

In accordance with Rule 6.28 of the Insolvency (England & Wales) Rules 2016 and Section 106(3) of the Insolvency Act 1986.

LIQ14

Notice of final account prior to dissolution in CVL



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

1

Company details

Company number	08358833
Company name in full	AV Cargo Airlines Limited

→ Filling in this form

Please complete in typescript or in bold black capitals.

2

Liquidator's name

Full forename(s)	Simon James
Surname	Underwood

3

Liquidator's address

Building name/number	Lynton House
Street	7 - 12 Tavistock Square
Post town	London
County/Region	
Postcode	WC1H9LT
Country	

4

Liquidator's name ❶

Full forename(s)	Bethan Louise
Surname	Evans

❶ Other liquidator

Use this section to tell us about another liquidator.

5

Liquidator's address ❷

Building name/number	2 Sovereign Quay
Street	Havannah Street
Post town	Cardiff
County/Region	
Postcode	CF105SF
Country	

❷ Other liquidator

Use this section to tell us about another liquidator.

LIQ14

Notice of final account prior to dissolution in CVL

6	Liquidator's release	
	<input type="checkbox"/> Tick if one or more creditors objected to liquidator's release.	
	:	
7	Final account	
	<input checked="" type="checkbox"/> I attach a copy of the final account.	
8	Sign and date	
Liquidator's signature	<div>Signature</div> <div><div>X</div><div><div>DocuSigned by:</div><div>S. Ull</div><div>5587FAF5B55C43A...</div></div><div>X</div></div>	
Signature date	<div><div><div>d</div><div>2</div><div>d</div><div>3</div></div><div><div>m</div><div>1</div><div>m</div><div>1</div></div><div><div>y</div><div>2</div><div>y</div><div>0</div><div>y</div><div>2</div><div>y</div><div>3</div></div></div>	

LIQ14

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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 **Christy Law**

Company name **Menzies LLP**

Address
5th Floor Hodge House
114-116 St Mary Street

Post town **Cardiff**

County/Region

Postcode

C	F	1	0		1	D	Y
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Country

DX

Telephone **029 2049 5444**

**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

AV Cargo Airlines Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
From 2 October 2019 To 25 September 2023

Statement of Affairs		£	£
	ASSET REALISATIONS		
Uncertain	Plant & Machinery	NIL	
Uncertain	Furniture & Equipment	NIL	
Uncertain	Stock	NIL	
NIL	Inter company debtors	18,164.22	
Uncertain	European VAT Refund	NIL	
NIL	Cash at Bank	NIL	
	VAT transferred from the CVA account	2,300.00	
	Funds transferred from the CVA accou	4,334.78	
			24,799.00
	COST OF REALISATIONS		
	Specific Bond	190.00	
	Liquidator's remuneration	16,647.00	
	Legal Fees	7,962.00	
			(24,799.00)
	PREFERENTIAL CREDITORS		
(39,832.32)	Employee Arrears/Hol Pay	NIL	
			NIL
	FLOATING CHARGE CREDITORS		
(1,830,000.00)	Avient Limited	NIL	
			NIL
	UNSECURED CREDITORS		
(16,337,971.34)	Trade & Expense Creditors	NIL	
(388,926.53)	Employees	NIL	
(13,666.00)	Barclays Bank Plc	NIL	
(316,285.54)	HM Revenue - VAT & PAYE/NIC	NIL	
(13,709.38)	Unpaid Pension Contributions	NIL	
			NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	
			NIL
(18,940,491.11)			NIL
	REPRESENTED BY		
	Menzies accrual account		(1,427.89)
	Vat Control Account		1,427.89
			NIL

Note:

All items detailed on the receipts and payments account are shown net of VAT as the Company was VAT registered

**AV Cargo Airlines Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
From 2 October 2019 To 25 September 2023**

Statement of Affairs		
£	£	£

and VAT has therefore been recovered for the benefit of the liquidation estate.

Simon James Underwood
Joint Liquidator

NOTICE BY JOINT LIQUIDATORS

AV Cargo Airlines Limited - **In Creditors' Voluntary Liquidation ("the Company")**
Company registered number: 08358833

NOTICE IS GIVEN by Simon James Underwood and Bethan Louise Evans, Joint Liquidators of AV Cargo Airlines Limited, under rule 6.28 of the Insolvency (England and Wales) Rules 2016, that no creditors have objected to the Joint Liquidators' release.


Simon James Underwood
Joint Liquidator

Bethan Louise Evans
Joint Liquidator

Menzies LLP
Lynton House, 7-12 Tavistock Square, London,
WC1H 9LT

Menzies LLP
5th Floor Hodge House, 114-116 St Mary
Street, Cardiff, CF10 1DY

Dated: 23 November 2023

Signed: 
5587FAF5B55C43A...

Simon James Underwood
Joint Liquidator

Licensed as an Insolvency Practitioners in the UK by the Insolvency Practitioners Association.

Contact details for Joint Liquidators:

Contact name: Christy Law
Contact number: +44 (0)29 2044 7515
Email address: CLaw@menzies.co.uk

AV CARGO AIRLINES LIMITED - IN CREDITORS' VOLUNTARY LIQUIDATION ("THE COMPANY")

**JOINT LIQUIDATORS' FINAL ACCOUNT TO CREDITORS AND MEMBERS PURSUANT TO SECTION 106
OF THE INSOLVENCY ACT 1986 AND RULE 18.14 OF THE INSOLVENCY (ENGLAND AND WALES)
RULES 2016**

FROM 2 OCTOBER 2019 TO 25 SEPTEMBER 2023

DATED 28 SEPTEMBER 2023

AV CARGO AIRLINES LIMITED - **IN CREDITORS' VOLUNTARY LIQUIDATION** ("THE COMPANY")

FINAL ACCOUNT

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8. Creditors' rights to further information and to challenge liquidators' remuneration and expenses
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10. Concluding remarks

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3. Joint Liquidators' analysis of time costs and narrative of work undertaken
4. Joint Liquidators' comparison of original fee estimate, and actual time costs incurred
5. Joint Liquidators' comparison of estimated expenses and actual costs incurred

JOINT LIQUIDATORS' ACCOUNT OF THE WINDING UP

1. INTRODUCTION AND EXECUTIVE SUMMARY

- 1.1 Following my appointment as Joint Liquidator of the Company on 2 October 2019, please see below my final account of the winding up pursuant to Section 106 of the Insolvency Act 1986 ("the Act") and rule 18.14 of The Insolvency (England and Wales) Rules 2016 ("the Rules") for the period 2 October 2019 to 25 September 2023.
- 1.2 The Company's statutory information is attached at Appendix 1 of this account.
- 1.3 As reported in previous progress reports, the Company was previously subject to a Creditors' Voluntary Arrangement ("CVA"), which had been terminated following the Company's inability to operate after the failure of an engine on its leased aircraft. Due to the nature of the repair work required, the directors began to look for alternative solutions such as a new engine or aircraft but, as the engine for the aircraft was rare, they were unable to source a replacement, nor were they able to obtain a new aircraft. The Company was unable to continue to trade without an aircraft, therefore, with no source of income, the Company faced further financial pressure and became subject to recovery action from its creditors. The directors had no option other than to place the Company into formal insolvency proceedings.
- 1.4 Following my appointment I took immediate steps to realise the assets of the Company with a view to distributing the funds to creditors, after costs, in the prescribed order of priority. According to the directors' estimated statement of affairs, the Company's assets comprised plant and machinery, furniture and equipment, stock, an intercompany debtor and a European VAT refund. The directors did not place any realisable value on these assets, due to the nature, locations of the assets, as discussed in section 3 below. Additional realisations were made in respect of the funds transferred from the CVA account as detailed in section 3 below. There are no assets remaining to be realised.
- 1.5 At the outset, it was anticipated that I would not be in a position to declare a dividend to any class of creditor, and this proved to be the case, as during the course of the liquidation there were insufficient realisations to meet the costs of the liquidation. I refer you to section 6 below.

2. LIQUIDATORS' ACTIONS SINCE APPOINTMENT

- 2.1 Please note that this final account should be read in conjunction with my previous progress reports dated 30 November 2020, 28 October 2021, and 10 November 2022.
- 2.2 Since my appointment as Joint Liquidator, time has been spent liaising with the Company's director in relation to understanding the contents and condition of the Company's tangible assets. Further time was spent reviewing the outstanding balance owed by an associated company, also subject to insolvency proceedings, and time was spent liaising with the Administrators of the debtor in order to realise £18,164.12 into the liquidation estate. Further details are provided in section 3 below.
- 2.3 In addition to this, time was also spent liaising with the former employees, the Redundancy Payments Service ("RPS") and Employment Tribunals in relation to the outstanding employee claims. Further time was spent liaising with the RPS and with the Pension Scheme Trustees in regards to the outstanding pension contributions owed to the employees prior to my appointment.
- 2.4 There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is contained in Appendix 3. Further time has been incurred in the investigations of the Company's trading activities and statutory reporting on the conduct of directors, as discussed in section 4 below.
- 2.5 This final account includes movements in the period since my last progress report, being 2 October 2022 to 25 September 2023. During the reporting period, time has been spent dealing with the reconciliation and recoveries relating to the balance held in the CVA account.

- 2.6 Additionally, the majority of time spent under administration and planning during the current period relates to time spent reviewing my files to ensure all matters have been adequately dealt with, preparing a closing file review and drafting my final report for circulation to members and creditors.
- 2.7 During the period of this report, I have incurred and paid legal fees of £6,000. I have also reimbursed Menzies LLP from the liquidation estate in relation to the specific penalty bond in the sum of £190, however, please note that this amount was incurred during previous reporting periods.
- 2.8 My receipts and payments account for the period from 2 October 2022 to 25 September 2023, which I have reconciled to the financial records that I am required to maintain, is attached at Appendix 2. All receipts and payments are shown net of VAT.

3. ASSET REALISATIONS

Plant and machinery

- 3.1 The directors' statement of affairs listed plant and machinery with an uncertain estimated to realise value. The plant and machinery consisted of aluminium cargo pallets which were located worldwide. The Company's director advised that the exact location of the individual pallets was unknown as they are unidentifiable, and that the assets were not of very good quality. It was concluded that the costs in realising this potential asset would outweigh any benefit to the estate. No funds will be realised into the estate and this matter has been concluded.

Furniture and equipment

- 3.2 As previously reported, the Company owned furniture and equipment which had a book value of £862 with an uncertain to realise value. Following my appointment, I made some enquiries, and it was concluded that the Company's furniture and equipment were owned by a connected company. Therefore, no realisations has been made and this matter has been concluded.

Stock

- 3.3 It was understood that the Company had stock with an uncertain estimated to realise value. The stock comprised of netting which would be used to cover the pallets for transportation. The former director advised that the netting would be attached to the pallets and therefore, this stock would be unidentifiable. The location of the netting would again be worldwide and the cost of tracing and recovering it would not be beneficial to the estate. No funds has been received into the estate and this matter has been concluded.

Inter-company debtors

- 3.4 Following my appointment, the Company had an inter-company debtor with a nil estimated to realise value because the balances were uncertain as the debtor was also a creditor of the Company in the former CVA and the debt may have been subject to Insolvency Set Off. It was anticipated that there would be no recovery from the associated company because they are also subject to insolvency proceedings. However, I have instructed a solicitor to advise upon the proper treatment of an expected distribution from the associated company, and I can confirm that I have realised a total amount of £18,164.12 in this respect. There are no further recoveries expected in this regard and this matter has been concluded.

European VAT refund

- 3.5 The directors' statement of affairs detailed a European VAT refund, and that any recovery was uncertain. I have been liaising with the former directors of the Company and have made enquiries with HM Revenue & Customs ("HMRC") who are unable to provide further information or assistance. Due to a lack of information and given the liability owing to HMRC, any refund would be off set against that liability. This matter has been concluded.

Cash at Bank

- 3.6 The Company held four current accounts of different currencies with Barclays Bank Plc ("Barclays"). At the date of my appointment, time was spent liaising with Barclays who confirmed that any credit balances in the accounts have been off set against the overdrawn balances in the other accounts. Therefore, there are no asset realisations in this regard and this matter has been concluded.

VAT transferred from the CVA account

- 3.7 As you are aware, the Company was placed into CVA prior to being placed into liquidation and during the period of this report, the balance of £2,300 in relation to a VAT refund was transferred from the CVA into the liquidation estate. The CVA bank account has now been closed and no further asset realisations are expected.

Funds transferred from the CVA account

- 3.8 Similar to point 3.7 above, a balance of £4,334.78 was transferred from the CVA into the liquidation estate. No further funds are expected in this regard.

Insurance settlement claim

- 3.9 As previously reported, one of the leased aircraft's engines was damaged and repair work was required. All repair work was paid for by the engine's owner and the owner of the damaged aircraft engine made a claim against the Company's insurance policy for the costs of repairing the damaged engine. During the liquation, time was spent making enquiries with appropriate third parties and reviewing relevant documentation in this matter. Time has also been spent liaising to establish whether any payment is due to the Company under the insurance claim. The Company's position in respect of any claim it may have against its insurance policy and, once determined, to deal with a Release and Discharge Agreement ("the Agreement") required by the insurers to limit any claims and future claims to those agreed and paid by the insurers. After a detailed review of the Company's records and with the assistance of my solicitors, Mills & Reeve LLP, and one of the Company directors, I concluded that the Company did not sustain any losses which were claimable against the insurance policy. Therefore, I was prepared to enter into the Agreement and this matter was concluded.
- 3.10 There are no assets remaining to be realised and the affairs of the Company have been fully wound up.

4. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

- 4.1 I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.
- 4.2 Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 12 months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.
- 4.3 As reported in my previous progress report and further to point 3.9 above, I carried out investigations into the dealings of the Company with its associated companies to understand the losses incurred following the damage to the aircraft engine and what might be claimable under the terms of the policy. In addition, the insurance policy was issued in the name of an associated company, and it was necessary to fully understand the beneficiaries of the policy and whether any identified claims could be made against the policy and in which company's name. The investigations have now concluded and there are no claims to be made against the Company's insurance policy or any associated companies.

4.4 Matters requiring further investigation that may lead to potential recovery actions were identified, and the work outlined above was undertaken to further those investigations with a view to making recoveries for the benefit of the creditors. All investigation matters has now been concluded.

4.5 I have complied with my obligations pursuant to the Company's Directors Disqualification Act 1986, to submit a report to the Insolvency Service on the conduct of the directors. The contents of this report remain confidential.

5. LIABILITIES

5.1 An examination of the Company's charge register held by the Registrar of Companies, showed that the Company has granted a fixed and floating charge to Avient Limited which was created on 17 May 2013.

5.2 The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors.

5.3 As the charge was created after 15 September 2003, the prescribed part provisions of the legislation apply. These require that a share of the floating charge assets is reserved for distribution to unsecured creditors as follows:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property, up to a maximum of £600,000.

Preferential creditors

5.4 The Company had 12 employees, all of whom were made redundant on 13 September 2019, by which date the Company had ceased to trade. Claims from former employees in respect of arrears of wages, up to a maximum of £800 per employee, and accrued holiday pay rank preferentially in that they are paid ahead of floating charge and ordinary unsecured creditors. Where an employee's claim is paid by the Redundancy Payments Service ("RPS"), the RPS have a subrogated preferential claim in the Liquidation.

5.5 The statement of affairs anticipated preferential claims totalling £39,832.32. It is understood that the RPS rejected the claims submitted by the employees for unpaid wages and holiday pay on the basis that the Company was previously subject to a CVA and the relevant date for claims was the date of the CVA and not the Liquidation. I understand that a few of the employees have taken further action directly with the Employment Tribunal but have not been made aware of any decisions. Neither have I received any claims from the RPS.

Non-preferential unsecured creditors

5.6 The statement of affairs included 274 unsecured creditors with an estimated total liability of £17,070,558. I have received claims from 128 creditors at a total of £22,717,316. I have not received claims from 150 creditors with original estimated claims in the statement of affairs of £2,717,444. The total value of claims received is higher than anticipated because I received a claim from Pegasus c/o Sky Handling Company LLC in the sum of £8,000,382 in relation to the lease payments for the aircraft and interest thereon. This is significantly higher than the £2,989,105 listed as being arrears due to them in the Company's Statement of Affairs. This claim has not been formally reviewed or adjudicated as no dividend was available to the unsecured creditors.

6. DISTRIBUTIONS TO CREDITORS

Preferential creditors

6.1 A dividend will not be declared to the preferential creditors in the liquidation as the funds realised have been used to meet the expenses of the liquidation.

Floating charge creditors

- 6.2 A distribution will not be paid to the floating charge creditor in the liquidation as the funds realised have been used to and meet the expenses of the liquidation.

Unsecured creditors

- 6.3 A dividend will not be declared to non-preferential unsecured creditors as the funds realised have been used to meet the expenses of the liquidation.
- 6.4 A notice of no dividend is enclosed.

7. JOINT LIQUIDATORS' REMUNERATION & EXPENSES

Joint Liquidators' remuneration

- 7.1 Following a decision by correspondence on 6 November 2019, it was resolved that my remuneration be fixed by reference to time properly spent by myself and my staff in attending to matters arising in the liquidation as set out in the fee estimate of £19,277.50 plus VAT. The fee estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.
- 7.2 My total time costs to 25 September 2023 amount to £92,171.30, representing 377.43 of hours work at a blended charge out rate of £244.21 per hour, of which £11,694.00 was charged in the period since 1 October 2022, at a blended charge out rate of £301.39 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £209.87 in my fee estimate.
- 7.3 I attach at Appendix 3, a breakdown of these time costs by work category and staff grade, together with a narrative explanation of work done during the liquidation in the period since my last report to creditors.
- 7.4 I have drawn £16,647.00 to 25 September 2023, of which £3,472.23 was drawn in the period since 1 October 2022 and is reflected in my receipts and payments account.
- 7.5 A comparison of the total time costs incurred in the liquidation against the fee estimate is set out at Appendix 4.
- 7.6 As you will note from the information provided in this account, the total time costs incurred have exceeded my fee estimate. My time costs exceeded the fee estimate because there were a large amount of time has been spent to identify what, if any, claims the Company had against the insurance policy and understanding the intercompany dealings as well as ensuring that the correct parties were party to the Agreement. This work was in addition to the work included in the fee estimate. However, I have not drawn remuneration in excess of my fee estimate and instead the balance of my unpaid time costs will be borne by my firm and written off.
- 7.7 Given the size and technical nature of the liquidation, much of the work described in the sections above was undertaken by the Joint Liquidators, a manager and senior administrators. Additional assistance was provided by cashiers dealing with banking and statutory duties. All time spent on administering various duties was charged directly to the case in 6 minute units.

Professional and sub-contractors' fees, and other expenses

- 7.8 I have incurred total expenses of £8,318.05 since my appointment as Liquidator of which £6,000 was incurred in the period since my last report to creditors.
- 7.9 I have drawn £8,152.00 to 25 September 2023, of which £6,190.00 was drawn in the period since my last report to creditors.

7.10 The following expenses were incurred in the period since my last progress report:

Details of expense	Amount incurred/ accrued in the reporting period
Category 1 Expenses	
Legal fees	£6,000.00
Category 2 Expenses	
None	£nil

7.11 I have used the following agents, professional advisors and subcontractors in the reporting period:

Professional advisor	Nature of work	Basis of fees
Mills & Reeve LLP	Solicitors	Time costs

7.12 The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

7.13 Mills & Reeve LLP has provided legal advice in relation to the Company's claims, if any, against the Company's insurance policy and to assist in agreeing the terms of the Agreement. In addition, they also provided advice in regards to dealing with the funds held on the CVA account.

7.14 Appendix 5 details the expenses I estimated that I would incur in this matter when my remuneration was authorised by the creditors and compares them with those incurred and drawn to date.

7.15 As you can see, the total expenses I have incurred in this matter have exceeded the total expenses I estimated I would incur when my remuneration was authorised by the creditors. This is because the costs of obtaining legal advice were not anticipated at the outset and therefore not included in my fee estimate.

7.16 During the period of the liquidation my time costs and expenses amounted to £100,489.35. I was able to draw £24,799.00 whilst £75,690.35 remains outstanding and will not be paid. As a result, it is not anticipated no dividend was paid to any class of creditor.

8. CREDITORS' RIGHTS TO FURTHER INFORMATION AND TO CHALLENGE LIQUIDATORS' REMUNERATION AND EXPENSES

8.1 Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.menzies.co.uk/helping-you/business-recovery/fees-guide/>. There are different versions of these Guidance Notes, and in this case please refer to the version for appointments after September 2015.

Creditors' right to request information

8.2 Any secured creditor, or an unsecured creditor with the support of at least 5% in value of unsecured creditors or with the leave of court, may (in writing) request me to provide additional information regarding remuneration or expenses already supplied within this report. In accordance with rule 18.9(2) of the Rules, such a request or application for leave must be made within 21 days of receipt of the final account.

Creditors' right to challenge remuneration and /or expenses

8.3 The unsecured creditors or with the permission of the Court, may apply to Court for one or more orders under rule 18.36(4) or 18.37(4) of the Rules. In accordance with rule 18.34(3), such applications must be made within eight weeks of receipt of the final account. Please see attached

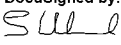
Notice to creditors, which also provides details relating to the Joint Liquidators' release.

9. DATA PROTECTION NOTICE

- 9.1 The Joint Liquidators are data controllers of personal data as defined by the relevant provisions of the applicable data protection legislation. Menzies LLP will act as a data processor on their instructions. Personal data will be kept secure and processed only for matters relating to the insolvency appointment. Full details of our privacy notice is at the following link: <https://www.menzies.co.uk/legal/>.

10. CONCLUDING REMARKS

- 10.1 The winding up of the Company is now complete and I am seeking the release of myself and Bethan Louise Evans as Joint Liquidators of the Company. Creditors and members should note that provided no objections to our release are received from creditors, we shall obtain our release as Joint Liquidators following the delivery of the final account and accompanying notice to the Registrar of Companies. Approximately three months thereafter, the Company will be dissolved.
- 10.2 If you have any queries regarding the conduct of the liquidation, or if you would like hard copies of any of the documents made available on-line, please contact my colleague Christy Law by email at CLaw@menzies.co.uk, or by phone on +44 (0)29 2044 7515 before our release.

DocuSigned by:

5587FAF5B55C43A
Simon James Underwood
Joint Liquidator

APPENDIX 1

STATUTORY INFORMATION

Company name:	AV Cargo Airlines Limited
Company number:	08358833
Registered office:	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT
Former trading address:	5 Albourne Court Henfield Road, Albourne, Hassocks, BN6 9FF
Principal trading activity:	Freight air transport
Joint Liquidators' names:	Simon James Underwood and Bethan Louise Evans
Joint Liquidators' address:	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT
Date of appointment:	2 October 2019
Details of any changes of Liquidator:	There were no changes of Liquidator during the winding up.
Contact details of Liquidators:	Christy Law by email at CLaw@menzies.co.uk, or by phone on +44 (0)29 2044 7515

Appendix 2
AV Cargo Airlines Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 02/10/2022 To 25/09/2023	From 02/10/2019 To 25/09/2023
	ASSET REALISATIONS		
Uncertain	Plant & Machinery	NIL	NIL
Uncertain	Furniture & Equipment	NIL	NIL
Uncertain	Stock	NIL	NIL
NIL	Intercompany debtors	NIL	18,164.22
Uncertain	European VAT Refund	NIL	NIL
NIL	Cash at Bank	NIL	NIL
	VAT transferred from the CVA account	2,300.00	2,300.00
	Funds transferred from the CVA account	4,334.78	4,334.78
		<u>6,634.78</u>	<u>24,799.00</u>
	COST OF REALISATIONS		
	Specific Bond	190.00	190.00
	Liquidator's remuneration	3,472.23	16,647.00
	Legal Fees	6,000.00	7,962.00
		<u>(9,662.23)</u>	<u>(24,799.00)</u>
	PREFERENTIAL CREDITORS		
(39,832.32)	Employee Arrears/Hol Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	FLOATING CHARGE CREDITORS		
(1,830,000.00)	Avient Limited	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(16,337,971.34)	Trade & Expense Creditors	NIL	NIL
(388,926.53)	Employees	NIL	NIL
(13,666.00)	Barclays Bank Plc	NIL	NIL
(316,285.54)	HM Revenue - VAT & PAYE/NIC	NIL	NIL
(13,709.38)	Unpaid Pension Contributions	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(18,940,491.11)</u>		<u>(3,027.45)</u>	<u>NIL</u>
	REPRESENTED BY		
	Menzies accrual account		(1,427.89)
	Vat Control Account		1,427.89
			<u>NIL</u>

Note:

All items detailed on the receipts and payments account are shown net of VAT as the Company was VAT registered and VAT has therefore been recovered for the benefit of the liquidation estate.

AV CARGO AIRLINES LIMITED - IN LIQUIDATION

APPENDIX 3 TIME CHARGE OUT SUMMARY FOR THE PERIOD FROM 2 OCTOBER 2022 TO 25 SEPTEMBER 2023

HOURS						Total Hours	Time Costs £	Blended Hourly Rate £
Classification of Work Function	Partner/ Director	Manager	Senior	Administrator	Support			
Brought Forward From 01.10.2022						338.63	80,477.30	237.66
Administration & Planning	1.20	14.30	14.60	1.50	1.40	33.00	10,058.00	307.46
Realisation of Assets	0.20	0.40	-	-	-	0.60	238.00	396.67
Creditors	0.40	0.60	2.10	2.10	-	5.20	1,398.00	266.94
Investigations	-	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-	-
Total Hours	1.80	15.30	16.70	3.60	1.40	38.80		
Total Costs	1,034.00	5,066.00	4,773.00	690.00	131.00		11,694.00	301.39
Total Carried Forward						377.43	92,171.30	244.21

Fees Drawn for Period Ended:		
01.10.2020	-	
01.10.2021	13,174.77	
01.10.2022	-	
25.09.2023	3,472.23	
Total Fees Drawn to Date:	16,647.00	
Balance of Time Costs Accrued but Unpaid	75,524.30	

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS		
	From 1 September 2023	1 June 2022 to 31 August 2023
	£ per hour	£ per hour
Partner/Director	530-640	500-580
Manager	330-495	300-450
Senior	300-310	270-280
Administrator	165-245	150-220
Support Staff	130	120
Note 1	There may have been a number of promotions through the various grades during the period of the administration.	
Note 2	Overhead costs are reflected in the charge out rates detailed.	
Note 3	The charge-out rate of the Insolvency Practitioner for this assignment is currently £640 and £585 per hour, and the senior administrator is £300 per hour.	
Note 4	Time is recorded in minimum units of 6 minutes.	

APPENDIX 3 CONTINUED

AV CARGO AIRLINES LIMITED - **IN CREDITORS' VOLUNTARY LIQUIDATION ("THE COMPANY")**

NARRATIVE OF WORK UNDERTAKEN IN THE PERIOD FROM 2 OCTOBER 2022 TO 25 SEPTEMBER 2023

A description of the work undertaken since my last progress report is as follows:

1. Administration and planning

There are certain aspects of the case that are required by statute and for the efficient running of the case. They are not expected to provide a direct quantifiable benefit to creditors; however, without them, other aspects of the case which do provide a quantifiable benefit to creditors would have been less efficient.

This has included statutory advertising, the maintenance of physical case files, electronic case management information, the review of files, strategic case planning and the routine administration of the case. It has also included the preparation of documentation and reports, dealing with correspondence and cashiering.

Specifically:

Reporting

As the case remained open for three years, it was necessary to prepare progress reports to members and creditors for circulation following each anniversary to advise upon the progress made over the year.

Cashiering

I am obliged to keep a record of all transactions entered into. Time costs have been incurred lodging receipts, preparing and processing invoices for payments, reconciling the bank account, and producing the receipts and payments account. Time has also been incurred in relation to the preparation and submission of VAT and Corporation Tax returns.

Case Closure

Once the case was ready for closure, a review of the files was undertaken, and final VAT and Corporation Tax returns submitted. Formal clearance was sought from government departments, and time was spent in drafting this final account for circulation to members and creditors.

Further time will be spent submitting this final account to the Registrar of Companies, completing the formalities of the case closure and the case files together with books and records will be archived.

2. ASSET REALISATIONS

There is a direct benefit to creditors in identifying and selling assets. Net asset realisations provide the financial benefit to creditors and their quantum directly contributes to the dividend ultimately available for distribution to creditors.

Time was spent dealing with the additional asset realisations in relation to the balance of funds transferred from the CVA account. The CVA bank account has now been closed and no further asset realisations are expected.

3. INVESTIGATIONS

No time has been spent in this category.

4. CREDITORS (CLAIMS AND DISTRIBUTION)

Generally

There has been time attributed to creditors in dealing with routine correspondence and queries and taking telephone calls from creditors. The time spent has also included maintaining creditor information on the electronic case management files.

AV CARGO AIRLINES LIMITED - IN CREDITORS' VOLUNTARY LIQUIDATION ("THE COMPANY")

APPENDIX 4 - FEE ESTIMATE COMPARISON AGAINST TIME COSTS INCURRED

Classification of Work Function	Fee Estimate			Actual - 02.10.2019 - 25.09.2023		
	Total Hours	Total Time Costs	Blended Hourly Rate	Total Hours	Total Time Costs	Blended Hourly Rate
		£	£		£	£
Administration & Planning	58.00	11,020.00	190.00	209.53	50,406.80	240.57
Realisation of Assets	6.00	1,725.00	287.50	57.60	15,503.50	269.16
Creditors	16.00	3,025.00	189.06	78.10	19,549.00	250.31
Investigations	14.00	3,957.50	282.68	32.20	6,712.00	208.45
Trading	-	-	-	-	-	-
Total Hours	94.00			377.43		
Total Time Costs		19,727.50			92,171.30	
Blended Hourly Rate			209.87			244.21

Fees Drawn for Period Ended:

01.10.2020	-
01.10.2021	13,174.77
01.10.2022	-
25.09.2023	3,472.23
Total Fees Drawn to Date:	16,647.00
Balance of Time Costs Accrued but Unpaid	75,524.30

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS

From 1 September 2023 1 June 2022 to 31 August 2023

	£ per hour	£ per hour
Partner/Director	530-640	500-580
Manager	330-495	300-450
Senior	300-310	270-280
Administrator	165-245	150-220
Support Staff	130	120

Note 1 There may have been a number of promotions through the various grades during the period of the administration.

Note 2 Overhead costs are reflected in the charge out rates detailed.

Note 3 The charge-out rate of the Insolvency Practitioner for this assignment is currently £640 and £585 per hour, and the senior administrator is £300 per hour.

Note 4 Time is recorded in minimum units of 6 minutes.

APPENDIX 5

AV CARGO AIRLINES LIMITED - IN CREDITORS VOLUNTARY LIQUIDATION ("THE COMPANY")
**JOINT LIQUIDATORS' COMPARISON OF ESTIMATED EXPENSES AND ACTUAL COSTS INCURRED
AND PAID**

Details of Expense	Estimated amount £	Incurred / Accrued in period since last report £	Total incurred /accrued to date £	Paid in period since last report £	Total paid to date £
<u>Category 1 Expenses</u>					
Statutory advertising - various notices relating to the company have to be placed in the London Gazette	250.00	-	166.05	-	-
Specific penalty bonding - this is insurance required by statute that every officeholder has to obtain for the protection of each estate, with the premium being based on the value of the company's assets	800.00	-	190.00	190.00	190.00
<u>Professional and Sub-Contractors' Fees</u>					
Legal fees - Mills & Reeve LLP has provided legal advice on the proper treatment of a distribution from the associated company. The firm also provided assistance with the insurance release agreement and assistance with dealing with the unclaimed dividends from the CVA.	-	6,000.00	7,962.00	6,000.00	7,962.00
<u>Agent's Fees</u>					
Collection, listing and storage of books and records - An agent has been instructed to collect the books and records of the Company. The books and records will be stored by the agent throughout the period of the Liquidation and for one year following the dissolution of the case.	500.00	-	-	-	-
<u>Category 2 Expenses</u>					
None	-	-	-	-	-
Totals	1,550.00	6,000.00	8,318.05	6,190.00	8,152.00

EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. The term expenses also includes disbursements which are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Category 1 Expenses

Specific expenditure relating to the administration of the insolvent estate and payable to a person or persons who are not associates of the office holder is recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available, then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 expenses will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include legal fees, agents' fees, sub-contractors' fees, statutory advertising, insurance of assets, search fees, specific penalty bonding, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 Expenses

These are expenses that are directly referable to the administration of the insolvent estate and are made to associates of the officeholder or have an element of shared costs.

Category 2 Expenses require creditor approval.

Menzies LLP do not as a matter of policy seek approval of, or claim any, Category 2 expenses other than those which are paid to associates of the office holder.

NOTICE OF FINAL ACCOUNT FOR THE PERIOD 2 OCTOBER 2019 TO 25 SEPTEMBER 2023 OF

AV CARGO AIRLINES LIMITED - **IN CREDITORS' VOLUNTARY LIQUIDATION**
("THE COMPANY")

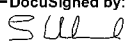
COMPANY REGISTERED NUMBER: 08358833

NOTICE IS GIVEN by Simon James Underwood and Bethan Louise Evans of Menzies LLP, Lynton House, 7-12 Tavistock Square, London, WC1H 9LT, under rule 6.28 of The Insolvency (England and Wales) Rules 2016 and Section 106 of the Insolvency Act 1986, that the Company's affairs have been fully wound up.

1. Secured creditors, or unsecured creditors with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) or with the permission of the court, may request under rule 18.9 further details of the Liquidators' remuneration and expenses, within 21 days of receipt of the final account;
2. Secured creditors, or unsecured creditors with the concurrence of 10% in value of the unsecured creditors (including the creditor in question) or with the permission of the court, may apply to court under rule 18.34 to challenge the amount and/or basis of the Liquidators' fees and the amount of expenses already incurred, within 8 weeks of receipt of the final account;
3. Creditors may object to the release of the Joint Liquidators, by giving notice in writing to the Liquidators, within 8 weeks of delivery of this notice, or before the conclusion of any request for information regarding the Joint Liquidators' remuneration or expenses, or before the conclusion of any application to Court to challenge the Joint Liquidators' fees or expenses.
4. The Joint Liquidators will vacate office under Section 171, upon delivery to the Registrar of Companies of their final account and notice stating whether any creditor has objected.
5. The Joint Liquidators will be released at the same time as vacating office providing no objections to the Joint Liquidators' release are received from the creditors.

Creditors requiring further information regarding the above, should either contact me at Lynton House, 7-12 Tavistock Square, London, WC1H 9LT, or contact my colleague Christy Law by email at CLaw@menzies.co.uk, or by phone on +44 (0)29 2044 7515.

DATED: 28 September 2023

DocuSigned by:

5587FAF5B55C42A
Simon James Underwood
Joint Liquidator

NOTICE OF NO DIVIDEND

**AV CARGO AIRLINES LIMITED - IN CREDITORS' VOLUNTARY LIQUIDATION
("THE COMPANY")**

COMPANY REGISTERED NUMBER: 08358833

NOTICE IS GIVEN to the creditors under rule 14.36 of The Insolvency (England and Wales) Rules 2016, by Simon James Underwood and Bethan Louise Evans, of Menzies LLP, Lynton House, 7-12 Tavistock Square, London, WC1H 9LT, the Joint Liquidators, that no dividend will be declared to unsecured creditors.

A dividend will not be declared to any class of creditors as all funds have been used for paying the expenses of the liquidation.

Creditors requiring further information regarding the above, should either contact me at Lynton House, 7-12 Tavistock Square, London, WC1H 9LT, or contact my colleague Christy Law by email at CLaw@menzies.co.uk, or by phone on +44 (0)29 2044 7515.

DATED: 28 September 2023

DocuSigned by:



5597FAE5B5EC43A1
Simon James Underwood
Joint Liquidator