

AM10 (Scot)

Notice of administrator's progress report



Companies House

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

1 Company details

Company number S C 1 0 4 6 5 7

Company name in full British Midland Regional Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

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

Surname Newton

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Central Square

Street 29 Wellington Street

Post town

Leeds

County/Region

Postcode

L S 1 4 D L

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10 (Scot)

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 8	^m 0	^m 2	^y 2	^y 0	^y 2	^y 2
To date	^d 1	^d 7	^m 0	^m 8	^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 9	^y 2	^y 0	^y 2	^y 2
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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. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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

1 Appointment type

Tick to show the nature of the appointment:

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

① 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 18/02/2022 To 17/08/2022 £	From 18/02/2019 To 17/08/2022 £
	FIXED CHARGE ASSETS	
	Aircraft engine	NIL
		39,270.00
		NIL
		39,270.00
	FIXED CHARGE CREDITORS	
	Secured Creditor	NIL
		39,270.00
		NIL
		(39,270.00)
	ASSET REALISATIONS	
10,000.00	Other Property	NIL
	IT, Office Furniture & Equipment	NIL
	Motor Vehicles	14,773.33
	Stock	4,000.00
350,000.00	Book debts	688,376.32
606,838.00	Cash at Bank	1,562,604.96
2,632,146.00	Forex Profits	2,805,840.47
	Interest Gross	99,208.38
	Life Assurance Refund	1,464.12
	Sundry Refunds	14,142.48
	Fuel Refunds	NIL
		65,250.47
		8,704.35
		71,491.02
		NIL
		1,464.12
		5,334,391.78
	COST OF REALISATIONS	
	Translation Fees	NIL
	Pre-Administration Fees	1,152.84
	Employee expenses and costs	108,454.45
	Sundry Property Expenses	3,115.07
	Pension Contributions	77.14
	PR/Media costs	9,842.72
	Consultancy Fees	29,200.00
	Administrators' Fees	27,645.00
	Employee Repatriation Costs	53,650.40
	Payroll Bureau Costs	1,088,046.05
	Agents' Fees	NIL
	Agents' Disbursements	514.53
	Legal Fees & Disbs - Pre Appointment	3.47
	Legal Fees & Disbs - Post Appointment	5,394.39
	Irrecoverable VAT	NIL
	Utilities	NIL
	Printing & Postage	NIL
	Security Costs	NIL
	Storage Costs	NIL
	Re-direction of Mail	NIL
	Statutory Advertising	NIL
	Rents Payable	NIL
	Rates	NIL
	Sundry Expenses	NIL
	Insurance	NIL
	Wages & Salaries	NIL
	PAYE & NI	NIL
	Bank Charges	NIL
	ERA Fees	NIL
	IT Services	NIL
		0.45
		5,570.00
		NIL
		(62,518.32)
		(1,932,013.79)
	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 18/02/2022 To 17/08/2022 £	From 18/02/2019 To 17/08/2022 £
		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		
(17,197,657.00)	Trade & Expense Creditors	NIL	NIL
(19,754,561.00)	Contingent Liabilities	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(20,550,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(59,619,645.00)		(61,054.20)	1,720,633.08
	REPRESENTED BY		
	Input VAT		15,092.03
	Floating Current Account		721,368.84
	Floating Account No 2		984,172.21
			1,720,633.08



British Midland Regional Limited t/a Flybmi In Administration

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

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GLOSSARY OF TERMS

Abbreviation or term	Meaning
'AIL'	Airline Investments Limited
'Act'	Insolvency Act 1986
'Bank'	National Westminster Bank Plc
'HMRC'	HM Revenue & Customs
'Joint Administrators' or 'we'	Antony Nygate, Francis Graham Newton and James Stephen
'net property'	Floating charge realisations after costs and payment of preferential and secondary preferential creditors in full
'Period'	18 February 2022 to 17 August 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
'Report'	Prepared in accordance with Rules 3.93 and 3.94 of the Rules
'RPS'	Redundancy Payments Service
'Rules'	Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018
'SB'	Stephen Bond
'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 Company'	British Midland Regional Limited t/a Flybmi
'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 the Report

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

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

The 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£1.98m	c£1.6m
Stephen Bond	£317,000	£317,000
Preferential creditors	100 in the £	100p in the £
Unsecured creditors ¹	1p in the £	1p the £

1. There is estimated to be a further distribution to AIL under its floating charge security. There is also estimated to be a distribution to the unsecured creditors from the Prescribed Part. The Prescribed Part is currently estimated to be approximately £500k. The costs associated with agreeing the claims of the unsecured creditors and distributing the Prescribed Part funds to the unsecured will be drawn from the Prescribed Part.

There was an error in the previous report which indicated that the dividend payable would be 9p in the £. The dividend payable to the unsecured creditors is estimated at 1p in the £. There has been no fundamental change in the outcome for creditors, which remains in line with our estimated outcome statement. The previous estimate noted above has been updated to reflect the correct position.

What creditors 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 February 2022 to 17 August 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 October 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.

Interest Gross

During the Period, £1,464 has been received from bank interest into the Administration bank accounts.

The Joint Administrators continue to pursue potential asset realisations which are detailed in the Future Actions section on page 9.

Distributions to creditors

Secured creditors

The secured creditors in the Administration are SB and AIL.

As noted in previous reports, SB was owed £3,567,000 at the date of appointment of which £317,000 was secured and the balance of £3,250,000 was unsecured. SB has been paid £277,720 under his floating charge security and £39,270 under his fixed charge security.

AIL were owed £2,005,674 at the date of appointment. Distributions totalling £1,404,014.91 have previously been paid to AIL under its floating charge security.

Preferential creditors

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

You will recall that at the time of our previous Progress Report, the claims of the preferential creditors had been adjudicated and agreed as follows:

	Adjudicated preferential claim (£)
RPS (UK)	201,798
Employees (UK)	306,167
Belgium - employees/RPS	33,478
German - employees/RPS	48,228
Sweden - employees/RPS	68,588
Employees who did not/were unable to claim against overseas RPS	4,008
	662,267

We had been aiming to pay the claims of the preferential creditors in full by 17 August 2022. However, although the preferential dividend had been calculated and was ready for distribution, it could not be issued within the Period due to the continuation of dialogue with the overseas RPS's to agree their

claims. This has now been concluded and the preferential dividend has been paid (although payment has been made outside of the Period). The distribution does not therefore appear in the receipts and payments account attached at Appendix C.

Prescribed Part

The Prescribed Part is currently estimated at approximately ££500k. 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.

Unsecured creditors

The Joint Administrators anticipate that a dividend will be paid to unsecured creditors from the Prescribed Part. Based on the level of claims received to date, a provision for potential claims outstanding, a provision for the unsecured element of employee claims and the level of Prescribed Part funds that are estimated to be available to distribute, a dividend of approximately 1p in the £ is anticipated.

However, the timing of any dividend is currently uncertain as the claims adjudication process is ongoing. Due to the large volume of creditors on this case, including claims received from overseas creditors, the review and adjudication process is taking a significant amount of time to complete.

To date, unsecured claims of circa £25m have been received.

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

Joint Administrators' remuneration

On 14 April 2022, the Joint Administrators' remuneration for the period 18 August 2021 to 17 February 2022 of £60,593.15 was approved by creditors.

During the Period, time costs of £66,671 were incurred being 290 hours at an average rate of £230 per hour. The Joint Administrators have drawn remuneration of £53,650 in line with creditor approval given on 11 October 2021, as shown on the enclosed receipts and payments account at Appendix C.

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

Extension of the Administration

The Administration is due to end on 18 February 2023. It is anticipated that an extension will be sought in due course to allow the Joint Administrators to complete the unsecured claims review process and pay a final distribution to the secured creditor and distribute the prescribed part funds to unsecured creditors.

If an extension to the Administration is required, approval will be sought by a court order.

Joint Administrators' discharge from liability

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

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. One of these companies was the lead company within the VAT group. The Company's books and records showed a VAT refund due of c£338k in respect of pre-Administration VAT periods.

Discussions between the Joint Administrators and Joint Liquidators of the connected companies continue with a view to agreeing the basis of submitting the outstanding VAT returns and securing the VAT refund, noting that the liquidators have asserted rights to the refund, which is disputed.

Recoveries continue to remain uncertain as the VAT refund may be subject to Crown set-off.

Performance Bond

As previously reported, the Bank holds a performance bond in favour of a European airport for c€36k.

We are continuing to liaise with the Bank to secure the release of the performance bond, although recoveries and timings are 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

As previously reported, 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.

The Company had engaged Worldpay to provide merchant banking facilities for credit and debit card transactions. We have therefore written to Worldpay to seek information from them relating to card transactions in the period March 2016 to 18 February 2019. This information will help to quantify the potential value of the damages claim which the Company may be able to make.

Once the information has been received from Worldpay, we will have a further discussion with our legal advisers Marcus Parker Limited, to understand the merits of pursuing the Company's claim further.

Creditor distributions

Secured

It is anticipated that there will be funds available to make a further distribution to AIL under its floating charge security. It is currently anticipated that a further dividend of approximately £100k will be paid to AIL imminently, with the balance paid in early February 2023. .

Preferential

There are sufficient funds available to pay the claims of the preferential creditors in full.

A preferential dividend payment has been made, although this has been issued outside of the Period and is not therefore show on the attached Receipts and Payments account at Appendix C.

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 of the dividend payment is currently estimated at 1p in the £ but could be subject to change. The timing of the unsecured dividend payment remains uncertain.

APPENDIX A

STATUTORY INFORMATION

Information

Company name	British Midland Regional Limited t/a Flybmi
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 Sch.B1 to the Act the Joint Administrators carry out their functions jointly and severally meaning any action can be done by one Administrator or by all 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-notice/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 18/02/2022 To 17/08/2022 £	From 18/02/2019 To 17/08/2022 £
	FIXED CHARGE ASSETS	
	Aircraft engine	
	NIL	39,270.00
	NIL	39,270.00
	FIXED CHARGE CREDITORS	
	Secured Creditor	
	NIL	39,270.00
	NIL	(39,270.00)
	ASSET REALISATIONS	
10,000.00	Other Property	NIL
	IT, Office Furniture & Equipment	14,773.33
	Motor Vehicles	4,000.00
350,000.00	Stock	688,376.32
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2,632,146.00	Cash at Bank	2,805,840.47
	Forex Profits	99,208.38
	Interest Gross	1,464.12
	Life Assurance Refund	NIL
	Sundry Refunds	8,704.35
	Fuel Refunds	71,491.02
	1,464.12	5,334,391.78
	COST OF REALISATIONS	
	Translation Fees	1,152.84
	Pre-Administration Fees	108,454.45
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	Employee Repatriation Costs	NIL
	Payroll Bureau Costs	3.47
	Agents' Fees	NIL
	Agents' Disbursements	NIL
	Legal Fees & Disbs - Pre Appointment	NIL
	Legal Fees & Disbs - Post Appointment	3,294.00
	Irrecoverable VAT	NIL
	Utilities	NIL
	Printing & Postage	NIL
	Security Costs	NIL
	Storage Costs	NIL
	Re-direction of Mail	NIL
	Statutory Advertising	NIL
	Rents Payable	NIL
	Rates	NIL
	Sundry Expenses	NIL
	Insurance	NIL
	Wages & Salaries	NIL
	PAYE & NI	NIL
	Bank Charges	0.45
	ERA Fees	5,570.00
	IT Services	NIL
	(62,518.32)	(1,932,013.79)
	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 18/02/2022 To 17/08/2022 £	From 18/02/2019 To 17/08/2022 £
		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		
(17,197,657.00)	Trade & Expense Creditors	NIL	NIL
(19,754,561.00)	Contingent Liabilities	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(20,550,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(59,619,645.00)		(61,054.20)	1,720,633.08
	REPRESENTED BY		
	Input VAT		15,092.03
	Floating Current Account		721,368.84
	Floating Account No 2		984,172.21
			1,720,633.08

APPENDIX D

JOINT ADMINISTRATORS' REMUNERATION

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

Time costs of £66,671 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	1.65	-	-	19.70	-	-	21.35	7,649.00	358.27
General administration	0.95		0.40	19.70	37.10	12.15	70.30	14,039.15	199.70
Asset realisation/dealing	1.15	-	-	12.70	-	-	13.85	4,953.80	357.68
Employee matters	-	-	-	4.60	42.00	0.75	47.35	7,749.40	163.66
Creditors' claims	3.50	-	-	22.40	-	-	25.90	9,421.30	363.76
Reporting	2.90	-	2.00	23.30	7.40	-	35.60	10,725.75	301.29
Distribution and closure	0.75	-	-	9.10	65.65	-	75.50	12,132.60	160.70
TOTAL	10.90	-	2.40	111.50	152.15	12.90	289.85	66,671.00	230.02

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
- Preparation of strategy documents and file notes
- Periodical case reviews by case 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
- Preparing the corporation tax return for the 12 month period to 17 February 2022
- Dealing with statutory and regulatory matters
- Preparing and dealing with VAT returns and dealing with associated queries

- Corresponding with lawyers regarding overseas employees, floating charge distributions and engaging Counsel
- General maintenance and filing documents received on internal Administration files

Asset realisation/dealing

- Emails and meeting with Marcus Parker regarding the information required to support a potential Merchant Interchange Fee claim against credit card companies
- Correspondence and emails with Worldpay requesting information to support a potential Merchant Interchange Fee claim
- Corresponding with Local Authorities as regards potential outstanding rates

Employee matters

- Dealing with enquiries from employees regarding bank account details
- Responding to employee enquiries as regards timing of preferential dividend
- Updating employee addresses and bank details on IPS in preparation for issuing preferential dividend
- Liaising with ERA regarding timing of preferential dividend to employees

Creditors' claims

- Dealing with enquiries from solicitors acting for the secured creditors
- Liaising with ERA as regards processing of the preferential dividend to UK and overseas employees
- Liaising with Shepherd & Wedderburn as regards the preferential distribution
- Review and approve correspondence to employees requesting bank account details for the preferential distribution
- Preparation of internal file notes
- Liaising internally regarding progress of creditor claims agreement

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 February 2022 (finalised 29 March 2022)
- Statutory filing of the progress report to Companies House and Court
- Preparation of Estimated Outcome Statement 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

- Adjudication of unsecured creditor claims in preparation of a dividend distribution under the Prescribed Part
 - Internal meetings and discussions to agree strategy for the preferential distribution
 - Calculation of the preferential dividend
-

- Preparation of correspondence to UK and overseas employees regarding the preferential dividend

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	575-920
Director	386-772
Senior Manager	322-643
Manager	176-470
Senior Executive	141-328
Executive	86-173
BDO LLP tax department (max)	1208

Cumulative time incurred

Total time costs £1,216,142 have been incurred over the course of the Administration to 17 August 2022 as detailed below. The Joint Administrators have drawn remuneration of £1,088,046 in comparison with approvals obtained of £1,150,002.

Activity	Hours	Average Rate £	Time costs £
Steps on appointment	247.85	330.57	81,931.05
Planning and strategy	218.75	306.74	67,099.05
General administration	1,685.00	232.41	391,618.40
Asset realisation/dealing	592.90	327.20	193,999.10
Trading related matters	6.75	290.62	1,961.70
Employee matters	643.65	259.94	167,312.55
Creditors' claims	600.80	223.34	134,181.55
Reporting	499.25	318.08	158,799.60
Distribution and closure	107.20	179.46	19,238.50
TOTAL	4,602.15	264.26	1,216,141.50

APPENDIX E

JOINT ADMINISTRATORS' EXPENSES

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

	Incurring in Period 18/02/2022 to 17/08/2022 £	Total Incurred 18/02/2019 to 17/08/2022 £	Total Paid 18/02/2019 to 17/08/2022 £
Category 1			
Translation Fees	-	1,907.88	1,152.84
Pre-Administration Fees	-	108,454.45	108,454.45
Employee expenses and costs	-	3,115.07	3,115.07
Sundry Property Expenses	-	77.14	77.14
Pension Contributions	-	9,842.72	9,842.72
PR/Media costs	-	29,200.00	29,200.00
Consultancy Fees	-	27,645.00	27,645.00
Employee Repatriation Costs	-	514.53	514.53
Payroll Bureau Costs	3.47	5,394.39	5,394.39
Agents' Fees	-	140,468.02	140,468.02
Agents' Disbursements	-	12,879.44	12,879.44
Legal Fees & Disbs - Pre Appointment	-	41,938.67	41,938.67
Legal Fees & Disbs - Post Appointment	3,294.00	155,720.36	155,720.36
Irrecoverable VAT	-	67.25	67.25
Utilities	-	12,078.14	12,078.14
Printing & Postage	-	6,047.27	5,777.01
Security Costs	-	1,687.50	1,687.50
Storage Costs	-	11,950.00	11,950.00
Re-direction of Mail	-	1,878.00	1,878.00
Statutory Advertising	-	79.25	79.25
Rents Payable	-	33,415.43	33,415.43
Rates	-	1,874.79	1,874.79
Sundry Expenses	-	59.00	15.00
Insurance	-	7,133.85	7,133.85
Wages & Salaries	-	81,123.81	81,123.81
PAYE & NI	-	43,701.99	43,701.99
Bank Charges	0.45	177.80	177.80
ERA Fees	5,570.00	16,220.00	16,220.00
IT Services	-	91,817.08	90,305.29
Accommodation	-	3,519.18	-
Bonding	-	200.00	-
Parking	-	54.56	-
Staff Travel	-	261.35	-
Sustenance	-	1,038.97	-
Category 2			
Mileage	-	2,595.46	-

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

Shepherd and Wedderburn LLP have been instructed to provide legal advice on the following matters:

- Preferential dividend payment to the overseas employees/RPS's in accordance with the Rules
- Crystallisation of floating charges and filing of Form 2.32B (Scot)
- Distribution of funds to floating charge holders
- Liaising with and instructing Counsel regarding crystallisation of floating charges and distribution of funds
- Considering advice received from Counsel and summarising the same

Shepherd and Wedderburn have been paid £3,294 in the Period. They have unbilled time costs of £5,676 in respect of the above matters, against which they have agreed to restrict their fees to £3,750. In addition, they have disbursements of £2,000 for Counsel's fees.

Shepherd and Wedderburn were instructed due to their knowledge of Scottish insolvency legislation.

Gateley Plc has provided ongoing legal advice as regards the pre-Administration VAT refunds due to the Company. They have unbilled time costs of £3,560 in this respect from 1 November 2021 to 11 July 2022.

ERA continue to deal with the claims of the UK and overseas employees on behalf of the Joint Administrators. ERA have been paid £5,570 in the Period for their agreement of the preferential claims of the UK and overseas employees, plus the UK RPS and their equivalent in Germany, Sweden and Belgium. Their future time costs of £10,410 are expected to be incurred in respect of the following:

- Calculation of employees unsecured claims
 - PAYE/NIC submissions to HMRC relating to deductions from the preferential and unsecured dividend payments to employees
-

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

(If a company please also give company registration number and where registered)

Address of Creditor

including email address for correspondence

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

(if different from 2 above)

Particulars of each debt

Note: A separate set of particulars should be made out in respect of each debt.

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 February 2022 to 17 August 2022 of £66,671.00(excl VAT) be determined at £66,671.00 (excl VAT).
2. That a creditors' committee be established if sufficient creditors are willing to be members.

Decision Date: 14 October 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: 28 September 2022

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 October 2022

Name of Creditor

Address

Email

PROPOSED DECISIONS - I WISH TO VOTE AS INDICATED BELOW:

*Delete as applicable

1. That the Joint Administrators' remuneration request for the accounting period 18 February 2022 to 17 August 2022 of £66,671.00 (excl VAT) be determined at £66,671.00 (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

Name (BLOCK CAPITALS)

Authority

Dated

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.
