

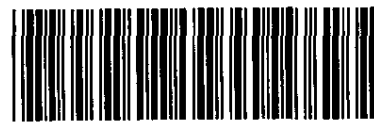
# AM10

## Notice of administrator's progress report



Companies House

FRIDAY



\*A74RM500\*

A23

27/04/2018

#327

COMPANIES HOUSE

### 1 Company details

Company number 0 2 0 9 8 6 5 4

Company name in full Monarch Holidays 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

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## Period of progress report

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

7

## Progress report

☒ I attach a copy of the progress report

8

## Sign and date

Administrator's  
signature

Signature

X

J. Tucker

X

Signature date

<sup>d</sup> 2	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
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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	15 Canada Square Canary Wharf
Post town	London
County/Region	
Postcode	E 1 4 5 G L
Country	
DX	
Telephone	Tel +44 (0) 118 964 2000

**Checklist**

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

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

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

# Continuation page

Name and address of insolvency practitioner

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

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

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

## 1 Appointment type

Tick to show the nature of the appointment:

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

① You can use this continuation page with the following forms:

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

## 2 Insolvency practitioner's name

Full forename(s) Stephen John  
Surname Absolom

## 3 Insolvency practitioner's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country



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

Monarch Holidays Limited,  
First Aviation Limited,  
Avro Limited,  
Avro Aviation Limited,  
Monarch Travel Group  
Limited,  
somewhere2stay Limited,  
MH Aviation Transport  
Limited - all in Administration

26 April 2018

# Notice to creditors

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

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

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

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

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

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

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

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# 1 Executive summary

- The Directors made applications to Court for each of the Companies to be placed into administration. Administration Orders were made on 2 October 2017 and we were duly appointed.
- This progress report covers the period from the date of our appointment to 1 April 2018 for the Companies. There are three reports to creditors in respect of the concurrent administrations in the 10 Monarch Group companies in administration; one for Monarch Airlines, one for Monarch Holidays sub-group and one for the Monarch Holdings sub-group. This report is for the Monarch Holidays sub-group.
- We delivered our Statement of Proposals ('Proposals') to all known creditors on 24 November 2017. They were deemed approved without modification on 6 December 2017.
- Our immediate priorities on appointment were to secure the Companies' funds held with banks, assist the CAA with the repatriation of Monarch customers overseas on two appointments, address the employees, secure the Companies' IT infrastructure and contact the Group's key counterparties. Our main focus since our Proposals has been to realise the Companies' assets.
- The key Group asset realisations are:
  - Slots. The rights to operate these slots are owned by Monarch Airlines. Having won our well-publicised appeal to the UK Appeal Court on 22 November 2017, we completed the sale of Monarch Airline's Gatwick slots to IAG and the sale of Monarch Airlines' Luton Slots to Wizz Air, realising £54 million. Proceeds have been received in full as set out in our R&P account;
  - Cash at bank at our appointment of £27.8 million, with realisations to date in Monarch Airlines of £20.7 million and Monarch Holidays of £3 million;
  - The Group's engineering business, MAEL, is not in an insolvency process and continues to trade normally under the control of its directors. The shares in MAEL are owned by Monarch 2011. In due course, this investment will be realised for maximum achievable value.
- Within the Companies, the key asset realisations relate to debtors and cash at bank on appointment. We continue to pursue outstanding balances as well as realise other specific assets (Section 2 - Progress to date).
- The Group had total secured debt at the date of our appointment of approximately £164 million. The senior secured creditor is PJL, owed approximately £95 million at the date of our appointment. The second ranking secured creditor is the PPF, owed £7.5 million. The third ranking secured creditor is WJL, owed approximately £62 million (the amount of WJL secured debt varies across each of the Companies). There are other secured creditors around the Group with specific security over certain assets, such as aircraft and leasehold property. Whilst the engineering business is yet to be realised, in our view value is likely to break in the secured debt.



- Monarch Holidays is the only Company of the Monarch Holidays Subgroup, with preferential creditors. We anticipate that they will receive a dividend of 100p in the £ (Section 3 - Dividend prospects).
- There is no real prospect of a return to unsecured creditors in any of the Companies, other than a small prescribed part in somewhere2stay and MH Aviation Transport (Section 3 - Dividend prospects).
- Please note: you should read this progress report in conjunction with our Proposals which were issued to each of the Companies creditors and can be found at <http://www.insolvency-kpmg.co.uk/monarch>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.

*J. Tucker*

Jim Tucker  
Joint Administrator

## 2 Progress to date

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

### 2.1 Strategy and progress to date

#### Strategy

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

- Communicating with all key stakeholders, in particular the customers affected by the administration;
- Assisting the CAA with the customer repatriation exercise and other ATOL related matters;
- Stabilising the IT infrastructure to preserve systems to support the CAA;
- Retaining key employees with a view to securing the Companies' assets.

Since our Proposals, our key strategy has been securing and realising the Companies' assets and an orderly wind down of the operations of the businesses.

#### Services and Funding Agreement (SFA)

As stated in our Proposals, certain services provided by the Companies to the CAA at the outset of the administrations in respect of the repatriation of Monarch's customers overseas at the time of the administration appointments would not normally have been undertaken in an administration situation. We, therefore, agreed with the CAA that it would pay the cost of these services, including the time spent by us and our staff, so that the estates were not disadvantaged by assisting the repatriation exercise. The SFA also provided a limited recourse funding line for the Companies, which in certain circumstances may be needed to meet the costs of dealing with the administrations where certain of these companies had no (or minimal) realisable assets of their own, but were potentially critical to the stabilisation of the Group and the repatriation exercise.

With repatriation activities having been completed in the initial weeks of the administrations, our work on behalf of the CAA has since largely focused on providing the necessary infrastructure to support the CAA's administration of customer claims under the ATOL passenger compensation scheme.

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

#### Employees

As at the date of our Proposals, there were three employees retained by Monarch Holidays. As at 1 April 2018, one employee continues to be retained to support the CAA with regard to collection of debtors. Additionally, one former employee is retained on a consultancy basis.

#### Merchant (credit card) Acquirers

We engaged with the Group's merchant acquirers early in the administrations to understand, and where possible assist with, their strategies for claims processing. This was both to protect the administration estates' interest in cash collateral held by the card acquirers and to seek to minimise delays that customers might face in obtaining a refund from their card issuer (and thereby reduce the volume of in-bound enquiries that would otherwise need to be dealt with).

Of the two merchant acquirers, only one held collateral that is likely to exceed their exposure to unflown revenue and guarantees. We continue to work with that merchant acquirer to realise the net restricted cash collateral.

*Cash held on appointment is discussed further below (see Section 2.2).*

#### Intellectual property and tangible assets

In our Proposals, we referred to potential intellectual property in Monarch Holidays. Following investigation into the ownership of the intellectual property rights of the Group, it was ascertained that ownership of all Group rights were held by Monarch Holdings. Those assets are dealt with in that report.

#### Investment in Pullman Holidays Limited

Monarch Travel Group's only potential realisable asset at the time of appointment was its investment in its subsidiary, Pullman Holidays Limited, which was in members' voluntary liquidation. We have received confirmation from the liquidators that Pullman Holidays Limited had no realisable assets and the liquidation has now been closed. There will, therefore, be no return to the estate from this asset.

## **2.2 Asset realisations**

Realisations during the period for each of the Companies are set out in the attached receipts and payments accounts (Appendix 2).

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

#### Cash at Bank

We have recovered approximately £3 million from the Companies' main banker in Monarch Holidays, and have a remaining balance of approximately £2 million to be recovered.

The Companies' main banker holds cross-guarantees around the Group. Accordingly we understand it will hold back certain funds to allow it time to determine its final exposure. However, we anticipate the imminent release of a significant proportion of the remaining £2 million funds to Monarch Holidays.

In addition to the above, we recovered cash at bank in the estates of First Aviation, Avro, Avro Aviation, MH Aviation Transport and somewhere2stay aggregating approximately £21,000.

## Debtors

Total debtor realisations for the benefit of the estates to date are £2.0 million, primarily in Monarch Holidays and somewhere2stay.

In addition, under services provided to the CAA under the SFA, a further £4 million has been recovered for the benefit of the ATOL scheme.

The principal debtor realisations comprise:

### ■ Travel agent debtors

In our previous report we detailed debts of £1.5 million and £1.4 million due to Monarch Holidays and somewhere2stay respectively. After deducting amounts due to the CAA under the terms of the ATOL scheme and an allowance for travel agents' commissions and VAT, the net balances collectable for the benefit of the estates were £0.9 million and £0.8 million respectively. To date we have recovered £854,000 (Monarch Holidays) and £125,000 (somewhere2stay) and are continuing to pursue the remaining balances.

### ■ Hotel pre-payments

To date we have recovered £607,000 in Monarch Holidays. We consider that all material recoveries have now been secured although we continue to pursue collection of a number of small balances. The majority of these recoveries are for the benefit of the Monarch Holidays estate.

### ■ Miscellaneous debtors

We continue to pursue one significant miscellaneous debtor of Monarch Holidays which could result in a recovery in the range of €nil to €1 million.

### Credit Card settlement

We recovered a £83,000 settlement in Monarch Holidays in respect of fees previously charged by a merchant acquirer.

### Pre-appointment VAT refund - MHAT

We have received a pre-appointment VAT refund in MH Aviation Transport of £232,000.

### Costs recharged under the SFA

Under the agreed terms of the SFA, we have issued the CAA with interim invoices from Monarch Holidays totalling £0.4 million in the period to 1 April 2018.

*These invoices comprise: the cost of staff retained to assist with the repatriation process; IT and infrastructure costs incurred whilst supporting the CAA and an on-account charge for the time-costs incurred by us and our staff in assisting the CAA (the final time-cost recharge will be made once the basis of our fees has been agreed with the relevant creditors and the CAA). These costs are included under the appropriate sub-headings in the receipts and payments account at Appendix 2, with the subsequent recharge of costs to the CAA also shown. Other than any final true-up of our time-cost recharge, further recharges to the CAA are unlikely to be material.*

In addition, we also expect to invoice the CAA in respect of Monarch Travel Group, Avro and Avro Aviation as a contribution to the costs of placing these entities into administration. The CAA have made facilities of £50,000 available to each of these entities.

As mentioned above, these recharges do not represent the realisation of an asset of the Companies; they are cost reimbursements.

#### Investigations

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

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

## 2.3 Costs

Payments made in this period by each of the Companies are set out in the attached receipts and payments accounts (Appendix 2).

Monarch Holidays is the only entity that has made significant payments in the period, a summary of which is provided below.

#### Legal fees

We have paid legal fees of £135,000 to date, all of which have been paid to Freshfields for legal advice received in employee related matters as well as other aspects of Monarch Holidays' insolvency. We review the quantum and appropriateness of legal fees on a regular basis.

#### Wages and salaries

Wages, salaries and related costs, paid in the period to retained employees total £130,000.

## 2.4 Schedule of expenses

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

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

#### Wages and salaries

Wages and salaries were initially paid by Monarch Airlines on behalf of Monarch Holidays. We have incurred wages and salaries costs of £148,000 which had not been paid at the period end. Monarch Holidays has since paid £148,000 to Monarch Airlines for the period to 1 April 2018.

#### Legal fees

Freshfields have outstanding legal costs of £37,000, which relate primarily to general adhoc advice on all aspects of Monarch Holidays' administration.

## **3 Dividend prospects**

### **3.1 Secured creditors**

A summary of the material security position for the Companies together with summaries of the security provided to merchant acquirers over Monarch Holiday's and First Aviation's bank accounts was set out in our Proposals. As noted in the Executive summary, value is likely to break in the secured debt. Our review of the Group's security position remains ongoing. No distributions have been made to the secured creditors to date.

### **3.2 Preferential creditors**

The only company with employees was Monarch Holidays. The directors' Statement of Affairs for Monarch Holidays estimates the amount of preferential claims at £38,000. Preferential claims will largely be outstanding holiday pay. There were limited arrears of salary as employees were paid for Sunday 1 October 2017, the day prior to our appointment as Administrators.

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100p in the £. The timing and amount of any dividend are dependent upon the realisations and associated costs of the administration.

### **3.3 Unsecured creditors**

Based on current estimates, we anticipate that unsecured creditors of MH Aviation Transport and somewhere2stay should receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and payment of associated costs.

The prospect of a dividend to unsecured creditors of Avro is unlikely and dependent on the level of debtor realisations and administration costs.

We do not anticipate realisations being sufficient for any dividend for the unsecured creditors of First Aviation, Avro Aviation or Monarch Travel Group.

During the period we have obtained an order from the Court that the prescribed part, being funds ordinarily set aside for unsecured creditors up to a maximum of £600,000, shall not apply in respect of Monarch Holidays, on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits. Accordingly, there will be no return to the unsecured creditors of Monarch Holidays.

Please see Appendix 1 for further details in relation to the Prescribed Part for each of the Companies.

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

### 4.1 Joint Administrators' remuneration and disbursements

It is for the secured creditors, as well as preferential creditors in Monarch Holidays, to approve our remuneration for these administrations

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

#### Time costs

From the date of our appointment to 1 April 2018, we have incurred the following time costs. This is based on our standard charge out rates.

Time costs – 2 October 2017 to 1 April 2018			
	Time costs to date, £	Total hours to date	Average hourly rate, £
Monarch Holidays	1,091,299	2,344	466
First Aviation	25,695	61	424
Avro	27,562	61	453
Avro Aviation	23,257	54	432
Monarch Travel Group	30,837	74	418
somewhere2stay	28,073	67	419
MH Aviation Transport	25,331	60	420
<b>Total</b>	<b>1,252,054</b>	<b>2,721</b>	<b>460</b>

## Disbursements

During the period, we have incurred disbursements as below. None of these have yet been paid.

	Total disbursements to date £
Monarch Holidays	9,694
First Aviation	104
Avro	211
Avro Aviation	104
Monarch Travel Group	104
somewhere2stay	331
MH Aviation Transport	104
<b>Total</b>	<b>10,652</b>

## Additional information

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

Under the SFA, the CAA has agreed to meet costs which would not have been incurred but for the work they required in relation to the repatriation exercise. These costs include the recharge by the Companies of the administrators' fees and expenses in relation to our work under the SFA. 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. Again, these costs will include administrators' time costs and expenses.

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

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

Pre-administration costs – for each company				
	Disclosed unpaid costs (£)	Approved (£)	Paid in the period (£)	Outstanding (£)
Freshfields' fees	12,568	0 00	0 00	12,568
Freshfields' disbursements	6,159	0.00	0 00	6,159
<b>Total</b>	<b>18,727</b>	<b>0.00</b>	<b>0.00</b>	<b>18,727</b>

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

## 5 Future strategy

### 5.1 Future conduct of each of the administrations

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

- Realisation of the remaining assets of Monarch Holidays, First Aviation, somewhere2stay, Avro and Avro Aviation, including realising remaining cash at bank and debtor monies owed;
- Completing the assistance we are providing to the CAA and the redundancy of retained employees in Monarch Holidays;
- Determining the final position regarding recharges to the CAA;
- Complying with ongoing tax and VAT requirements for each of the Companies;
- Making distributions to secured creditors where funds are available;
- Agreeing the preferential claims and distribution of a preferential dividend in Monarch Holidays;
- Agreeing unsecured creditor claims and making a distribution to unsecured creditors from somewhere2stay and MH Aviation Transport;
- Paying the costs of the administrations, including our remuneration once this has been approved;

- Seeking approval from the secured creditors, as well as the preferential creditors in Monarch Holidays, to an extension of the period of each of the administrations where the ongoing matters set out above cannot be concluded prior to the present expiry of the respective administration;
- For those companies where there are no further envisaged realisations, namely MH Aviation Transport, Monarch Travel Group, First Aviation and Avro Aviation, confirm whether there are any Group related matters, such as tax matters, that prevent closure in the near term;
- *Complying with ongoing statutory and reporting obligations.*

## **5.2 Future reporting**

We will provide a further progress report within one month of 1 October 2018 or earlier in respect of any administrations if they have been completed prior to that time

## Appendix 1 Statutory information for each of the Companies

Company information	
Company name	Monarch Holidays Limited
Date of incorporation	10 February 1987
Company registration number	02098654
Present registered office	15 Canada Square, Canary Wharf, London, E14 5GL
Administration information	
Administration appointment	The administration appointment granted in High Court of Justice, 007263 of 2017
Appointor	Court following application by the Directors
Date of appointment	2 October 2017
Joint Administrators' details	<i>Jim Tucker, Blair Nimmo and Steve Absalom</i>
Estimated values of the Net Property and Prescribed Part	<p>Estimated Net Property is £3.7 million (low case estimate)</p> <p>The Prescribed Part is capped at the statutory maximum of £600,000</p> <p>In view of the Court order to disapply the Prescribed Part, it has not been taken into account when determining the dividend prospects for unsecured creditors (Section 3.3).</p>
Prescribed Part distribution	The Joint Administrators have obtained an order from the Court that the Prescribed Part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	1 October 2018

**Company information**

Company name	First Aviation Limited
Date of incorporation	25 January 1993
Company registration number	02783179
Present registered office	15 Canada Square, Canary Wharf, London, E14 5GL

**Administration information**

Administration appointment	The administration appointment granted in High Court of Justice, 007245 of 2017
Appointor	Court following application by the Directors
Date of appointment	2 October 2017
Joint Administrators' details	Jim Tucker, Blair Nimmo and Steve Absolom
Prescribed Part	The Prescribed Part is not applicable on this case as the net property is expected to be below the prescribed minimum of £10,000
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	1 October 2018

**Company information**

Company name	Avro Limited
Date of incorporation	20 December 1983
Company registration number	01779584
Present registered office	15 Canada Square, Canary Wharf, London, E14 5GL

**Administration information**

Administration appointment	The administration appointment granted in High Court of Justice, 007258 of 2017
Appointor	Court following application by the Directors
Date of appointment	2 October 2017
Joint Administrators' details	Jim Tucker, Blair Nimmo and Steve Absolom
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is between £3,000 and £43,000 The estimated Prescribed Part is between nil and £12,000 The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3 3)
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors, should net property be above the prescribed minimum of £10,000.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	1 October 2018

#### Company information

Company name	Avro Aviation Limited
Date of incorporation	12 December 1995
Company registration number	03137129
Present registered office	15 Canada Square, Canary Wharf, London, E14 5GL

#### Administration information

Administration appointment	The administration appointment granted in High Court of Justice, 007255 of 2017
Appointor	Court following application by the Directors
Date of appointment	2 October 2017
Joint Administrators' details	Jim Tucker, Blair Nimmo and Steve Absolom
Prescribed Part	<i>The Prescribed Part is not applicable on this case as the net property is expected to be below the prescribed minimum of £10,000.</i>
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	1 October 2018

#### Company information

Company name	Monarch Travel Group Limited
Date of incorporation	26 March 1975
Company registration number	01205109
Present registered office	15 Canada Square, Canary Wharf, London, E14 5GL

#### Administration information

Administration appointment	The administration appointment granted in High Court of Justice, 007260 of 2017
Appointor	Court following application by the Directors
Date of appointment	2 October 2017
Joint Administrators' details	Jim Tucker, Blair Nimmo and Steve Absolom
Prescribed Part	The Prescribed Part is not applicable on this case as the net property is expected to be below the prescribed minimum of £10,000
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	1 October 2018

**Company information**

Company name	somewhere2stay Limited
Date of incorporation	15 December 1986
Company registration number	02083982
Present registered office	15 Canada Square, Canary Wharf, London, E14 5GL

**Administration information**

Administration appointment	The administration appointment granted in High Court of Justice, 007269 of 2017
Appointor	Court following application by the Directors
Date of appointment	2 October 2017
Joint Administrators' details	Jim Tucker, Blair Nimmo and Steve Absolom
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £261,000 (low case). The estimated maximum Prescribed Part is £55,000 The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3.3).
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors, should net property be above the prescribed minimum of £10,000.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	1 October 2018



**Company information**

Company name	MH Aviation Transport Limited
Date of incorporation	11 November 1974
Company registration number	01190110
Present registered office	15 Canada Square, Canary Wharf, London, E14 5GL

**Administration information**

Administration appointment	The administration appointment granted in High Court of Justice, 007257 of 2017
Appointor	Court following application by the Directors
Date of appointment	2 October 2017
Joint Administrators' details	Jim Tucker, Blair Nimmo and Steve Absolom
Estimated values of the Net Property and Prescribed Part	<p>Estimated Net Property is £187,000. The estimated Prescribed Part is £40,000</p> <p>The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3.3)</p>
Prescribed Part distribution	<p>The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply.</p> <p>Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors, should net property be above the prescribed minimum of £10,000</p>
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	1 October 2018

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

### Monarch Holidays

Abstract of receipts & payments				Cumulative GBP
Statement of affairs (£)	From 02/10/2017 To 01/04/2018 (£)	From 02/10/2017 To 01/04/2018 (EUR)	From 02/10/2017 To 01/04/2018 (US\$)	From 02/10/2017 To 01/04/2018 (£)
<b>FIXED CHARGE ASSETS</b>				
8,907,340.00	Cash collateral - Merchant acquirer	NIL	NIL	NIL
		NIL	NIL	NIL
<b>FIXED CHARGE CREDITORS</b>				
(8,907,340.00)	Fixed charge creditor	NIL	NIL	NIL
(94,685,897.00)	Fixed charge creditor (2)	NIL	NIL	NIL
(7,500,000.00)	Fixed charge creditor (3)	NIL	NIL	NIL
		NIL	NIL	NIL
<b>ASSET REALISATIONS</b>				
5,000.00	Tangible Assets	NIL	NIL	NIL
3,168,217.00	Book debts	1,077,885.90	NIL	1,077,885.90
	Book debts - travel agents	4,824,278.64	NIL	4,824,278.64
	Hotel pre payment refunds	1,110.10	673,819.91	607,140.86
4,950,078.00	Cash at bank	3,000,090.17	10,033.54	3,012,188.85
	Credit Card settlement	83,626.19	NIL	83,626.19
		8,986,991.00	683,853.45	28,664.57
				9,605,120.44
<b>OTHER REALISATIONS</b>				
	Bank interest, gross	8,817.60	NIL	8,817.60
	Aviva refunds	122.77	NIL	122.77
	Reimbursement of legal fees incurred	2,160.18	NIL	2,160.18
	Third party funds received	34,930.02	NIL	34,930.02
		46,030.57	NIL	46,030.57
<b>COST OF REALISATIONS</b>				
	Employee expenses	(2,569.53)	NIL	(2,569.53)
	Overseas rep costs	(38,547.02)	NIL	(38,547.02)
	Agents'/Valuers' fees	(3,841.00)	NIL	(3,841.00)
	ERA solution costs	(3,097.28)	NIL	(3,097.28)
	Legal fees	(135,103.78)	NIL	(135,103.78)
	Costs recharged under the SFA	419,119.46	NIL	419,119.46
	Funding from CAA	45,188.91	NIL	45,188.91
	Telephone/Telex/Fax	(4,945.79)	NIL	(4,945.79)

	Storage costs	(4,771 56)	NIL	NIL	(4,771 56)
	Re-direction of mail	(1,632 00)	NIL	NIL	(1,632 00)
	Statutory advertising	(69 00)	NIL	NIL	(69 00)
	Other property expenses	(815 00)	NIL	NIL	(815 00)
	Wages & salaries	(12,936 15)	NIL	NIL	(12,936.15)
	PAYE & NIC	(72,889.93)	NIL	NIL	(72,889 93)
	Sundry expenses	(250.97)	NIL	NIL	(250 97)
	Bank charges	(1,030 61)	(24 03)	(19 17)	(1,065 25)
	Third party funds paid	(1,062 94)	NIL	NIL	(1,062 94)
		180,745.81	(24 03)	(19 17)	180,711.17
	PREFERENTIAL CREDITORS				
(38,087 00)	Employee creditors	NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL
	UNSECURED CREDITORS				
(70,021,165 00)	Trade, Intercompany, Other	NIL	NIL	NIL	NIL
(1,148,308.00)	Employees	NIL	NIL	NIL	NIL
(9,928,910.00)	Pre-paid consumer creditors	NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL
	DISTRIBUTIONS				
(27,200,000 00)	Ordinary shareholders	NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL
(202,399,072.00)		9,213,767.38	683,829.42	28,645.40	9,831,862.18
	REPRESENTED BY				
	Floating ch VAT rec'able	26,139.34			26,139 34
	Floating charge current	4,340,207.70	597,721.62	20,373 18	4,958,302 50
	ATT Trust account	4,849,166.85			4,849,166 85
	Floating ch VAT payable	(83,823 89)			(83,823.89)
	Floating ch VAT control	82,077.38			82,077 38
		9,213,767.38			9,831,862.18

First Aviation

Abstract of receipts & payments			
Statement of affairs (£)		From 02/10/2017 To 01/04/2018 (£)	From 02/10/2017 To 01/04/2018 (£)
FIXED CHARGE ASSETS			
75,925.00	Cash collateral - Merchant acquirer	NIL	NIL
115,362.00	Cash collateral - Merchant acquirers	NIL	NIL
16,310,433.00	Cash collateral held	NIL	NIL
		NIL	NIL
FIXED CHARGE CREDITORS			
(75,925.00)	Fixed charge creditor	NIL	NIL
(115,362.00)	Fixed charge creditor (2)	NIL	NIL
(16,310,433.00)	Fixed charge creditor (3)	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
4,605.00	Cash at bank	4,604.60	4,604.60
		4,604.60	4,604.60
OTHER REALISATIONS			
	Bank interest, gross	5.70	5.70
	Facility from CAA	2,500.00	2,500.00
		2,505.70	2,505.70
COST OF REALISATIONS			
	Re-direction of mail	(612.00)	(612.00)
		(612.00)	(612.00)
UNSECURED CREDITORS			
(34,794,151.00)	Trade, Intercompany, Other	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(25,000.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
<b>(34,814,546.00)</b>		<b>6,498.30</b>	<b>6,498.30</b>
REPRESENTED BY			
	Floating charge current		6,498.30
			<b>6,498.30</b>

Avro

**Abstract of receipts & payments**

Statement of affairs (£)		From 02/10/2017 To 01/04/2018 (£)	From 02/10/2017 To 01/04/2018 (£)
	<b>FIXED CHARGE CREDITORS</b>		
(7,500,000.00)	Fixed charge creditor	NIL	NIL
(94,685,897.00)	Fixed charge creditor (2)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>ASSET REALISATIONS</b>		
18,279.00	Trade & Other receivables	NIL	NIL
8,476.00	Cash at bank	8,474.88	8,474.88
		<u>8,474.88</u>	<u>8,474.88</u>
	<b>OTHER REALISATIONS</b>		
	Bank interest, gross	8.12	8.12
	Facility from CAA	2,500.00	2,500.00
		<u>2,508.12</u>	<u>2,508.12</u>
	<b>COST OF REALISATIONS</b>		
	Re-direction of mail	(612.00)	(612.00)
		<u>(612.00)</u>	<u>(612.00)</u>
	<b>UNSECURED CREDITORS</b>		
(23,820,499.00)	Trade, Intercompany, Other	NIL	NIL
(225,030.00)	Pre-paid customer creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(16,100,000.00)	Ordinary shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(142,304,671.00)</b>		<b>10,371.00</b>	<b>10,371.00</b>
	<b>REPRESENTED BY</b>		
	Floating charge current		10,371.00
			<u>10,371.00</u>

Avro Aviation

Abstract of receipts & payments			
Statement of affairs (£)		From 02/10/2017 To 01/04/2018 (£)	From 02/10/2017 To 01/04/2018 (£)
	FIXED CHARGE CREDITORS		
(7,500,000 00)	Fixed charge creditor	NIL	NIL
(94,685,897 00)	Fixed charge creditor (2)	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
4,970 00	Cash at bank	4,970.00	4,970 00
		4,970.00	4,970 00
	OTHER REALISATIONS		
	Bank interest, gross	5 93	5 93
	Facility from CAA	2,500 00	2,500 00
		2,505 93	2,505 93
	COST OF REALISATIONS		
	Re-direction of mail	(612 00)	(612 00)
		(612 00)	(612.00)
	UNSECURED CREDITORS		
(30,544,619 00)	Trade, Intercompany, Other	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(2,000 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(132,727,546.00)		6,863.93	6,863.93
	REPRESENTED BY		
	Floating charge current		6,863.93
			6,863.93

Monarch Travel Group

**Abstract of receipts & payments**

Statement of affairs (£)		From 02/10/2017 To 01/04/2018 (£)	From 02/10/2017 To 01/04/2018 (£)
<b>FIXED CHARGE CREDITORS</b>			
(7,500,000 00)	Fixed charge creditor	NIL	NIL
(94,685,897 00)	Fixed charge creditor (2)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>OTHER REALISATIONS</b>			
	Bank interest, gross	3.67	3 67
	Rates refund	1,682.06	1,682 06
	Facility from CAA	2,500.00	2,500 00
		<u>4,185.73</u>	<u>4,185 73</u>
<b>COST OF REALISATIONS</b>			
	Irrecoverable VAT	(67.28)	(67 28)
	Agents'/Valuers' fees	(336.41)	(336 41)
	Re-direction of mail	(612.00)	(612 00)
		<u>(1,015 69)</u>	<u>(1,015 69)</u>
<b>UNSECURED CREDITORS</b>			
(32,413,026 00)	Trade, Intercompany, Other	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>DISTRIBUTIONS</b>			
(20,000 00)	Ordinary shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(134,618,923.00)</b>		<b><u>3,170.04</u></b>	<b><u>3,170.04</u></b>
<b>REPRESENTED BY</b>			
	Floating charge current		<u>3,170.04</u>
			<b><u>3,170.04</u></b>

somewhere2stay

**Abstract of receipts & payments**

Statement of affairs (£)

From 02/10/2017

From 02/10/2017

To 01/04/2018 (£)

To 01/04/2018 (£)

**FIXED CHARGE CREDITORS**

(7,500,000 00)	Fixed charge creditor	NIL	NIL
(94,685,897.00)	Fixed charge creditor (2)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>

**ASSET REALISATIONS**

644,698 00	Trade and Other receivables	NIL	NIL
	Book debts	90,944.61	90,944 61
1,970.00	Cash at bank	1,970 00	1,970.00
		<u>92,914.61</u>	<u>92,914.61</u>

**OTHER REALISATIONS**

	Bank interest, gross	84.82	84.82
	Facility from CAA	2,500 00	2,500 00
		<u>2,584.82</u>	<u>2,584 82</u>

**COST OF REALISATIONS**

	Re-direction of mail	(1,224 00)	(1,224 00)
		<u>(1,224.00)</u>	<u>(1,224.00)</u>

**UNSECURED CREDITORS**

(21,970,560 00)	Trade, Intercompany, Other	NIL	NIL
(283,047 00)	Pre-paid consumer creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>

**DISTRIBUTIONS**

(50,000 00)	Ordinary shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>

**(123,842,836.00)**

**94,275.43**

**94,275.43**

**REPRESENTED BY**

Floating charge current	94,275 43
	<u>94,275.43</u>





MH Aviation Transport

**Abstract of receipts & payments**

Statement of affairs (£)		From 02/10/2017 To 01/04/2018 (£)	From 02/10/2017 To 01/04/2018 (£)
	<b>FIXED CHARGE CREDITORS</b>		
(7,500,000 00)	Fixed charge creditor	NIL	NIL
(94,685,897 00)	Fixed charge creditor (2)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>ASSET REALISATIONS</b>		
	VAT refunds (pre-app't)	231,523 81	231,523.81
1,000 00	Cash at bank	1,000 00	1,000.00
		<u>232,523 81</u>	<u>232,523.81</u>
	<b>OTHER REALISATIONS</b>		
	Bank interest, gross	209 66	209 66
	Facility from CAA	2,500 00	2,500.00
		<u>2,709 66</u>	<u>2,709.66</u>
	<b>COST OF REALISATIONS</b>		
	Re-direction of mail	(1,224 00)	(1,224 00)
		<u>(1,224 00)</u>	<u>(1,224 00)</u>
	<b>UNSECURED CREDITORS</b>		
(32,561,836 00)	Trade, Intercompany, Other	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(100 00)	Ordinary shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(134,746,833.00)</b>		<b><u>234,009.47</u></b>	<b><u>234,009.47</u></b>
	<b>REPRESENTED BY</b>		
	Floating charge current		<u>234,009.47</u>
			<b><u>234,009.47</u></b>

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

### Monarch Holidays

Schedule of expenses (2 October 2017 to 1 April 2018)	Incurred and paid in the period	Incurred in the period and not yet paid	Total
Expenses	(£)	(£)	(£)
Employee expenses	(2,569 53)	0 00	(2,569 53)
Overseas rep costs	(38,547.02)	0 00	(38,547.02)
Agents'/Valuers' fees	(3,841.00)	0.00	(3,841 00)
ERA solution costs	(3,097.28)	(1,250.00)	(4,347 28)
Legal fees	(135,103 78)	(36,681 32)	(171,785 10)
Costs recharged under the SFA	419,119.46	0.00	419,119 46
Telephone/Telex/Fax	(4,945 79)	(1,250.00)	(6,195 79)
Storage costs	(4,771.56)	0.00	(4,771 56)
Re-direction of mail	(1,632 00)	0 00	(1,632.00)
Statutory advertising	(69.00)	0 00	(69 00)
Other property expenses	(815 00)	(1,000 00)	(1,815 00)
Wages & salaries	(12,936.15)	(147,961.52)	(160,897 67)
PAYE & NIC	(72,889 93)	0.00	(72,889 93)
Sundry expenses	(250 97)	0 00	(250.97)
Bank charges	(1,030 61)	0 00	(1,030.61)
Third party funds paid	(1,062.94)	0.00	(1,062 94)
Joint Administrators' time costs	0 00	(1,091,299.25)	(1,091,299 25)
<b>Total</b>	<b>135,556.90</b>	<b>(1,279,442.09)</b>	<b>(1,143,885.19)</b>

### First Aviation

Schedule of expenses (2 October 2017 to 1 April 2018)	Incurred and paid in the period	Incurred in the period and not yet paid	Total
Expenses	(£)	(£)	(£)
Legal fees	0 00	0.00	0 00
Re-direction of mail	(612 00)	0 00	(612 00)
Statutory advertising	0.00	(90 00)	(90.00)
Joint Administrators' time costs	0.00	(25,695 50)	(25,695.50)
<b>Total</b>	<b>(612.00)</b>	<b>(25,785.50)</b>	<b>(26,397.50)</b>

### Avro

Schedule of expenses (2 October 2017 to 1 April 2018)	Incurred and paid in the period	Incurred in the period and not yet paid	Total
Expenses	(£)	(£)	(£)
Legal fees	0 00	0.00	0 00
Re-direction of mail	(612 00)	0.00	(612 00)
Statutory advertising	0.00	(90 00)	(90.00)
Joint Administrators' time costs	0.00	(27,562 25)	(27,562.25)
<b>Total</b>	<b>(612.00)</b>	<b>(27,652.25)</b>	<b>(28,264.25)</b>

## Avro Aviation

Schedule of expenses (2 October 2017 to 1 April 2018)	Incurred and paid in the period	Incurred in the period and not yet paid	Total
Expenses	(£)	(£)	(£)
Legal fees	0.00	0.00	0.00
Re-direction of mail	(612.00)	0.00	(612.00)
Statutory advertising	0.00	(90.00)	(90.00)
Joint Administrators' time costs	0.00	(23,257.00)	(23,257.00)
<b>Total</b>	<b>(612.00)</b>	<b>(23,347.00)</b>	<b>(23,959.00)</b>

## Monarch Travel Group

Schedule of expenses (2 October 2017 to 1 April 2018)	Incurred and paid in the period	Incurred and not yet paid	Total
Expenses	(£)	(£)	(£)
Irrecoverable VAT	67.28	0.00	67.28
Agents'/valuers' fees	(336.41)	0.00	(336.41)
Re-direction of mail	(612.00)	0.00	(612.00)
Statutory advertising	0.00	(90.00)	(90.00)
Joint Administrators' time costs	0.00	(30,837.05)	(30,837.05)
<b>Total</b>	<b>(1,015.69)</b>	<b>(30,927.05)</b>	<b>(31,942.74)</b>

## somewhere2stay

Schedule of expenses (2 October 2017 to 1 April 2018)	Incurred and paid in the period	Incurred in the period and not yet paid	Total
Expenses	(£)	(£)	(£)
Legal fees	0.00	0.00	0.00
Re-direction of mail	(1,224.00)	0.00	(1,224.00)
Statutory advertising	0.00	(90.00)	(90.00)
Joint Administrators' time costs	0.00	(28,072.75)	(28,072.75)
<b>Total</b>	<b>(1,224.00)</b>	<b>(28,162.75)</b>	<b>(29,386.75)</b>

## MH Aviation Transport

Schedule of expenses (2 October 2017 to 1 April 2018)	Incurred and paid in the period	Incurred in the period and not yet paid	Total
Expenses	(£)	(£)	(£)
Legal fees	0.00	0.00	0.00
Re-direction of mail	(1,224.00)	0.00	(1,224.00)
Statutory advertising	0.00	(90.00)	(90.00)
Joint Administrators' time costs	0.00	(25,330.75)	(25,330.75)
<b>Total</b>	<b>(1,224.00)</b>	<b>(25,420.75)</b>	<b>(26,644.75)</b>

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

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

### **Creditors' requests for further information**

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

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

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

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

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

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

## Appendix 4 Joint Administrators' charging and disbursements policy

### Joint Administrators' charging policy

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

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

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

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

If you are unable to access this guide and would like a copy, please contact 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 each of 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 administrations but is reflected in the general level of charge-out rates.

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

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

#### Policy for the recovery of disbursements

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

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

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

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

Mileage claims fall into three categories:

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

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

We have incurred the following disbursements for each of the Companies from the date of our appointment to 1 April 2018.

#### Monarch Holidays

Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation	2,094.50		NIL		2,094.50
Courier & delivery costs	127.46		NIL		127.46
External printing	45.14		NIL		45.14
Meals	476.64		NIL		476.64
Mileage	NIL		453.95		453.95
Media costs	5,000.00		NIL		5,000.00
Bonding	475.00		NIL		475.00
Postage	124.08		NIL		124.08
Rates	11.00		NIL		11.00
Sundry	3.90		NIL		3.90
Travel	882.32		NIL		882.32
<b>Total</b>	<b>9,240.04</b>		<b>453.95</b>		<b>9,693.99</b>

## First Aviation

Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Advertising	82.80		NIL		82.80
Bonding	10.00		NIL		10.00
Rates	11.00		NIL		11.00
<b>Total</b>	<b>103.80</b>		<b>Nil</b>		<b>103.80</b>

## Avro

Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Advertising	82.80		NIL		82.80
Bonding	117.50		NIL		117.50
Rates	11.00		NIL		11.00
<b>Total</b>	<b>211.30</b>		<b>NIL</b>		<b>211.30</b>

## Avro Aviation

Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Advertising	82.80		NIL		82.80
Bonding	10.00		NIL		10.00
Rates	11.00		NIL		11.00
<b>Total</b>	<b>103.80</b>		<b>NIL</b>		<b>103.80</b>

## Monarch Travel Group

Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Advertising	82.80		NIL		82.80
Bonding	10.00		NIL		10.00
Rates	11.00		NIL		11.00
<b>Total</b>	<b>103.80</b>		<b>NIL</b>		<b>103.80</b>

somewhere2stay

Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Advertising	82.80		NIL		82.80
Bonding	237.50		NIL		237.50
Rates	11.00		NIL		11.00
<b>Total</b>	<b>331.30</b>		<b>NIL</b>		<b>331.30</b>

MH Aviation Transport

Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Advertising	82.80		NIL		82.80
Bonding	10.00		NIL		10.00
Rates	11.00		NIL		11.00
<b>Total</b>	<b>103.80</b>		<b>NIL</b>		<b>103.80</b>

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

The Category 2 disbursements have not been approved.

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

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> <li>■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences;</li> <li>■ providing initial statutory notifications of our appointments to the Registrar of Companies, creditors and other stakeholders, and advertising our appointments;</li> <li>■ <i>issuing regular press releases and posting information on a dedicated web page;</i></li> <li>■ preparing statutory receipts and payments accounts;</li> <li>■ arranging bonding and complying with statutory requirements;</li> <li>■ ensuring compliance with all statutory obligations within the relevant timescales</li> </ul>
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> <li>■ <i>formulating, monitoring and reviewing the administration strategies, including the decision not to trade and meetings with internal and external parties to agree the same;</i></li> <li>■ briefing of our staff on the administration strategies and matters in relation to various work-streams;</li> <li>■ regular case management and reviewing of progress, including regular team update meetings and calls;</li> <li>■ meeting with management to review and update strategies and monitor progress;</li> <li>■ reviewing and authorising junior staff correspondence and other work;</li> <li>■ dealing with queries arising during the appointments;</li> <li>■ reviewing matters affecting the outcome of the administrations;</li> <li>■ allocating and managing staff/case resourcing and budgeting exercises and reviews;</li> <li>■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters;</li> <li>■ complying with internal filing and information recording practices, including documenting strategy decisions</li> </ul>
Assistance to CAA (Monarch Holidays)	<ul style="list-style-type: none"> <li>■ entering into a Services and Funding Agreement;</li> <li>■ working closely with the CAA and ensuring all relevant customers are directed to them;</li> </ul>



only)	<ul style="list-style-type: none"> <li>■ providing all relevant support connected with the repatriation exercise,</li> <li>■ ensuring Company employees were retained to assist the CAA,</li> <li>■ liaising with hoteliers to assist the CAA and affected customers,</li> <li>■ ensuring all requisite IT systems and information were available to support the repatriation process,</li> <li>■ liaising regularly with the CAA in relation to the above.</li> </ul>
Reports to debenture holders	<ul style="list-style-type: none"> <li>■ providing written and oral updates to representatives of secured creditors regarding the progress of the administrations and case strategies.</li> </ul>
Cashiering	<ul style="list-style-type: none"> <li>■ setting up administration bank accounts and dealing with the Companies' pre-appointment accounts;</li> <li>■ preparing and processing vouchers for the payment of post-appointment invoices,</li> <li>■ creating remittances and sending payments to settle post-appointment invoices;</li> <li>■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks (Monarch Holidays only),</li> <li>■ reviewing and processing employee expense requests (Monarch Holidays only);</li> <li>■ reconciling post-appointment bank accounts to internal systems,</li> <li>■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.</li> </ul>
Tax	<ul style="list-style-type: none"> <li>■ gathering initial information from the Companies' records in relation to the taxation position of each of the Companies,</li> <li>■ submitting relevant initial notifications to HM Revenue and Customs,</li> <li>■ reviewing the Companies' pre-appointment corporation tax and VAT positions;</li> <li>■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations;</li> <li>■ working initially on tax returns relating to the periods affected by the administrations;</li> <li>■ analysing VAT related transactions,</li> <li>■ dealing with post appointment tax compliance</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>■ providing notification of our appointments;</li> <li>■ responding to enquiries from shareholders regarding the administrations;</li> <li>■ providing copies of statutory reports to the shareholders</li> </ul>
General	<ul style="list-style-type: none"> <li>■ reviewing time costs data and producing analysis of time incurred for each Company which is compliant with Statement of Insolvency Practice 9,</li> <li>■ locating relevant books and records for each of the Companies, arranging for their collection and dealing with the ongoing storage</li> </ul>
Asset realisations	<ul style="list-style-type: none"> <li>■ collating information from the Companies' records regarding the assets,</li> <li>■ liaising with finance companies in respect of assets subject to finance agreements (Monarch Holidays only);</li> <li>■ liaising with agents regarding the sale of assets (Monarch Holidays only);</li> <li>■ corresponding with financial institutions in relation to cash at bank on appointment and providing such information as they require;</li> <li>■ corresponding with the merchant acquirer and credit card providers and providing such information as they require;</li> <li>■ reviewing outstanding debtors and management of debt collection strategy (Monarch Holidays, somewhere2stay, Avro only),</li> <li>■ liaising with Monarch Holidays and Monarch Airlines credit control staff and communicating with debtors,</li> <li>■ reviewing the inter-company debtor position between the Companies and other group companies</li> </ul>
Property matters	<ul style="list-style-type: none"> <li>■ performing land registry searches.</li> </ul>
Health and safety	<ul style="list-style-type: none"> <li>■ liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with,</li> <li>■ liaising with the Health and Safety Executive regarding the administrations and ongoing health and safety compliance.</li> </ul>
Insurance	<ul style="list-style-type: none"> <li>■ arranging ongoing insurance cover for the Companies' business and assets;</li> <li>■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place;</li> <li>■ assessing the level of insurance premiums</li> </ul>
Employees (Monarch Holidays only)	<ul style="list-style-type: none"> <li>■ dealing with queries from employees regarding various matters relating to the administration and their employment,</li> <li>■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments;</li> <li>■ holding employee briefing meetings to update employees on progress in the administration and our strategy,</li> <li>■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns;</li> </ul>

	<ul style="list-style-type: none"> <li>■ communicating and corresponding with HM Revenue and Customs,</li> <li>■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office,</li> <li>■ facilitating outplacement of former staff, including Job Fairs and CV writing sessions,</li> <li>■ issuing detailed FAQs in response to enquiries by redundant and retained employees,</li> <li>■ commencing a formal consultation process with retained employees in accordance with the Employee Rights Regulations;</li> <li>■ managing claims from employees,</li> <li>■ ensuring security of assets held by employees</li> </ul>
Pensions	<ul style="list-style-type: none"> <li>■ collating information and reviewing the Companies' pension schemes, where applicable;</li> <li>■ calculating employee pension contributions and review of pre-appointment unpaid contributions (Monarch Holidays only),</li> <li>■ ensuring compliance with our duties to issue statutory notices;</li> <li>■ liaising with the trustees of the defined benefit pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment (Monarch Holidays only),</li> <li>■ ensuring death-in-service cover for employees remains in place (Monarch Holidays only),</li> <li>■ communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries (Monarch Holidays only)</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>■ drafting and circulating our Proposals,</li> <li>■ creating and updating details of unsecured creditors,</li> <li>■ setting up a call centre and specific email address for enquiries from creditors (predominantly Monarch Holidays),</li> <li>■ responding to enquiries from creditors regarding the administrations and submission of their claims;</li> <li>■ dealing with suppliers (Monarch Holidays only),</li> <li>■ preparing and submitting an application to Court seeking an order to disapply the prescribed part (Monarch Holidays only);</li> <li>■ drafting our progress report</li> </ul>
Investigations/ directors	<ul style="list-style-type: none"> <li>■ reviewing Company and directorship searches for each of the Companies and advising the directors of the effect of the administrations;</li> <li>■ liaising with management to produce the Statements of Affairs and filing these documents with the Registrar of Companies,</li> <li>■ arranging for the redirection of the Companies' mail;</li> <li>■ reviewing the questionnaires submitted by the Directors of each of the Companies,</li> <li>■ reviewing pre-appointment transactions for each of the Companies,</li> <li>■ submitting the online director conduct assessments for each of the Companies to the relevant authority.</li> </ul>

## Time costs

### Monarch Holidays

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Notifying shareholders			
General correspondence	0.10	74.00	740.00
Notification of appointment	5.80	1,708.00	294.48
Cashiering			
Fund management	0.70	360.50	515.00
General (Cashiering)	83.10	37,257.50	448.35
Reconciliations (& IPS accounting reviews)	9.90	4,888.50	493.79
General			
Books and records	51.40	23,924.50	465.46
Fees and WIP	5.90	3,395.50	575.51
Mail redirection	10.85	4,404.25	405.92
Statutory and compliance			
Appointment and related formalities	26.65	12,485.75	468.51
Appointment documents	2.00	1,367.50	683.75
Bonding & Cover Schedule	1.80	776.00	431.11
Budgets & Estimated outcome statements	13.10	7,633.00	582.67
Checklist & reviews	14.65	7,041.75	480.67
Court hearings and preparation	2.20	1,580.50	718.41
Engagement management	65.45	46,705.75	713.61
Pre-administration checks	25.00	10,835.00	433.40
Reports to debenture holders	6.80	4,690.00	689.71
Statutory advertising	0.10	51.50	515.00
Statutory receipts and payments accounts	2.00	1,480.00	740.00
Strategy documents	33.20	15,586.00	469.46
Tax			
Initial reviews - CT and VAT	11.05	4,160.75	376.54
Post appointment corporation tax	19.80	13,347.50	674.12
Post appointment VAT	48.80	20,895.50	428.19
<b>Creditors</b>			
Creditors and claims			
Agreement of claims	8.00	2,280.00	285.00
Agreement of unsecured claims	0.90	580.50	645.00
General correspondence	195.60	70,373.00	359.78

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
Legal claims	40.00	11,400.00	285.00
Notification of appointment	7.70	5,091.00	661.17
Creditors and Claims			
Prescribed Part	17.80	12,488.00	701.57
Creditors and claims			
ROT Claims	0.10	51.50	515.00
Secured creditors	0.60	267.00	445.00
Statutory reports	71.65	44,770.25	624.85
Employees			
Correspondence	103.90	47,699.00	459.09
Pensions reviews	0.70	343.50	490.71
<b>General analysis</b>			
Creditors and claims			
Customer claims and queries	18.80	9,441.00	502.18
Dealing with merchant acquirers and claims	6.90	4,963.50	719.35
Supplier claims – other	128.60	39,434.00	306.64
Unflown customers and claims	20.50	7,617.00	371.56
Employees			
Employees - week 1 meetings etc	53.30	29,095.50	545.88
General			
IT, Systems, Cut off and information	57.70	27,541.00	477.31
Statutory and Compliance			
Press and other external stakeholder communication	9.70	8,033.00	828.14
<b>Investigation</b>			
Directors			
D form drafting and submission	28.90	8,405.00	290.83
Director correspondence	9.80	3,485.00	355.61
Statement of affairs	5.15	2,504.25	486.26
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	11.40	7,774.50	681.97
Debtors	725.00	320,510.00	442.08
Goodwill	5.80	2,175.00	375.00
Health & safety	3.00	1,701.00	567.00
Insurance	0.80	524.00	655.00
Leasehold property	67.60	34,535.50	510.88
Office equipment, fixtures & fittings	46.60	21,453.00	460.36

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
Other assets	<b>41.95</b>	18,978.25	452.40
Plant and machinery	<b>4.00</b>	2,285.00	571.25
Pre-appointment tax & VAT refunds	<b>2.80</b>	1,442.00	515.00
Sale of business	<b>5.80</b>	2,987.00	515.00
Stock and WIP	<b>1.00</b>	740.00	740.00
Vehicles	<b>2.90</b>	1,378.50	475.34
Other			
Cash & profit projections & strategy	<b>13.20</b>	7,578.00	574.09
Employee Matters / PAYE	<b>80.25</b>	51,873.75	646.40
Negotiations with customers	<b>0.30</b>	154.50	515.00
Negotiations with suppliers / landlords	<b>24.80</b>	12,772.00	515.00
Purchases and operating costs	<b>72.70</b>	37,087.50	510.14
Operations management	<b>7.50</b>	4,837.50	645.00
<b>Total in period</b>	<b>2,344.05</b>	<b>1,091,299.25</b>	<b>465.56</b>
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	2,344.05	1,091,299.25	
Carry forward time (appointment date to SIP 9 period end date)	2,344.05	1,091,299.25	

## First Aviation

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Notifying shareholders			
Notification of appointment	1.40	508.00	362.86
Cashiering			
General (Cashiering)	1.50	688.50	459.00
Reconciliations (& IPS accounting reviews)	5.30	2,631.50	496.51
General			
Mail redirection	3.30	1,297.50	393.18
Books and records	0.20	89.00	445.00
Statutory and compliance			
Appointment and related formalities	18.80	7,766.00	413.09
Bonding & Cover Schedule	1.10	412.50	375.00
Checklist & reviews	3.90	1,635.50	419.36
Closure and related formalities	1.20	342.00	285.00
Court hearings and preparation	0.20	129.00	645.00
Engagement management	0.60	387.00	645.00
Statutory advertising	0.10	51.50	515.00
Strategy documents	0.90	420.50	467.22
Tax			
Initial reviews - CT and VAT	2.30	1,096.50	476.74
Post appointment corporation tax	3.40	1,681.00	494.41
Post appointment VAT	2.20	881.00	400.45
<b>Creditors</b>			
<i>Creditors and claims</i>			
General correspondence	0.50	220.50	441.00
Notification of appointment	0.80	490.00	612.50
Secured creditors	0.40	178.00	445.00
Statutory reports	2.10	958.50	456.43
Employees			
Pensions reviews	0.20	102.00	510.00
<b>Investigation</b>			
Directors			
D form drafting and submission	3.10	915.50	295.32
Director correspondence	2.45	978.25	399.29
Statement of affairs	3.25	1,215.25	373.92

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	0.80	300.00	375.00
Health & safety	0.20	129.00	645.00
Insurance	0.20	80.00	400.00
Leasehold property	0.10	37.50	375.00
Other			
Cash & profit projections & strategy	0.10	74.00	740.00
<b>Total in period</b>	<b>60.60</b>	<b>25,695.50</b>	<b>424.02</b>
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	60.60	25,695.50	
Carry forward time (appointment date to SIP 9 period end date)	60.60	25,695.50	

Avro

Time costs analysis (02/10/2017 to 01/04/2018)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Notifying shareholders			
Notification of appointment	1.20	419.00	349.17
Cashiering			
General (Cashiering)	2.20	1,017.00	462.27
Reconciliations (& IPS accounting reviews)	4.90	2,453.50	500.71
General			
Mail redirection	3.30	1,301.50	394.39
Books and records	0.20	89.00	445.00
Statutory and compliance			
Appointment and related formalities	15.20	6,346.00	417.50
Bonding & Cover Schedule	1.10	412.50	375.00
Budgets & Estimated outcome statements	0.90	580.50	645.00
Checklist & reviews	3.30	1,354.50	410.45
Closure and related formalities	0.50	142.50	285.00
Court hearings and preparation	0.20	129.00	645.00
Engagement management	0.60	387.00	645.00
Strategy documents	1.80	1,039.00	577.22
Tax			
Initial reviews - CT and VAT	2.30	1,069.50	465.00
Post appointment corporation tax	4.25	1,923.25	452.53
Post appointment VAT	3.60	1,504.00	417.78
<b>Creditors</b>			
Creditors and claims			
General correspondence	0.20	66.00	330.00
Notification of appointment	0.60	387.00	645.00
Secured creditors	0.20	75.00	375.00
Statutory reports	4.30	2,222.00	516.74
Employees			
Pensions reviews	0.10	37.50	375.00
<b>Investigation</b>			
Directors			
D form drafting and submission	2.70	792.50	293.52
Director correspondence	1.70	678.50	399.12
Statement of affairs	1.50	445.50	297.00



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

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	0.30	112 50	375 00
Debtors	0.10	37 50	375 00
Health & safety	0.20	129.00	645.00
Insurance	0.20	80 00	400 00
Leasehold property	0.10	37 50	375 00
Sale of business	3.00	2,220 00	740.00
Other			
Cash & profit projections & strategy	0.10	74 00	740 00
<b>Total in period</b>	<b>60.85</b>	<b>27,562.25</b>	<b>452.95</b>
Brought forward time (appointment date to SIP 9 period start date)	0.00	0 00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	60.85	27,562 25	
Carry forward time (appointment date to SIP 9 period end date)	60.85	27,562.25	

## Avro Aviation

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Notifying shareholders			
Notification of appointment	1.40	508.00	362.86
Cashiering			
General (Cashiering)	1.30	613.50	471.92
Reconciliations (& IPS accounting reviews)	5.30	2,631.50	496.51
General			
Mail redirection	2.85	1,137.25	399.04
Books and records	0.20	89.00	445.00
Statutory and compliance			
Appointment and related formalities	12.85	5,395.25	419.86
Bonding & Cover Schedule	1.10	412.50	375.00
Checklist & reviews	4.80	1,991.00	414.79
Court hearings and preparation	0.20	129.00	645.00
Engagement management	0.70	451.50	645.00
Statutory advertising	0.10	51.50	515.00
Strategy documents	2.20	908.50	412.95
Tax			
Initial reviews - CT and VAT	2.40	1,148.00	478.33
Post appointment corporation tax	1.10	496.50	451.36
Post appointment VAT	4.60	1,814.00	394.35
<b>Creditors</b>			
Creditors and claims			
General correspondence	0.10	28.50	285.00
Notification of appointment	1.20	676.00	563.33
Secured creditors	0.40	178.00	445.00
Statutory reports	4.40	1,993.50	453.07
<b>Investigation</b>			
Directors			
D form drafting and submission	0.20	80.00	400.00
Director correspondence	2.50	1,042.50	417.00
Statement of affairs	3.30	1,197.50	362.88
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	0.10	37.50	375.00

Time costs analysis (02/10/2017 to 01/04/2018)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Health & safety	0.20	129.00	645.00
Insurance	0.20	80.00	400.00
Leasehold property	0.10	37.50	375.00
<b>Total in period</b>	<b>53.80</b>	<b>23,257.00</b>	<b>432.29</b>
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	53.80	23,257.00	
Carry forward time (appointment date to SIP 9 period end date)	53.80	23,257.00	

## Monarch Travel Group

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Notifying shareholders			
Notification of appointment	4.60	1,438.00	312.61
Cashiering			
General (Cashiering)	2.30	1,128.50	490.65
Reconciliations (& IPS accounting reviews)	5.50	2,734.50	497.18
General			
Books and records	0.20	89.00	445.00
Mail redirection	3.70	1,517.50	410.14
Fees and WIP	3.60	1,854.00	515.00
Statutory and compliance			
Appointment and related formalities	15.10	6,198.50	410.50
Bonding & Cover Schedule	1.20	450.00	375.00
Checklist & reviews	3.55	1,448.75	408.10
Court hearings and preparation	0.20	129.00	645.00
Engagement management	1.7	826.50	486.18
Statutory advertising	0.10	51.50	515.00
Strategy documents	0.90	420.50	467.22
Tax			
Initial reviews - CT and VAT	4.33	1,486.05	343.20
Post appointment corporation tax	5.00	2,295.00	459.00
Post appointment VAT	0.30	112.50	375.00
<b>Creditors</b>			
Creditors and claims			
General correspondence	1.20	537.00	447.50
Notification of appointment	0.70	438.50	626.43
Creditors and Claims			
Secured creditors	0.20	75.00	375.00
Statutory reports	3.40	1,426.00	419.41
Employees			
Pensions reviews	0.10	37.50	375.00
<b>Investigation</b>			
Directors			
D form drafting and submission	4.60	1,343.00	291.96
Director correspondence	3.60	1,302.00	361.67

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
Statement of affairs	<b>3.25</b>	1,150.25	353.92
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	<b>0.50</b>	187.50	375.00
Debtors	<b>1.50</b>	1,110.00	740.00
Health & safety	<b>1.20</b>	558.00	465.00
Insurance	<b>0.20</b>	80.00	400.00
Leasehold property	<b>1.10</b>	412.50	375.00
<b>Total in period</b>	<b>73.83</b>	<b>30,837.05</b>	<b>417.68</b>
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	73.83	30,837.05	
Carry forward time (appointment date to SIP 9 period end date)	73.83	30,837.05	

somewhere2stay

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Notifying shareholders			
Notification of appointment	1.40	508.00	362.86
Cashiering			
General (Cashiering)	0.80	310.00	387.50
Reconciliations (& IPS accounting reviews)	1.40	665.00	475.00
General			
Books and records	0.20	89.00	445.00
Mail redirection	4.10	1,695.50	413.54
Fees and WIP	1.50	772.50	515.00
<i>Statutory and compliance</i>			
Appointment and related formalities	17.85	7,253.25	406.34
Bonding & Cover Schedule	1.20	464.00	386.67
Checklist & reviews	4.40	1,745.00	396.59
Court hearings and preparation	0.20	129.00	645.00
Engagement management	0.60	387.00	645.00
Statutory advertising	0.10	51.50	515.00
Strategy documents	1.70	766.50	450.88
<b>Tax</b>			
Initial reviews - CT and VAT	1.70	830.50	488.53
Post appointment corporation tax	5.30	2,435.50	459.53
Post appointment VAT	3.40	1,401.00	412.06
<b>Creditors</b>			
Creditors and claims			
General correspondence	0.20	80.00	400.00
Notification of appointment	1.10	624.50	567.73
Creditors and Claims			
Prescribed Part	0.10	64.50	645.00
Creditors and claims			
Secured creditors	0.20	75.00	375.00
Statutory reports	3.00	1,377.50	459.17
<b>Investigation</b>			
Directors			
D form drafting and submission	3.00	887.00	295.67
Director correspondence	3.35	1,275.75	380.82

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
Statement of affairs	3.25	1,209.25	372.08
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	1.10	412.50	375.00
Debtors	5.10	2,095.00	410.78
Health & safety	0.20	129.00	645.00
Insurance	0.20	80.00	400.00
Leasehold property	0.10	37.50	375.00
Other assets	0.10	74.00	740.00
Other			
Cash & profit projections & strategy	0.20	148.00	740.00
<b>Total in period</b>	<b>67.05</b>	<b>28,072.75</b>	<b>418.68</b>
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	67.05	28,072.75	
Carry forward time (appointment date to SIP 9 period end date)	67.05	28,072.75	

## MH Aviation Transport

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Notifying shareholders			
Notification of appointment	1.40	508.00	362.86
Cashiering			
General (Cashiering)	1.40	665.00	475.00
Reconciliations (& IPS accounting reviews)	5.00	2,519.00	503.80
General			
Mail redirection	3.20	1,269.00	396.56
Books and records	0.20	89.00	445.00
Statutory and compliance			
Appointment and related formalities	15.30	6,218.50	406.44
Bonding & Cover Schedule	0.70	276.50	395.00
Checklist & reviews	3.70	1,537.50	415.54
Closure and related formalities	0.50	142.50	285.00
Court hearings and preparation	0.20	129.00	645.00
Engagement management	0.60	387.00	645.00
Statutory advertising	0.10	51.50	515.00
Strategy documents	0.90	420.50	467.22
Tax			
Initial reviews - CT and VAT	3.60	1,753.00	486.94
Post appointment corporation tax	5.10	2,234.50	438.14
Post appointment VAT	5.40	2,166.00	401.11
<b>Creditors</b>			
Creditors and claims			
General correspondence	0.20	80.00	400.00
Notification of appointment	0.60	387.00	645.00
Secured creditors	0.20	75.00	375.00
Statutory reports	1.30	585.50	450.38
Employees			
Pensions reviews	0.10	37.50	375.00
<b>Investigation</b>			
Directors			
D form drafting and submission	2.90	858.50	296.03
Director correspondence	3.15	1,160.75	368.49
Statement of affairs	3.20	1,109.00	346.56



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

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	0.60	225.00	375.00
Health & safety	0.20	129.00	645.00
Insurance	0.20	80.00	400.00
Leasehold property	0.10	37 50	375.00
Pre-appointment tax & VAT refunds	0.10	51 50	515 00
Other			
Cash & profit projections & strategy	0.20	148 00	740.00
<b>Total in period</b>	<b>60.35</b>	<b>25,330.75</b>	<b>419.73</b>
Brought forward time (appointment date to SIP 9 period start date)	0.00	0 00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	60.35	25,330 75	
Carry forward time (appointment date to SIP 9 period end date)	60.35	25,330 75	

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

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

## Appendix 5      Glossary

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

<b>MAEL</b>	Monarch Aircraft Engineering Limited
<b>MH Aviation Transport</b>	MH Aviation Transport Limited
<b>Monarch 2011</b>	Monarch 2011 Limited
<b>Monarch Airlines</b>	Monarch Airlines Limited
<b>Monarch Holdings</b>	Monarch Holdings Limited
<b>Monarch Holidays</b>	Monarch Holidays Limited
<b>Monarch Travel Group</b>	Monarch Travel Group Limited
<b>PJL</b>	<i>Petrol Jersey Limited</i>
<b>PPF</b>	Pension Protection Fund
<b>RPS</b>	Redundancy Payments Service
<b>Senior secured creditor</b>	PJL
<b>SFA</b>	Services and Funding Agreement
<b>Slots</b>	Take off and landing slots at UK airports
<b>somewhere2stay</b>	somewhere2stay Limited
<b>TSA</b>	Transitional Services Agreement
<b>WJL</b>	Windsor Jersey Limited

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

## Appendix 6      Notice: About this report

This report has been prepared by Jim Tucker, Blair Nimmo and Steve Absolom, the Joint Administrators of Monarch Holidays Limited, First Aviation Limited, Avro Limited, Avro Aviation Limited, Monarch Travel Group Limited, somewhere2stay Limited and MH Aviation Transport Limited – all 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 any 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 and Stephen John Absolom are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

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

We are bound by the Insolvency Code of Ethics.

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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