

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



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03/01/2019 #246
COMPANIES HOUSE

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1 Company details

Company number 0 3 0 9 0 8 4 4
Company name in full Goldtrail Travel Limited - in liquidation

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

2 Liquidator's name

Full forename(s) Ian
Surname Oakley-Smith

3 Liquidator's address

Building name/number 7 More London
Street Riverside
Post town London
County/Region
Postcode S E 1 2 R T
Country

4 Liquidator's name ①

Full forename(s) David Christian
Surname Chubb

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 7 More London
Street Riverside
Post town London
County/Region
Postcode S E 1 2 R T
Country

② Other liquidator
Use this section to tell us about
another liquidator.

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6 Period of progress report

From date	d	0	d	1	m	1	m	1	y	2	y	0	y	1	y	7
To date	d	3	d	1	m	1	m	0	y	2	y	0	y	1	y	8

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

x 

x

Signature date

d	2	d	1	m	1	m	2	y	2	y	0	y	1	y	8
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**Joint liquidators' progress report
from 1 November 2017 to
31 October 2018**

Goldtrail Travel Limited
(in liquidation)

21 December 2018

www.pwc.co.uk/goldtrail



Contents

Abbreviations and definitions	2
Key messages	3
Overview of what we've done to date	4
Progress since we last reported	5
Appendix A: Receipts and payments	10
Appendix B: Expenses	11
Appendix C: Remuneration update	12
Appendix D: Other information	20
Appendix E: Legal references	21

Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
ATT	Air Travel Trust
BPI defendants	Black Pearl Investments Limited, Philip Wyatt, Magnus Stephensen and Halldor Sigurdarson
BPIL	Black Pearl Investments Limited – a Hong Kong registered company and one of the BPI defendants
CVL	Creditors' voluntary liquidation
firm	PricewaterhouseCoopers LLP
HMRC	HM Revenue & Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
Liquidators	Ian Oakley Smith and David Chubb (from 8 November 2016); and Robert Hunt (to 8 November 2016)
Onur Air	Onur Air Simachk AS
preferential creditors	Generally, claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Quickstep	Quickstep Leisure Limited – in liquidation
secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
unsecured creditors	Creditors who are neither secured nor preferential

Key messages

Why we've sent you this report

I'm writing to update you on the progress of the liquidation of the Company in the 12 months since our last report dated 21 December 2017.

You can still view our earlier reports on our website at www.pwc.co.uk/goldtrail.

How much creditors may receive

The following table summarises the possible outcome for creditors*, based on what we currently know.

Class of creditor	Current estimate	Previous estimate
Preferential creditors		<i>Paid 100p in the £</i>
Unsecured creditors	1 – 5 pence in the £	Uncertain

*Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt trading.

Outcome for creditors

Preferential creditors

As previously reported, we paid preferential creditors in full totalling £27,051 on 2 August 2011.

Unsecured creditors

Dividends become available for unsecured creditors when there are sufficient funds (after costs of the liquidation) to pay the secured and preferential creditors in full, with an amount left over. In certain circumstances, part of the amount available for secured creditors may be ring-fenced for the benefit of unsecured creditors. This prescribed part is paid out of 'net property', which is floating charge realisations after costs, and after paying - or setting aside enough to pay - preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

In this case the prescribed part doesn't apply because there is no floating charge registered against the Company.

We think a dividend of between 1 – 5 pence in the £ will be paid to the unsecured creditors based on what we know currently. This is an improvement on previous estimates and has been calculated based on the recoveries from the legal proceedings (after costs) and the number of unsecured claims that have been submitted to date. However the ultimate amount of the dividend will depend on the final level of unsecured claims agreed, any future realisations and future costs of the liquidation.

What you need to do

We've asked for outstanding claims from unsecured creditors so that we can agree them for dividend purposes.

If you haven't already done so, please send your claim to us so that we can agree it.

Overview of what we've done to date

This is our eighth progress report. You may wish to refer to our previous reports which can be found at www.pwc.co.uk/goldtrail.

As explained in our earlier reports, we have been involved in extensive litigation proceedings throughout the previous years.

When we last reported, the key outstanding matters in the liquidation were as follows:

- the enforcement of the judgment against the BPI defendants;
- the conclusion of the legal proceedings against Onur Air;
- the enforcement of the judgment against Onur Air;
- the conclusion of investigatory actions regarding Black Pearl Investments Limited; and
- the adjudication of unsecured creditor claims to enable the payment of an unsecured distribution.

Further details on progress against these matters, and others, may be found below.

We now remain in office primarily to conclude the enforcement of the settlement agreements we reached with the BPI defendants and to finalise further necessary investigatory work in relation to them.

Progress since we last reported

Legal proceedings

As you may recall from our previous reports, we commenced legal proceedings against a number of parties in relation to the causes of the insolvency of the Company, centred primarily on the actions of the former director, Mr Aydin. Mr Aydin had removed monies from the Company for his own benefit through a series of bogus transactions involving Onur Air and the BPI defendants.

We argued that these transactions were a misapplication of the Company's money and deprived the Company of a benefit.

The High Court found in our favour in May 2014 and ruled that both the BPI defendants and Onur Air defendants dishonestly assisted Mr Aydin and were liable for damages in excess of £5m.

Following this ruling, both Onur Air and the BPI defendants separately appealed the High Court's decision and ultimately the Court of Appeal, in both instances, upheld the High Court's original decision.

In the last twelve months, the focus of the liquidation has been the conclusion of the Onur Air proceedings and the enforcement of the judgment.

BPI Defendants

Enforcement of the BPI defendants judgment

Following the conclusion of the BPI defendants' appeals in 2016, the principal sum of £1.4m, in addition to interest and costs of c. £1.3m, became payable.

We previously reported that we had reached settlement agreements with two of the BPI defendants and furthermore obtained a charging order over the property of one of the other BPI defendants. In this period, the monies due under those agreements and the charging order have been received, with £1.54m received in the period, and a total of £1.85m received to date.

In addition, one of the BPI defendants, under their settlement agreement, continues to pay a monthly sum of c. £3k under their agreement.

It is hoped that a further agreement will be reached to conclude the sums outstanding from the remaining individual BPI defendant. However, this is subject to ongoing investigations into the BPI defendants.

Black Pearl Investments Limited

You may also recall that in the prior period we disclosed that the Liquidators had submitted a statutory demand against BPIL, a Hong Kong registered company, for the balance due under the judgment made against the BPI defendants.

As Black Pearl Investments Limited had no assets with which to satisfy this demand, Christopher Man Chun So and Ka Yee Lee, two appointment takers from PwC Hong Kong, were appointed joint liquidators of BPIL in March 2018.

Whilst it is still presumed that BPIL has no significant assets itself, its liquidators are currently investigating whether BPIL has any undisclosed assets or rights which can be realised for the benefit of the estate, while also looking at the conduct of its directors.

In addition, the investigatory work may uncover further information regarding the assets of the other BPI defendants, which may also give rise to further realisations.

After the period end, the Company entered into a loan agreement with the liquidators of BPIL for the value of £100,000 to cover the costs of liquidation. This loan will subsequently be repaid in priority from any asset recoveries that arise. Should no recoveries be made, then no repayments will be made.

We continue to liaise with the liquidators of BPIL throughout the period, to provide assistance where needed.

Due to the sensitive nature of this enquiry we are unable to disclose any further details but hope that the liquidators of BPIL will have concluded their investigations in the next twelve months'.

Onur Air

Conclusion of the Onur Air judgment

You may recall that following an application by Onur Air, the Supreme Court ruled that the Court of Appeal should hear Onur Air's original appeal of the first instance decision.

As a result, Onur Air's remitted appeal was heard by the Court of Appeal on 8 November 2017. Following this hearing, on 16 November 2017 the Court of Appeal dismissed Onur Air's appeal and ordered that the original High Court's judgment was fully enforceable. This ruling was for the original judgement debt of £3.6m as well as c. £2.4m in interest and costs.

Onur Air then applied to The Supreme Court for further permission to appeal but the application was refused on 12 March 2018. This concluded the legal proceedings in the UK and made the High Court judgment enforceable.

Enforcement of the Onur Air judgment

There were several challenges facing enforcement of the judgment against Onur Air, as it was a Turkish company, with no presence in the UK, which no longer flew to the UK and had no assets in the UK.

We had regularly reached out to Onur Air throughout the court proceedings, both to them directly and via their legal representatives, in an attempt to reach a settlement (indeed we had done this throughout the legal proceedings in an attempt to mitigate costs). However, they were unresponsive to such attempts.

In investigating solutions to the issue of enforcement we had discovered that Onur Air had a subsidiary in Germany and also used a German company to process its electronic payments. Therefore, we issued proceedings in Germany with two main objectives:

- (a) to "freeze" monies held by Onur Air's online payment processor (which froze monies of c.£400k); and
- (b) to prevent the sale or transfer of Onur Air's shares in its German subsidiary. The subsidiary was an essential part of Onur's compliance with German regulations and without it Onur Air was at risk of losing the ability to fly to Germany.

The German court agreed the orders we sought, which Onur Air subsequently tried to overturn. However, they were advised in a preliminary judgement in early April that this appeal would be unsuccessful.

Following these events, and the potential impact on Onur Air's operations, a senior member of its management team contacted the Liquidators and, following a series of communications throughout April 2018, a settlement agreement for £4.85m was successfully concluded.

Onur Air have now made all payments due under the settlement agreement and there will be no further recoveries due.

Other issues

Third party funding from the Air Travel Trust

Following the receipt of monies from the BPI defendants, the ATT have been repaid their funding loan of £72,000 in the period.

You may recall that the ATT provided the Company with £72,000 as a contribution towards legal costs in relation to the BPI defendants' appeal.

This payment may be seen in the receipts and payments account at Appendix A. Now this money has been repaid this matter has been concluded.

Quickstep Leisure Limited

Following receipt of the Onur Air settlement it became apparent that an unsecured dividend would become payable to unsecured creditors of the Company. As a result, in the period, we contacted a number of the larger creditors from whom we had received claims, with a view to obtaining the necessary information to adjudicate their claim.

Quickstep was one such company, which is a subsidiary of the Company and also in liquidation, which had submitted a claim of £4.5m.

Following subsequent conversations and investigations, it transpired that the ATT had duplicated a portion of its claim against the Company and also submitted this against Quickstep. ATT withdrew its claim in Quickstep and consequently the liquidators of Quickstep withdrew its claim against the Company. This enabled the liquidators of Quickstep to pay their unsecured creditors in full and pay all expenses of the liquidation, with surplus funds remaining.

As shareholder of Quickstep the surplus funds were due to the Company. £20k has been received since the period end and so will show in the receipts and payments account with our next progress report.

Adjudication of unsecured creditor claims

We wrote in the period to all potential creditors for whom we held details but had not yet submitted an unsecured claim. This saw letters sent to 52 potential creditors.

We also reviewed our files and systems as the majority of claims were received over five years ago. As part of this exercise, a number of updates were processed and our files and systems updated.

A further 13 claims, with a value of c. £96k, were adjudicated in the period. In addition, claims received totalling over £9m were either withdrawn, or agreed as nil.

In summary, have now adjudicated upon 121 received claims of which 119, with a total value of £525,714, have been admitted. Rejected and part rejected claims total £16,338.

There now remains the two largest creditors, with claims totalling £22.6m, to adjudicate upon.

Recovery of VAT

In the period, we also submitted a VAT reclaim for the VAT paid in relation to the legal costs that became payable upon the receipt of monies from the settlement agreements. This saw VAT of £516k paid by HMRC into the Company's liquidation estate.

Change of liquidator

Ian Oakley-Smith, one of the joint liquidators, is due to retire from the firm in January 2019. To make sure that outstanding issues in the liquidation continue to be pursued, an application was made to Court to remove him and appoint David Baxendale as Liquidator. David Baxendale is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The application was granted and so David Baxendale will replace Ian Oakley-Smith as Liquidator with effect from 24 December 2018. Ian Oakley-Smith will be released from all liability in respect of his conduct as Liquidator with effect from 28 days from the date of this report. Creditors have 28 days from receiving this notice to apply to Court to vary or discharge the Court Order.

Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the liquidation from 1 November 2017 to 31 October 2018.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as a liquidation expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our fees, disbursements and other related matters.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge our fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/creditors-guide-to-liquidators-fees-england-and-wales.ashx?la=en>

You can also get a copy free of charge by telephoning Lee Panther on 0113 289 4804

What we still need to do

We continue to investigate certain matters in relation to the BPI defendants, alongside our colleagues in Hong Kong. Following the conclusion of these investigations we still need to reach a settlement agreement with one further BPI defendant and to continue to receive funds from another.

Once all realisations have been made, we also need to make a first and final distribution to unsecured creditors.


Finally, we need to fulfil a number of legal and statutory obligations such as obtaining corporation tax clearance from HMRC, recovering further VAT receivable, and dissolving the Company via a filing at Companies House.

Next report

We expect to send our next report to creditors at the end of the liquidation or in about 12 months, whichever is the sooner.

If you've got any questions, please get in touch with Lee Panther on 0113 289 4804.

Yours faithfully



Ian Oakley-Smith
Joint liquidator

Ian Oakley Smith and David Chubb have been appointed as joint liquidators of Goldtrail Travel Limited. Ian Oakley Smith and David Chubb are licensed in the United Kingdom to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales.

The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

The Joint Liquidators may act as Data Controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Liquidators.

Appendix A: Receipts and payments

	Carried forward at 31 October 2017	From 1 November 2017 to 31 October 2018	Total
	£	£	£
Receipts			
Administration surplus	570,597.21	-	570,597.21
Book debts	1,502,637.57	-	1,502,637.57
Cash at bank	96,776.11	-	96,776.11
Dividends received	1,441.94	-	1,441.94
Interest ¹	6,788.75	3,190.47	9,979.22
Release of funds from Court escrow account	905,061.79	48,520.00	953,581.79
Refunds - business rates	524.04	-	524.04
Refunds - PAYE/NIC	11,771.71	-	11,771.71
Sale of office equipment	370.00	-	370.00
Settlement agreement – BPI ¹	310,184.08	1,541,212.89	1,851,396.97
Settlement agreement - Onur		4,850,000.20	4,850,000.20
Tax refund - terminal loss relief	283,580.24	-	283,580.24
Third party funding (AAT)	72,000.00	(72,000.00)	-
VAT refund - administration period	102,071.14	-	102,071.14
Total	3,863,804.58	6,370,923.56	10,234,728.14
Payments			
Agents fees and disbursements	(3,209.01)	-	(3,209.01)
Bank charges	(52.75)	-	(52.75)
Corporation tax	(1,355.28)	-	(1,355.28)
Creditors meeting costs	(242.00)	-	(242.00)
Insurance ²	(304,534.13)	-	(304,534.13)
Irrecoverable VAT	-	(10,373.18)	(10,373.18)
Legal fees and disbursements ^{1 2}	(1,418,098.30)	(2,781,815.02)	(4,199,913.32)
Legal settlement to cover potential costs	(35,000.00)	-	(35,000.00)
Liquidators' disbursements	(35,021.27)	-	(35,021.27)
Liquidators' remuneration	(1,489,872.10)	(963,841.25)	(2,453,713.35)
Liquidators' remuneration - PwC Turkey	(29,511.00)	-	(29,511.00)
Pre-appointment remuneration	(38,845.75)	-	(38,845.75)
Professional fees	(46,244.32)	-	(46,244.32)
Statutory advertising	(220.86)	-	(220.86)
Storage	(5,602.25)	(793.50)	(6,395.75)
Total	(3,407,809.02)	(3,756,822.95)	(7,164,631.97)
Net realisations	455,995.56	2,614,100.61	3,070,096.17
VAT control account	2,146.64	(123,449.01)	(121,302.37)
Less amount paid to preferential creditors (100p/£ paid 02/08/11)	(27,051.27)		(27,051.27)
Funds in hand	431,090.93	2,490,651.60	2,921,742.53

Of this amount, £2,838,148.78 is held in the liquidators account and £83,593.75 was held in our solicitors client account (held to our order)

Notes:

¹ We previously reported that £290,527.03 was held in our solicitors client account. These amounts have now been received and retrospectively incorporated into the categories marked.

² This amount has been retrospectively amended to reflect monies paid in relation to ATE insurance which was previously shown within legal fees and disbursements.

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as Liquidators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as a liquidation expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A.

	Incurring but not paid from preceding period	Incurring in the period	Cumulative	Paid in the period	Unpaid expenses as at 31 October 2018
	£	£	£	£	£
Irrecoverable VAT	-	10,373.18	10,373.18	(10,373.18)	-
Liquidators' remuneration	846,396.91	157,679.95	1,004,076.86	(963,841.25)	40,235.61
Liquidators' disbursements	44,035.13	1,543.96	45,579.09	-	45,579.09
Legal fees and disbursements	1,958,109.73	857,055.23	2,815,164.96	(2,781,815.02)	33,349.94
Storage	-	793.50	793.50	(793.50)	-
Total	2,848,541.77	1,027,445.82	3,875,987.59	(3,756,822.95)	119,164.64

Appendix C: Remuneration update

Our fees were approved on a time costs basis by the unsecured creditors on 9 December 2010. This approval allows us to draw fees by reference to the time properly given by us and our staff in dealing with the liquidation.

We have drawn fees of £2,453,713 in line with the approval given, as shown on the enclosed receipts and payments account.

The time cost charges incurred in the period covered by this report are £157,680. This amount does not necessarily reflect how much we will eventually draw as fees for this period.

Total time costs for the liquidation to date are £2,493,949.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the liquidation. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the liquidation (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Time is charged in three minute units (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the liquidation.

Grade	Up to 30 June 2018 £	Up to 30 June 2018 £	Forensics £
Partner	890	865	755
Director	780	760	560
Senior manager	590	575	500
Manager	510	495	420
Senior associate	425	412	320
Associate	265	258	220
Support staff	135	129	40

We have also called on colleagues in our Forensics team where we need their expert advice. Their charge-out rates vary but the above table shows the maximum rates by grade per hour.

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

Payments to associates

We have made no payments to associates in the period covered by this report. However, PwC Turkey was paid £29,511 in relation to work undertaken on the legal proceedings in prior periods. This can be seen on in the receipts and payments account in Appendix A.

In addition, as disclosed above, we have entered into a loan agreement with the liquidators of BPIL, who are two appointment-takers from PwC Hong Kong, for the value of £100,000 to cover the costs of the liquidation. The liquidation of BPIL is necessary to enable further investigations into the transaction that formed the basis of the legal proceedings, which is necessary under our statutory obligations and may ultimately result in further realisations into the estate of the Company.

We have been in discussions with the ATT regarding this matter, who are the majority creditor representing c.90% by value of the unsecured debt of the Company, and they are supportive of these investigations.

Our hours and average rates

We set out below the hours incurred by us and our staff by grade and work type in the year ended 31 October 2018.

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
1 Accounting and treasury	-	-	0.10	4.15	15.60	3.80	-	23.65	9,600.60	405.95
2 Assets and litigation	-	56.30	0.10	0.25	6.70	-	-	63.35	45,945.00	725.26
3 Claims agreement	-	-	8.05	0.65	34.30	6.25	-	49.25	21,154.70	429.54
4 Creditors	-	15.00	-	0.85	0.20	-	-	16.05	11,929.75	743.29
5 Statutory and compliance	-	6.10	3.40	8.35	43.80	1.55	-	63.20	29,367.00	464.67
6 Strategy & Planning	-	8.00	1.00	11.40	30.00	-	0.20	50.60	24,772.45	489.57
7 Tax	-	-	1.00	3.75	22.20	0.10	-	27.05	11,622.95	429.68
8 VAT	-	-	-	0.65	7.05	-	-	7.70	3,287.50	426.95
Total for the period	-	85.40	13.65	30.05	159.85	11.70	0.20	300.85	157,679.95	524.11
Brought forward at 1 November 2017								6,580.71	2,336,269.01	
Total								6,881.56	2,493,948.96	

Our cumulative time costs

Aspect of assignment	Total hours	Total time cost (£)	Average hourly rate (£)
Accounting and treasury	489	135,558	277
Assets and litigation	2,036	888,765	437
Creditors claims agreement	675	180,418	267
Employees	44	14,609	332
Investigations	2,261	801,663	355
Reporting to appointor / creditors	155	43,586	281
Retention of title	2	497	216
Statutory and compliance	289	104,459	362
Strategy and planning	632	224,972	356
Tax/VAT/Pensions	299	99,422	333
Total for the case	6,882	2,493,949	362

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff.

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work:-

Area of work	Work undertaken	Why the work was necessary and what, if any, financial benefit the work provided to creditors
Accounting and treasury	<ul style="list-style-type: none"> Continued management of funds held through bank reconciliations, payments, receipts and journals. Reconciliation of the amounts held in solicitors client account and reflecting transactions through journals. 	<ul style="list-style-type: none"> To enable the proper functioning of the Company's liquidation bank account. To enable the proper management of liquidation
Assets and Litigation	<ul style="list-style-type: none"> Attendance in Court re the conclusion of the legal proceedings; Discussions regarding the enforceability of the cost award including inter-jurisdictional implications. Liaising with Onur Air and the BPI defendants regarding enforcement of the legal proceedings; Concluding a settlement agreement with Onur Air; Liaising with Quickstep and the ATT regarding Quickstep's unsecured claim and the ultimate surplus; Liaising with the liquidators of BPIL and providing assistance when appropriate; Liaising and meetings with solicitors and other stakeholders and Settling costs associated with legal proceedings. 	<ul style="list-style-type: none"> To ensure the completion of litigation against the BPI defendants and Onur Air and to recover the substantial monies due. Resulted in orders being made by the court against third parties totalling £5m plus interest and costs.
Claims agreement	<ul style="list-style-type: none"> Resolving historic issue with employee claims; Review and audit of unsecured claims received to date; Adjudication of claims and updating systems in readiness for unsecured distribution; Recalling and reviewing case files for unsecured claims; Liaising with unsecured creditors; and Sending correspondence to unsecured creditors who had yet to submit a claim inviting them to submit one. 	<ul style="list-style-type: none"> To enable the ultimate payment of a distribution to unsecured creditors. To fulfil our obligations to treat all creditors equally.
Creditors	<ul style="list-style-type: none"> Liaising with the ATT regarding the outcome of the litigation, their unsecured claim, and future actions; and Responding to unsecured creditor enquiries via email, telephone and post. 	<ul style="list-style-type: none"> To keep creditors informed of the progress of the liquidation. For the proper administration of the insolvency.

Area of work	Work undertaken	Why the work was necessary and what, if any, financial benefit the work provided to creditors
Statutory and compliance	<ul style="list-style-type: none"> • Completing and circulating the seventh annual report; • Filing of appropriate notices at Companies House • Maintaining internal job management systems; and • Dealing with postal correspondence received. 	<ul style="list-style-type: none"> • To comply with our statutory duties and obligations under insolvency legislation to prepare and circulate progress reports to creditors and Companies House. • To provide creditors with an update of the administration. • To ensure the proper administration of the insolvency. • To keep appropriate records and filing systems.
Strategy & Planning	<ul style="list-style-type: none"> • Periodic review of the case by appointment-takers; • Team strategy calls, updates and discussions specifically regarding BP1 Hong Kong, investigatory actions and enforcement of the legal judgment; and • Preparing budgets and monitoring costs. 	<ul style="list-style-type: none"> • Regulatory requirement to ensure adequate progression and supervision of the case. • To comply with industry best practise
Tax	<ul style="list-style-type: none"> • Preparation and submission of corporation tax return for year ending 31 October 2017 • Seeking tax advice on the tax status of monies received under the legal settlements including losses brought forward. 	<ul style="list-style-type: none"> • The Liquidators are 'proper officers' of the Company for tax purposes and must ensure all ongoing returns and compliance matters are adhered to. • To reduce the Company's future tax liabilities so that additional monies may be distributed to creditors.
VAT	<ul style="list-style-type: none"> • Submitting a VAT 426 to reclaim VAT receivable from HMRC. 	<ul style="list-style-type: none"> • To reclaim VAT monies from HMRC for the benefit of the liquidation estate (refund of £516k received)

Our future work

We still need to do the following work in the liquidation.

Area of work	Work we need to do	Whether or not the work will provide a financial benefit to creditors
Accounting and treasury	<ul style="list-style-type: none"> • Ongoing management of funds held through bank reconciliations, payments, receipts and journals. • Processing the payments of the unsecured distribution. • Closure of bank accounts. 	<ul style="list-style-type: none"> • Necessary to enable proper functioning of the liquidation bank account and stewardship of liquidation funds, to receive future realisations, to pay costs of the liquidation and distribute to creditors.
Assets and litigation	<ul style="list-style-type: none"> • Continued investigatory work but unable to disclose due to confidentiality / sensitivity. • Ongoing assistance to liquidators of BPIL. • Reach a settlement agreement with the remaining BPI defendant and facilitate the receipt of further settlement monies. • Any other legal actions that may become necessary. 	<ul style="list-style-type: none"> • Investigations may lead to further asset recoveries which may result in a greater unsecured distribution. • To fulfil our duties as liquidators.
Closure	<ul style="list-style-type: none"> • Closing down and archiving internal systems and records. • Distribution of a final account to creditors. • Filing dissolution notices at Companies House. 	<ul style="list-style-type: none"> • No financial benefit but necessary to formally finalise the CVL and dissolve the Company.
Creditors and Claims	<ul style="list-style-type: none"> • Adjudication of remaining unsecured creditor claims. • Issuing a notice of intended dividend. • Facilitating the payment of the unsecured distribution and dealing with the resulting queries. • Continue to respond to unsecured creditor enquiries via email, telephone and post. 	<ul style="list-style-type: none"> • To enable a distribution to be paid to creditors. • To respond to creditors queries.
Statutory and compliance	<ul style="list-style-type: none"> • Continued completion of annual reports. • Continued filing of notices at Companies House. 	<ul style="list-style-type: none"> • No financial benefit but necessary to under insolvency legislation and to keep creditors updated of the insolvency.
Strategy and planning	<ul style="list-style-type: none"> • Continued reviews by appointment takers. • Continued team strategy meetings. 	<ul style="list-style-type: none"> • Regulatory requirement for the purpose of ensuring adequate progression and supervision of the case. • To comply with industry best practise
Tax/VAT/Pensions	<ul style="list-style-type: none"> • Ongoing corporation tax submissions • Continued VAT submissions to recover VAT receivable. • Obtaining clearances from HMRC. 	<ul style="list-style-type: none"> • To comply with our obligations as "proper officers" for tax and VT purposes.

We are currently unable to provide a realistic estimate of the future cost for our future work as we are unable to quantify with any certainty the length and complexity of the enforcement of the legal rulings. In addition, it is not yet certain when an unsecured claims process will be undertaken (as this is dependant on ongoing investigations and the conclusion of the settlement agreements).

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the liquidation and was approved by the unsecured creditors.

The following disbursements arose in the period of this report.

Category	Policy	Costs incurred £
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	139.79
2	Mileage - At a maximum of 64 pence per mile (up to 2,000cc) or 81 pence per mile (over 2,000cc)	nil
	All other disbursements reimbursed at cost	
	Travel	15.00
1	Archiving	572.98
	Postage	659.52
	Other	156.67
Total		1,543.96

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the liquidation where the relationship could give rise to a conflict of interest.

Details of subcontracted work

No work has been subcontracted in the period.

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services (UK)	Fieldfisher LLP	Complex matter experience	Time cost basis
Legal services (Hong Kong)	Hill Dickinson Hong Kong	Knowledge / expertise	Time cost basis
Legal services (Germany)	Stolzenberg Rechtsanwälte	Knowledge / expertise	Time cost basis

Appendix D: Other information

Company's registered name: Goldtrail Travel Limited

Trading name: As above

Registered number: 03090844

Registered address: Central Square 8th Floor, 29 Wellington Street, Leeds, LS1 4DL

Date of the Liquidators' appointment: 1 November 2010

Liquidators' names, addresses and contact details: Ian Oakley Smith and David Chubb, both PwC LLP, 7 More London, Riverside, London, SE1 2RT
Contact email: lee.panther@pwc.com

Appendix E: Legal references

Included below are the legal citations and links to the various legal rulings that have been heard in relation to the Company.

Goldtrail Travel Ltd v Aydin & Ors [2014] EWHC 1587 (Ch) (22 May 2014)
[2014] EWHC 1587 (Ch); From England and Wales High Court (Chancery Division)

Goldtrail Travel Ltd v Aydin & Ors [2015] EWCA Civ 926 (11 June 2015)
[2015] EWCA Civ 926; From England and Wales Court of Appeal (Civil Division)

Goldtrail Travel Ltd v Aydin & Ors [2016] EWCA Civ 20 (21 January 2016)
[2016] EWCA Civ 20; From England and Wales Court of Appeal (Civil Division)

Goldtrail Travel Ltd v Aydin & Ors [2016] EWCA Civ 371 (13 April 2016)
[2016] EWCA Civ 371; From England and Wales Court of Appeal (Civil Division)

Goldtrail Travel Ltd v Aydin & Ors [2016] EWCA Civ 439 (04 May 2016)
[2016] EWCA Civ 439; From England and Wales Court of Appeal (Civil Division)

Goldtrail Travel Ltd v Onur Air Tasimacilik AS [2017] UKSC 57 (2 August 2017)
[2017] 1 WLR 3014, [2017] UKSC 57, [2017] WLR 3014, [2017] WLR(D) 560; From United Kingdom Supreme Court

Onur Air Tasimacilik AS v Goldtrail Travel Ltd [2017] EWCA Civ 1830 (16 November 2017)
[2017] EWCA Civ 1830; From England and Wales Court of Appeal (Civil Division)