

# AM10 (Scot)

## Notice of administrator's progress report






Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

<b>1</b>	<b>Company details</b>	
Company number	S C 1 0 4 6 5 7	<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	British Midland Regional Limited	
<b>2</b>	<b>Administrator's name</b>	
Full forename(s)	Antony	
Surname	Nygate	
<b>3</b>	<b>Administrator's address</b>	
Building name/number	55 Baker Street	
Street		
Post town	London	
County/Region		
Postcode	W 1 U 7 E U	
Country		
<b>4</b>	<b>Administrator's name <sup>①</sup></b>	
Full forename(s)	James	<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Stephen	
<b>5</b>	<b>Administrator's address <sup>②</sup></b>	
Building name/number	2 Atlantic Square	<b>② Other administrator</b> Use this section to tell us about another administrator.
Street		
Post town	31 York Street	
County/Region	Glasgow	
Postcode	G 2 8 N J	
Country		

# AM10 (Scot)

## Notice of administrator's progress report

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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 **Antony Nygate**

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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

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

Statement of Affairs £	From 18/08/2022 To 17/02/2023 £	From 18/02/2019 To 17/02/2023 £
	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	
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
606,838.00	Book debts	1,562,616.47
2,632,146.00	Cash at Bank	2,805,840.47
	Forex Profits	99,208.38
	Interest Gross	18,627.70
	Life Assurance Refund	65,250.47
	Sundry Refunds	8,704.35
	Fuel Refunds	71,491.02
	4,496.73	5,338,888.51
	COST OF REALISATIONS	
	Translation Fees	1,152.84
	Pre-Administration Fees	108,454.45
	Employee expenses and costs	3,115.07
	Sundry Property Expenses	77.14
	Pension Contributions	9,842.72
	PR/Media costs	29,200.00
	Consultancy Fees	27,645.00
	Administrators' Fees	1,148,639.20
	Administrators' Disbursements	9,395.90
	Employee Repatriation Costs	514.53
	Payroll Bureau Costs	5,394.39
	Agents' Fees	140,468.02
	Agents' Disbursements	12,879.44
	Legal Fees & Disbs - Pre Appointment	41,938.67
	Legal Fees & Disbs - Post Appointment	165,030.36
	Irrecoverable VAT	67.25
	Utilities	12,078.14
	Printing & Postage	5,777.01
	Security Costs	1,687.50
	Storage Costs	11,950.00
	Re-direction of Mail	1,878.00
	Statutory Advertising	79.25
	Rents Payable	33,415.43
	Rates	1,874.79
	Sundry Expenses	15.00
	Insurance	7,133.85
	Wages & Salaries	81,123.81
	PAYE & NI	43,701.99
	Bank Charges	372.80
	ERA Fees	16,220.00
	IT Services	90,385.29
	(79,494.05)	(2,011,507.84)

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

Statement of Affairs £	From 18/08/2022 To 17/02/2023 £	From 18/02/2019 To 17/02/2023 £
	<b>PREFERENTIAL CREDITORS</b>	
(392,400.00)	Preferential Creditors	230,969.55
	Preferential National Insurance	20,796.15
	Preferential Tax	90,897.58
	National Insurance Fund (RPS)	201,797.70
	Swedish Tax Agency	68,588.20
	Munich Employment Agency	22,408.68
	National Employment Service Belgium	26,808.95
	<u>(662,266.81)</u>	<u>(662,266.81)</u>
	<b>FLOATING CHARGE CREDITS</b>	
(1,757,011.00)	Airline Investments Ltd	100,000.00
(3,567,000.00)	Stephen Bond	NIL
	<u>(100,000.00)</u>	<u>(1,781,744.91)</u>
	<b>UNSECURED CREDITORS</b>	
(17,197,657.00)	Trade & Expense Creditors	NIL
(19,754,561.00)	Contingent Liabilities	NIL
	<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>	
(20,550,000.00)	Ordinary Shareholders	NIL
	<u>NIL</u>	<u>NIL</u>
<u>(59,619,645.00)</u>	<u>(837,264.13)</u>	<u>883,368.95</u>
	<b>REPRESENTED BY</b>	
	Input VAT	30,951.84
	Floating Current Account	36,751.62
	Floating Account No 2	815,665.49
		<u>883,368.95</u>

**Note:**

On 5 September 2022, a first and final preferential dividend of 100p in the £ was declared. A total of £662,266.81 has been distributed to preferential creditors.



# **British Midland Regional Limited t/a Flybmi In Administration**

Joint Administrators' progress report from  
18 August 2022 to 17 February 2023

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# GLOSSARY OF TERMS

Abbreviation or term	Meaning
'AIL'	Airline Investments Limited
'Act'	Insolvency Act 1986
'Bank'	National Westminster Bank Plc
'Gateley'	Gateley LLP
'HMRC'	HM Revenue & Customs
'Joint Administrators' or 'we'	Antony Nygate and James Stephen
'net property'	Floating charge realisations after costs and payment of preferential in full
'Period'	18 August 2022 to 17 February 2023
'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
'Rules'	Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018
'SB'	Stephen Bond
'Sch.B1 to the Act'	Schedule B1 to the Act
'SW'	Shepherd and Wedderburn LLP
'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

The Administration commenced on 18 February 2019 and Joint Administrators were appointed. The current Joint Administrators are Antony Nygate and James Stephen.

Francis Graham Newton was removed from office by an order of the court on 3 November 2022 following his retirement from BDO LLP on 30 September 2022.

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 August 2022 to 17 February 2023.

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](http://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 <sup>1</sup>	c£1.98m	c£1.98m
SB	£317,00	£317,000
Preferential creditors	100p in the £	100p in the £
Unsecured creditors <sup>1</sup>	1p in the £	1p in 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 £490k. 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 creditors need to do

We are seeking approval from the Company's secured and preferential creditors that the Joint Administrators' remuneration for the accounting period 18 August 2022 to 17 February 2023 be determined.

Notice of a decision by correspondence procedure is attached at Appendix G. In order to vote, secured and preferential creditors should 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 Teddy Blankson, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH or via email to [BMR@bdo.co.uk](mailto:BMR@bdo.co.uk) on or before 17 April 2023, the Decision Date.

If you have any queries or need any assistance in completing the voting form, please contact Teddy Blankson on +44 (0)151 237 4421.

## **Creditors' rights**

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

## **Contact details**

Contact: Teddy Blankson  
Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH  
Tel: +44 (0)151 237 4421  
Email: [BMR@bdo.co.uk](mailto:BMR@bdo.co.uk)  
Reference: 00291330

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# PROGRESS IN THE PERIOD

## Asset realisations

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

## Book Debts

Book debts of £12 have been realised in the Period, being a second and final dividend received from the liquidator of one of the Company's outstanding debtors.

## Interest Gross

A total of £4,485 has been received for the Period in relation to bank interest on funds in the Administration bank account.

Assets still being pursued by the Joint Administrators are detailed in the Future Actions section.

## Distributions to creditors

### Secured creditors

The secured creditors in the Administration are SB and AIL.

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 £1,504,014.91 have been paid to AIL under its floating charge security, £100,000 of which was paid during the Period.

### Preferential creditors

On 5 September 2022, a first and final dividend of 100p in the £ was paid to the preferential creditors with claims totalling £662,266.81.

### Prescribed Part

It is estimated that the value of the net property is £2.4m and the Prescribed Part is approximately £490k. 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

To date, unsecured claims of circa £36m have been received.

The above figure does not include the claims of the UK and overseas employees and their respective employment agencies. These claims are being adjudicated by our third party employment agent.

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, 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, this figure will be impacted by the unsecured element of the employees claims and their respective agencies (UK and overseas) which are in process of being adjudicated.

The timing of any dividend is however currently uncertain as the claims adjudication process of unsecured creditors, including employees, is ongoing. There are in excess of 2,000 unsecured trade creditors on this case, including claims received from overseas creditors. The value of claims received to date has

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significantly exceeded the figures included in the Statement of Affairs submitted by the Company's directors. In addition, there are unsecured claims to adjudicate for both UK and overseas employees and their respective employment agencies. As a result, the review and adjudication process is taking a significant amount of time to complete.

### **Extension of the Administration**

The Administration was further extended with the approval of the court for a period of 12 months until 18 February 2024. Notification of the extension has been filed at Companies House and creditors were notified via the web portal on 16 February 2023.

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

### **Joint Administrators' remuneration**

The Joint Administrators have drawn remuneration of £60,593 in the Period as shown on the enclosed receipts and payments account at Appendix C. This covers the period 18 August 2021 to 17 February 2022 and was approved by creditors on 14 April 2022.

On 14 October 2022, the Joint Administrators' remuneration for the period 18 February 2022 to 17 August 2022 of £66,671 was approved by creditors.

During the Period, time costs of £73,986 were incurred being 297 hours at an average rate of £249 per hour.

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.

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# FUTURE ACTIONS

## Extension of the Administration

The Administration is due to end on 18 February 2024.

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

## Joint Administrators' discharge from liability

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

## Remaining matters

### VAT

The Company was part of a VAT Group with two other connected companies, which are both in Liquidation. One of these companies was the lead company within the VAT group. According to the Company's books and records, a VAT refund of c£338k is due in respect of pre-Administration VAT periods.

Agreement was recently reached between the Joint Administrators and Joint Liquidators of the connected companies regarding the preparation of the VAT return and the basis on which any funds received will be held for the parties. The basis of apportionment of any refund is yet to be settled, noting that the liquidators have asserted rights to the refund, which is disputed. The outstanding VAT returns will be submitted shortly and a further update will be provided in the next Progress Report.

Recoveries are 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.

The Bank has stated that without the relevant paperwork being completed by the airport in accordance with the terms of the performance bond, it cannot release the funds. The airport previously attempted to make a partial claim against the bond, but the paperwork and method of communication was not acceptable to the Bank.

We continue to liaise with the Bank and the airport to secure the release of the performance bond, although recoveries and timings remain uncertain at this stage.

### Cash at Bank

The Bank is also holding a small balance of c£2k which it cannot release to the Company until the performance bond matter has been resolved. However, the balance due to the Company is reducing as there are ongoing charges being applied to the account in relation to the performance bond. Recoveries are therefore uncertain.

### 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.

The Company used Worldpay to provide merchant banking facilities for credit and debit card transactions. We are continuing to liaise with Worldpay to obtain information from them relating to card transactions in the period March 2016 to 18 February 2019. The information is required in a specific format, and will help to quantify the potential value of the damages claim which the Company may be able to make.

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As previously advised, once the information has been received from Worldpay, Harcus Parker Limited, who have commenced a class action claim, should be able to confirm the merits of pursuing the Company's claim further.

### **Creditor distributions**

#### *Unsecured*

As noted earlier in this Report, the claims of the unsecured creditors are in the process of being agreed in order that a dividend can be paid via the Prescribed Part. The size of the dividend payment is currently estimated at 1p in the £ but remains subject to change until all claims are received and adjudicated, including those of the UK and overseas employees. The timing of the unsecured dividend payment therefore remains uncertain at present.

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# APPENDIX A

## STATUTORY INFORMATION

### Information

Company name	British Midland Regional Limited t/a Flybmi
Company registration number	SC104657
Registered office	C/o BDO LLP, 2 Atlantic Square, 31 York Street, Glasgow, G2 8NJ
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 Nygate James 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 both of them.</i></p> <p>Francis Graham Newton retired from BDO LLP and was removed as Joint Administrator by a Court Order on 3 November 2022</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. 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 <a href="https://www.bdo.co.uk/en-gb/privacy-notices/insolvencies">https://www.bdo.co.uk/en-gb/privacy-notices/insolvencies</a></p>
Extensions to the Administration	<p>Creditor consent for a period of 12 months until 18 February 2021</p> <p>Court order for a period of 12 months until 18 February 2022</p> <p>Court order for a period of 12 months until 18 February 2023</p> <p>Court order for a period of 12 months until 18 February 2024</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 me 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>.

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# APPENDIX C

## RECEIPTS AND PAYMENTS ACCOUNT

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

Statement of Affairs £	From 18/08/2022 To 17/02/2023 £	From 18/02/2019 To 17/02/2023 £
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		39,270.00
	FIXED CHARGE CREDITORS	
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		(39,270.00)
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	Payroll Bureau Costs	NIL
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	Agents' Disbursements	NIL
	Legal Fees & Disbs - Pre Appointment	NIL
	Legal Fees & Disbs - Post Appointment	9,310.00
	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	195.00
	ERA Fees	NIL
	IT Services	NIL
		(79,494.05)
		(2,011,507.84)

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

Statement of Affairs £		From 18/08/2022 To 17/02/2023 £	From 18/02/2019 To 17/02/2023 £
	<b>PREFERENTIAL CREDITORS</b>		
(392,400.00)	Preferential Creditors	230,969.55	230,969.55
	Preferential National Insurance	20,796.15	20,796.15
	Preferential Tax	90,897.58	90,897.58
	National Insurance Fund (RPS)	201,797.70	201,797.70
	Swedish Tax Agency	68,588.20	68,588.20
	Munich Employment Agency	22,408.68	22,408.68
	National Employment Service Belgium	26,808.95	26,808.95
		<u>(662,266.81)</u>	<u>(662,266.81)</u>
	<b>FLOATING CHARGE CREDITS</b>		
(1,757,011.00)	Airline Investments Ltd	100,000.00	1,504,014.91
(3,567,000.00)	Stephen Bond	NIL	277,730.00
		<u>(100,000.00)</u>	<u>(1,781,744.91)</u>
	<b>UNSECURED CREDITORS</b>		
(17,197,657.00)	Trade & Expense Creditors	NIL	NIL
(19,754,561.00)	Contingent Liabilities	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(20,550,000.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(59,619,645.00)</u>		<u>(837,264.13)</u>	<u>883,368.95</u>
	<b>REPRESENTED BY</b>		
	Input VAT		30,951.84
	Floating Current Account		36,751.62
	Floating Account No 2		815,665.49
			<u>883,368.95</u>

**Note:**

On 5 September 2022, a first and final preferential dividend of 100p in the £ was declared. A total of £662,266.81 has been distributed to preferential creditors.

# APPENDIX D

## JOINT ADMINISTRATORS' REMUNERATION

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

Time costs of £73,986 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			17.50			17.80	6,436.00	361.57
General administration	5.90		1.95	32.10	84.90	28.60	153.45	31,266.65	203.76
Asset realisation/dealing	0.35			3.50			3.85	1,554.00	403.64
Employee matters	0.10			3.35	4.15		7.60	1,389.95	182.89
Creditors' claims	7.50		0.95	9.70	16.25	0.15	34.55	12,897.20	373.29
Reporting	2.50			15.25	6.05	5.00	28.80	8,592.95	298.37
Distribution and closure	1.90		0.40	20.25	27.90		50.45	11,849.40	234.87
<b>TOTAL</b>	<b>18.55</b>		<b>3.30</b>	<b>101.65</b>	<b>139.25</b>	<b>33.75</b>	<b>296.50</b>	<b>73,986.15</b>	<b>249.53</b>

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 periodical bank reconciliations prepared by cashiers
- Preparation and review of case reviews by case manager and partner
- Review/update file notes
- Internal meetings/discussions to review outstanding issues and agree next steps

### 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
- Responding to queries from BDO's tax department regarding the corporation tax return for the 12 month period to 17 February 2022. Provide additional information to enable the corporation tax return to be finalised and submitted to HMRC
- Dealing with statutory and regulatory matters, including filing relevant documentation with Companies House and the court
- Corresponding with lawyers regarding the application to court to extend the Administration

- Preparing and submitting VAT returns and dealing with associated queries
- General maintenance and filing documents received on internal Administration files

### **Asset realisation/dealing**

- Correspondence and emails with Worldpay requesting information to support a potential Merchant Interchange Fee claim
- Liaising with agents (Wyles Parker) regarding obsolete stock held by Saab

### **Employee matters**

- Dealing with enquiries from former employees for training/personal records
- Dealing with enquiries from former employees regarding preferential dividend payment

### **Creditor claims**

- Dealing with enquiries from solicitors acting for the secured creditors
- Calculation and distribution to secured creditor
- Dealing with enquiries from former employees regarding preferential dividend payment
- Review responses received from overseas RPS' to support preferential claim
- Approval of preferential distribution
- Dealing with general enquiries from creditors
- Adjudication of unsecured creditor claims and entering onto IPS<sup>1</sup>

1. Creditor approval will not be sought for this element of time costs incurred, as it will be paid from funds available under the Prescribed Part.

### **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 2022 (finalised 28 September 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**

- Re-calculation of the preferential dividend following additional information received from overseas RPS'
  - Liaise with Shepherd & Wedderburn and ERA Solutions regarding preferential distribution and communications to employees and RPS
  - Dealing with enquiries from former employees regarding the preferential dividend payment
  - Adjudication of unsecured creditor claims in preparation of a dividend distribution under the Prescribed Part<sup>1</sup>
-

1. Creditor approval will not be sought for this element of time costs incurred, as it will be paid from funds available under the Prescribed Part.

As noted above, there are elements of time included in the 'Reporting' and 'Distribution and closure' sections that has been incurred in the Period in adjudicating the claims of the unsecured creditors in preparation of a dividend under the Prescribed part. The time incurred in this respect totals £8,598.15. This time is recoverable from the Prescribed Part funds and does not require creditor approval to draw.

The position can be summarised as follows:

	Total Hours	Time costs (£)	Av. Rate (£)
Totals from above time costs summary table	296.50	73,986.15	249.53
Less: hours/costs incurred in adjudicating unsecured claims and other matters associated with Prescribed Part distribution	(38.60)	(8,598.15)	(222.75)
<b>Adjusted time costs to be approved by creditors</b>	<b>257.90</b>	<b>65,388.00</b>	<b>253.54</b>

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 £1,290,223 have been incurred over the course of the Administration to 17 February 2023 as detailed below. The Joint Administrators have drawn remuneration of £1,148,639 in comparison with approvals obtained of £1,216,673.

Activity	Hours	Average Rate £	Time costs £
Steps on appointment	247.85	330.57	81,931.05
Planning and strategy	236.55	310.86	73,535.05
General administration	1,836.55	230.10	422,587.25

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Asset realisation/dealing	596.75	327.70	195,553.10
Trading related matters	8.65	272.25	2,355.00
Employee matters	651.25	259.04	168,702.50
Creditors' claims	635.35	231.49	147,078.75
Reporting	528.05	317.00	167,392.55
Distribution and closure	157.65	197.20	31,087.90
<b>TOTAL</b>	<b>4,898.65</b>	<b>263.38</b>	<b>1,290,223.15</b>

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# APPENDIX E

## JOINT ADMINISTRATORS' EXPENSES

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

	Incurred in Period 18/08/2022 to 17/02/2023 £	Total Incurred 18/02/2019 to 17/02/2023 £	Total Paid 18/02/2019 to 17/02/2023 £
<b>Category 1</b>			
Translation Fees	-	1,152.84	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	-	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 <sup>1</sup>	9,310.00	165,030.36	165,030.36
Irrecoverable VAT	-	67.25	67.25
Utilities	-	12,078.14	12,078.14
Printing & Postage	-	5,777.01	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	-	15.00	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	195.00	372.80	372.80
ERA Fees	-	16,220.00	16,220.00
IT Services	-	90,385.29	90,385.29
*Accommodation and Room Hire	-	3,537.93	3,537.93
*Statutory Bonding	-	200.00	200.00
*Staff Travel	-	261.30	216.30
*Sustenance	-	1,066.63	1,066.63
*IT Equipment (Hard Drive)	-	82.99	82.99
*Storage	-	1,348.80	1,348.80
*Printing and Postage	676.45	1,007.11	316.63
<b>Category 2</b>			
*Mileage	-	2,692.56	2,626.61



\*included within disbursements on the attached receipts and payments account.

SW have been instructed to provide legal advice on the following matters:

- Dividend distribution to the preferential creditors
- Notification to the creditors of the proposed application to court to extend the Administration
- Preparation and submission to court of documentation to extend the Administration

SW has raised a fee bill of £1,200 plus disbursements of £127 in respect of legal advice connected with the extension of the Administration. This will be paid in the next reporting period.

SW have been paid £5,750 during the Period. This relates to legal advice as detailed in the previous Progress Report (£3,750) plus disbursements for Counsel's fees (£2,000).

Gateley Plc has provided ongoing legal advice as regards the pre-Administration VAT refunds due to the Company. They have unbilled time costs of £1,012 in this respect from 5 October 2022 to 20 February 2023.

Gateley have been paid £3,560 during the Period for legal advice from 1 November 2021 to 11 July 2022.

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 £10,430 will be incurred by them in respect of the following:

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

The other expenses shown are self-explanatory.

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# 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)*

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### 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 Teddy Blankson, 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 2022 to 17 February 2023 of £65,388 (excl VAT) be determined at £65,388 (excl VAT).
2. That a creditors' committee be established if sufficient creditors are willing to be members.

**Decision Date:** 17 April 2023

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: 30 March 2023

Contact: Teddy Blankson  
Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH  
Tel: +44 (0)151 237 4421  
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: 17 April 2023

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 August 2022 to 17 February 2023 of £65,388 (excl VAT) be determined at £65,388 (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 statement of claim form (unless previously submitted) to Teddy Blankson, 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.

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