

# AM10

## Notice of administrator's progress report



Companies House

THURSDAY



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31/10/2019

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anieshouse

### 1 Company details

Company number 0 1 1 6 5 0 0 1

Company name in full Monarch Holdings Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) James Robert

Surname Tucker

### 3 Administrator's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

### 4 Administrator's name ①

Full forename(s) Blair Carnegie

Surname Nimmo

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

② Other administrator  
Use this section to tell us about  
another administrator.

AM10

Notice of administrator's progress report

**6** Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 2	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
To date	<sup>d</sup> 0	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9

**7** Progress report

☒ I attach a copy of the progress report

**8** Sign and date

Administrator's  
signature

Signature

X

*J. Tucker*

X

Signature date

<sup>d</sup> 2	<sup>d</sup> 9	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
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**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Marie Hayden
Company name	KPMG LLP
Address	Arlington Business Park
	Theale
Post town	Reading
County/Region	
Postcode	RG7 4SD
Country	
DX	
Telephone	Tel +44 (0) 1189 642208

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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



# Joint Administrators' progress report for the period 2 April 2019 to 1 October 2019

Monarch Holdings Limited  
and Monarch 2011- both in  
Administration

29 October 2019

# Notice to creditors

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

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

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

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

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

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

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

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# 1 Executive summary

- This progress report covers the period from 2 April 2019 to 1 October 2019 for the Companies. There are three reports to creditors related to the concurrent administrations of 10 of the Monarch Group companies; one for Monarch Airlines, one for Monarch Holidays sub-group and one for the Monarch Holdings sub-group. This report is for the Monarch Holdings sub-group.
- The Group's key assets are:
  - Slots. Realised for £54 million.
  - Unrestricted cash at bank of £27.8 million on appointment. Realisations to date at Monarch Airlines are £22.5 million and Monarch Holidays are £5.1 million.

In addition, we have realised cash collateral held by third parties at appointment of £0.4 million and £1.0 million in Monarch Airlines and Monarch Holidays respectively.
- The Group's engineering business, MAEL, entered into administration on 4 January 2019.
- There have been no realisations in either entity in the period. We continue to finalise the Companies' tax affairs (Section 2 - Progress to date).
- Value will break in the secured debt as previously indicated. We have made a distribution to PJJ in the period from Monarch Holdings and other Group companies (Section 3 - Dividend prospects and dividends paid).
- We are not aware of any preferential claims against either of the Companies (Section 3 - Dividend prospects and dividends paid).
- There will be no return to unsecured creditors of either Company (Section 3 - Dividend prospects and dividends paid).
- The administrations are currently due to end on 1 October 2020.
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals issued to the Companies' creditors which can be found at <http://www.kpmg.co.uk/monarch>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Jim Tucker  
Joint Administrator

## 2 Progress to date

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

### 2.1 Strategy and progress to date

#### Strategy

During the period, our primary focus has been realising the Group's remaining assets – comprising primarily of finalising debtor reconciliations in Monarch Holidays – and seeking to finalise the Group's tax affairs (see 'Tax' section below for further detail).

There are no further assets to realise in either Company.

Ongoing matters specific to the Companies are set out below.

#### Services and Funding Agreement (SFA)

We agreed the services to be provided to the CAA, covering matters that would not normally be undertaken in an administration situation, and the terms of reimbursement in the SFA.

Monarch Holdings has provided services to the CAA in acting as Group representative to receive and distribute funds to other Group companies. It also utilised the facility specifically provided to Monarch Holdings in order to settle various initial costs. The SFA also provided for the costs of placing certain of the Group companies into administration, as certain of these companies had no assets of their own, but were potentially critical to the repatriation exercise. Monarch 2011 was not provided with a facility under the SFA.

All CAA related work in respect of the SFA has been completed and as such, we do not anticipate there being any further funding requirements to the CAA.

#### Tax

The Companies' corporation tax returns for the pre and post appointment periods to 31 October 2018, have not raised any enquiries with HMRC. As reported previously, a tax liability arose in respect of the slots and the relevant corporation tax was paid to HMRC as an administration expense.

However, the subsequent administration of Monarch Airlines' affiliate, MAEL, on 4 January 2019, has potentially altered the tax position of the Monarch Group, such that Monarch Airlines' tax returns may be resubmitted, with the benefit of any additional group relief which may be available. We are liaising with MAEL's administrators to explore this further and to the extent that a corporation tax repayment is made by HMRC to Monarch Airlines as a result of shelter provided by MAEL, it is expected that the benefits will be shared between Monarch Airlines and MAEL. Whilst it is likely that this issue will only impact Monarch Airlines, at this stage we cannot rule out an impact on other Group companies.



To the extent that the above issue does not impact on the Group companies, we will seek full corporation tax clearance from HMRC in respect of those companies' corporation tax affairs, in order to facilitate the closure of their Administrations.

Where there are no further realisations expected in Group companies and no further benefits can be obtained by other Group companies from tax losses that may be available in the companies, we will seek agreement of their final tax position with HMRC. We envisage this being the position for Monarch 2011.

## **2.2 Asset realisations**

Other than modest bank interest in Monarch Holdings, there have been no realisations in either of the Companies to 1 October 2019.

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

## **2.3 Costs**

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

Funding and facility from CAA

In the period we have made payments totalling £101,000 to Monarch Airlines and Monarch Holidays from funds received from the CAA in accordance with the terms of the SFA. As advised above, these funds do not form part of Monarch Holdings' estate.

As noted above, there will be no further payments in respect of the SFA to the closure of these cases.

## **2.4 Schedule of expenses**

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

Administrators' fees of £12,589 and £6,078 have been incurred but not paid in Holdings and 2011, respectively. Further information on our fees is available in section 4.

# **3 Dividend prospects and dividends paid**

## **3.1 Secured creditors**

We set out a summary of the material security position for the Companies in our Proposals.

As previously advised, value is likely to break in the secured debt.

During the period, we have distributed £85,000 to PJL from Monarch Holdings - all of which relates to fixed charge realisations.

### **3.2 Preferential creditors**

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

### **3.3 Unsecured creditors**

Based on current estimates, there will not be a dividend to unsecured creditors in either of the Companies.

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

### **4.1 Joint Administrators' remuneration and disbursements**

We previously reported that we had obtained the following approval from the secured creditors of each Company that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate and charge-out rates, as set out in the statement of proposals, but subject to a cap of no more than 80% of the charge out rates disclosed. This will include work undertaken in respect of, but not limited to, tax, VAT, employee and pensions advice from KPMG in-house specialists.

As set out in our statement of proposals and subsequent progress reports, creditors were advised that we have entered into a SFA with the CAA / ATT in respect of their repatriation of the airline passengers post-administration. Under that agreement the CAA / ATT is reimbursing Monarch for relevant costs incurred. This includes the recharge of Joint Administrators' time costs related to work under the SFA, which will also be subject to a cap of no more than 80% of the charge out rates disclosed. Whilst funded by the CAA, the Joint Administrators will be paid via Monarch.

- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 4.

#### **Time costs**

In Monarch Holdings, from 2 April 2019 to 1 October 2019, we have incurred time costs of £12,589. These represent 30 hours at an average rate of £414 per hour.

In Monarch 2011, from 2 April 2019 to 1 October 2019, we have incurred time costs of £6,078. These represent 15 hours at an average rate of £408 per hour.

These are based on our standard charge out rates; as explained above, we have agreed a cap on our time costs with the senior secured creditor.

## Remuneration

During the period, we have not drawn any remuneration from either of the Companies.

## Disbursements

During the period, we have not incurred any disbursements.

## Additional information

For both of the administrations, we have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 2 April 2019 to 1 October 2019. We have also attached our charging and disbursements policy.

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

## 4.2 Pre-administration costs

Monarch Holdings has no outstanding pre-administration costs.

Monarch 2011 has no realisations to date; the pre-administration legal costs of £2,341 have not been paid.

# 5 Future strategy

## 5.1 Future conduct of the administrations

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

- Complying with ongoing tax and VAT requirements and determining the tax positions;
- Making distributions to secured creditors as and when funds are available (Monarch Holdings only);
- Paying the costs of the administrations;
- Complying with ongoing statutory and reporting obligations.

## **5.2 Future reporting**

We will provide a further progress report within one month of 1 April 2020 or earlier if either of the administrations has been completed prior to that time.

## Appendix 1 Statutory information

Company information	
Company name	Monarch Holdings Limited
Date of incorporation	29 March 1974
Company registration number	01165001
Present registered office	15 Canada Square, Canary Wharf, London, E14 5GL
Administration information	
Administration appointment	The administration appointment granted in High Court of Justice, 007270 of 2017
Appointor	Court following an application by the Directors
Date of appointment	2 October 2017
Joint Administrators' details	Jim Tucker and Blair Nimmo
Former Joint Administrators' details	Richard Beard
Prescribed Part	The prescribed part is not applicable on this case as the net property is expected to be below the prescribed minimum of £10,000.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	1 October 2020

Company information	
Company name	Monarch 2011 Limited
Date of incorporation	19 September 2011
Company registration number	07779279
Present registered office	15 Canada Square, Canary Wharf, London, E14 5GL
Administration information	
Administration appointment	The administration appointment granted in High Court of Justice, 007256 of 2017
Appointor	Court following an application by the Directors
Date of appointment	2 October 2017
Joint Administrators' details	Jim Tucker and Blair Nimmo
Former Joint Administrators' details	Richard Beard
Prescribed Part	The prescribed part is not applicable on this case as the net property is expected to be below the prescribed minimum of £10,000.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	1 October 2020

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

### Monarch Holdings

<b>Monarch Holdings Limited - in Administration</b>			
<b>Abstract of receipts &amp; payments</b>			
Statement of affairs (£)		From 02/04/2019 To 01/10/2019 (£)	From 02/10/2017 To 01/10/2019 (£)
<b>FIXED CHARGE ASSETS</b>			
100,000.00	Intellectual Property rights	NIL	420,000.00
		NIL	420,000.00
<b>FIXED CHARGE COSTS</b>			
	Agents'/Valuers' fees	NIL	(50,000.00)
		NIL	(50,000.00)
<b>FIXED CHARGE CREDITORS</b>			
(7,500,000.00)	Fixed charge creditor	NIL	NIL
(94,685,897.00)	Fixed charge distribution	(85,000.00)	(85,000.00)
		(85,000.00)	(85,000.00)
<b>ASSET REALISATIONS</b>			
442.00	Cash at bank	NIL	441.64
	Insurance refund	NIL	42,350.00
	Credit Card settlement - funds MAL/MHol	NIL	286,455.16
		NIL	329,246.80
<b>OTHER REALISATIONS</b>			
	Bank interest, gross	843.39	7,487.76
	ADVANCES - Advanced funding from the CAA	NIL	3,660,707.91
	Facility from CAA	NIL	2,500.00
	Third party funds received	NIL	1,571.69
		843.39	3,672,267.36
<b>COST OF REALISATIONS</b>			
	Pre-administration legal fees	NIL	(2,340.79)
	IT costs	NIL	(17,812.46)
	Legal fees	NIL	(106,002.54)
	Re-direction of mail	NIL	(612.00)
	Statutory advertising	NIL	(69.00)
	Bank charges	127.83	3.78
	ADVANCES - funding paid to Monarch Group	(100,707.91)	(3,660,707.91)

# **Monarch Holdings Limited - in Administration**

## **Abstract of receipts & payments**

Statement of affairs (£)		From 02/04/2019 To 01/10/2019 (£)	From 02/10/2017 To 01/10/2019 (£)
	Third party funds paid	NIL	(288,026.85)
		(100,580.08)	(4,075,567.77)
	UNSECURED CREDITORS		
(92,370,200.00)	Trade, Intercompany, Other	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(168,004,871.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
<b>(362,460,526.00)</b>		<b>(184,736.69)</b>	<b>210,946.39</b>
	REPRESENTED BY		
	Floating ch. VAT rec'able		25,244.96
	Floating charge current		208,548.36
	Fixed charge VAT rec'able		10,000.00
	Fixed charge VAT payable		(84,000.00)
	Floating ch. VAT control		(22,846.93)
	Fixed charge VAT control		74,000.00
			<b>210,946.39</b>

## Monarch 2011

### Monarch 2011 Limited - in Administration

#### Abstract of receipts & payments

Statement of affairs (£)		From 02/04/2019 To 01/10/2019 (£)	From 02/10/2017 To 01/10/2019 (£)
FIXED CHARGE CREDITORS			
(7,500,000.00)	Fixed charge creditor	NIL	NIL
(94,685,897.00)	Fixed charge creditor (2)	NIL	NIL
(20,693,723.00)	Fixed charge creditor (3)	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(19,000,000.00)	Trade, Intercompany, Other	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(20,000,001.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
<b>(161,879,621.00)</b>		<b>NIL</b>	<b>NIL</b>



## Appendix 3      Schedule of expenses

Monarch Holdings

Schedule of expenses (2 April 2019 to 1 October 2019)	Incurred and paid in the period	Incurred in the period and not yet paid	Total
Expenses	(£)	(£)	(£)
Administrators fees	0.00	(12,589)	(12,589)
Bank charges	(128)	0.00	(128)
Legal fees	0.00	0.00	0.00
<b>TOTAL</b>	<b>(128)</b>	<b>(12,589)</b>	<b>(12,717)</b>

Please note that Freshfields legal fees of £48,393 have been incurred in a prior period but not yet paid.

Monarch 2011

No expenses were incurred in the period for Monarch 2011.

For both Companies

Please note that the accrual for our remuneration is based on our charge out rates; for consistency of reporting purposes these costs have not been adjusted to reflect the discount agreed with the senior secured creditor.

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

Creditors' requests for further information

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

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

Creditors' right to challenge our remuneration and expenses

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

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court. The full text of the relevant rules can be provided on request by writing to the Joint Administrators at 15 Canada Square, Canary Wharf, London, E14 5GL.

## Appendix 4 Joint Administrators' charging and disbursements policy

### Joint Administrators' charging policy

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

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

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

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

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

### Hourly rates

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

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

### Table of charge-out rates

Charge-out rates (£) for: Restructuring	
Grade	From 01 Nov 2016 £/hr
Partner	835
Associate Partner	740
Director	740
Senior Manager	645
Manager	515
Senior Administrator	375
Administrator	285
Support	142
Work Experience	50

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

#### Policy for the recovery of disbursements

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

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

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

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

Mileage claims fall into three categories:

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

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

We have not incurred any disbursements in either Company during the period.

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

Narrative of work carried out for the Companies for the period 2 April 2019 to 1 October 2019

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> <li>■ posting information on a dedicated web page;</li> <li>■ preparing statutory receipts and payments accounts;</li> <li>■ ensuring compliance with all statutory obligations within the relevant timescales.</li> </ul>
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> <li>■ formulating, monitoring and reviewing the administration strategies;</li> <li>■ briefing of our staff on the administration strategies and matters in relation to various work-streams;</li> <li>■ regular case management and reviewing of progress, including regular team update meetings and calls;</li> <li>■ reviewing and authorising junior staff correspondence and other work;</li> <li>■ dealing with queries arising during the appointments;</li> <li>■ reviewing matters affecting the outcome of the administrations;</li> </ul>

	<ul style="list-style-type: none"> <li>■ complying with internal filing and information recording practices, including documenting strategy decisions.</li> </ul>
Reports to debenture holders	<ul style="list-style-type: none"> <li>■ providing written and oral updates to representatives of the secured creditors regarding the progress of the administration and case strategy.</li> </ul>
Cashiering	<ul style="list-style-type: none"> <li>■ reconciling post-appointment bank accounts to internal systems;</li> <li>■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.</li> </ul>
Tax	<ul style="list-style-type: none"> <li>■ reviewing information from the Companies' records in relation to the taxation position of the Companies;</li> <li>■ analysing and considering the tax effects of realisations, tax planning for efficient use of tax assets and to maximise realisations;</li> <li>■ working on tax returns relating to the periods affected by the administrations;</li> <li>■ analysing VAT related transactions;</li> <li>■ dealing with post appointment tax compliance.</li> </ul>
General	<ul style="list-style-type: none"> <li>■ reviewing time costs data and producing analyses of time incurred which is compliant with Statement of Insolvency Practice 9;</li> <li>■ dealing with the ongoing storage of the Companies' books and records.</li> </ul>
Assistance to CAA (Monarch Holdings only)	<ul style="list-style-type: none"> <li>■ working in accordance with the SFA entered into with the CAA;</li> <li>■ distributing funds received from the CAA (which do not form part of the estate) for the purpose of meeting urgent administration expenses to the appropriate Group company.</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>■ responding to enquiries from creditors regarding the administration and submission of their claims;</li> <li>■ arranging distributions to the secured creditor (PJL) (Monarch Holidays only);</li> <li>■ drafting our progress report.</li> </ul>

## Time costs

### Monarch Holdings

#### SIP 9 –Time costs analysis (02/04/2019 to 01/10/2019)

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Cashiering			
General (Cashiering)	2.70	696.40	257.93
Reconciliations (& IPS accounting reviews)	2.90	1,074.40	370.48
Statutory and compliance			
Checklist & reviews	4.10	1,723.50	420.37
Strategy documents	0.20	135.00	675.00
Tax			
Post appointment corporation tax	4.00	2,392.50	598.13
Post appointment VAT	1.30	508.50	391.15
<b>Creditors</b>			
Creditors and claims			
General correspondence	0.40	206.00	515.00
Payment of dividends	0.30	85.50	285.00
Secured creditors	0.60	444.00	740.00
Statutory reports	13.50	5,159.50	382.19

SIP 9 –Time costs analysis (02/04/2019 to 01/10/2019)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Employees			
Pensions reviews	0.30	112.50	375.00
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	0.10	51.50	515.00
<b>Total in period</b>	<b>30.40</b>	<b>12,589.30</b>	<b>414.12</b>
Brought forward time (appointment date to SIP 9 period start date)	203.55	94,825.25	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	30.40	12,589.30	
Carry forward time (appointment date to SIP 9 period end date)	233.95	107,414.55	

## Monarch 2011

SIP 9 –Time costs analysis (02/04/2019 to 01/10/2019)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Cashiering			
General (Cashiering)	0.50	113.90	227.80
Reconciliations (& IPS accounting reviews)	0.70	216.90	309.86
Statutory and compliance			
Checklist & reviews	7.90	2,622.50	331.96
Strategy documents	0.10	51.50	515.00
Tax			
Post appointment corporation tax	1.20	558.00	465.00
<b>Creditors</b>			
Creditors and claims			
Statutory reports	4.50	2,515.50	559.00
<b>Total in period</b>	<b>14.90</b>	<b>6,078.30</b>	<b>407.94</b>
Brought forward time (appointment date to SIP 9 period start date)	119.85	55,990.45	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	14.90	6,078.30	
Carry forward time (appointment date to SIP 9 period end date)	134.75	62,068.75	

For both Companies

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

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

## Appendix 5      Glossary

<b>ATT</b>	Air Travel Trust
<b>CAA</b>	Civil Aviation Authority
<b>The Companies</b>	Monarch Holdings Limited and Monarch 2011 Limited – both in Administration
<b>Freshfields</b>	Freshfields Bruckhaus Deringer LLP
<b>Group</b>	Avro Limited, Avro Aviation Limited, First Aviation Limited, MH Aviation Transport Limited, Monarch 2011 Limited, Monarch Airlines Limited, Monarch Holdings Limited, Monarch Holidays Limited, Monarch Travel Group Limited, somewhere2stay Limited (all in administration)
<b>Joint Administrators/we/our/us</b>	Jim Tucker and Blair Nimmo
<b>KPMG</b>	KPMG LLP
<b>MAEL</b>	Monarch Aircraft Engineering Limited – in administration
<b>Monarch 2011</b>	Monarch 2011 Limited – in administration
<b>Monarch Holdings</b>	Monarch Holdings Limited – in administration
<b>PJL</b>	Petrol Jersey Limited
<b>PPF</b>	Pension Protection Fund
<b>Secured creditors</b>	PJL and PPF; additionally WJL for Monarch 2011

<b>Senior secured creditor</b>	PJL
<b>SFA</b>	Services and Funding Agreement
<b>Slots</b>	Take off and landing slots at UK airports
<b>WJL</b>	Windsor Jersey Limited

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



## Appendix 6      Notice: About this report

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

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

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

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

James Robert Tucker is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.

Blair Carnegie Nimmo is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland. We are bound by the Insolvency Code of Ethics.

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The Joint Administrators act as agents for each of the Companies and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administrations.

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