However, this is subject to change depending on the number of claims lodged and whether the Liquidators request ERA Solutions to provide additional services.

4.5 The choice of ERA Solutions was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. No payments to agents or professional advisors have been made to date.

## Disbursements

- 4.6 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case such as postage, statutory case advertising, invoiced travel, external printing, room hire, and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.
- 4.7 My category 1 expenses incurred to 15 November 2019 amount to £631 and represent statutory advertising and bonding.
- 4.8 On this assignment I do not anticipate incurring any category 2 disbursements.
- 4.9 I anticipate that expenses totalling c.£9,000 + VAT will arise in these proceedings, as detailed in Appendix III. Expenses do not have to be approved, but when reporting to any committee and the creditors during the Liquidation the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (for example, if legal costs are incurred due to escalated recovery action).

## Liquidators' fees

- 4.10 I attach a copy of my practice fee recovery policy at Appendix V. In this case I am seeking to fix the basis of my remuneration on a time cost basis as detailed below.
- 4.11 I propose to seek approval on a time cost basis. i.e. by reference to time properly spent by me and members of staff of the practice at our standard charge out rates. When I seek approval for my fees on a time cost basis I have to provide a fee estimate. That estimate acts as a cap on my time costs so that I cannot draw fees of more than the total estimated time costs without further approval from those who approved the fees. I attach at Appendix III a "Fee estimate summary" that sets out the work that I intend to undertake, and the time that I think each part of the work will take. It includes a summary of that information in an average or "blended" rate for all of the work being carried out within the estimate.
- 4.12 The following explains about the areas of work for which I am seeking approval on a time cost basis, whilst full information about the work that I will undertake on a time cost basis is contained in Appendix III.
- 4.13 **Administration:** This represents the work that is involved in the routine administrative functions of the case by myself and my staff, together with the control and supervision of the work done on the case. It does not give direct financial benefit to the creditors, but has to be undertaken to meet my liquidators must follow.
- 4.14 **Investigations:** The insolvency legislation gives liquidators powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. I am required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then I will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and I will provide an estimate of that benefit if an increase in fees is necessary.
- 4.15 I am also required by legislation to confidentially report to the Department for Business, Innovation and Skills on the conduct of the Directors and the work to enable them to comply with this statutory obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.
- 4.16 **Realisation of Assets:** This is the work that needs to be undertaken to protect and then realise the known assets in the case. The Liquidators key focus in this regard is to minimise the extent to which customers seek to apply set off against the amounts owed to the Company. This work is for the benefit of the creditors.
- 4.17 **Employees:** I need to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Office (RPO). That work will include dealing with queries received from both the ex-

employees and the RPO to facilitate the processing of the claims. I am required to undertake this work as part of my statutory functions.

4.18 I will also provide employee reference letters as requested, confirming the period of employment with the Company, to assist employees in gaining further employment.

4.19 **Claims of creditors:** I need to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. I will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. I am required to undertake this work as part of my statutory functions.

4.20 **Dividends:** I have to undertake certain statutory formalities in order to pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors. This work is for the benefit of the creditors.

#### Pre-liquidation fees

4.21 As detailed in previous circular, FTI Consulting LLP were engaged by the Company on 7 October 2019 to advise and assist them in the orderly wind down of operations to minimise the disruption to Manchester Airport. FTI Consulting LLP were paid £25,000 plus VAT and disbursements for these services.

#### Fee Estimate

4.22 More details of the tasks included in these categories are included in the fee estimate at Appendix III. I estimate that the total time costs that I will incur in undertaking these tasks in this case will be £100,000 at a “blended” rate of £400 per hour.

4.23 This estimate has been provided to creditors at an early stage in the administration of the case and before I have full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on my current knowledge of the case and my knowledge and experience of acting as liquidator in respect of cases of a similar size and apparent complexity. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise. If the time costs incurred on the case exceed the estimate, or is likely to exceed the estimate, I will provide an explanation as to why that is the case in the next progress report sent to creditors. Since I cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where I consider it appropriate in the context of the case, I will seek a resolution to increase the fee estimate so that I will then be able to draw additional remuneration over and above this estimate.

4.24 I anticipate needing to seek approval to draw fees in excess the estimate if this work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings.

4.25 Further information about creditors’ rights can be obtained by visiting the creditors’ information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how a liquidators’ fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.fticonsulting-emea.com/cip/forms-information>. There are different versions of these Guidance Notes, and in this case please refer to the April 2017 version. Please note that I have also provided further details in the practice fee recovery sheet.

## 5. Additional Information

5.1 During the period before the Decision Date, the Liquidators will furnish creditors free of charge with such information concerning the Company’s affairs as they may reasonably require. If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact FTI Consulting LLP by email at [aviatormancreditors@fticonsulting.com](mailto:aviatormancreditors@fticonsulting.com) or on 020 3727 1301.



5.2 As part of my statutory duties, it is my responsibility to report on the conduct of the Directors of the Company and also to consider any areas requiring investigation with a view to making asset recoveries. I should be pleased to receive from you any information that you have about the way the Company's business was conducted that you consider will assist me.

Yours faithfully

For and on behalf of the Company

A handwritten signature in black ink, appearing to read "SK", with a long horizontal flourish extending to the right.

**Simon Kirkhope**

Joint Liquidator

The affairs, business and property of the Company are being managed by the Joint Liquidators. The Joint Liquidators act as agents of the Company and without personal liability.

Simon Kirkhope and Andrew Johnson are licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales, under Section 390A(2)(a) of the Insolvency Act 1986

## Appendix I: Notice of decision by correspondence

### Notice of decisions by correspondence

#### Aviator MAN Limited - In Creditors' Voluntary Liquidation

(Company Number 09422546)

**NOTICE IS GIVEN** by Simon Kirkhope and Andrew Johnson to the creditors of Aviator MAN Limited that set out below is a resolution for your consideration under rule 18.16 of The Insolvency (England and Wales) Rules 2016. Please complete the voting section below indicating whether you are in favour or against the following decision:

i). That the Liquidators' fees will be charged by reference to the time properly spent by them and their staff in dealing with the matters relating to the Liquidation, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken and subject to the fee estimate set out in the report prepared in connection with fee approval and issued with the notice of this decision procedure.

#### The final date for votes is 13 December 2019, the decision date.

1. In order for their votes to be counted creditors must submit to me their completed voting form so that it is received at FTI Consulting LLP, 200 Aldersgate Street, London, EC1A 4HD by no later than 23.59 hours on 13 December 2019. It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
2. Creditors must lodge proof of their debt (if not already lodged) at the offices of Simon Kirkhope or Andrew Johnson by no later than 23.59 on 13 December 2019, without which their vote will be invalid.
3. Creditors with claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
4. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decision(s) provided they have lodged proof of their debt.
5. Creditors may, within 5 business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decision(s) above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
6. Creditors have the right to appeal the decision made by applying to Court under Rule 15.35 within 21 days of 13 December 2019, the decision date.

Creditors requiring further information regarding the above, should contact FTI Consulting LLP in writing at 200 Aldersgate Street, London, EC1A 4HD, by email at [aviatormancreditors@fticonsulting.com](mailto:aviatormancreditors@fticonsulting.com), or by phone on 020 3727 1301.

DATED THIS 26<sup>TH</sup> DAY OF NOVEMBER 2019



**Simon Kirkhope**  
Joint Liquidator

**Aviator MAN Limited - In Creditors' Voluntary Liquidation**

**(Company Number 09422546)**

**Voting on Decision**

i). That the Liquidators' fees will be charged by reference to the time properly spent by them and their staff in dealing with the matters relating to the Liquidation, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken and subject to the fees estimate set out in the report prepared in connection with fee approval and issued with this notice.

For / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor \_\_\_\_\_

Signature of creditor \_\_\_\_\_

(Complete the following if signing on behalf of creditor e.g. director/solicitor)

Capacity in which signing the document: \_\_\_\_\_

Dated: \_\_\_\_\_

## Appendix II: Notices of invitation to form a liquidation committee

### Notice of invitation to form a Liquidation Committee

#### Aviator MAN Limited (“the Company”) – In Liquidation

(Company Number 09422546)

**NOTICE IS GIVEN** by Simon Kirkhope and Andrew Johnson to the creditors of Aviator MAN Limited of an invitation to form a Liquidation Committee under rule 6.19 of The Insolvency (England and Wales) Rules 2016.

1. Creditors are invited to determine whether a Liquidation Committee should be established.
2. A Committee may be formed if a minimum of 3 and a maximum of 5 creditors are willing to become members.
3. Nominations can only be accepted for a creditor to become a member of the Committee if they are an unsecured creditor and have lodged a proof of their debt that has not been disallowed for voting or dividend purposes. Creditors with small debts, that is claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
4. The specified date for receipt of nominations for creditors to act as a member of the Committee under rule 6.19 of The Insolvency (England and Wales) Rules 2016 is 13 December 2019, the decision date.

Note: Further information on the rights, duties and the functions of a Committee is available in a booklet published by the Association of Business Recovery Professionals (R3). This booklet can be accessed at <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf> If you require a hard copy of the booklet please contact FTI Consulting LLP by email at [aviatormancreditors@fticonsulting.com](mailto:aviatormancreditors@fticonsulting.com), or by phone on 020 3727 1301.

**The final date for votes to establish a committee is 13 December 2019, the decision date.**

#### Voting on Decision

1. That a Liquidation Committee should be established For / Against

I wish to nominate the following person to act as a member of the Committee:

Name \_\_\_\_\_

Address \_\_\_\_\_

Of (if applicable) \_\_\_\_\_

Representing (if applicable) \_\_\_\_\_

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor \_\_\_\_\_

Signature of creditor \_\_\_\_\_

(Complete the following if signing on behalf of creditor e.g. director/solicitor)

Capacity in which signing the document: \_\_\_\_\_

Dated: \_\_\_\_\_

## Appendix III: Details of work to be undertaken, and expenses incurred, in the Liquidation

### Pre-liquidation fees

FTI Consulting were engaged by the Company on 7 October 2019 to advise and assist management in the orderly wind down of operations to minimise the disruption to Manchester Airport. The specific workstreams of this engagement included:

- The review of the Company's short term funding requirement to develop and plan for a managed wind down;
- Provision of insolvency advice to the Board of Directors;
- Support in discussions and negotiations with key stakeholders, where required;
- Support in respect of the communication strategy; and
- Preparation for a post managed wind down liquidation process.

As part of this engagement, FTI Consulting also assisted the Board of Directors with the preparation of the Directors' Statement of Affairs and seeking a decision from creditors on the appointment of the Liquidators.

FTI Consulting LLP were paid £25,000 plus VAT and disbursements for these services.

### Liquidators' fees and expenses

Pursuant to Rule 18.16 of the Insolvency (England & Wales) Rules 2016 the remuneration of the liquidators can be fixed on the basis of one of the following:

- As a percentage of the value of assets which are realised, distributed, or both released and distributed by the Liquidator;
- By reference to time properly given by the Liquidator and their staff attending to matters arising in the liquidation; or
- A set amount.

I am seeking to fix the basis of Liquidators' fees via a decision by correspondence. It is proposed that Liquidators' fees are fixed in accordance with basis B from the list above, subject to the fee estimate included below.

#### Aviator MAN Limited - Joint Liquidators' Fee Estimate

	Estimated Hours	Estimated average cost (£)	Estimated total cost (£)
Administration and planning	60	300	18,000
Investigations	40	463	18,500
Realisation of assets	30	383	11,500
Creditors	85	388	33,000
Reporting	36	528	19,000
<b>Total fee estimate</b>	<b>251</b>	<b>398</b>	<b>100,000</b>

It is anticipated that the following expenses may be incurred during the Liquidation:

#### Aviator MAN Limited - Estimation of Liquidation Expenses

	Total cost (£)
Statutory advertising	243
Bonding	388
Insurance	207
ERA Solutions	8,090
<b>Total estimated expenses</b>	<b>8,928</b>

The figures shown in the tables above are all exclusive of any applicable VAT.

Further information in relation to Liquidators' fees, including charge out rates by grade, can be found at Appendix V.

The work to be undertaken by the Liquidators and their staff, is detailed below:

#### **Administration**

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical/electronic case files (as applicable).
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting my appointment.
- Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
- Convening and holding decision procedures and general meetings of members (as applicable).
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the liquidators' estate bank account.
- Creating, maintaining and managing the liquidators' cashbook.
- Undertaking regular reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Seeking closure clearance from HMRC and other relevant parties.
- Preparing, reviewing and issuing final reports to creditors and members.
- Preparing the final account.
- Filing final returns at Companies House.

#### **Realisation of assets**

- Arranging suitable insurance over assets.
- Regularly monitoring the suitability and appropriateness of the insurance cover in place.
- Corresponding with debtors and attempting to collect outstanding book debts.
- Liaising with the bank regarding the closure of the account.
- Instructing agents to value known assets.
- Liaising with agents to realise known assets.
- Instructing solicitors to assist in the realisation of assets.

### **Creditors**

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees regarding their claims.
- Providing employee references, confirming dates of employment, as requested.
- Liaising with the Redundancy Payments Office regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Issuing a notice of intended dividend and placing an appropriate gazette notice.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.
- Paying tax deducted from the dividends paid to employees.

### **Investigations**

- Recovering the books and records for the case.
- Listing the books and records recovered.
- Submitting an online return on the conduct of the Directors as required by the Company Directors Disqualification Act.
- Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.
- Reviewing books and records to identify any transactions or actions that I may take against a third party in order to recover funds for the benefit of creditors.

These tasks will be been undertaken either as part of my routine administrative functions, or in order to realise the assets of the Company. Routine statutory and compliance work are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

## Appendix IV: Liquidators' receipts and payments

### Aviator MAN Limited - Joint Liquidators' Account of Receipts and Payments

£ Statement of Affairs 23 October 2019 to 22 November 2019

#### Receipts

Cash at Bank	716,872	690,773
<b>Total receipts</b>		<b>690,773</b>

#### Expenses

Statutory advertising		(243)
<b>Total expenses</b>		<b>(243)</b>

<b>Total Surplus / Defecit</b>		<b>690,530</b>
--------------------------------	--	----------------

#### Represented by

VAT receivable		49
Liquidators' bank account*		690,482
<b>Total Surplus / Defecit</b>		<b>690,530</b>

\* The bank account is interest bearing



## Appendix V: Practice Fee Recovery information

Detailed below is FTI's policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

### Staff allocation and the use of subcontractors

Our 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 Senior Managing Director, Managing Director, Director, Senior Consultant and Consultant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment.

With regard to support staff, I would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g., report compilation and distribution, do we seek to charge and recover our time in this regard.

### Professional advisors

On this assignment I have used the professional advisors listed below. I have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement	Work Stream	Fees paid to date (£) (Net of VAT)
ERA Solutions	Fee based on number of employee claims	Employee Specialist	Nil

Our choice was based on our view of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

### Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred which relate to payments due to associated companies for the provision of services to the office holder.

On this assignment I do not anticipate incurring any category 2 disbursements.

## Charge-out rates

A schedule of FTI's charge-out rates for this assignment is as follows:

Please note our minimum time unit is six minutes.

Grade	(£ per hour)
Senior Managing Director	875
Managing Director	755
Senior Director	700
Director	625
Senior Consultant	555
Consultant	475
Associate	225 - 315
Executive Assistant	170

## Appendix VI: Proof of Debt form

### Rule 14.4 The Insolvency (England and Wales) Rules 2016

#### Proof of Debt – General Form

<b>Name of Company in Liquidation:</b>	<input type="text" value="Aviator MAN Limited"/>
<b>Company Registration Number:</b>	<input type="text" value="09422546"/>
<b>Date of Liquidation:</b>	<input type="text" value="23 October 2019"/>
<b>1 Name of creditor</b>  (If a company, please also provide the company registration number).	<input type="text"/>
<b>2 Correspondence address of creditor (including any email address)</b>	<input type="text"/>
<b>3 Total amount of claim (£)</b> (include any Value Added Tax)	<input type="text"/>
<b>4 If amount in 3 above includes (£)</b> outstanding uncapitalised interest, state amount.	<input type="text"/>
<b>5 Details of how and when the debt was incurred.</b> (If you need more space, attach a continuation sheet to this form)	<input type="text"/>
<b>6 Details of any security held, the value of the security and the date it was given.</b>	<input type="text"/>
<b>7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.</b>	<input type="text"/>
<b>8 Details of any document by reference to which the debt can be substantiated</b>	<input type="text"/>

9 Signature of creditor  
(or person authorised to act on the creditor's  
behalf)


10 Address of person signing if different from 2  
above

--

11 Name in BLOCK LETTERS:

--

12 Position with, or relation to, creditor

--

13 Date of signature


Admitted to vote for

Amount (£)

--

Date

--

Admitted for dividend for

Amount (£)

--

Date

--

Simon Kirkhope  
JOINT LIQUIDATOR

Andrew Johnson  
JOINT LIQUIDATOR

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.