

AM10

Notice of administrator's progress report



Companies House

FRIDAY



A07 *A7HUC7W0* #391
02/11/2018
COMPANIES HOUSE

1 Company details

Company number 0 0 9 0 7 5 9 3

Company name in full Monarch Airlines 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

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)	Michael Robert
Surname	Pink

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	

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 0	^d 2	^m 0	^m 4	^y 2	^y 0	^y 1	^y 8
To date	^d 0	^d 1	^m 1	^m 0	^y 2	^y 0	^y 1	^y 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

^d2 ^d9 | ^m1 | ^m0 | ^y2 | ^y0 | ^y1 | ^y8



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

Monarch Airlines Limited - in
Administration

29 October 2018



Notice to creditors

This progress report provides an update on the administration of the Company.

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

We have also explained our future strategy for the administration 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 6).

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

Please also note that an important legal notice about this progress report is attached (Appendix 7).

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1 Executive summary

- This progress report covers the period from 2 April 2018 to 1 October 2018. There are three reports to creditors related to the concurrent administrations of 10 of the Monarch Group companies; one for Monarch Airlines, one for Monarch Holidays sub-group and one for the Monarch Holdings sub-group. This report is for Monarch Airlines.
- The Group's key assets are:
 - Slots. Realised for £54 million.
 - Unrestricted cash at bank of £27.8 million on appointment. Realisations to date at Monarch Airlines are £22.5 million and Monarch Holidays are £5.1 million.
Further realisations of cash collateral held by third parties at appointment have been realised at Monarch Airlines and Monarch Holidays totalling £0.3 million and £1.0 million respectively.
- The Group's engineering business, MAEL, continues to trade under the control of its directors. It has recently proposed a Company Voluntary Arrangement as part of a comprehensive balance sheet restructuring and a new funding package. This includes a sale of Monarch 2011's shares in MAEL to PJJ for £1.
- We have completed a sale of the Group's head office and other buildings in Luton and realised further cash at bank and debtor monies. We continue to realise the Company's remaining assets and finalise the Company's tax affairs (Section 2 - Progress to date).
- Our view remains that value will break in the secured debt. We have made distributions to PJJ and PNC in the period (Section 3 - Dividend prospects and dividends paid).
- We will pay a dividend of 100p in the £ to the preferential creditors by 31 December 2018 (Section 3 - Dividend prospects and dividends paid).
- There will be no return to unsecured creditors (Section 3 - Dividend prospects and dividends paid).
- During the period, we applied to Court and obtained an Order granting a two year extension to the period of the administration.
- Please note: you should read this progress report in conjunction with our previous progress report and proposals issued to the Company's creditors which can be found at <http://www.kpmg.co.uk/monarch>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Jim Tucker
Joint Administrator

2 Progress to date

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

2.1 Strategy and progress to date

Strategy

Since our last progress reports, the main asset realisations for the Group have been from the sale of the long-leasehold properties, cash at bank and debtors.

Our ongoing focus remains on realising the Group's remaining assets, progressing the Group's tax affairs and an orderly wind down of the operations of the business.

Specific matters relating to Monarch Airlines are set out below.

Services and Funding Agreement (SFA)

As previously advised, we agreed with the CAA that it would pay the cost of services provided to it by the Company, including time spent by us and our staff, which would not normally have been undertaken in an administration situation. These related predominantly to the repatriation of customers overseas at the time of the administration appointment.

The services to be provided and the terms of reimbursement were agreed in the SFA. In the period, our work on behalf of the CAA has focused on providing assistance in the debt collection exercise (see Section 2.2 'Asset realisations' below), in particular, travel agent debtors. We have also ensured retention of certain IT services to assist CAA in the wind-down process.

Funding received from the CAA does not represent an asset of the Company; 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. We are presently liaising with the CAA to finalise the quantum of the remaining recharge costs to be invoiced and anticipate finalising the position in early course.

Employees

All seven remaining employees were made redundant on or before 30 June 2018 having completed their work supporting the CAA and the IT transition to MAEL.

One former employee is still assisting us on a consultancy basis.

Aircraft lease and return process

Based on the counter-claims received from lessors to date, the value of lessor's claims significantly exceed the value of the security deposits and maintenance reserves held by them.

The legal advice we have received confirms that the lessors have reasonable grounds on which to apply set-off and the costs of challenging this through litigation would be prohibitively expensive.

We continue to deal with certain ad-hoc queries from the lessors but to all intents and purposes it appears that the aircraft returns process has now been fully completed.

Merchant (credit card) Acquirers

We have concluded our review of the position of each of the merchant acquirers, and other than one acquirer (see cash at bank in Section 2.2), we have established that any collateral held by the acquirers has been used towards settling their claims and is not due back to the administration estate.

Financial instruments

We continue our discussions in relation to one remaining transaction which we are looking to close out. We anticipate being in a position to finalise this shortly.

Tax

We continue to finalise the tax affairs of the Company, which are complex and intrinsically linked across the Group. As explained below, it will be some time before we are able to *determine the final position*.

We have filed the corporation tax returns to 31 October 2017 and continue to complete work in relation to the Group's corporation tax returns for the post appointment period. This is a complex exercise and remains ongoing whilst we realise the remaining assets. Once we can determine the final position, we will need to seek agreement of the position with HMRC for each Group company.

Most of the Group is linked by group tax relief. We will therefore not be able to apply for tax clearance from HMRC for any company linked by the group relief until we are able to conclude the final tax position for all companies impacted by the group relief.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

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

Leasehold property

We completed the sale of the long-leasehold property, being the Group's former head office adjacent to Luton Airport in September 2018, realising £4.26 million.

We realised a further £0.1 million in July 2018 for the sale of 146 Prospect Way and a strip of land at 134 Prospect Way in Luton.

All leasehold property has now been realised.

Shares and investments

We received a dividend in relation to the shares the Company owns in Vantage of USD \$0.9 million (£0.7 million). Vantage is subject to a members' voluntary liquidation and we understand there may be a further distribution.

Cash at bank

Since our last report we have recovered £2 million cash at bank from a bank that also acted as a merchant acquirer. We anticipate one final payment from this party of circa £0.05 million once they have reconciled their final position.

Debtors and pipeline monies (credit card receipts)

Recoveries to date are circa £2.3 million including credit card receipts from pre appointment sales and various sundry refunds.

We have clarified the debtor balance owing for services (flights) provided before Monarch Airlines ceased operations. Flight debtors were approximately £0.2 million of which £0.1 million has been recovered to date.

The majority of other sundry refunds have been received where recoverable. There are a small number of amounts due that we continue to pursue to realise more money for the estate. Included in the above recoveries total is a £0.7 million settlement in respect of fees previously charged by one of the merchant acquirers.

Insurance refund

The Company's pre-appointment insurers concluded the reconciliation of their position based on contractual agreements and have refunded USD \$0.1 million (£0.1 million) relating to premiums paid prior to our appointment.

Investigations

We have reviewed the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors. No causes of action were identified.

2.3 Costs

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

Summaries of the most significant payments made during the period are provided below.

IT costs

The IT costs of £0.6 million paid in the period relate to payments to IT suppliers for ongoing service of the IT infrastructure up to the date of disconnection. We have finalised the majority of IT costs, however, may receive further invoices from some suppliers who are yet to provide their final invoices. We are continuing to chase these.

Legal fees

We paid Freshfields £0.6 million for legal advice in relation to the sales of the leasehold properties, the sale of IP, various routine applications to Court and other sundry matters.

Rent, rates, insurance and other property expenses

We have paid £0.2 million relating to rent, rates and utilities during the ongoing occupation of the Company's head office and certain other buildings. All rent invoices in respect of the Luton properties have been settled up to the respective dates of sale.

Wages and salaries

There has been a net refund into the estate of £0.1 million relating to wages and salary costs. Shortly after appointment, we engaged Paycheck to facilitate Monarch Airlines and Monarch Holidays monthly payroll – a payment on account was made to Paycheck by Monarch Airlines for payment of wages. During the period, Monarch Holidays repaid Monarch Airlines approximately £0.15 million representing the payment of net wages made by Monarch Airlines (on behalf of Monarch Holidays) since appointment. Paycheck also repaid residual funds on hand to Monarch Airlines after payment of the final payroll.

Costs recharged under the SFA

Interim invoices issued to the CAA, under the agreed terms of the SFA, total c.£2.5 million. All invoices have been settled from funds held by Monarch Holdings, provided by CAA in line with the terms of the SFA shortly after appointment.

As above, we are liaising with the CAA to agree the quantum of the remaining recharge costs to be invoiced.

Costs covered by these invoices include: the cost of Company 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. These costs are included under the appropriate subheadings in the receipts and payments account at Appendix 2, with the subsequent recharge of costs to the CAA also shown. These recharges do not represent the realisation of an asset of the Company; they are cost reimbursements.

Costs recharged to MAEL

MAEL has paid Monarch Airlines £0.5 million, representing payment on account for expenses incurred on their behalf under the TSA.

These costs are included in the appropriate subheadings in the receipts and payments account at Appendix 2. These recharges do not represent the realisation of an asset of the Company; they are cost reimbursements.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses 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.

IT costs

We are in the process of finalising the remaining IT costs relating to services utilised in the period since appointment. IT costs incurred but not yet paid total approx. £0.1 million.

Legal fees

During the period legal fees of c.£0.3 million were incurred but not paid. These primarily relate to the sale of real estate, tax and extension formalities.

3 Dividend prospects and dividends paid

3.1 Secured creditors

We set out a summary of the material security position for the Company, together with a summary of the security provided to merchant acquirers over the Company's bank accounts in our proposals.

During the period, we have distributed £1.6 million to PNC - all of which relates to fixed charge realisations in relation to their first fixed charge over the Group's head office. There will be no further funds available to distribute to PNC.

We have additionally distributed £55 million to PJJ - £2 million from fixed charge realisations and £53 million from floating charge realisations. In addition, Monarch Holidays Limited has distributed £5 million to PJJ.

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

3.2 Preferential creditors

We estimate the amount of preferential claims to be £2.7 million.

Preferential creditors will receive a dividend of 100p in the £. We have circulated a notice of intended dividend to the preferential creditors and intend to pay the dividend by 31 December 2018.

3.3 Unsecured creditors

There will be no distribution to unsecured creditors. As advised in our last progress report, 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 £0.6 million, shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits, and exceed the funds available.

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

4.1 Joint Administrators' remuneration and disbursements

It is for the secured and preferential creditors to approve our remuneration in this administration.

We have reached an agreement in principle with the senior secured creditor and are now seeking the required approval from the other known and substantial secured creditors, being PJJ, WJL, PPF and PNC. We will shortly also seek approval from the preferential creditors. The agreement reached with the senior secured creditor, based on net realisations to date, caps our fees at no more than 80% of the charge out rates set out in this and our previous reports.

Monarch Airlines has a number of other creditors with security, not all of which is registered at Companies House, covering cash deposit deeds and aircraft lessor security with assignment over insurances. To determine who our authorising secured creditor body is for approvals purposes, including our remuneration, we have undertaken a detailed review of all purported security and sought legal advice as well as Counsel's opinion. For reasons including exposure exceeding security, over-collateralisation, or the Company no longer having the asset with an insurable interest or right to claim, it is our view that these parties do not constitute secured creditors for approvals purposes under insolvency legislation.

Time costs

From 2 April 2018 to 1 October 2018, we have incurred time costs of £1.25 million. These represent 2,745 hours at an average rate of £454 per hour. This is based on our standard charge out rates; as explained above we have agreed a cap on our time costs with the senior secured creditor.

Remuneration

During the period, we have not drawn any remuneration.

Disbursements

During the period, we have incurred disbursements of £6,315. None of these have yet been paid.

Additional information

We have attached a revised time costs/fee estimate at Appendix 4. As explained above, in line with the agreement reached with the senior secured creditor, we will not recover these costs in full. Our envisaged time costs for this administration have increased by approximately £1.4 million. This is based on the following:

- Including approx. £1 million of costs that are being recharged to the CAA;

- Additional work being required to deal with the Group's tax affairs;
- Time incurred in responding to a higher volume of employee requests and queries than envisaged.

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 2 April 2018 to 1 October 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 will include a recharge from the Company for the Administrators' time costs and expenses in relation to our work under the SFA. 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

The unpaid pre-administration costs in relation to the Company are legal fees and disbursements, representing time incurred by Freshfields for work undertaken with a view to placing the Company into administration. At the time we circulated our proposals, these costs, totalling £187,270, were allocated equally across the Group. Accordingly our proposals indicated costs per company of £18,727.

Following receipt of further information in relation to these costs from Freshfields, the split across the Group has been revisited. The unpaid pre-administration legal costs and disbursements for the Company are £112,358 plus VAT.

We will seek approval for these costs in the same manner as we seek approval for our remuneration and will provide an update in our next progress report.

5 Future strategy

5.1 Future conduct of the administration

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

- Realisation of the Company's remaining assets including residual cash at bank and debtor monies owed and monitoring the position regarding any further dividends from Vantage;
- Concluding the position regarding the remaining financial instrument held and all matters following the recent property sales
- Finalising the assistance we are providing to the CAA, agreeing the final recharges with them and confirming the allocation of debtor receipts;
- Determining the final position regarding recharges to MAEL;
- Complying with ongoing tax and VAT requirements and determining the tax position arising following the sale of the Slots;
- Making distributions to secured creditors;
- Agreeing the preferential claims and paying a preferential dividend;

- Paying the costs of the administration, including our remuneration once this has been approved;
- Complying with ongoing statutory and reporting obligations.

5.2 Extension of the administration

During the period the Court granted an Order to extend the period of the administration for two years. We sought the extension to complete a number of matters, as set out in this report, including realising the residual assets and the Company's tax position.

The administration is currently due to end on 1 October 2020.

5.3 Future reporting

We will provide a further progress report within one month of 1 April 2019 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company information

Company name	Monarch Airlines Limited
Date of incorporation	5 June 1967
Company registration number	00907593
Present registered office	15 Canada Square, Canary Wharf, London, E14 5GL

Administration information

Administration appointment	The administration appointment granted in High Court of Justice, 007261 of 2017
Appointor	Court following application by the Directors
Date of appointment	2 October 2017
Joint Administrators' details	Jim Tucker, Blair Nimmo and Mike Pink
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is c£54.7 million (low case estimate). The Prescribed Part is capped at the statutory maximum of £600,000. 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).
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 2020

Appendix 2 Joint Administrators' receipts and payments account

Monarch Airlines Limited - in Administration						
Abstract of receipts & payments						
Statement of affairs (£)	From 02/04/2018 To 01/10/2018 (£)	From 02/04/2018 To 01/10/2018 (Euro)	From 02/04/2018 To 01/10/2018 (SEK)	From 02/04/2018 To 01/10/2018 (CAD)	From 02/04/2018 To 01/10/2018 (US\$)	Cumulative GBP from From 02/10/2017 To 01/10/2018 (£)
	FIXED CHARGE ASSETS					
	Freehold property	4,260,100.00	NIL	NIL	NIL	4,260,100.00
	Freehold property (2)	90,000.00	NIL	NIL	NIL	90,000.00
	Bank interest, gross	115.19	NIL	NIL	NIL	115.19
2,262,748.00	Cash collateral held	NIL	NIL	NIL	NIL	NIL
6,043,387.00	Cash collateral - Merchant acquirers	NIL	NIL	NIL	NIL	NIL
121,372.00	Cash collateral - Merchant acquirer	NIL	NIL	NIL	NIL	NIL
		4,350,215.19	NIL	NIL	NIL	4,350,215.19
	FIXED CHARGE COSTS					
	Agents'/Valuers' fees	(8,071.00)	NIL	NIL	NIL	(8,071.00)
	Agents'/Valuers' fees (2)	(3,307.80)	NIL	NIL	NIL	(5,416.80)
	Bank charges	(20.00)	NIL	NIL	NIL	(20.00)
		(11,398.80)	NIL	NIL	NIL	(13,507.80)
	FIXED CHARGE CREDITORS					
(7,500,000.00)	Fixed charge creditor	(1,564,598.00)	NIL	NIL	NIL	(1,564,598.00)
(94,685,897.00)	Fixed charge distribution	(2,000,000.00)	NIL	NIL	NIL	(2,000,000.00)
(6,043,387.00)	Fixed charge creditor (3)	NIL	NIL	NIL	NIL	NIL
(121,372.00)	Fixed charge creditor (4)	NIL	NIL	NIL	NIL	NIL
(2,262,748.00)	Fixed charge creditor (5)	NIL	NIL	NIL	NIL	NIL
		(3,564,598.00)	NIL	NIL	NIL	(3,564,598.00)
	GENERAL SECURED GROUP					
(25,596,000.00)	Fixed charge creditor	NIL	NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL	NIL
	ASSET REALISATIONS					
	Computer software	13,500.00	NIL	NIL	NIL	13,500.00
268,100.00	Tangible assets	10,437.17	NIL	NIL	NIL	11,786.34
	Pre appt sales - credit card receipts	NIL	NIL	NIL	NIL	657,464.15
4,786,826.00	Book debts	198,301.25	NIL	NIL	NIL	512,215.13
700,000.00	Investment in subsidiary	NIL	NIL	NIL	900,638.62	691,014.98
	Slot exchange proceeds	NIL	NIL	NIL	NIL	54,000,000.00
22,342,930.00	Cash at bank	1,999,158.53	1,990.76	NIL	NIL	22,835,019.42
	Rent recharge	18,857.39	NIL	NIL	NIL	18,857.39
	Credit Card settlement	404,885.23	NIL	NIL	NIL	710,218.05
	Stock	NIL	NIL	NIL	NIL	38,362.50
		2,645,139.57	1,990.76	NIL	900,638.62	79,488,437.96

OTHER REALISATIONS						
Bank interest, gross	97,565.74	NIL	NIL	NIL	9,003.21	124,206.38
Aviva refunds	371.20	NIL	NIL	NIL	NIL	118,936.85
Overpayments refunds	NIL	NIL	NIL	NIL	NIL	30,324.42
Refunds from Unum	NIL	NIL	NIL	NIL	NIL	115,269.92
Fuel prepayments	NIL	NIL	NIL	NIL	NIL	392,735.39
Close out fuel SWAP positions	NIL	NIL	NIL	NIL	NIL	402,948.64
Sundry refunds	18,151.68	NIL	NIL	NIL	NIL	47,906.30
Rates refunds	3,210.00	NIL	NIL	NIL	NIL	35,721.76
Insurance refund	NIL	NIL	NIL	NIL	126,597.48	97,131.92
Currency Account Transfers	5,421,065.63	NIL	NIL	NIL	NIL	5,421,065.63
Third party funds received	13,350.79	NIL	NIL	NIL	NIL	23,919.37
	5,553,715.04	NIL	NIL	NIL	135,600.69	6,810,166.58

COST OF REALISATIONS						
IT Costs	(604,066.54)	NIL	NIL	NIL	NIL	(1,808,195.07)
Irrecoverable VAT	NIL	NIL	NIL	NIL	NIL	(295.99)
Agents'/Valuers' fees	(9,917.00)	NIL	NIL	NIL	NIL	(44,705.31)
ERA solution costs	(14,467.06)	NIL	NIL	NIL	NIL	(74,187.95)
Legal fees	(621,532.46)	NIL	NIL	NIL	NIL	(3,135,427.75)
Refund of legal fees	NIL	NIL	NIL	NIL	NIL	186,009.38
Payroll processing costs	(8,620.00)	NIL	NIL	NIL	NIL	(45,597.36)
Costs recharged under the SFA	414,416.95	NIL	NIL	NIL	NIL	2,322,208.43
Other overheads	(14,104.89)	NIL	NIL	NIL	NIL	(47,342.50)
Health & Safety	NIL	NIL	NIL	NIL	NIL	(1,884.71)
Call centre costs	(807.66)	NIL	NIL	NIL	NIL	(372,080.98)
Stationery & postage	NIL	NIL	NIL	NIL	NIL	(902.25)
Heat & light	(53,235.92)	NIL	NIL	NIL	NIL	(84,233.51)
Storage costs	(2,389.72)	NIL	NIL	NIL	NIL	(4,750.98)
Re-direction of mail	NIL	NIL	NIL	NIL	NIL	(204.00)
Statutory advertising	(71.00)	NIL	NIL	NIL	NIL	(140.00)
Rent	(117,319.92)	NIL	NIL	NIL	NIL	(143,417.92)
Rates	(66,886.59)	NIL	NIL	NIL	NIL	(216,241.16)
Other property expenses	(17,797.00)	NIL	NIL	NIL	NIL	(75,950.43)
Insurance of assets	(5,805.85)	NIL	NIL	NIL	NIL	(38,455.39)
Wages & salaries	92,711.25	NIL	NIL	NIL	NIL	(1,722,731.80)
PAYE & NIC	(60,308.56)	NIL	NIL	NIL	NIL	(916,713.09)
Bank charges	(906.37)	NIL	NIL	NIL	NIL	(3,216.98)
Currency Account Transfers	NIL	(4,000,000.00)	(42,106.23)	(63,574.83)	(2,575,638.62)	(5,577,770.62)
Third party funds paid	NIL	NIL	NIL	NIL	NIL	(1,682.06)
Merchant acquirer cost contribution	NIL	NIL	NIL	NIL	NIL	15,453.00
Costs recharged to MAEL	NIL	NIL	NIL	NIL	NIL	500,000.00
	(1,091,108.34)	(4,000,000.00)	(42,106.23)	(63,574.83)	(2,575,638.62)	(11,292,457.01)

	PREFERENTIAL CREDITORS						
(2,451,524.00)	Employees	NIL	NIL	NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL	NIL	NIL
	FLOATING CHARGE CREDITORS						
(15,380,000.00)	Floating charge	(53,000,000.00)	NIL	NIL	NIL	NIL	(53,000,000.00)
		(53,000,000.00)	NIL	NIL	NIL	NIL	(53,000,000.00)
	UNSECURED CREDITORS						
(335,587,333.00)	Trade, Intercompany, Other	NIL	NIL	NIL	NIL	NIL	NIL
(35,398,647.00)	Employees	NIL	NIL	NIL	NIL	NIL	NIL
(95,431,351.00)	Pre-paid consumer creditors	NIL	NIL	NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL	NIL	NIL
	DISTRIBUTIONS						
(188,054,870.00)	Ordinary shareholders	NIL	NIL	NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL	NIL	NIL
(771,987,766.00)		(45,118,035.34)	(3,998,009.24)	(42,106.23)	(63,574.83)	(1,539,399.31)	22,778,256.92
	REPRESENTED BY						
	Floating ch VAT rec'able						1,032,134.55
	Fixed charge current						769,534.58
	Floating charge current						21,876,416.79
	Funds due from Hampton Brook						840,020.00
	Fixed charge VAT rec'able						2,697.56
	Fixed charge VAT payable						(870,020.00)
	Floating ch. VAT payable						(570,904.86)
	Floating ch. VAT control						(301,621.70)
							22,778,256.92

Appendix 3 Schedule of expenses

Schedule of expenses (2 April 2018 to 1 October 2018)	Incurred and paid in the period	Incurred in the period and not yet paid	Total
Expenses	(£)	(£)	(£)
Fixed charge costs			
Agents'/Valuers' fees	0.00	0.00	0.00
Agents'/Valuers' fees (2)	(3,307.80)	0.00	(3,307.80)
Bank charges	(20.00)	0.00	(20.00)
Legal fees	0.00	(121,612.13)	(121,612.13)
Cost of realisations			
IT Costs	(377,110.34)	(134,813.40)	(511,923.74)
Agents'/Valuers' fees	(9,375.00)	0.00	(9,375.00)
ERA solution costs	(14,467.06)	0.00	(14,467.06)
Legal fees	(398,059.69)	(175,317.98)	(573,377.67)
Payroll processing costs	(8,620.00)	0.00	(8,620.00)
recharged under the SFA Other	414,416.95	0.00	414,416.95
overheads	(9,124.89)	0.00	(9,124.89)
Call centre costs	(807.66)	0.00	(807.66)
Heat & light	(42,120.81)	(11,660.92)	(53,781.73)
Storage costs	(2,389.72)	(7,500.00)	(9,889.72)
Rent	(37,722.38)	(123,976.34)	(161,698.72)
Rates	(44,212.17)	(17,095.22)	(61,307.39)
Other property expenses	(14,987.82)	(7,500.00)	(22,487.82)
Insurance of assets	(5,805.85)	0.00	(5,805.85)
Wages & salaries	92,711.25	(914.38)	91,796.87
PAYE & NIC	(60,308.56)	0.00	(60,308.56)
Bank charges	(906.37)	0.00	(906.37)
Administrators' fees	0.00	(1,246,361.60)	(1,246,361.60)
Administrators' disbursements	0.00	(6,314.83)	(6,314.83)
TOTAL	(522,217.92)	(1,853,066.80)	(2,375,284.72)

Please note that there is a difference between the payments made during the period of £1.09 million (per the receipts and payments account) and the expenses incurred and paid in the period of £0.52 million (per the schedule of expenses).

This is due to the fact that some of the payments made in the period relate to expenses incurred in a prior period.

Please note that the accrual for our remuneration has been based on time costs. This will be adjusted, where appropriate, when the basis of our remuneration is approved.

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

Creditors' requests for further information

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

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

Creditors' right to challenge our remuneration and expenses

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

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

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

Appendix 4 Joint Administrators' revised fees estimate

Estimated Joint Administrators' costs for Monarch Airlines		Estimated time costs for the engagement disclosed in progress report dated 26 April 2018				Additional estimated time costs for the engagement				Total	
Note		Estimated Total hours	Estimated Time cost (£)	Estimated Average hourly rate (£)	Additional Estimated hours	Additional Estimated Time cost (£)	Average hourly rate (£)	Total hours	Total (£)	CAA Recharge (£)	Total cost to Est (£)
	Administration & Planning										
	Cashiering - procession of receipts & payments and bank reconciliations	366.65	143,983	393	62	7,663	318	428	136,320	12,000	124,320
1	General - books & records, fees and work in progress	235.24	99,977	425	1	4,349	405	236	95,628	-	95,628
2	Engagement management - administration strategy and case oversight	705.45	333,917	473	351	321,618	620	1057	655,535	133,839	521,696
	Preparation for court hearings - compiling information and preparing for court hearings	47.3	9,498	201	-	-	201	47	9,498	9,499	-
3	Statutory and compliance - appointment & related formalities, bonding checklist & reviews, reports to creditors, advertising	748.65	331,971	443	279	86,012	407	1028	417,983	-	417,983
1	Reports to secured creditors - preparing & issuing reports to secured creditors	216.2	145,214	672	-16	27,096	589	200	118,119	-	118,119
4	Tax - VAT & corporation tax, initial reviews, pre and post appointment tax	668.85	350,560	524	388	178,919	501	1057	529,479	-	529,479
	Creditors										
5	Employees - employee meetings, claims and correspondence	2,937	828,900	282	851	559,444	367	3788	1,388,343	272,935	1,115,408
6	Creditors and claims - customers - correspondence and claims from customers of the company	2,072	591,730	286	911	450,274	349	2983	1,042,003	186,302	855,701
6	Creditors and claims - other - correspondence and claims from other creditors of the company	2,568	1,246,635	485	(313)	142,296	470	2257	1,061,217	19,418	1,041,799
	Press and stakeholder management - communication with key stakeholders and press	139.45	50,199	360	-	-	681	137	93,321	46,587	46,734
7	IT related - matters specifically relating to IT creditors and suppliers	284.40	88,050	310	(51)	15,758	444	234	103,808	50,937	52,871
	Investigation										
1	Directors - correspondence, statement of affairs, questionnaires	200.4	78,408	391	(12)	13,019	346	189	65,390	-	65,390
	Investigations - director conduct and affairs of the company	73.9	35,025	474	-	-	474	74	35,025	-	35,025
	Realisation of assets										
1	Asset realisation - realisation of the company's assets	2,772	1,443,133	521	(144)	84,266	517	2628	1,358,867	11,513	1,347,354

Other													
Operating expenses - purchases, overheads, cashflows and fund management	1	1128	426,371	378	(74)	-	14,470	391	1054	411,901	103,477	308,424	
CAA repatriation	8	-	-	-	167	105,411	632	167	105,411	105,411	-	-	
Totals		15,164	6,203,569	409	2,400	1,424,277	434	17,564	7,627,847	951,918	6,675,929		

The revised estimated time costs reflects an update based on actual time, grade mix and process codes to which time has been charged. This therefore leads to variances by process codes compared with previous estimates. Further details in relation to the revised fees estimate and of work to be undertaken for this engagement are given below.

As explained in section 4, in line with the agreement reached with the senior secured creditor, we will not recover these costs in full. This includes our costs recharged to the CAA

Costs recharged under the SFA

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. The above estimate includes costs of circa £1 million that are being recharged to the CAA. These do not represent a cost to the Monarch Airlines estate.

Note 1 – General, Reports to secured creditors, Directors, Asset realisation and Operating expenses

We estimate that our work for the above areas of work will be lower than previously advised. As mentioned above, some of this will be a result of recording time to different process codes.

Note 2 – Engagement management

Engagement management time costs have increased due to the added complexities of dealing with tax matters as well as previously reported factors which require further and ongoing oversight. The protracted closing down of the head office, IT systems and property sale have also contributed to the increased time costs.

Note 3 – Statutory and compliance

We forecast an increase in the statutory and compliance costs due to the extension of the administration past the anniversary date and formalities relating to this.

Note 4 – Tax

We forecast an increase in our costs for the above areas of our work related primarily to dealing with the Company's corporation tax affairs. These have increased in complexity as a result of the Slots sale and transfers of Group tax losses as we continue to consider the correct treatment of these.

We are unable to submit our final post appointment returns until all assets have been realised. Accordingly this work stream will be ongoing for the duration of the administration.

Note 5 - Employees

We have received a greater volume of queries from former employees including requests for information and receipt of claim details over a longer period than we initially expected. Dealing with these queries is more time consuming now that the Company IT systems have been shut down and there are no longer any Company employees to assist.

Note 6 – Creditors and claims: customers and other

Overall we are forecasting a reduction in the time we spend dealing with customers and claims from other creditors of the Company. As shown in the table above, a proportion of these costs will be recharged to the CAA to reflect work undertaken which is outside of our statutory duties.

Whilst we continue to address queries received from customers and other creditors, these are additionally reduced following the Court Order we obtained to disapply the Prescribed Part.

Note 7 – IT related

We retained access to the IT systems for longer than initially envisaged, resulting in increased time costs in dealing with IT related matters.

Note 8 – CAA repatriation

As explained above, our time costs incurred in dealing with the repatriation of customers are being met by the CAA and do not represent a cost to the estate.

Appendix 5 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

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

Our policy is to delegate tasks in the administration 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 on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

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

Table of charge-out rates

Charge-out rates (£) for: Restructuring	
Grade	From 01 Nov 2016 £/hr
Partner	835
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 the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

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

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

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

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

Mileage claims fall into three categories:

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

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

We have incurred the following disbursements (excluding VAT) during the period 2 April 2018 to 1 October 2018.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation	830.67		NIL		830.67
Courier & delivery costs	4.85		NIL		4.85
External printing	22.56		NIL		22.56
Meals	150.04		NIL		150.04
Mileage	NIL		70.00		70.00
Postage	165.39		NIL		165.39
Sundry	3,966.69		NIL		3,966.69
Travel	1,104.63		NIL		1,104.63
Total	6,244.83		70.00		6,314.83

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

The Category 2 disbursements have not been approved.

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

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts, ■ submitting an application to the Court and obtaining approval for a two year extension of the administration; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy and meetings with internal and external parties to agree the same; ■ briefing our staff on the case strategy and matters in relation to various work-streams, ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ reviewing and authorising junior staff correspondence and other work including resourcing and budgeting exercises and reviews; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ liaising with legal advisors regarding the various instructions, including the sale of the long-leasehold property, the application to Court to extend the administration and consideration of the secured creditors for approvals purposes; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Assistance to CAA	<ul style="list-style-type: none"> ■ working in accordance with the Services and Funding Agreement entered into with the CAA; ■ ensuring Company employees were retained to assist the CAA; ■ liaising with hoteliers to assist the CAA and affected customers; ■ ensuring all requisite IT systems and information was available to support the repatriation process and subsequent queries raised by affected customers; ■ liaising regularly with the CAA in relation to the above.
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of the secured creditors regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; ■ reviewing and processing employee expense requests; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering information from the Company's records in relation to the taxation position of the Company, ■ submitting relevant tax computations to HM Revenue and Customs, ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of realisations, tax planning for efficient use of tax assets and to maximise realisations, particularly in relation to Slot sales; ■ working on tax returns relating to the periods affected by the administration; ■ analysing VAT related transactions; ■ dealing with post appointment tax compliance.
Shareholders	<ul style="list-style-type: none"> ■ responding to enquiries from shareholders regarding the administration.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ dealing with the ongoing storage of the Company's books and records.
Asset realisations	<ul style="list-style-type: none"> ■ liaising with agents and lawyers regarding the sale of the long-leasehold property; ■ corresponding with financial institutions in relation to cash at bank on appointment and providing such information as they require; ■ corresponding with merchant acquirers and credit card providers and providing such

	<ul style="list-style-type: none"> ■ information as they require; ■ reviewing outstanding debtors and management of debt collection strategy as well as communicating with debtors; ■ seeking legal advice in relation to book debt collections; ■ reviewing the inter-company debtor position between the Company and other group companies.
Property matters	<ul style="list-style-type: none"> ■ concluding the sale of the long-leasehold property and making arrangements following completion; ■ communicating with landlords regarding rent, property occupation and other issues.
Aircraft leases	<ul style="list-style-type: none"> ■ dealing with residual queries from the aircraft lessors following the termination of the leases and return of all aircraft.
Health and safety	<ul style="list-style-type: none"> ■ 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; ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place and update them as assets are sold, ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; ■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns; ■ communicating and corresponding with HM Revenue and Customs; ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office, ■ managing claims from employees.
Pensions	<ul style="list-style-type: none"> ■ calculating employee pension contributions and review of pre-appointment unpaid contributions; ■ ensuring compliance with our duties to issue statutory notices; ■ 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; ■ ensuring death-in-service cover for employees remains in place; ■ dealing with pension relation queries from former employees.
Creditors and claims	<ul style="list-style-type: none"> ■ responding to enquiries from creditors regarding the administration and submission of their claims, ■ dealing with suppliers; ■ agreeing secured and preferential claims; ■ arranging distributions to the secured creditors and commencing the process to make a distribution to preferential creditors; ■ drafting our progress report.

Time costs

SIP 9 –Time costs analysis (02/04/2018 to 01/10/2018)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
Fund management	1.30	597 00	459 23
General (Cashiering)	85.60	29,539 10	345 08
Reconciliations (& IPS accounting reviews)	27.60	10,011 00	362.72
General			
Books and records	13.40	6,014 00	448 81

SIP 9 –Time costs analysis (02/04/2018 to 01/10/2018)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Fees and WIP	58.90	25,080.00	425.81
Statutory and compliance			
Appointment and related formalities	5.50	2,062.50	375.00
Budgets & Estimated outcome statements	106.10	40,699.00	383.59
Checklist & reviews	2.70	1,382.00	511.85
Closure and related formalities	2.25	1,361.25	605.00
Engagement management	203.20	148,042.50	728.56
Extension related formalities	26.60	13,479.00	506.73
Pre-administration checks	3.25	1,059.50	326.00
Reports to debenture holders	17.60	13,166.50	748.10
Statutory advertising	0.30	85.50	285.00
Statutory receipts and payments accounts	0.80	412.00	515.00
Strategy documents	111.00	63,273.00	570.03
Tax			
Initial reviews - CT and VAT	1.00	285.00	285.00
Post appointment corporation tax	364.90	199,372.50	546.38
Post appointment overseas tax	0.60	309.00	515.00
Post appointment VAT	71.30	30,351.50	425.69
Creditors			
Creditors and claims			
Agreement of preferential claims	114.20	48,225.50	422.29
General correspondence	52.15	19,683.25	377.44
Pre-appointment VAT / PAYE / CT	0.70	470.50	672.14
Secured creditors	69.90	40,672.00	581.86
Statutory reports	185.10	94,484.50	510.45
Employees			
Agreeing employee claims	2.40	1,776.00	740.00
Correspondence	167.30	63,082.50	377.06
DTI redundancy payments service	0.30	112.50	375.00
Pensions reviews	5.40	3,483.00	645.00
General analysis			
Administration and planning - general			
Creditors and claims			
Customer claims – other	178.50	50,872.50	285.00
Dealing with aircraft leases and airports	4.80	1,800.00	375.00

SIP 9 –Time costs analysis (02/04/2018 to 01/10/2018)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Supplier claims – other	243.05	69,269.25	285.00
Employees			
Employees - week 1 meetings etc	194.30	59,832.00	307.94
General			
Dealing with IT suppliers	10.20	3,825.00	375.00
IT, Systems, Cut off and information	44.30	19,662.00	443.84
Realisation of assets			
Dealings with MAEL	10.70	5,144.00	480.75
TSA - MAEL matters	9.10	3,412.50	375.00
Investigation			
Correspondence re investigations	7.40	5,476.00	740.00
Realisation of assets			
Asset Realisation			
Cash and investments	16.30	6,828.50	418.93
Debtors	32.95	14,011.25	425.23
Freehold property	28.50	20,235.00	710.00
Insurance	1.10	709.50	645.00
Intellectual Property	1.70	637.50	375.00
Leasehold property	156.55	85,858.75	548.44
Office equipment, fixtures & fittings	12.70	4,762.50	375.00
Other assets	38.20	16,011.00	419.14
Other			
Purchases and operating costs	53.05	19,442.75	366.50
Total in period	2,744.75	1,246,361.60	454.09

Brought forward time (appointment date to SIP 9 period start date)	12,893.64	6,008,157.40
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	2,744.75	1,246,361.60
Carry forward time (appointment date to SIP 9 period end date)	15,638.39	7,254,519.00

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

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

Appendix 6 Glossary

CAA	Civil Aviation Authority
the Company/Monarch Airlines	Monarch Airlines Limited - in Administration
Freshfields	Freshfields Bruckhaus Deringer LLP
Group	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)
IP	Intellectual Property
IT	Information Technology
Joint Administrators/we/our/us	Jim Tucker, Blair Nimmo and Mike Pink
KPMG	KPMG LLP
MAEL	Monarch Aircraft Engineering Limited
Monarch 2011	Monarch 2011 Limited – in administration
PJL	Petrol Jersey Limited
PNC	PNC Business Credit (a trading name of PNC Financial Services UK Ltd)
PPF	Pension Protection Fund
Secured creditors	PJL, PPF, WJL and PNC

Senior secured creditor	PJL
SFA	Services and Funding Agreement
Slots	Take off and landing slots at UK airports
TSA	Transitional Services Agreement
Vantage	Vantage 2014 Limited
WJL	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 7 Notice: About this report

This report has been prepared by Jim Tucker, Blair Nimmo and Mike Pink, the Joint Administrators of Monarch Airlines Limited – in Administration (the ‘Company’), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, 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 the Company 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 Michael Robert Pink 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.

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Notice of administrator's progress report



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**



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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

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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.



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For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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