

AM10 (Scot)

Notice of administrator's progress report



Companies House

THURSDAY



SB6STZ9L

SCT

23/06/2022

#58

COMPANIES HOUSE

1	Company details	
Company number	S C 1 0 4 6 5 7	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	British Midland Regional Limited	
2	Administrator's name	
Full forename(s)	Antony	
Surname	Nygate	
3	Administrator's address	
Building name/number	55 Baker Street	
Street		
Post town	London	
County/Region		
Postcode	W 1 U 7 E U	
Country		
4	Administrator's name ^①	
Full forename(s)	Francis Graham	① Other administrator Use this section to tell us about another administrator.
Surname	Newton	
5	Administrator's address ^②	
Building name/number	Central Square	② Other administrator Use this section to tell us about another administrator.
Street		
Post town	29 Wellington Street	
County/Region	Leeds	
Postcode	L S 1 4 D L	
Country		

AM10 (Scot)

Notice of administrator's progress report

6 Period of progress report

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 2	^d 8	^m 0	^m 3	^y 2	^y 0	^y 2	^y 2
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

AM10 (Scot)

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 **Andrew Rudge**

Company name **BDO LLP**

Address **5 Temple Square**

Temple Street

Post town **Liverpool**

County/Region

Postcode **L 2 5 R H**

Country

DX

Telephone **+44 (0) 1512 374 500**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.



Further information

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

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

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. ❶
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.

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Receiver
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:

- VAM1 (Scot), VAM2 (Scot), VAM3 (Scot), VAM4 (Scot), VAM6 (Scot), VAM7 (Scot) VAM8 (Scot)
- CVA1 (Scot), CVA3 (Scot), CVA4 (Scot)
- AM02 (Scot), AM03 (Scot) AM04(Scot), AM05 (Scot), AM06 (Scot), AM07 (Scot), AM08 (Scot), AM09 (Scot), AM10 (Scot), AM12 (Scot), AM13 (Scot), AM14 (Scot), AM19 (Scot), AM20 (Scot), AM21 (Scot), AM22 (Scot), AM23 (Scot), AM24 (Scot), AM25 (Scot)
- REC1(Scot), REC3 (Scot)
- LIQ13 (Scot), LIQ14 (Scot),
- WU15 (Scot)
- COM1 (Scot), COM2 (Scot),

2 Insolvency practitioner's name

Full forename(s)	James
Surname	Stephen

3 Insolvency practitioner's address

Building name/number	4 Atlantic Quay
Street	70 York Street
Post town	Glasgow
County/Region	
Postcode	G 2 8 J X
Country	

British Midland Regional Limited t/a Flybmi
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 18/08/2021 To 17/02/2022 £	From 18/02/2019 To 17/02/2022 £
	FIXED CHARGE ASSETS	
	Aircraft engine	NIL
		39,270.00
		<u>NIL</u>
		39,270.00
	FIXED CHARGE CREDITORS	
	Secured Creditor	NIL
		39,270.00
		<u>NIL</u>
		(39,270.00)
	ASSET REALISATIONS	
606,838.00	Book debts	466.54
2,632,146.00	Cash at Bank	NIL
	Forex Profits	NIL
	Fuel Refunds	NIL
	Interest Gross	88.52
	IT, Office Furniture & Equipment	NIL
	Life Assurance Refund	NIL
	Motor Vehicles	NIL
10,000.00	Other Property	NIL
350,000.00	Stock	NIL
	Sundry Refunds	NIL
		688,376.32
		8,704.35
		<u>NIL</u>
		555.06
		<u>5,332,927.66</u>
	COST OF REALISATIONS	
	Administrators' Fees	NIL
	Agents' Disbursements	NIL
	Agents' Fees	NIL
	Bank Charges	NIL
	Consultancy Fees	NIL
	Employee expenses and costs	NIL
	Employee Repatriation Costs	NIL
	ERA Fees	NIL
	Insurance	NIL
	Irrecoverable VAT	NIL
	IT Services	NIL
	Legal Fees & Disbs - Post Appointment	10,489.50
	Legal Fees & Disbs - Pre Appointment	NIL
	PAYE & NI	NIL
	Payroll Bureau Costs	NIL
	Pension Contributions	NIL
	PR/Media costs	NIL
	Pre-Administration Fees	NIL
	Printing & Postage	345.20
	Rates	NIL
	Re-direction of Mail	NIL
	Rents Payable	NIL
	Security Costs	NIL
	Statutory Advertising	NIL
	Storage Costs	NIL
	Sundry Expenses	NIL
	Sundry Property Expenses	NIL
	Translation Fees	755.04
	Utilities	NIL
	Wages & Salaries	NIL
		<u>(11,589.74)</u>
		(1,868,139.47)
	PREFERENTIAL CREDITORS	
(392,400.00)	Preferential Creditors	NIL
		NIL

British Midland Regional Limited t/a Flybmi
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 18/08/2021 To 17/02/2022 £	From 18/02/2019 To 17/02/2022 £
		NIL	NIL
	FLOATING CHARGE CREDS		
(1,757,011.00)	Airline Investments Ltd	NIL	1,404,014.91
(3,567,000.00)	Stephen Bond	NIL	277,730.00
		NIL	(1,681,744.91)
	UNSECURED CREDITORS		
(19,754,561.00)	Contingent Liabilities	NIL	NIL
(17,197,657.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(20,550,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(59,619,645.00)		(11,034.68)	1,783,043.28
	REPRESENTED BY		
	Floating Account No 2		982,842.73
	Floating Current Account		760,693.31
	Input VAT		2,317.95
	Vat Control Account		37,189.29
			1,783,043.28



British Midland Regional Limited t/a Flybmi In Administration

Joint Administrators' progress report from
18 August 2021 to 17 February 2022

CONTENTS

GLOSSARY OF TERMS	3
KEY INFORMATION	4
PROGRESS IN THE PERIOD	6
FUTURE ACTIONS	9

APPENDICES

A: STATUTORY INFORMATION	11
B: CREDITORS' RIGHTS	12
C: RECEIPTS AND PAYMENTS ACCOUNT	13
D: JOINT ADMINISTRATORS' REMUNERATION	16
E: JOINT ADMINISTRATORS' EXPENSES	20
F: STATEMENT OF CLAIM FORM	22
G: NOTICE OF A DECISION BY CORRESPONDENCE PROCEDURE - RULE 5.8	24
H: VOTING FORM	25

GLOSSARY OF TERMS

Abbreviation or term	Meaning
'AIL'	Airline Investments Limited
'Bank'	National Westminster Bank plc
'ERA'	ERA Solutions Limited
'HMRC'	HM Revenue & Customs
'Joint Administrators' or 'we'	Antony Nygate, Graham Newton and James Stephen
'net property'	Floating charge realisations after costs and payment of preferential creditors in full
'Period'	18 August 2021 to 17 February 2022
'preferential creditors'	Claims for unpaid wages earned in the four months prior to administration up to £800, holiday pay and unpaid pension contributions in certain circumstances.
'Prescribed Part'	Where a company has granted a floating charge after 15 September 2003, under Section 176A of the Act a proportion of the net property available to a QFCH is set aside for the unsecured creditors of that company
'Proposals'	The Joint Administrators' statement of proposals for achieving the purpose of the Administration
'QFCH'	Qualifying Floating Charge Holder
'RPS'	Redundancy Payments Service
'Sch.B1 to the Act'	Schedule B1 to the Act
'secured creditors'	Creditors whose debt is secured, in accordance with Section 248 of the Act
'the Act'	Insolvency Act 1986
'the Company'	British Midland Regional Limited t/a Flybmi
'the Report'	Prepared in accordance with Rules 3.93 and 3.94 of the Rules
'the Rules'	Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018
'unsecured creditors'	Creditors who are neither secured nor preferential

KEY INFORMATION

Background

Graham Newton, James Stephen and I were appointed Joint Administrators of the Company on 18 February 2019.

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company and without personal liability.

Purpose of this report

This is the six month Report for the period from 18 August 2021 to 17 February 2022.

The main purpose of this Report is to provide you with an update of the progress of the Administration during the Period and to update you on the pursuit of the statutory purpose of the Administration.

This Report can be reviewed in conjunction with all other reports regarding this Administration, on the brportal.bdo.co.uk portal.

Return to creditors

The table below summarises the anticipated outcome for creditors, based on our current understanding of the case. Please note these figures may be subject to change.

Class of creditor	Current estimate	Previous estimate
Secured creditors		
AIL ¹	c£1.6m	c£1.8m
Stephen Bond	317,000	317,000
Preferential creditors	100p in £	100p in £
Unsecured creditors ¹	0.9p in the £	1p in the £

- There will be a further distribution to AIL under its floating charge security. There will also be a distribution to the unsecured creditors from the Prescribed Part only. The Prescribed Part is currently estimated to be approximately £464k. Both the distribution to the secured creditor and unsecured creditors from the Prescribed Part are dependent on the adjudication of preferential claims and may therefore be subject to change. The costs associated with agreeing the claims of the unsecured creditors and distributing the Prescribed Part funds to the unsecured creditors will be drawn from the Prescribed Part.

What you need to do

If you haven't already provided me with details of your claim, please do so at your earliest possible convenience using the statement of claim form at Appendix F.

If you have any queries regarding your claim or require any assistance completing the form, please contact Alice Denmark on +44 (0)151 237 4497.

We are seeking approval from the Company's creditors that the Joint Administrators' remuneration for the accounting period 18 August 2021 to 17 February 2022 be determined.

Notice of a decision by correspondence procedure is attached at Appendix G. In order to vote, please complete the following:

- Voting form - Appendix H; and
- Statement of claim form (if not previously submitted) - Appendix F.

Please return the above forms by post to Alice Denmark, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH or via email to BMR@bdo.co.uk on or before 14 April 2022, the Decision Date.

If you have any queries or need any assistance in completing the voting form, please contact Alice Denmark on +44 (0)151 237 4497.

Creditors' rights

An overview of the rights of creditors are detailed in Appendix B.

Contact details

Contact: Alice Denmark
Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Tel: +44 (0)151 237 4497
Email: BMR@bdo.co.uk
Reference: 00291330

PROGRESS IN THE PERIOD

Asset realisations

The receipts and payments account attached at Appendix C details the asset realisations during the Period.

Book Debts

A total of £466.54 has been realised in respect of book debts in the Period. The receipt is a first and interim dividend payment of 3.28 pence in the pound from the Liquidator of Air Fast Tickets Limited in respect of the Company's agreed unsecured claim of £14,225. A second and final dividend payment of 0.25 pence in the pound has been estimated by the Liquidator, which would provide for a further receipt of c£35.

Interest Gross

Bank interest of £88.52 has been received into the Administration bank accounts.

Distributions to creditors

Secured creditors

The secured creditors in the Administration are Stephen Bond ('SB') and Airline Investments Limited ('AIL').

SB was owed £3,567,000 at the date of appointment and has previously been paid £277,720 under his floating charge and £39,270 under his fixed charge.

AIL were owed £2,005,674 at the date of appointment. As previously reported a distribution of £1,404,014.91 has been paid to AIL under its floating charge.

Preferential creditors

As detailed in the 'Return to creditors' section of this Report, it is anticipated that the claims of the preferential creditors will be paid in full.

The Joint Administrators have continued to work with ERA to agree the preferential claims of the overseas employees and the employment agencies in Sweden, Germany and Belgium who dealt with the claims of employees living outside of the UK. A significant amount of work has been undertaken in the Period finalising the agreement of the overseas preferential claims. The overseas preferential claims are now agreed, although this was completed outside of the Period.

The preferential claims of employees living in the UK had previously been agreed, albeit we have recently received notification from ERA that the claims of the UK employees have reduced slightly due to figures submitted previously by the RPS being incorrect.

The preferential creditor claims are agreed and the table below summarises the position. We are therefore making arrangements to pay a preferential dividend.

	£	Status
RPS (UK)	201,798	Agreed
Employees (UK)	306,167	Agreed
Belgium - employees/RPS - wage arrears/holiday pay (estimate)	33,478	Agreed
German - employees/RPS - wage arrears/holiday pay (estimate)	48,228	Agreed
Sweden - employees/RPS - wage arrears/holiday pay (estimate)	68,588	Agreed

Employees who did not/were unable to claim against overseas RPS	4,008	Agreed
Total	662,267	

We have taken legal advice on the potential for additional claims to be received from employees who so far have not submitted a claim against the Company. A provision has therefore been made in the Estimated Outcome Statement for additional claims from overseas employees. This provision may not be required and will be reviewed further once the legal advice has been received.

Unsecured creditors

As detailed in the 'Return to creditors' section of this Report, it is anticipated that a dividend will be paid to unsecured creditors via the Prescribed Part only.

The process of reviewing and adjudicating the claims of the unsecured creditor claims has commenced in anticipation of the unsecured dividend payment. As there are a large volume of creditors on this case, the reviewing process will take time to conclude.

To date, unsecured claims of circa £25m have been received and it is anticipated that additional claims will be received in due course.

The timing of any dividend remains uncertain at this stage.

Extension of the Administration

The Administration was further extended with the approval of the court for a period of 12 months until 18 February 2023. Notification of the extension has been filed at Companies House and creditors were notified via the web portal on 10 February 2022.

Other matters

In addition to the above matters, we have dealt with all statutory matters required by legislation and administrative work incidental to our duties as Joint Administrators in this Administration.

We have not deviated from the Proposals and the purpose of the Administration is to continue to manage the Company's business and realise assets and distribute funds in accordance with objective (c), the third statutory purpose of the Administration, being to realise property in order to make a distribution to one or more secured or preferential creditors. In addition, there are expected to be funds available for the unsecured creditors of the Company by virtue of the Prescribed Part.

Pre-Administration costs

Approval was obtained for the payment of the pre-Administration costs as detailed in the Proposals of £108,454.45 from creditors.

Joint Administrators' remuneration

On 11 October 2021, the Joint Administrators' remuneration for the period 18 February 2021 to 17 August 2021 of £53,560.40 was approved by creditors.

During the Period, time costs of £60,593.15 were incurred over 246.35 hours at an average rate of £245.96 per hour. No remuneration was drawn in the Period.

A detailed report of the time incurred by the Joint Administrators and a narrative of the work done during the Period is attached in Appendix D.

Joint Administrators' expenses

Expenses paid during the Period are detailed in the receipts and payments account at Appendix C.

A breakdown of expenses incurred is set out in Appendix E.

FUTURE ACTIONS

Joint Administrators' discharge from liability

Approval that the Joint Administrators be discharged from liability on the registration of the notice to move from Administration and the final progress report with the registrar of companies will be sought from creditors prior to closure.

Remaining matters

VAT

You will recall that the Company was part of a VAT Group with two other connected companies, who are both in Liquidation. The Company's books and records showed a VAT refund due of c£338k in respect of pre-Administration VAT periods. The Joint Administrators have been in discussion with the Joint Liquidators of the connected companies with a view to securing the VAT refund. These discussions remain to be concluded.

It is possible that the VAT refund may be subject to Crown set-off and therefore recoveries remain uncertain.

Performance Bond

The Bank holds a performance bond in favour of a European airport for c€36k. The repayment of the performance bond to the Company is subject to the airport completing relevant paperwork in accordance with the terms of the performance bond. The airport has attempted to make a partial claim against the bond, but the paperwork and method of communication was not acceptable to the Bank. The performance bond therefore remains in the Bank's control.

We are continuing to liaise with the Bank in order to secure the release of the performance bond, although recoveries and timing remain uncertain.

Cash at Bank

The Bank is also holding a small balance of c£2.3k relating to funds that they had retained as a provision against potential claims they might receive. The Bank has advised that it cannot release these funds to the Company currently as there are ongoing charges being applied to the account relating to the performance bond.

VISA/Mastercard

There continues to be an opportunity for the Company to potentially claim for approximately two years of damages for anti-competitive MasterCard and Visa multilateral interchange fees that have been charged to businesses within the travel sector. Marcus Parker Limited has advised that funding and insurance arrangements have been finalised, and the claim is expected to be launched in the near future.

Steps are therefore now being taken to quantify the potential value of this claim in order to understand the quantum of any potential recovery and likely timescales, thus informing strategy.

Creditor distributions

Secured

As noted above, legal advice has been requested on the potential for additional claims to be received from employees. Subject to that advice, we can determine the extent of funds available to make a further distribution to the secured creditor, AIL, under its floating charge security. The level of the distribution to AIL is not known at this stage.

Preferential

Arrangements are being made to pay a dividend to the preferential creditors in order to pay their claims in full.

Unsecured

As noted earlier in this Report, the claims of the unsecured creditors are in process of being agreed in order that a dividend can be paid via the Prescribed Part. Until all claims are received and adjudicated the size and timing of the unsecured dividend payment is uncertain.

APPENDIX A

STATUTORY INFORMATION

Information

Company name	British Midland Regional Limited
Company registration number	SC104657
Registered office	4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX
Court name and reference	Court of Session -P173/19
Date of appointment	18 February 2019
Appointor	The directors pursuant to Paragraph 22 of Sch.B1 to the Act
Joint Administrators	<p>Antony David Nygate Francis Graham Newton James Bernard Stephen</p> <p><i>Under the provisions of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the Administrators carry out their functions jointly and severally meaning any action can be done by one Administrator or by any of them.</i></p>
Joint Administrators' address	BDO LLP, 55 Baker Street, London, W1U 7EU
Data Control and GDPR	<p>Antony Nygate and James Stephen are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales in the UK. Graham Newton is authorised to act as an Insolvency Practitioner by the Insolvency Practitioners Association in the UK. The Joint Administrators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Administration of British Midland Regional Limited. Please see the privacy statement at https://www.bdo.co.uk/en-gb/privacy-notices/insolvencies</p>
Extensions to the Administration	<p>Creditor consent for a period of 12 months until 18 February 2021 Court order for a period of 12 months until 18 February 2022 Court order for a period of 12 months until 18 February 2023</p>

APPENDIX B

CREDITORS' RIGHTS

Copies of BDO LLP's charging and expenses policy, 'A Creditors' Guide to Administrators' Fees' and information on the rights, duties and functions of a creditors' committee are available at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to us but are not satisfied with the response, then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this Administration. A copy of the code can be found at <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

APPENDIX C

RECEIPTS AND PAYMENTS ACCOUNT

**British Midland Regional Limited t/a Flybmi
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 18/08/2021 To 17/02/2022 £	From 18/02/2019 To 17/02/2022 £
	FIXED CHARGE ASSETS	
	Aircraft engine	NIL
		39,270.00
		39,270.00
	FIXED CHARGE CREDITORS	
	Secured Creditor	NIL
		39,270.00
		(39,270.00)
	ASSET REALISATIONS	
606,838.00	Book debts	466.54
2,632,146.00	Cash at Bank	NIL
	Forex Profits	NIL
	Fuel Refunds	NIL
	Interest Gross	88.52
	IT, Office Furniture & Equipment	NIL
	Life Assurance Refund	NIL
	Motor Vehicles	NIL
10,000.00	Other Property	NIL
350,000.00	Stock	NIL
	Sundry Refunds	NIL
		688,376.32
		8,704.35
		5,332,927.66
	COST OF REALISATIONS	
	Administrators' Fees	NIL
	Agents' Disbursements	NIL
	Agents' Fees	NIL
	Bank Charges	NIL
	Consultancy Fees	NIL
	Employee expenses and costs	NIL
	Employee Repatriation Costs	NIL
	ERA Fees	NIL
	Insurance	NIL
	Irrecoverable VAT	NIL
	IT Services	NIL
	Legal Fees & Disbs - Post Appointment	10,489.50
	Legal Fees & Disbs - Pre Appointment	NIL
	PAYE & NI	NIL
	Payroll Bureau Costs	NIL
	Pension Contributions	NIL
	PR/Media costs	NIL
	Pre-Administration Fees	NIL
	Printing & Postage	345.20
	Rates	NIL
	Re-direction of Mail	NIL
	Rents Payable	NIL
	Security Costs	NIL
	Statutory Advertising	NIL
	Storage Costs	NIL
	Sundry Expenses	NIL
	Sundry Property Expenses	NIL
	Translation Fees	755.04
	Utilities	NIL
	Wages & Salaries	NIL
		(11,589.74)
	PREFERENTIAL CREDITORS	
(392,400.00)	Preferential Creditors	NIL

**British Midland Regional Limited t/a Flybmi
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 18/08/2021 To 17/02/2022 £	From 18/02/2019 To 17/02/2022 £
		NIL	NIL
	FLOATING CHARGE CREDS		
(1,757,011.00)	Airline Investments Ltd	NIL	1,404,014.91
(3,567,000.00)	Stephen Bond	NIL	277,730.00
		NIL	(1,681,744.91)
	UNSECURED CREDITORS		
(19,754,561.00)	Contingent Liabilities	NIL	NIL
(17,197,657.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(20,550,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(59,619,645.00)		(11,034.68)	1,783,043.28
	REPRESENTED BY		
	Floating Account No 2		982,842.73
	Floating Current Account		760,693.31
	Input VAT		2,317.95
	Vat Control Account		37,189.29
			1,783,043.28

APPENDIX D

JOINT ADMINISTRATORS' REMUNERATION

The Joint Administrators' remuneration has been approved on a time costs basis.

Time costs of £60,593.15 have been incurred during the Period and a breakdown is detailed below together with details of the work undertaken.

Activity	Partner	Director	Senior manager	Manager	Senior executive	Executive	Total hours	Time costs £	Av. Rate £
Planning and strategy	0.30	0.50	-	9.30	-	-	10.10	3,426.10	339.22
General administration	3.85	1.90	1.10	32.90	37.90	18.10	95.75	20,557.15	377.79
Asset realisation/dealing	0.60	-	-	10.50	-	-	10.50	3,747.00	356.85
Employee matters	-	-	-	3.55	-	-	3.55	950.65	267.79
Creditors' claims	1.80	0.65	0.20	68.80	9.80	-	81.25	20,618.40	253.76
Reporting	2.00	3.20	0.50	16.45	7.35	0.40	29.90	9,500.05	317.73
Distribution and closure	0.25	-	-	1.50	4.55	9.00	15.30	1,793.80	117.24
TOTAL	8.80	6.25	1.80	149.70	59.60	27.50	246.35	60,593.15	245.96

Details of the work undertaken in the Period is detailed below.

Planning and strategy

- Review of outstanding issues and determine strategy and timescale to ensure matters progress
- Review of case processes and systems
- Review and approve bank reconciliations prepared by cashiers
- Periodical case reviews by manager and partner

Although this work does not directly benefit creditors, it does contribute to the efficient management of the Administration and contributes to reducing costs.

General administration

- Recording all receipts and payments in the Period and preparing reports on receipts & payments for review, raising journal entries as appropriate and liaising with cashiers, undertaking periodical reconciliations of bank accounts, ensuring appropriate approval of all costs including approval of remuneration and matching costs of specialists against their expense estimates.
- Preparation and completion of internal reviews
- Dealing with general correspondence/emails received and day to day management of the Administration
- Dealing with statutory and regulatory matters
- Preparing and submitting corporation tax returns
- Preparing and submitting VAT returns and dealing with associated queries
- Instructing and liaising with solicitors as regards the extension of the Administration

- General maintenance and filing documents received on internal Administration files

Asset realisation/dealing

- Liaising with the Bank as regards the Performance Bond held by them
- Correspondence and discussions with the Liquidator of connected companies as regards pre-appointment VAT refunds due to the Company
- Dealing with Local Authorities as regards outstanding rates
- Dealing with correspondence from Liquidator as regards dividend received
- Liaising with lawyers regarding potential Merchant Interchange Fee claims against credit card companies

Employee matters

- Dealing with enquiry from overseas employee as regards taxes deducted pre-Administration. Contact with overseas payroll agent for tax information
- Liaising with ERA as regards the claims of overseas employees
- Dealing with ongoing correspondence as regards Employment Tribunal claims for Protective Awards

Creditor claims

- Dealing with enquiries from solicitors acting for the secured creditors
- Processing of creditors' claim forms and entering onto IPS
- Liaising with creditors regarding their ongoing queries
- Reviewing unsecured claims submitted and identifying whether additional evidence is necessary to support the claims received
- Liaising with Gateley in relation to the ongoing review of further claims submitted by the secured creditor to assess its validity
- Liaising with the RPS and foreign jurisdiction equivalents in relation to employee preferential and unsecured claims
- Reviewing and approving correspondence to overseas employees as regards the preferential claims adjudication process. Liaising with agency to translate correspondence into German, Swedish and Belgium
- Meetings with ERA as regards strategy and approach to agree claims of overseas employees and overseas employment agencies
- Preparation of internal file notes

Reporting

- Preparation and distribution of the six month progress report to members and creditors regarding the progress achieved and outstanding matters for the six month period to 17 August 2021 (finalised 24 September 2021)
- Statutory filing of the progress report to Companies House and Court
- Preparation of Estimated Outcome Statements to support strategy and outcome of the Administration

These activities do not contribute to the financial outcome for creditors - they are statutory duties imposed by the relevant legislation. However, they do contribute to the creditors' understanding of the work being undertaken on their behalf.

Distribution and closure

- Review of preferential creditors' claims
 - Preparation of documentation in readiness for preferential distribution
 - Review of unsecured creditor claims
-

The current charge out rates per hour of staff within the firm who may be involved in working on the Administration are as follows:

Grade	£
Partner	523-836
Director	351-702
Senior Manager	292-585
Manager	160-427
Senior Executive	128-298
Executive	78-157
BDO LLP Tax department (max)	1097

Cumulative time incurred

Total time costs £1,149,673.50 have been incurred over the course of the Administration to 17 February 2022 as detailed below. The Joint Administrators have drawn remuneration of £1,034,395.65 in comparison with the approvals obtained of £1,089,409.15.

Activity	Hours	Average Rate £	Time costs £
Steps on appointment	247.85	330.57	81,931.05
Planning and strategy	197.40	301.17	59,450.05
General administration	1,614.30	233.89	377,571.95
Asset realisation/dealing	579.05	326.47	189,045.30
Trading related matters	8.40	273.65	2,172.00
Employee matters	596.30	267.59	159,563.15
Creditors' claims	574.90	217.01	124,760.25
Reporting	463.65	319.37	148,073.85
Distribution and closure	31.70	224.16	7,105.90
TOTAL	4,313.55	266.53	1,149,673.50

APPENDIX E

JOINT ADMINISTRATORS' EXPENSES

The Joint Administrators' expenses incurred and paid are detailed below.

	Incurring in Period 18/08/2021 to 17/02/2022 £	Total Incurred 18/02/2019 to 17/02/2022 £	Total Paid 18/02/2019 to 17/02/2022 £
Category 1			
Accommodation	-	3,519.18	-
Agents' Disbursements	-	12,879.44	12,879.44
Agents' Fees	-	140,468.02	140,468.02
Bank Charges	-	177.35	177.35
Bonding	-	200.00	-
Consultancy Fees	-	27,645.00	27,645.00
Employee expenses and costs	-	3,115.07	3,115.07
Employee Repatriation Costs	-	514.53	514.53
ERA Fees	-	10,650.00	10,650.00
Insurance	-	7,133.85	7,133.85
Irrecoverable VAT	-	67.25	67.25
IT Services	-	91,817.08	90,385.29
Legal Fees & Disbs - Post Appointment	13,049.50	151,070.36	151,070.36
Legal Fees & Disbs - Pre Appointment	-	41,938.67	41,938.67
Parking	-	54.46	-
PAYE & NI	-	43,701.99	43,701.99
Payroll Bureau Costs	-	5,390.92	5,390.92
Pension Contributions	-	9,842.72	9,842.72
PR/Media costs	-	29,200.00	29,200.00
Printing & Postage	345.20	6,047.27	5,777.01
Rates	-	1,874.79	1,874.79
Re-direction of Mail	-	1,878.00	1,878.00
Rents Payable	-	33,415.43	33,415.43
Security Costs	-	1,687.50	1,687.50
Statutory Advertising	-	79.25	79.25
Storage Costs	-	11,950.00	11,950.00
Staff Travel	-	261.35	-
Sustenance	-	1,038.97	-
Sundry Expenses	-	59.00	15.00
Sundry Property Expenses	-	77.14	77.14
Translation Fees	755.04	1,152.84	1,152.84
Utilities	-	12,078.14	12,078.14
Wages & Salaries	-	81,123.81	81,123.81
Category 2			
Mileage	-	2,595.46	-

The expenses shown are largely self-explanatory however we would specifically comment on the following expenses which were incurred and paid in the Period:

Gateley Plc has been instructed to provide legal advice on the following matters:

- ongoing advice as regards the claims of the secured creditors
- pre-Administration VAT refunds due to the Company
- preferential claims of the overseas employees

Gateley Plc were retained as legal advisors due to their sector expertise and existing knowledge of the Administration.

During the Period, Language Link UK Limited were paid £755.04 in respect of translation fees for correspondence to overseas employees in Germany, Belgium and Sweden.

We have retained the services of ERA who have dealt with the claims of the UK and overseas employees on behalf of the Joint Administrators. ERA have advised that future costs of £15,980 will be incurred by them in respect of the following:

- Calculation of employee preferential claims and PAYE/NIC submission to HMRC
 - Calculation of employee unsecured claims and PAYE/NIC submission to HMRC
-

APPENDIX F

STATEMENT OF CLAIM FORM

STATEMENT OF CLAIM FORM

British Midland Regional Limited t/a Flybmi - In Administration ('the Company')

Company registration number: SC104657

Date the Company entered Administration: 18 February 2019

Name of Creditor <i>(If a company please also give company registration number and where registered)</i>	
Address of Creditor <i>including email address for correspondence</i>	
Total amount of claim as at the date the ('the Company') entered Administration in respect of all debts, the particulars of which are set out overleaf	I submit a claim of £ in the Administration of the ('the Company') and certify that the particulars of the debt or debts making up that claim, which are set out overleaf, are true, complete and accurate, to the best of my knowledge and belief.
Signature of creditor or person authorised to act on his behalf.	
Name (BLOCK CAPITALS)	
Dated	
Position with or in relation to creditor	
Address of person signing <i>(if different from 2 above)</i>	

Particulars of each debt <i>Note: A separate set of particulars should be made out in respect of each debt.</i>	
Total amount of claim, showing separately the amount of principal and any interest which is due on the debt as at the date the ('the Company') entered Administration. Interest may only be claimed if the creditor is entitled to it. Show separately the VAT on the debt and indicate whether the VAT is being claimed back from HM Customs and Excise.	£
If amount above includes outstanding uncapitalised interest please state amount.	£
Briefly describe the debt, giving details of its nature, the date when it was incurred and when payment became due. (If you need more space append a continuation sheet to this form).	
Specify and give details of the nature of any security held in respect of the debt; including:	
(a) the subjects covered and the date when it was given.	
(b) the value of the security. Notes: Security is defined in section 248(b) of the Insolvency Act 1986 as meaning 'any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off)'. For claims in administration, security also includes a hire purchase agreement, agreement for the hire of goods for more than three months and a conditional sale agreement. The creditor should state whether he is surrendering or undertakes to surrender his security; the administrator may at any time after 12 weeks from the date on which the company entered administration require a creditor to discharge a security or to convey or assign it to him on payment of the value specified by the creditor.	
Details of any reservation of title claimed in respect of goods supplied to which the claim relates.	
Insert the nature and amount of any preference under Schedule 6 to the Act claimed in respect of the debt.	
In the case of a member state liquidator creditor, specify and give details of underlying claims in respect of which he is claiming as creditor.	
Details of attached documents by reference to which the debt can be substantiated.	

Please complete and return this form to Alice Denmark, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH or by email to BMR@bdo.co.uk.

APPENDIX G

NOTICE OF A DECISION BY CORRESPONDENCE PROCEDURE - RULE 5.8

British Midland Regional Limited t/a Flybmi - In Administration ('the Company')
In the Court of Session - P173/19
Company registration number: SC104657

NOTICE IS GIVEN that I am proposing that the following decisions ('the Proposed Decisions') be considered by creditors of the Company ('the Creditors') by a decision by correspondence procedure:

1. That the Joint Administrators' remuneration request for the accounting period 18 August 2021 to 17 February 2022 of £60,593.15 (excl VAT) be determined at £60,593.15 (excl VAT).
2. That a creditors' committee be established if sufficient creditors are willing to be members.

Decision Date: 14 April 2022

To vote on the Proposed Decisions please complete and return the attached voting form together with a statement of claim form (unless previously submitted) to me at the contact details below. If your voting form and completed statement of claim form are not received by me by the Decision Date your vote will not be counted.

You may also request that a physical meeting be held to consider the Proposed Decisions. If, by no later than five business days of delivery of this notice, either (i) 10% or more in value of Creditors, (ii) 10% or more in number of Creditors or (iii) 10 or more Creditors who are entitled to vote in this decision procedure request a physical meeting in writing and provide a statement of claim form (unless previously submitted), the decision by correspondence procedure will terminate and a physical meeting convened.

I must also receive any nominations for members to the creditors' committee together with a statement of claim form (unless previously submitted) by the Decision Date. Your nomination for membership to the committee will only be accepted if I am satisfied you are eligible to be a member in accordance with Rule 3.74 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018.

If your debt is treated as a small debt (less than £1,000), or you have opted out of receiving notices, you must still provide a statement of claim form (unless previously submitted) if voting on the Proposed Decisions, requesting a physical meeting or nominating a member for the committee.

You may apply to the Court to appeal any decision within 21 days of the Decision Date in accordance with Rule 5.32 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018.



Antony Nygate
Joint Administrator and Convener

Date:

Contact: Alice Denmark
Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Tel: +44 (0)151 237 4497
Email: BMR@bdo.co.uk
Reference: 00291330

APPENDIX H

VOTING FORM

British Midland Regional Limited t/a Flybmi - In Administration ('the Company')

Company registration number: SC104657

Decision Date: 14 April 2022

Name of Creditor <div style="border: 1px solid black; height: 30px; margin-bottom: 5px;"></div> Email <div style="border: 1px solid black; height: 30px;"></div>	Address <div style="border: 1px solid black; height: 80px;"></div>
--	--

PROPOSED DECISIONS - I WISH TO VOTE AS INDICATED BELOW:

	*Delete as applicable
1. That the Joint Administrators' remuneration request for the accounting period 18 August 2021 to 17 February 2022 of £60,593.15 (excl VAT) be determined at £60,593.15 (excl VAT).	For / Against*
2. That a creditors' committee be established if sufficient creditors are willing to be members.	For / Against*

COMPLETE THIS SECTION ONLY IF YOU ARE SEEKING A CREDITORS' COMMITTEE BE ESTABLISHED AND CONSENT TO BE A MEMBER OF THE COMMITTEE.

	*Delete as applicable
I consent to being a member of the creditors' committee.	Yes / No*

I wish to nominate _____ ** (insert name) to act as my representative.

****A body corporate may be a member of a committee, but it cannot act otherwise by a representative**

Signature <div style="border: 1px solid black; height: 30px; margin-bottom: 5px;"></div>	Name (BLOCK CAPITALS) <div style="border: 1px solid black; height: 30px;"></div>
Authority <div style="border: 1px solid black; height: 30px;"></div>	Dated <div style="border: 1px solid black; height: 30px;"></div>

Please complete and return this form together with a proof of debt form (unless previously submitted) to Alice Denmark, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH or by email to BMR@bdo.co.uk to be received no later than the Decision Date.

Notes:

A committee member may not be represented by:

- Another member of the committee
- A person who is at the same time representing another committee member
- A body corporate
- A partnership
- An undischarged bankrupt
- A person whose estate has been sequestrated and who has not been discharged
- A person who has granted a trust deed for the benefit of creditors
- A person who has made a composition with creditors
- A person to whom a moratorium period under a debt relief order applies
- A person who is subject to a company directors' disqualification order or a company directors' disqualification undertaking
- A person who is subject to a bankruptcy restrictions order (including an interim order), a bankruptcy restrictions undertaking, a debt relief restrictions order (including an interim order) or a debt relief restrictions undertaking.

Please also note that the Joint Administrators cannot act as a committee member's representative.

A creditors' committee must have at least three members and no more than five members.

