

16 DECEMBER 2022



JOINT LIQUIDATORS' PROGRESS REPORT
FOR THE PERIOD
23 OCTOBER 2021 TO 22 OCTOBER 2022

AVIATOR MAN LIMITED (COMPANY NUMBER: 09422546)

EXPERTS WITH **IMPACT**TM

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Glossary

Abbreviation / Term	Meaning / Definition
The Act	Insolvency Act 1986 (as amended)
The Company	Aviator MAN Limited
c.	Circa
CVL	Creditors' Voluntary Liquidation
Directors	Tomas Hedstrom, Jo Alex Tanem and Andreas Vassilaros
FTI	FTI Consulting LLP
HMRC	HM Revenue and Customs
Liquidators/ Joint Liquidators	Simon Ian Kirkhope and Andrew James Johnson
The Period	23 October 2021 to 22 October 2022
RPO	Redundancy Payments Office
The Rules	Insolvency (England & Wales) Rules 2016
SIP	Statement of Insolvency Practice
TUPE	Transfer of Undertakings (Protection of Employment) Regulations
WIP	Work in progress

1. Introduction

- 1.1 Andrew James Johnson and Simon Ian Kirkhope were appointed Joint Liquidators of the Company on 23 October 2019.
- 1.2 As insolvency practitioners, the Joint Liquidators are bound by the Insolvency Code of Ethics. Prior to our appointments we considered potential ethical threats in undertaking the liquidation in accordance with the Code, and we did not consider that there were any matters preventing us from taking this appointment.
- 1.3 Creditors are advised that explanatory information, including Statements of Affairs for the Company, was sent to all known creditors in our previous circular dated 24 October 2019. Any creditor requiring a copy of this correspondence, or our other reports to creditors, can access it at <https://www.fticonsulting.com/emea/cip/aviator-man-limited>, or can request a hard copy from our office.
- 1.4 This report, together with appendices, contains information in relation to the activities undertaken during the Period, receipts and payments into the insolvency estates (Appendix B) and the Liquidators' time costs in accordance with SIP 9 (Appendices C and D). This report should be read alongside the annual progress reports for the periods ending 22 October 2020 and 22 October 2021.
- 1.5 The return to creditors is set out in Section 4 of this report.

Meeting of creditors and liquidators fee basis

- 1.6 Creditors were invited to determine whether to form a Liquidation Committee by 13 December 2019, which would, amongst other matters, consider the basis on which the Liquidators are remunerated.
- 1.7 No liquidation committee was established in respect of the Company.
- 1.8 A resolution was also put to creditors in respect of the Liquidators' fees, to which votes were to be received by 13 December 2019. The resolution was in respect of the Liquidators' fees being determined by time properly spent in dealing with the liquidation pursuant to Rule 18.16 of the Rules and approval of the Liquidators' Fee Estimate provided to the creditors. Creditors voted in favour of this resolution.
- 1.9 Creditors resolved that the Liquidators' fees would be charged with reference to the time properly spent by them and their staff in dealing with the matters relating to the Liquidation.
- 1.10 A creditors' guide to liquidators' fees setting out creditors' rights to further information and how fees are approved can be found here:
http://www.fticonsulting-emea.com/~/_media/Files/emea-files/creditors-portal/cip-emea-forms-info/guide-to-liquidators-fees-oct-2015-ew.pdf
- 1.11 If creditors wish to be supplied with a hard copy of this guidance they should contact us at the details set out below.
- 1.12 A guide to insolvency in general can be found here:
<http://www.creditorinsolvencyguide.co.uk/>
- 1.13 Additional information in relation to our staffing policies can be found in Appendix E.

Creditors' right to challenge remuneration and/or expenses

- 1.14 Any secured creditor or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), challenging the amount or the basis of the remuneration which the Liquidators are entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Creditors' right to request information

1.15 Any secured creditor or unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Liquidators to provide additional information regarding remuneration or expenses to that already supplied with this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9(2) of the Rules.

1.16 I enclose further information in relation to creditors' rights at Appendix G.

Liquidators' remuneration and Liquidators' request to increase remuneration

1.17 During the Period, the Joint Liquidators and their staff incurred time costs of £40,599, which are detailed in Appendix D.

1.18 The reasons for time incurred exceeding the estimate provided to creditors in our fee approval report were stated in a previous progress report for the period ending 22 October 2021. Since 22 October 2021 additional time has been incurred due to the following reasons:

- Continued work undertaken in relation to actions brought against the Company by a former employee;
- Liaising with HMRC in respect of the pre-appointment corporation tax refund;
- Liaising with ERA Solutions and AVIVA in respect of employee claims and pre-appointment pension arrears;
- Employee reference requests; and
- Completion of our statutory requirements, including submitting corporation tax returns and drafting reports to creditors.

1.19 Pursuant to Rule 18.24 of the Rules, the Liquidators will request that creditors approve an increase in the Liquidators' fee estimate in recognition of the additional time costs incurred.

1.20 The Liquidators will request that creditors approve this increase at the time when the preferential and unsecured dividends are declared.

Further information

1.21 For further information on the Liquidators' initial assessment on the affairs of the Company please see the Report to creditors for fee approval, submitted in the creditor's portal dated 26 November 2019.

1.22 Pursuant to Rule 1.50(a) of the Rules all further information in respect of the liquidation of the Company (except for dividend notices, which will be mailed to creditors) will be placed on the website below. Please note, no notice will be provided to creditors of updates placed on the website:

<https://www.fticonsulting.com/emea/cip/aviator-man-limited>

1.23 Information about our collection, use and protection of personal data can be found here:

<https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>

1.24 If you have any queries in relation to this report or the Liquidation in general, please contact a member of the liquidation staff at aviatormancreditors@fticonsulting.com or on 020 3727 1301. Creditors can also use these contact details to request a hard copy of this report if required.

2. Background and Liquidation Approach

2.1 In 2016, the Company was part of a wider group of companies providing ground handling services at airports across the UK with operations at London Gatwick, Newcastle, Birmingham and Manchester airports.

- 2.2 On 17 September 2016 and as a result of the group's principal lender withdrawing their support of the group's UK operations, plans were developed to support a managed wind down and exit from ground handling markets in London Gatwick, Newcastle, and Birmingham Airports.
- 2.3 At the time of the group's exit from the UK market in 2016, operations at Manchester were maintained at Thomas Cook's request and with the agreement from the group's principal lender that it would be on a standalone basis. The Company was highly dependent in a competitive market on this one customer, which accounted for c.70% of the Company's revenue.
- 2.4 As such, when Thomas Cook went into liquidation on 23 September 2019, the remaining operations became immediately and significantly loss making. In response to this the Company considered reducing its footprint to continue servicing the remaining customers at Manchester Airport. However, fixed operating costs made such an extensive scaling down impossible to achieve.
- 2.5 On 3 October 2019 the Company concluded that it was unable to operate as a viable business and implemented an orderly wind down of its operations at Manchester Airport in order to enable customers to seek alternative service providers and minimise passenger disruption.
- 2.6 FTI were engaged to support the Company in this regard. Further details are provided in the Explanatory Information for Creditors dated 24 October 2019.
- 2.7 During the wind down period, the Company transferred all service contracts to alternative providers. Through successful Transfer of Undertakings (Protection of Employment) Regulations ("TUPE") these transfers preserved the jobs of c.80 employees out of a total workforce of c.350.
- 2.8 On 23 October 2019 the directors of the Company convened a board meeting where the chairman noted that the orderly transition of the Company's operations was complete and that the Company was no longer trading. Accordingly, in light of this, and the Company's financial position, the directors resolved that the best course of action was to arrange for the Company to be placed into a creditors' voluntary liquidation.

3. Progress of the Liquidation

Receipts and payments during the period

- 3.1 A full account of the receipts and payments for the Company is provided at Appendix B.
- 3.2 Receipts in the Period largely relate to collection of book debts of £3.8k.
- 3.3 The only other receipt was bank interest.
- 3.4 Payments made during the Period include (net of VAT);
 - Legal fees and expenses totaling £25.2k have been driven by defending a claim brought against the Company by the former employees' union, in addition a former employee who was not included in that claim has brought a claim as well as submitted two appeals;
 - The amount of £1k has been incurred for the services provided by JP Associates, being the company engaged to collect the book debts; and
 - £7.7k of fees relating to assistance in respect of a query re pre-appointment pension claims, and the calculation of preferential and non-preferential unsecured claims of former employees.
- 3.5 Expenses have exceeded the previous estimate provided to creditors due to higher than anticipated fees in relation to the need to defend the claim brought by the former employees' union.
- 3.6 Additionally, during the period of the liquidation the percentage fee charged by JP Associates was increased to recognise the increased difficulty of collecting debtors (particularly those in the Aviation industry during the Covid-19 pandemic) than it had been when the quote had been received. No more book debts are expected to be recovered, therefore it is not expected that additional payments will be made to JP Associates.

Book debts

- 3.7 During the Period, debtor collections of £3.8k were made.
- 3.8 Following a cost-benefit analysis, it was decided in a prior period to outsource the collection of debts to JP Associates, a specialist debt collection company.
- 3.9 Despite numerous efforts, it is proving difficult to engage the remaining debtors. In March 2022, JP Associates issued legal demands to the remaining debtors, however, given payment has not yet been received and the debtors are international, it is likely that no further book debts will be realised.
- 3.10 In addition, the Company has a claim against Thomas Cook Airlines Limited (In Liquidation) in the amount of £866k (where the claim has been accepted in full for distribution, but estimate provided for the dividend is that it will be a less than 5% return), and against Thomas Cook UK Limited (In Liquidation) in the amount of £18k (where the claim has not yet been adjudicated and it is uncertain that a dividend will be declared for unsecured creditors). The timing of a possible dividend from Thomas Cook Airlines Limited is not clear.

Claim by the former employees' union, and former employees

- 3.11 In the prior period, the Liquidators received a claim from the former employee's union in respect to the redundancy process undertaken by the Company.
- 3.12 The Liquidators' sought legal advice about the claim and were advised that parts of the claim could not be accepted, including that a number of the employees included in the claim did not qualify for the relief sought.
- 3.13 Accordingly, the Liquidators' defended part of the claim to ensure that only those former employees who qualified for the relief sought were included in the claim.
- 3.14 A final decision was received from the Employment Tribunal on 26 March 2021 which confirmed that, for those former employees who qualified for the relief, the Company was required to pay remuneration to those employees for the protected period of 90 days beginning with 22 October 2019.
- 3.15 In July 2021 employees who had not been included in the March 2021 Order applied to the Employment Tribunal to be included in the Order. The Employment Tribunal heard their arguments on 19 October 2021 and confirmed, by an Order dated 18 November 2021, that the employees should not be included in the March 2021 Order. Two appeals have been made in respect of this decision which were filed by the claimants on 7 February 2022, and the Employee Tribunal notified me of the appeals on 8 March 2022. The Employee Tribunal have advised that that they currently have a large backlog of cases, and therefore they cannot advise as to when the appeals will be considered by the Registrar.
- 3.16 On 13 December 2021 notice was received that those employees not included in the March 2021 had applied to the Employment Tribunal for a protective ward of 90 days' pay. The Employment Tribunal heard their arguments on 22 March 2022, and confirmed by an Order dated 26 April 2022 that the claim had been dismissed as it was presented to the Employee Tribunal outside the time limit for the presentation of the claims.

Taxation

- 3.17 The Liquidators have submitted the Corporation Tax and VAT returns for the pre-appointment periods.
- 3.18 A refund from HMRC of £108k was expected at the time of the last progress report in respect of pre-appointment corporation tax.
- 3.19 In February 2022 the Liquidators were informed by HMRC that Crown Set-Off would be applied for the pre-appointment PAYE debt owed to HMRC in the amount of £38k. The balance of the refund, being £69k would be paid to the RPO which would result in a reduction of the RPO's claim against the Company.
- 3.20 During the Period, my staff have made multiple requests to HMRC that the Crown Set-Off be applied, and the monies sent to the RPO so that the RPO could provide an updated proof of debt.

- 3.21 While this was not completed during the Period, I have since received confirmation that £69k, as well as an additional £1.5k of statutory interest has been paid to the RPO, and the RPO has provided me with an updated proof of debt to reflect the monies received.
- 3.22 The Liquidators have, and will continue to submit, any further corporation tax returns required during the course of the liquidation.
- 3.23 The Company has been deregistered for VAT purposes. All future recoverable VAT will be requested using a VAT 427 form.

Statutory investigations

- 3.24 We have reviewed the conduct of all directors who served in respect of the Company in the 3 year period prior to the date of the Liquidation and made the necessary filings pursuant to the Company Directors Disqualification Act 1986 in a prior period.
- 3.25 The contents of the filings made are confidential.

Future work to be concluded in the liquidation

- 3.26 An analysis of our time in accordance with the provisions of SIP9, which provides details of the activity costs incurred by staff grade to the above date is shown in Appendix D.
- 3.27 The main areas of our work to be completed and future work streams have been set out in the body of the report but are summarised in Appendix C.
- 3.28 Preferential and unsecured dividends will be declared, and additional fee approval sought, once the Employment Tribunal is concluded.

4. Estimated Outcomes

Secured creditors

- 4.1 There are no secured creditors in the liquidation.

Preferential creditors

- 4.2 Under the Act the main classes of preferential creditor are employees in respect of certain claims in relation to arrears of wages, holiday and pensions contributions. All employees were paid arrears of wages prior to the date of liquidation and were paid their salaries to the date of their redundancy.
- 4.3 The Company had employed c.350 staff, and c.80 employees were preserved with the transfer of contracts through the successful Transfer of Undertakings (Protection of Employment) Regulations. The remaining workforce were made redundant shortly before our appointment.
- 4.4 The employees' trade union had brought forward an employee tribunal claim against the Company in relation to a protective award. The claimant alleged that the Company had failed to collectively inform and consult the employees dismissed on the grounds of redundancy. Based on legal advice received and acting in the best interest of creditors in order to minimise the costs incurred in relation to the claim, we proposed a settlement with the claimant. This settlement was confirmed by the Employment Tribunal in the March 2021, which in my last report I detailed as resulting in an additional preferential claim of £203k, and an unsecured claim amount of £734k based on our estimate of what the protective award would be. The value of the protective award has been assessed by the RPO based on information that employees submitted to the RPO in respect of their wages in the amount of £620k.
- 4.5 The non-preferential employee unsecured claim values may increase subject to the outcome of the Employment Appeal Tribunal outlined in section 3.15.

- 4.6 For those employees who were made redundant, monies will be owed to them in respect of outstanding holiday pay which, subject to statutory limits, is a preferential claim in the Liquidation.
- 4.7 Based on current known information about assets and liabilities it is likely that preferential creditors will be paid in full.

Non-preferential unsecured creditors

- 4.8 The Statement of Affairs included 53 non-preferential unsecured creditors with an estimated total liability of £1,657k. We have currently received 18 claims totaling £2,011k.
- 4.9 A proof of debt is enclosed in Appendix F, and if you have not already lodged one you should now complete and return it to me, together with evidence in support of your claim.
- 4.10 Based on current known information about assets and liabilities it is likely that a dividend will be paid to unsecured creditors. This dividend is expected to be c.15%.

5. Next Report and Further Questions

- 5.1 We are required to provide a progress report to all creditors within two months of the next anniversary of the Liquidation, or when the Liquidation comes to an end, whichever is sooner.
- 5.2 FTI Consulting LLP (“FTI”) uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information on our website at <https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>.
- 5.3 Should you have any queries in the meantime, or wish to be sent a hard copy of this report please contact a member of the Liquidators staff by email at aviatormancreditors@fticonsulting.com or on 020 3727 1301.

Yours faithfully

For and on behalf of the Company



Simon Ian Kirkhope
Joint Liquidator

Appendix A - Statutory Information

Company Information

Aviator MAN Limited

Trading names	Aviator MAN Limited
Registered number	09422546
Registered office	C/O FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD
Director(s)	Jo Alex Tanem Andreas Vasilaros Jo Alex Tanem
Company secretary	Cornhill Secretaries Limited
Directors' shareholdings	Nil
Appointment date	23 October 2019
Appointer	Company Creditors

Liquidators' Information

	Liquidator 1	Liquidator 2
Name	Simon Ian Kirkhope	Andrew James Johnson
Address	200 Aldersgate Street, London EC1A 4HD	200 Aldersgate Street, London EC1A 4HD
Authorising body	ICAEW	ICAEW

The centre of main interest of the Company is England. Therefore, the EC Regulations on Insolvency Proceedings 2000 apply to the Liquidation. The proceedings are main proceedings as defined by Article 3 of those regulations.

Appendix B - Liquidators' Receipts and Payments Account

Aviator MAN Limited Joint Liquidators' Account of Receipts and Payments						
GBP	Notes	Estimated to Realise	23 Oct 2019 - 22 Oct 2020	23 Oct 2020 - 22 Oct 2021	23 Oct 2021 - 22 Oct 2022	Total
Floating Charge Receipts						
Insurance Refund			-	2,486	-	2,486
Cash at Bank		690,773	690,773	-	-	690,773
Pre-Appointment Debtors		402,787	198,831	121,980	3,835	324,646
Prepayments		2,119	-	-	-	-
Suspense Account	1		82,896	-	-	82,896
Bank Interest			166	79	306	551
Subtotal			972,666	124,545	4,141	1,101,351
Floating Charge Payments						
Debt Collection Fees			-	(34,369)	(959)	(35,328)
Bank Charges			(341)	-	-	(341)
Specific Bond			(775)	-	-	(775)
Office Holders Fees			(100,000)	-	-	(100,000)
Office Holders Expenses			(1,482)	-	-	(1,482)
Employee Related Costs	2		(8,090)	-	(7,675)	(15,765)
Legal Fees			(38,318)	(7,665)	(25,231)	(71,213)
Legal Expenses			(1,250)	-	-	(1,250)
Statutory Advertising			(243)	-	-	(243)
Subtotal			(150,499)	(42,034)	(33,865)	(226,397)
Floating Charge Surplus/ (Deficit)			822,167	82,511	(29,724)	874,954
Net Realisations			822,167	82,511	(29,724)	874,954
Made Up As Follows						
Vat Receivable		12,764	29,877	8,407	6,773	45,056
VAT Control Account	4		-	-	(31,409)	(31,409)
Floating Charge Account	3		792,291	74,104	(5,087)	861,307
Total			822,167	82,511	(29,724)	874,954
checks			-	-	-	-

Notes

All values are exclusive of VAT.

1. Consists of income received from pre-appointment bank accounts without clarification of its sources.
2. Employee related costs are regarding professional fee payments to an employee advisory firm.
3. Interest bearing accounts.
4. VAT 427 Refund

Appendix C - Liquidators' Time Costs and Expenses

Pre-liquidation fees

FTI Consulting were engaged by the Company on 7 October 2019 to advise and assist management in the orderly wind down of operations to minimise the disruption to Manchester Airport. The specific workstreams of this engagement included:

- The review of the Company's short term funding requirement to develop and plan for a managed wind down;
- Provision of insolvency advice to the Board of Directors;
- Support in discussions and negotiations with key stakeholders, where required;
- Support in respect of the communication strategy; and
- Preparation for a post managed wind down liquidation process.

As part of this engagement, FTI Consulting also assisted the Board of Directors with the preparation of the Directors' Statement of Affairs and seeking a decision from creditors on the appointment of the Liquidators.

FTI Consulting LLP were paid £25,000 plus VAT and disbursements for these services.

Liquidators' fees and expenses

Pursuant to Rule 18.16 of the Rules, the remuneration of the liquidators can be fixed on the basis of one of the following:

- As a percentage of the value of assets which are realised, distributed, or both released and distributed by the Liquidator;
- By reference to time properly given by the Liquidator and their staff attending to matters arising in the liquidation; or
- A set amount.

No creditors committee was established by the creditors of the Company. A resolution was also put to creditors in respect of the Liquidators' fees, to which votes were to be received by 13 December 2019. The resolution was in respect of the Liquidators' fees being determined by time properly spent in dealing with the liquidation pursuant to Rule 18.16 of the Rules and approval of the Liquidators' Fee Estimate provided to the creditors. Creditors voted in favour of this resolution.

For reference, a breakdown of the Liquidators' fee estimate provided to the creditors on the 26 November 2019 in the Report to creditors for fee approval, submitted in the creditors portal, and our updated WIP estimate is provided below.

Task	Total Time		Current Total		Estimated			
	Estimate (Hours)	Total Cost Estimate (£)	WIP (Hours)	WIP (£)	Future (Hours)	Estimated Future (£)	Estimated Total (Hours)	Estimated Total (£)
Administration and Planning	60	18,000	260	89,839	23	7,947	283	97,786.3
Investigations	40	18,500	26	7,565	-	-	26	7,564.5
Realisation of assets	30	11,500	64	16,516	-	-	64	16,515.5
Creditors	85	33,000	278	92,910	45	15,050	323	107,960.2
Tax	-	-	87.3	39,095	-	-	87	39,094.5
Reporting	36	19,000	115.9	39,335	40	17,913	156	57,247.2
Total	251	100,000	830	285,258	108	40,910	938	326,168

Further information in relation to Liquidators' fees, including charge out rates by grade, can be found at Appendix E.

Revised Liquidators' fee estimate for creditors approval

Pursuant to Rule 18.24 of the Rules the Liquidators will seek approval from creditors to increase their fee estimate when the preferential and unsecured dividends are declared.

The uplift in the Liquidators' fee estimate principally relates to the higher than expected time spent on administration work, such as reconciling payments received to the pre-appointment bank account, the liquidation extending for longer than anticipated resulting in increased statutory costs, additional time required for tax and interacting with HMRC, and in dealing with greater than anticipated employee actions and reference requests.

A summary of the additional work undertaken by the Liquidators and the rationale behind why an increase in the Liquidators fee estimate will be sought was detailed in the Progress Report for the period ending 22 October 2020. Further fees incurred since this report have largely been due to similar reasons outlined previously, along with fulfilling statutory requirements, such as the setting up of the prior progress report

An analysis of the Liquidators' time in accordance with the provisions of SIP9, which provides details of the activity costs incurred by staff grade to date, is enclosed at Appendix D.

The main areas of our work in the liquidation of the Company during the period and future work streams are as follows:

Category	Description (O – Ongoing, C – Complete, F – Future)	Rationale
Administration & Planning	<ul style="list-style-type: none"> • Appointment and related formalities – C • Preparing and filing VAT and Corporation Tax returns for pre-appointment periods – C • Preparing and filing VAT and Corporation Tax returns for post appointment periods when necessary – O • Cashiering and reconciliation of bank accounts – O • Complying with statutory formalities include relevant filings and statutory communications – O • Maintaining the Liquidation record – O 	Statutory / compliance requirement; to ensure efficient project management
Realisation of Assets	<ul style="list-style-type: none"> • Arranging suitable insurance over assets - C • Regularly monitoring the suitability and appropriateness of the insurance cover in place - C • Corresponding with debtors and attempting to collect outstanding book debts - C • Liaising with the bank regarding the closure of the pre-appointment account - C 	Identify, assess and seek to realise potential value
Creditors & Shareholders	<ul style="list-style-type: none"> • Responding to creditor queries – O • Updating creditors on case progression – O • Providing employee references, confirming dates of employment, as requested – O • Understand level of realisations and if possible prepare for and complete preferential creditor distribution – F • Understand level of realisations and if possible prepare for and complete unsecured creditor distribution – F 	Statutory requirements; required for orderly case management

<p>Reporting & other matters</p>	<ul style="list-style-type: none"> • Recovering the books and records for the case – C • Submitting an online return on the conduct of the Directors as required by the Company Directors Disqualification Act – C • Preparing, reviewing and issuing annual progress reports to creditors and members and Companies House – O • Preparing, reviewing and issuing a final progress report to creditors, members and Companies House – F 	<p>Required by statute and to inform creditors; required in order to seek approval as required for administration strategy including disposal of assets subject to security</p>
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Appendix D - Time Cost Analysis

Time cost analysis in compliance with SIP9 for the Company for the reporting period

Aviator MAN Limited - Analysis of Time Costs In Accordance with SIP9 for the period 23 October 2021 to 22 October 2022

Task		Senior Managing Director	Managing Director/ Senior Director/ Director	Senior Consultant/ Consultant	Associate/ Intern	Total Time	Total Cost	Average Cost
Administration and Planning								
Strategy and planning	A1	-	0.5	0.3	4.6	5.4	1,490.0	275.9
Checklist and reviews	A5	-	0.5	-	-	0.5	312.5	625.0
Cashiering and reconciliations	A6	-	2.1	-	13.4	15.5	4,405.5	284.2
Bonding and IPS maintenance	A7	-	0.5	-	-	0.5	377.5	755.0
Case Admin	A8	-	0.8	-	9.4	10.2	2,615.0	256.4
Subtotal		0.0	4.4	0.3	27.4	32.1	9,200.5	
Realisation of assets								
Book debts	C4	-	0.1	-	2.2	2.3	570.5	248.0
Subtotal		0.0	0.1	0.0	2.2	2.3	570.5	
Creditors (correspondence and claims)								
Unsecured creditors	E1	-	0.8	-	6.3	7.1	1,995.5	281.1
Pensions	E3	-	-	-	7.2	7.2	1,620.0	225.0
Employees	E4	-	3.4	-	22.1	25.5	7,097.5	278.3
Subtotal		0.0	4.2	0.0	35.6	39.8	10,713.0	
Tax								
Initial reviews CT and VAT	F1	-	0.2	-	-	0.2	125.0	625.0
Pre-appointment CT	F2	-	0.4	-	-	0.4	250.0	625.0
Post appointment CT	F4	1.7	4.0	-	1.5	7.2	4,625.0	642.4
Post appointment VAT	F5	-	-	-	0.9	0.9	202.5	225.0
Other post appointment tax	F7	-	1.0	-	9.9	10.9	2,927.5	268.6
Subtotal		1.7	5.6	0.0	12.3	19.6	8,130.0	
Reporting								
Other statutory reports/meetings	G3	-	6.0	-	36.6	42.6	11,985.0	281.3
Subtotal		0.0	6.0	0.0	36.6	42.6	11,985.0	
Total Time by Grade		1.7	20.3	0.3	114.1	136.4		
Total Cost by Grade		1,487.5	13,296.5	142.5	25,672.5	40,599.0		
Average by Grade		875.0	655.0	475.0	225.0	297.6		
		Time Costs	Category 1	Category 2	Total			
Total Costs to Date		40,599.0	0.0	-	40,599.0			
Amount Billed		0.0	0.0	-	0.0			
Total WIP		40,599.0	0.0	-	40,599.0			

Aviator MAN Limited - Analysis of Time Costs In Accordance with SIP9 for the period 23 October 2019 to 22 October 2022

Task	Senior Managing Director	Managing Director/ Sr Director / Director	Senior Consultant/ Consultant	Associate/ Intern	Total Time	Total Cost	Average Cost	
Administration and Planning								
Strategy and planning	A1	-	8.5	6.8	8.1	23.4	11,117.0	475.1
Initial actions	A2	2.5	16.0	0.3	18.5	37.3	17,716.5	475.0
Appointment and related formalities	A3	-	8.0	-	25.1	33.1	11,247.5	339.8
Receipts and payments accounts	A4	-	-	2.5	12.9	15.4	4,190.0	272.1
Checklist and reviews	A5	-	8.5	14.6	16.7	39.8	16,661.0	418.6
Cashiering and reconciliations	A6	-	2.5	5.9	69.4	77.8	20,151.0	259.0
Bonding and IPS maintenance	A7	-	0.5	0.2	14.3	15.0	3,706.0	247.1
Case Admin	A8	-	1.1	1.9	15.2	18.2	5,050.0	277.5
Subtotal		2.5	45.1	32.2	180.2	260.0	89,839.0	
Investigations								
Correspondence with directors	B1	-	-	0.1	-	0.1	55.5	555.0
Directors questionnaire/checklists	B2	1.2	-	1.0	2.5	4.7	2,167.5	461.2
Reports of Directors' conduct	B4	-	-	1.8	16.9	18.7	4,801.5	256.8
Other investigations	B7	-	-	-	2.4	2.4	540.0	225.0
Subtotal		1.2	0.0	2.9	21.8	25.9	7,564.5	
Realisation of assets								
Book debts	C4	-	1.0	5.2	47.9	54.1	14,301.5	264.4
Stock and WIP	C5	-	-	-	3.8	3.8	855.0	225.0
Other assets	C7	-	-	0.1	0.2	0.3	100.5	335.0
Health & Safety/Insurance	C8	-	-	0.2	5.1	5.3	1,258.5	237.5
Subtotal		0.0	1.0	5.5	57.0	63.5	16,515.5	
Creditors (correspondence and claims)								
Unsecured creditors	E1	-	1.2	4.9	47.9	54.0	14,175.0	262.5
Pensions	E3	-	-	-	8.1	8.1	1,822.5	225.0
Employees	E4	18.4	7.6	43.4	145.0	214.4	76,620.0	357.4
Lease creditors	E7	-	-	-	1.3	1.3	292.5	225.0
Subtotal		18.4	8.8	48.3	202.3	277.8	92,910.0	
Tax								
Initial reviews CT and VAT	F1	-	0.2	1	-	1.2	680.0	566.7
Pre-appointment CT	F2	2.6	17.5	0.2	11.8	32.1	15,978.5	497.8
Pre-appointment VAT	F3	-	-	2.5	0.6	3.1	1,322.5	426.6
Post appointment CT	F4	5.0	4.4	-	9.7	19.1	9,607.5	503.0
Post appointment VAT	F5	-	1.0	6.1	7.3	14.4	5,373.0	373.1
Tax advice on transactions	F6	-	-	-	1.0	1.0	225.0	225.0
Other post appointment tax	F7	-	3.4	3.1	9.9	16.4	5,908.0	360.2
Subtotal		7.6	26.5	12.9	40.3	87.3	39,094.5	
Reporting								
Other statutory reports/meetings	G3	-	6.0	32.9	77.0	115.9	39,334.5	339.4
Subtotal		0.0	6.0	32.9	77.0	115.9	39,334.5	
Total Time by Grade		29.7	87.4	134.7	578.6	830.4		
Total Cost by Grade		25,987.5	58,403.0	70,782.5	130,085.0	285,258.0		
Average by Grade		875.0	668.2	525.5	224.8	343.5		
		Time Costs	Category 1	Category 2	Total			
Total Costs to Date		285,258.0	2,427.0	-	287,685.0			
Amount Billed		100,000.0	1,782.0	-	101,782.0			
WIP		185,258.0	645.0	-	185,903.0			

Appendix E - Additional Information in Relation to Liquidators' Fees Pursuant to SIP9

Detailed below is FTI's policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Senior Managing Director, Managing Director, Director, Senior Consultant and Consultant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment.

Professional advisors

On this assignment I have used the professional advisors listed below. I have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement	Work Stream	Previous Fees Estimate (£) (Net of VAT)	Fees paid to date (£) (Net of VAT)	Total fees expected (£) (Net of VAT)
ERA Solutions	Fee based on number of employee claims	Employee Specialist	19,190	15,765	19,190
DLA Piper UK LLP	Hourly rate and disbursements	Legal advisors (Employment Tribunal claim)	65,000	71,213	65,000
JP Associates	Percentage fee based on realisations	Book debt collection	34,369	35,328	35,328

Our choice was based on our view of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

The fees for DLA Piper have exceeded the previous estimate due to the appeals submitted to the Employee Tribunal by the former employees.

The fees for JP Associates exceeded the previous estimate as a book debt was collected that was not expected to be collected.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Properly reimbursed expenses incurred by personnel in connection with the case will also be chargeable.

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred which relate to payments due to associated companies for the provision of services to the office holder.

On this assignment I do not anticipate incurring any Category 2 disbursements.

Charge-out rates

A schedule of FTI's charge-out rates for this assignment is as follows:

Please note our minimum time unit is six minutes.

Grade	(£ per hour)
Senior Managing Director	1,080
Managing Director	930
Senior Director	865
Director	770
Senior Consultant	685
Consultant	585
Associate	275-395
Executive Assistant	210

Appendix F - Proof of Debt form

Rule 14.4 The Insolvency (England and Wales) Rules 2016

Proof of Debt – General Form

Name of Company in Liquidation:	Aviator MAN Limited
Company Registration Number:	09422546
Date of Liquidation:	23 October 2019
<p>1 Name of creditor</p> <p>(If a company, please also provide the company registration number).</p>	
<p>2 Correspondence address of creditor (including any email address)</p>	
<p>3 Total amount of claim (£) (include any Value Added Tax)</p>	
<p>4 If amount in 3 above includes (£) outstanding uncapitalised interest, state amount.</p>	
<p>5 Details of how and when the debt was incurred. (If you need more space, attach a continuation sheet to this form)</p>	
<p>6 Details of any security held, the value of the security and the date it was given.</p>	
<p>7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.</p>	
<p>8 Details of any document by reference to which the debt can be substantiated</p>	

9 Signature of creditor
(or person authorised to act on the creditor's behalf)

10 Address of person signing if different from 2 above

--

11 Name in BLOCK LETTERS:

--

12 Position with, or relation to, creditor

--

13 Date of signature

Admitted to vote for

Amount (£)

--

Date

--

Admitted for dividend for

Amount (£)

--

Date

--

--

Simon Kirkhope
JOINT LIQUIDATOR

--

Andrew Johnson
JOINT LIQUIDATOR

Notes:

1. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.

Appendix G - Extracts from the Rules

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9 — (1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under Rule 18.4(1) (b), (c) or (d) or a final report under Rule 18.14—

- a) a secured creditor;
- b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
- d) any unsecured creditor with the permission of the court; or
- e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—

- a) providing all of the information requested;
- b) providing some of the information requested; or
- c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—

- a) the time or cost of preparation of the information would be excessive; or
- b) disclosure of the information would be prejudicial to the conduct of the proceedings;
- c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- d) the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

- e) the office-holder giving reasons for not providing all of the information requested; or
- f) the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34 — (1) This Rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- a) the remuneration charged by the office-holder is in all the circumstances excessive;

- b) the basis fixed for the office-holder's remuneration under Rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in Rule 18.36 or 18.37 as applicable—

- a) a secured creditor,
- b) an unsecured creditor with either—
 - i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - ii) the permission of the court, or
- c) in a members' voluntary winding up—
 - i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under Rule 18.3, or final report or account under Rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").