In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

LIQ03

Notice of progress report in voluntary winding up

Companies House

WEDNESDAY

A93I5LUZ

A14 22/04/2020 #230

COMPANIES HOUSE

1 Company details

Company number	0 8 0 5 4 6 3 4
Company name in full	Sector Aircraft Leasing Limited

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

2 Liquidator's name

Full forename(s)	Gareth
Surname	Roberts

3 Liquidator's address

Building name/number	1st Floor
Street	Hedrich House
Post town	14-16 Cross Street
County/Region	Reading
Postcode	R G 1 1 S N
Country	

4 Liquidator's name ●

Full forename(s)	Paul
Surname	Ellison

● Other liquidator
Use this section to tell us about another liquidator.

5 Liquidator's address ●

Building name/number	1st Floor
Street	Hedrich House
Post town	14-16 Cross Street
County/Region	Reading
Postcode	R G 1 1 S N
Country	

● Other liquidator
Use this section to tell us about another liquidator.

LIQ03
Notice of progress report in voluntary winding up

6 Period of progress report

From date	d 1 d 1	m 0 m 4	y 2 y 0 y 1 y 9
To date	d 1 d 0	m 0 m 4	y 2 y 0 y 2 y 0

7 Progress report

☑ The progress report is attached

8 Sign and date

Liquidator's signature	Signature X	X
Signature date	d 2 d 0	m 0 m 4 y 2 y 0 y 2 y 0

LIQ03

Notice of progress report in voluntary winding up

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: Alison Young

Company name: KRE Corporate Recovery LLP

Address: Unit 8, The Aquarium

King Street

Post town: Reading

County/Region: Berkshire

Postcode: RG1 2AN

Country:

DX:

Telephone: 01189 479090

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 or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

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ANNUAL PROGRESS REPORT

SECTOR AIRCRAFT LEASING LIMITED - IN CREDITORS' VOLUNTARY LIQUIDATION

Gareth Roberts and Paul Ellison
Joint Liquidators

KRE Corporate Recovery LLP

Unit 8, The Aquarium, King Street, Reading, Berkshire, RG1 2AN

01189 479090

info@krecr.co.uk

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Content

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- Administration and Planning
- Enquires and Investigations
- Realisation of Assets
- Trading
- Creditors
- Fees and Expenses
- Creditors' Rights
- EU Regulations
- Conclusion

Appendices

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- Appendix II – Receipts and Payments account for the period 11/04/2019 to 10/04/2020
- Appendix III - Estimated Outcome Statement
- Appendix IV - Detailed list of work undertaken in the period and KRE Corporate Recovery LLP's Fee policy
- Appendix V - Time cost information for period 11/04/2019 to 10/04/2020
- Appendix VI - Time costs summary for period, cumulative & comparison with estimate
- Appendix VII - Expenses summary for period, cumulative & comparison with estimate

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EXECUTIVE SUMMARY

A summary of key information in this report is detailed below.

Assets

Asset	Estimated to realise per Statement of Affairs	Realisations to date	Anticipated future realisations	Total anticipated realisations
Cash at Bank	10,000	10,498	0	10,498
Intercompany Loan	47,210,998	0	Uncertain	Uncertain
Book Debt	8,033,366	0	Uncertain	Uncertain

Expenses

Expense	Amount per fees and expenses estimates	Expense incurred to date	Anticipated further expense to closure	Total anticipated expense
Joint Liquidators' fees	19	9,834	1,500	11,334
Joint Liquidators pre appointment fee	5,000	6,060	0	6,060
Specific Bond	40	70	0	70
Statutory Advertising	174	174	0	174

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Secured creditor	N/A	N/A
Preferential creditors	N/A	N/A
Unsecured creditors	Nil	Uncertain

Summary of key issues outstanding

A debt is due from British Midland Regional Limited ("BMR") totalling £8,033,336. The debtor has been placed into Administration and at this stage it has not been confirmed whether a return will be made.

The Company has an Intercompany loan due from Sector Aviation Holding Limited which has been placed into Liquidation, any realisation is dependent on a dividend being paid in the Administration of BMR.

Closure

Based on current information, I am unable to comment on the timing of the conclusion of the liquidation as I will need to await the conclusion of the BMR Administration.

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ADMINISTRATION AND PLANNING

Statutory information

Statutory information may be found at Appendix I.

The Joint Liquidators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks may be found in Appendix IV.

Reporting

The Joint Liquidators have met their statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated.

During the Review Period, the following key documents have been issued:

[Delete those not applicable]

- The report on the creditors' S100 decision (relating to my appointment as Liquidator).
- This progress report.

Other administration tasks

During the Review Period, the following material tasks in this category were carried out:

- Case reviews
- Drafting and issuing the progress report to creditors;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Liquidators that materially affect the liquidation;
- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the liquidation is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments; and
- Completing periodic tax returns.

ENQUIRES AND INVESTIGATIONS

During the Review Period, the Joint Liquidators carried out an initial review of the Company's affairs in the period prior to appointment. This included seeking information and explanations from the directors by means of questionnaires;

making enquiries of the Company's accountants; reviewing information received from creditors; and collecting and examining the Company's bank statements, accounts and other records.

The directors provided the books and records and a completed questionnaire as well as a Statement of Affairs.

The information gleaned from this process enabled the Joint Liquidators to meet their statutory duty to submit a confidential report on the conduct of the directors (past and present) to the Insolvency Service.

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This work was also carried out with the objective of making an initial assessment of whether there were any matters that may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

This initial assessment has been completed and the Joint Liquidators did not identify any further assets or actions which might lead to a recovery for creditors.

REALISATION OF ASSETS

Attached at Appendix II is a summary of the Joint Liquidators' Receipts and Payments account for the period 11/04/2019 to 10/04/2020. The balance of funds are held in an interest bearing account.

Cash at Bank
During the liquidation we a have realised the cash at bank, funds totalling £10,498 have been received and the Company's pre appointment bank account has been closed.

Book debts
The Company has a book debt due from BMR totalling £8,033,366. Due to the debtor being placed into Administration, we are unable to estimate a realisable value of the book debt. We have submitted a claim in the Administration of BMR.

Intercompany Loan
The Company has an Intercompany loan due from Sector Aviation Holding Limited for £47,210,998. Sector Aviation Holdings Limited has been placed into Liquidation, any realisation is dependent on a dividend being paid to Sector Aviation Holdings Limited from the Administration of BMR.

CREDITORS
Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Joint Liquidators have had to carry out key tasks which are detailed in the list at Appendix IV. The following sections explain the anticipated outcomes to creditors and any distributions paid.

Secured creditors
The Company has not granted any charges over its assets.

Preferential creditors / Employee claims
The Company had no employees.

Unsecured creditors
The creditors as per the statement of affairs totalled £47,211,000. Please be advised that proofs of debt are still being received and therefore the total value of unsecured claims is not known at present.

Dividend prospects

Until we have been advised on any possible dividend from the BMR Administration, we are unable to confirm if a dividend will be available to the creditors.

Where a floating charge is created after 15 September 2003 a prescribed part of the company's net property shall be made available to unsecured creditors. The Company has not granted a floating charge to any creditor after 15 September 2003 and consequently there will be no prescribed part in this Liquidation.

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FEES AND EXPENSES
Pre-Appointment Costs

Fixed fee agreed with the Directors and ratified by creditors.
The creditors authorised the fee of £5,000 for assisting the directors with the arrangements for the creditors decision and with preparing the Statement of Affairs on 7 May 2019.

The fee was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

The Joint Liquidators' fees
It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience.

The basis of the Joint Liquidators' fees was approved by creditors on 7 May 2019 in accordance with the following (decision / resolution):

> *That the Joint Liquidators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Liquidation, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken."*

The time costs for the period 11 April 2019 to 10 April 2020 total £9,834, representing 34.8 hours at an average hourly rate of £282. The sum of £3,000 has been drawn on account of time costs incurred. The time costs for the period are detailed at Appendix V.

Having regard for the costs that are likely to be incurred in bringing this Liquidation to a close, the Joint Liquidators consider that:

- the original fees estimate is unlikely to be exceeded; and
- the original expenses estimate is unlikely to be exceeded.

Disbursements

The disbursements that have been incurred and not yet paid during the period are detailed on Appendix VII. Also included in Appendix VII is a comparison of the expenses likely to be incurred in the Liquidation as a whole with the original expenses estimate, together with reasons where any expenses are likely to exceed that estimate.

The category 1 disbursements paid for in the period 11 April 2019 to 10 April 2020 total £244 are detailed at Appendix II and represent the simple reimbursement of actual out of pocket payments made in relation to the assignment.

No category 2 disbursements have been incurred during the period 11 April 2019 to 10 April 2020.

Information about this insolvency process may be found on the R3 website at http://www.creditorinsolvencyguide.co.uk/. A copy of 'A Creditors' Guide to Fees' together with the firm's charge-out rate and disbursement policy may be found at http://krecr.co.uk/creditors/. A hard copy of both the Creditors' Guide and the firm's charge-out rate and disbursement policy may be obtained on request.

Other professional costs

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No other professional costs have been incurred during the liquidation.

CREDITORS' RIGHTS

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Joint Liquidators' fees remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

EU REGULATIONS (WHETHER PROCEEDINGS ARE MAIN PROCEEDINGS OR TERRITORIAL)

The Company's centre of main interest was in the UK as their registered office and trading address was Pegasus Business Park, Herald Way, East Midlands Airport, Donington, Derby DE74 2TU and therefore it is considered that the EU Regulations apply. These proceedings are main proceedings as defined in the EU Regulation.

CONCLUSION

The administration of the case will continue to finalise the following outstanding matters that are preventing this case from being closed:

Confirmation of any dividend from the Administration of BMR.

If you require any further information, please contact this office.

DocuSigned by:
Gareth Roberts
FE5100A299194D0...

Signed _____
Gareth Roberts
Joint Liquidator
20 April 2020

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Appendix I

Statutory Information

Company Name	Sector Aircraft Leasing Limited
Former Trading Name	None
Company Number	08054634
Registered Office	c/o KRE Corporate Recovery LLP, Unit 8 The Aquarium, 1-7 King Street, Reading, RG1 2AN
Former Registered Office	Pegasus Business Park, Herald Way, East Midlands Airport, Donington, Derby DE74 2TU
Office holders	Gareth Roberts and Paul Ellison
Office holders' address	KRE Corporate Recovery LLP, Unit 8, The Aquarium, 1-7 King Street, Reading RG1 2AN
Date of appointment	11 April 2019

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Appendix II

Receipts and Payments account for the period 11/04/2019 to 10/04/2020

RECEIPTS	**Statement of Affairs (£)**	**Total (£)**
Inter Company Book Debt	NIL	0.00
Book Debts	Uncertain	0.00
Cash at Bank	10,000.00	10,498.00
Bank Interest Gross		5.16
Bank Interest Net of Tax		4.93
		10,508.09
PAYMENTS		
Stephen & Peter Bond	-3,300,000.00	0.00
Specific Bond		70.00
Preparation of S. of A.		5,000.00
Office Holders Fees		3,000.00
Statutory Advertising		174.63
Trade & Expense Creditors	- 14,371,494.75	0.00
HM Revenue & Customs - CT	-3,500,000.00	0.00
Ordinary Shareholders	-22,000.00	0.00
		8,244.63
Net Receipts/(Payments)		2,263.46

MADE UP AS FOLLOWS

Bank 1 Current	628.53
VAT Receivable / (Payable)	1,634.93
	2,263.46

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Appendix III

Estimated Outcome Statement

	Estimated to Realise Value £	Notes	Realised/Paid to Date £	Future £	Total £
Assets					
Investment	3,300,000		0	Uncertain	Uncertain
Intercompany Book Debt	47,210,998	1	0	Uncertain	Uncertain
Book Debt	8,033,366	1	0	Uncertain	Uncertain
Bank Interest	-		10	10	20
Cash at Bank	10,000		10,498	0	10,498
			10,508	10	10,518
Less:					
Liquidators Pre Appointment Fees			0	(5,000)	(5,000)
Liquidators Fees			0	(10,000)	(10,000)
Liquidators Expenses			0`	(495)	(495)
Estimated available to unsecured creditors			10,508	(15,485)	(4,977)
Unsecured Creditors					
Trade Creditors	(14,371,494)				
HMRC - CT	(3,500,000)				
					(17,871,494)
Estimated surplus/(deficit) to Unsecured Creditors					(17,876,471)
Summary return to creditors					
Estimated dividend to:					
Unsecured Creditors	Uncertain	2			

Notes

1 We are unable to estimate any realiations for these assets. Realisations are soley dependent on a dividend being paid from the Adminsitration of British Midland Regional Limited.

2 We are unable to provide an estimate of a unsecured dividend. As detailed above, this is dependent on a dividend from British Midland Regional Limited.

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Appendix IV
Detailed list of work undertaken for Sector Aircraft Leasing Limited in Creditors' Voluntary Liquidation for the review period 11/04/2019 to 10/04/2020

Below is detailed information about the tasks undertaken by the Joint Liquidators

General Description	Includes
Statutory and General Administration	
Statutory/advertising	Filing of documents to meet statutory requirements including annual receipts and payments accounts Annual corporation tax returns Quarterly VAT returns Advertising in accordance with statutory requirements Bonding the case for the value of the assets
Document maintenance/file review/checklist	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Reports	Circulating initial report to creditors upon appointment Preparing annual progress report, investigation and general reports to creditors Disclosure of sales to connected parties
Investigations	
SIP 2 Review	Collection and making an inventory of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with the committee/creditors or major creditors about further action to be taken
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service Preparation and submission of supplementary information if required Assisting the Insolvency Service with its investigations
Realisation of Assets	
Debtors	Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers Receiving updates from factoring companies and liaising reassignment of ledger Liaising with debt collectors and solicitors Agreeing debt collection agency agreements Dealing with disputes, including communicating with directors/former staff Pursuing credit insurance claims Submitting VAT bad debt relief claims
Other assets: Cash at bank	Liaising bank to realise cash at bank

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General Description	Includes
Creditors and Distributions	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator

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Appendix V

Time Entry – SIP 9 Time & Costs Summary
For the period 11 April 2019 to 10April 2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hou Rate (£)
Admin & Planning	2.10	0.00	12.50	0.00	14.60	4,153.00	284.45
Case Specific Matters	0.00	0.00	2.50	0.00	2.50	650.00	260.00
Creditors	0.50	0.00	7.50	0.00	8.00	2,165.00	270.63
Investigations	0.70	0.00	7.00	0.00	7.70	2,121.00	275.45
Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Chargeable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	1.20	0.50	0.20	0.00	2.00	745.00	372.50
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	**4.50**	**0.60**	**29.70**	**0.00**	**34.80**	**9,834.00**	**282.59**
Total Fees Claimed						**3,000.00**	
Total Disbursements Claimed						**0.00**	

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Appendix VI

Time costs summary for period, cumulative & comparison with estimate for Sector Aircraft Leasing Limited IN CREDITORS VOLUNTARY LIQUIDATION

	Original fees estimate			Actual time costs incurred during the Review Period			Total time costs incurred to date		
Work category	**Number of hours**	**Blended hourly rate £ per hour**	**Total fees £**	**Number of hours**	**Average hourly rate £ per hour**	**Total time costs £**	**Number of hours**	**Average hourly rate £ per hour**	**Total time costs £**
Administration (including statutory reporting)	39.25	330	13,179.5	12.5	284	4,153	12.5	284	4,153
Realisation of assets	6.6	302.5	2,149.5	2	372.5	745	2	372.5	745
Creditors (claims and distribution)	4.8	260	1,248	8	270	2,165	8	270	2,165
Investigations	9.7	345	3,346.5	7.7	275	2,121	7.7	275	2,121
Trading	-	-	-	-	-	-	-	-	-

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Appendix VII

Expenses summary for period, cumulative & comparison with estimate for Sector Aircraft Leasing Limited Limited in Creditors' Voluntary Liquidation

Below are details of the Joint Liquidators expenses for the period under review and the total to date.

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any excess (If the expenses are likely to, or have, exceeded the original estimate)
Category 1 Expenses				
Advertising	194	174	174	
Website Fee	50	10	10	
Bonding	50	70	70	

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