



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

### 1 Company details

Company number	1	1	7	3	2	1	7	7
Company name in full	Connect Airways Limited							

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s)	Simon Jamie
Surname	Edel

### 3 Administrator's address

Building name/number	Ernst & Young LLP
Street	1 More London Place
Post town	London
County/Region	London
Postcode	S E 1 2 A F
Country	United Kingdom

### 4 Administrator's name ①

Full forename(s)	Alan Michael
Surname	Hudson

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

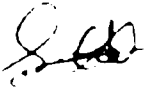
Building name/number	Ernst & Young LLP
Street	1 More London Place
Post town	London
County/Region	London
Postcode	S E 1 2 A F
Country	United Kingdom

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

<b>6</b>	<b>Period of progress report</b>												
From date	d	1	d	0	m	0	m	9	y	2	y	0	
To date	d	0	d	9	m	0	m	3	y	2	y	0	
<b>7</b>	<b>Progress report</b>												
<input checked="" type="checkbox"/> I attach a copy of the progress report													
<b>8</b>	<b>Sign and date</b>												
Administrator's signature	Signature 												
Signature date	d	0	d	8	m	0	m	4	y	2	y	0	

**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 Donna McNeill

Company name Ernst & Young LLP

Address 1 More London Place

Post town London

County/Region London

Postcode SE1 2AF

Country United Kingdom

DX

Telephone (0) 20 7951 2000

**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,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**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)**

# 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.  
All fields are mandatory unless specified or indicated by \*

## 1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,  
- WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)

Lucy

Surname

Winterborne

## 3 Insolvency practitioner's address

Building name/number Ernst & Young LLP

Street The Paragon

32 Counterslip

Post town Bristol

County/Region

Postcode

B S 1 6 B X

Country

United kingdom

# Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
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- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,  
- WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s) Joanne Honor  
Surname Robinson

## 3 Insolvency practitioner's address

Building name/number Ernst & Young LLP  
Street 1 More London Place  
Post town London  
County/Region London  
Postcode S E 1 2 A F  
Country United Kingdom

TO ALL KNOWN CREDITORS

8 April 2021

Ref: AH/JR/LW/SE/DM  
Switchboard: (0) 20 7951 2000  
Donna McNeill  
Donna.McNeill@parthenon.ey.com

Dear Sirs

**Connect Airways Limited (in Administration) (“the Company”)**

High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD), Number CR-2020-001588

We refer to the appointment of Alan Hudson, Simon Edel, Joanne Robinson and Lucy Winterborne as Joint Administrators (“the Joint Administrators”) of the Company on 10 March 2020. The Joint Administrators act as agents of the Company only and without personal liability. Under the terms of the appointment any act required or authorised to be done by the Joint Administrators can be done by any of them.

We write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 (“the Rules”), to provide creditors with a report on the progress of the administration. This report covers the period from 10 September 2020 to 9 March 2021 (“the Period”) and should be read in conjunction with the Joint Administrators’ Statement of Proposals (“the Proposals”) dated 4 May 2020 and the first progress report for the period 10 March 2020 to 9 September 2020 (“First Progress Report”), including the definitions contained therein. Statutory information about the Company, the administration and the office holders is given at Appendix 1. A copy of the Proposals can be obtained at [https://www.ey.com/en\\_uk/ey-connect-airways-limited-administration](https://www.ey.com/en_uk/ey-connect-airways-limited-administration).

**1. Summary of progress**

**1.1 Sale of assets**

As previously reported, Stobart Aviation’s offer for the Company’s shares in Propius, Everdeal and Everdeal Employees (“the Shares”) was accepted by the Joint Administrators on the basis that there was no other offer capable of acceptance which could return any value. Further detail relating to the consideration structure was provided in the Proposals. We note that Stobart Aviation has renamed as Esken Limited (“Esken”) since the First Progress Report.

In the Period, deferred consideration of £2.0m was received in respect of the Shares, bringing the total received in respect of the transaction to £2.3m. Further realisations, by way of potential additional deferred consideration (“Potential Consideration”), remain uncertain, as this will only arise in the event of an exit of Esken’s interest in Stobart Air, likely only to be via a sale of Stobart Air, by December 2023.

The Shares are subject to fixed security granted in favour of GLAS Trust Corporation Limited, as security trustee (“the Security Trustee”) for the benefit of Virgin Atlantic Airways Limited, Esken and DLP Holdings S.A.R.L as senior lenders (“the Senior Lenders”).

## 1.2 Potential Consideration

Given the uncertain timeframe attached to the Potential Consideration, the Joint Administrators have explored the feasibility of assigning the Company's rights to the Potential Consideration to the Security Trustee by way of a distribution in specie.

A distribution in specie is the distribution of a non-cash asset, in this case, the right to the Potential Consideration. The clear benefit of this approach would be to allow the Joint Administrators to bring the administration to a timely conclusion, thereby avoiding further costs to the Company's creditors; the alternative being that the Joint Administrators remain in office until 31 December 2023 to receive and pay any cash sums (if any) arising from the Potential Consideration to the Senior Lenders.

Having established that a distribution in specie was an appropriate mechanism to transfer the Potential Consideration, the Joint Administrators have sought and obtained consent from the Company's secured creditor, the Security Trustee to receive the Company's rights to the Potential Consideration in respect of the sale of the Shares in this manner, by passing a resolution to this effect.

Consent would also need to be obtained from the Company's non-preferential creditors to effect a distribution in specie. This is a requirement even though the Potential Consideration would be realised for the benefit of the Senior Lenders and would be done by way of a decision procedure, with approval being sought by deemed consent. The Joint Administrators are considering the appropriate timing of this process given that we are still awaiting an update from Esken on the likelihood of (and timing for) any Potential Consideration being available to the Company.

## 2. Extension of administration

As notified to creditors on 11 February 2021, the Joint Administrators sought and obtained consent from the Company's secured creditor, the Security Trustee, to extend the administration by 12 months to 9 March 2022. The purpose of the extension is to allow the Joint Administrators to realise the Company's property in order to make a distribution to its secured creditors. To this end, the extension will allow the Joint Administrators sufficient time to conduct the unsecured creditor decision procedure referenced above, and effect a distribution in specie of the Potential Consideration. The Joint Administrators will then take steps to satisfy any remaining liabilities in the administration and obtain the requisite tax clearances before making a final report to creditors and bringing the administration to an end.

The Joint Administrators anticipate that it will be possible to conclude these matters well within the 12-month extension period granted and the Joint Administrators have already taken steps to deal with the Potential Consideration in that regard. However, the timeframe for concluding certain matters, in particular tax clearances which are currently subject to extended delays due to COVID and Brexit uncertainty, is outside the Joint Administrators' control. Accordingly, the maximum length of extension which can be granted by creditors was sought as a precautionary measure to avoid the need to seek a further extension, which could only be granted by the Court, and would be a further expense to the estate.

## 3. Receipts and payments account

A summary of our receipts and payments for the Period from 10 September 2020 to 9 March 2021 is attached at Appendix 2. It does not reflect estimated future realisations or costs.

#### 4. Investigations

We have concluded our investigations and made our confidential submission on the conduct of all persons who were directors, shadow directors or de-facto directors of the Company during the three-year period preceding the administration appointment, in accordance with the Company Directors Disqualification Act 1986. We have also carried out the initial assessment required by Statement of Insolvency Practice Number 2 (Investigations by Office Holders) (SIP 2).

We are not carrying out any further SIP 2 investigations and no specific investigations or actions have been requested by creditors.

#### 5. Joint **Administrators'** remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

On 10 August 2020, the Joint Administrators' remuneration was fixed on the basis of time properly given by them and their staff in dealing with matters arising in the administration. Approval was given by the Security Trustee, acting on behalf of the Senior Lender.

In the Period, remuneration of £46,341 plus VAT has been charged in respect of the administration. In the Period, fees of £235,384 plus VAT were paid from fixed charge realisations as approved by the Security Trustee, which covered fees from 10 March 2020.

An analysis of the time spent, a narrative explanation, and a comparison with the fee estimate dated 4 May 2020 is attached at Appendix 4 to this report.

Our remuneration has exceeded the fee estimate initially provided to creditors. The reasons for this are: -

- the original fee estimate was prepared on the basis that the administration would be concluded within the statutory period of 12 months. As set out in section 1 of this report, the structure of the transaction to sell the Shares to Stobart Aviation includes Potential Consideration which could be received at any time until December 2023;
- the Joint Administrators have been required to incur further costs in seeking a mechanism to allow the Senior Lenders to benefit from the Potential Consideration, whilst allowing the administration to end within shorter timeframe than would otherwise be possible; and
- having identified and agreed the mechanism with the Secured Lenders, as explained in section 2 of this report, it was necessary to extend the administration by 12 months to execute the strategy



to pay the Potential Consideration, which will first require a decision procedure to obtain non-preferential creditor approval.

Subject to the future costs incurred to conclude the administration, we may seek approval from the Security Trustee to draw remuneration in excess of the fee estimate issued at the time of the Proposals. However, we will not draw remuneration in excess of the fee estimate without the prior approval of the Security Trustee, or the court, as appropriate.

The request for approval will specify all of the following: -

- the reasons why the office-holder has exceeded, or is likely to exceed, the fees estimate;
- the additional work the office-holder has undertaken or proposes to undertake;
- the hourly rate or rates the office-holder proposes to charge for each part of that additional work;
- the time that additional work has taken, or the office-holder expects that work will take;
- whether the office-holder anticipates that it will be necessary to seek further approval; and
- the reasons it will be necessary to seek further approval.

## 6. Joint Administrators' **statement of expenses incurred**

In the Period, the Joint Administrators have incurred third party expenses totalling £60,968 plus VAT. A breakdown of these expenses is at Appendix 3 to this report.

## 7. Distributions to creditors

### 7.1 Secured creditors

The Company borrowed £15m from the Senior Lenders, under the Connect Shareholders Facilities (as defined in the Proposals) to fund the acquisition of Propius Holdings, Everdeal and Everdeal Employees.

The Company is also a guarantor for the amounts borrowed by Flybe under the Connect Shareholders Facilities. The overall quantum of this debt, including the debt directly borrowed by Connect as of the date of appointment, was approximately £130m.

The amounts owing to the Senior Lenders are secured by fixed and floating charges granted by the Company in favour of the Security Trustee for the benefit of the Senior Lenders. As explained in the Proposals and above, the shares owned by the Company in Propius, Everdeal and Everdeal Employees which were sold to Esken were subject to fixed charges granted in favour of the Security Trustee.

As explained in the Proposals, the only other known assets of the Company are unlikely to result in any other realisations for the Company's creditors. We therefore expect all realisations from the Company (less applicable administration costs) will be paid for the benefit of the Senior Lenders.

In the Period, £1.5m has been paid to the Security Trustee for the benefit of Senior Lenders from fixed charge realisations following the receipt of £2.0m deferred consideration in respect of the Shares sold to Esken.

## 7.2 Preferential creditors

As explained in the First Progress Report, there are no preferential claims in respect of the three Connect employees; however, there are insufficient realisations available from which to make a distribution to preferential creditors in any event.

## 7.3 Non-preferential creditors

Non-preferential creditor claims have increased substantially in the Period, now totalling c. £167.8m. This sum includes claims from the Banco Nacional de Desenvolvimento Econômico e Social (BNDES) in the sum of £62.8m and from NAC Aviation in the sum of £89.8m; both claims have been made against the Company in its capacity as guarantor to its subsidiary, Flybe Limited.

As stated in the Proposals, there will be no funds available to allow a distribution to be made to unsecured creditors by way of a prescribed part under section 176A(5) of the Act (and therefore by ordinary unsecured creditor dividend).

## 8. End of the administration

As referenced in section 2 of this report, the Joint Administrators sought and obtained consent from the Company's secured creditor, the Security Trustee, to extend the administration by 12 months to 9 March 2022.

## 9. Future conduct of the administration

The Joint Administrators will continue to deal with the Administration in line with the stated objective. Future tasks may include, but are not limited to, the following:

- (i) conducting a non-preferential creditor decision procedure to obtain consent to pay the Potential Consideration to the Security Trustee, for the benefit of the Senior Lenders (if required);
- (ii) distributing the benefit of the Potential Consideration in specie to the Security Trustee;
- (iii) dealing with the statutory requirements of the administration, including reporting to creditors (as necessary);
- (iv) calculating the Corporation Tax and VAT positions of the Company as at the date of appointment, and for subsequent periods during the administration;
- (v) making payments to the Security Trustee (as applicable);
- (vi) seeking a further extension to the administration from the Court (if applicable);
- (vii) dealing with unsecured creditor enquiries;
- (viii) finalising the administration including the payment of all administration liabilities; and
- (ix) any other actions required to be undertaken by the Joint Administrators in order to fulfil the objective of the administration.

## 10. Next report

We will report to you again at the conclusion of the administration or in six months' time, whichever is the sooner.

Yours faithfully  
For and on behalf of the Company



S J Edel  
Joint Administrator

Alan Hudson, Simon Edel, Joanne Robinson and Lucy Winterborne are licensed in the United Kingdom to act as an Insolvency Practitioner by The Insolvency Practitioners Association. The affairs, business and property of the Company are being managed by the Joint Administrators, Alan Hudson, Simon Edel, Joanne Robinson and Lucy Winterborne who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).

## Connect Airways Limited (in Administration)

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
Court reference:	CR-2020-001588
Registered name of the company:	Connect Airways Limited
Registered office address of the company:	1 More London Place, London, SE1 2AF
Registered number:	11732177
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Date of appointment of the joint administrators:	10 March 2020
Details of any changes of administrator:	None
Full names of the administrators:	Alan Michael Hudson, Simon Jamie Edel, Joanne Honor Robinson and Lucy Winterborne
Office holder number(s):	9200, 9810, 19890 and 21130
Administrators' address(es):	
Alan Hudson Ernst & Young LLP 1 More London Place London, SE1 2AF	Simon Edel Ernst & Young LLP 1 More London Place London, SE1 2AF
Joanne Robinson Ernst & Young LLP 1 More London Place London, SE1 2AF	Lucy Winterborne Ernst & Young LLP The Paragon 32 Counterslip, Bristol, BS1 6BX
Telephone number:	(0) 20 7951 2000
Name of alternative person to contact with enquiries about the case:	Donna McNeill

## Connect Airways Limited (in Administration) (“the Company”)

## Joint Administrators' Summary of Receipts and Payments from 10 March 2020 to 9 March 2021

	Directors' Statement of Affairs - Estimated to Realise	Position as at 9 September 2020 (£)	Movement in Period (£)	Position as at 9 March 2021 (£)	Notes
<b>RECEIPTS</b>					
<u>Fixed Charge:</u>					
Sale of Shareholdings in Everdeal and Everdeal Employees	Uncertain	300,000	2,000,000	2,300,000	1
Sale of Shareholdings in Propius Holdings	Uncertain	1	-	1	2
<u>Floating Charge:</u>					
Cash at bank	64,045	64,045	-	64,045	
Bank Interest	-	222	14	236	
Intercompany receivable - Flybe Limited	Uncertain	-	-	-	3
Intercompany receivable - Everdeal 2019 Limited	Uncertain	-	-	-	4
<b>RECEIPTS TOTAL</b>		364,268	2,000,014	2,364,282	
<b>PAYMENTS</b>					
Legal fees		111,432	60,864	172,296	
Joint Administrator's fees		-	235,384	235,384	
Irrecoverable VAT		-	79,528	79,528	
Bank Charges		-	10	10	
		111,432	375,786	487,218	
Payment to Secured Lenders		-	1,500,000	1,500,000	
<b>NET RECEIPTS/PAYMENTS TOTAL</b>		252,836	124,228	377,065	
<b>MADE UP AS FOLLOWS</b>					
Cash at bank - interest bearing		250,828	122,446	373,274	
Cash at bank - non-interest bearing		-	1,782	1,782	
VAT Receivable		2,008	-	2,008	5
		252,836	124,228	377,065	

The numbers above are presented with no decimal places, therefore rounding differences may be present which have not been adjusted for.

**NOTES**

1. Initial consideration for the sale of shares in Everdeal and Everdeal Employees. Please refer to the Proposals for information regarding the deal structure.
2. Initial consideration for the sale of shares in Propius Holdings. Please refer to the Proposals for information regarding the deal structure.
3. Unsecured loan receivable due from Flybe for £27.6m. Flybe is in administration and it is unlikely that there will be sufficient funds to allow a dividend to be paid to any of its unsecured creditors, including by way of a prescribed part. As such, we do not expect any amount to be realised by the Company in respect of this loan.
4. This loan has been waived as part of the deal in respect of Everdeal and Everdeal Employees, therefore no realisations will be made in respect of this asset.
5. The input VAT has been recovered on behalf of the Company by its subsidiary, Flybe Limited. This sum will be recovered in the next reporting period.
6. Receipts and payments are stated net of VAT.

## Connect Airways Limited (in Administration)

## Summary of Joint Administrators' expenses incurred

Type of expense	Per estimate dated 4 May 2020 (£)	Incurred in the period to 9 September 2020	Incurred in the period 10 September 2020 to 9 March 2021	Incurred as at 9 March 2021
Payments made from the estate which are not disbursements (see notes 1 and 2 at the end of this table)				
Legal Fees	173,438	111,432	60,865	172,296
Bank Charges	1,500	1	9	10
Penalty Bond	1,280	1,280	-	1,280
Public Notices	500	113	-	113
Interest Charges	500	-	-	-
Disbursements (Category 1 and 2)	100	47	95	142
Total	177,318	112,873	60,968	173,841

## Appendix 4

## Connect Airways Limited (in Administration) (“the Company”)

Joint Administrators’ **time costs** for the period from 10 September 2020 to 9 March 2021 and a comparison with the fee estimate dated 4 May 2020.

Type of work	Estimated Hours	Estimated Time Cost	Estimated Average Hourly Rate (£)	Hours to 9 September 2020	Time Cost to 9 September 2020 (£)	Actual Hours 10 September 2020 to 9 March 2021	Actual Time Cost 10 September 2020 to 9 March 2021 (£)	Cumulative Hours to 9 March 2021	Cumulative Time Cost to 9 March 2021 (£)	Average Hourly Rate (£)
Sale of Shares and Other Assets	110.7	118,028	1,066	114.2	98,903	2.1	1,819	116.3	100,722	866
Creditors	39.0	16,313	418	22.0	1,593	2.0	145	24.0	1,738	72
Employees	12.0	7,940	662	0.3	-	-	-	0.3	-	-
Bank and Statutory Reporting	29.6	14,848	502	25.6	14,168	17.4	9,629	43.0	23,797	553
Job Acceptance & Strategy	3.5	2,853	815	2.7	1,157	1.8	771	4.5	1,928	429
Accounting & Administration	10.8	4,216	390	22.4	6,796	20.1	6,098	42.5	12,893	303
Taxation	28.6	35,756	1,250	22.6	28,751	4.4	5,598	27.0	34,349	1,272
Statutory Duties, Investigations & CDDA	86.7	53,947	622	224.4	99,010	50.5	22,282	274.9	121,292	441
Regulatory	4.0	2,595	649	0.5	-	0.3	-	0.8	-	-
<b>Total Time Cost</b>	<b>324.9</b>	<b>256,496</b>	<b>789</b>	<b>434.7</b>	<b>250,377</b>	<b>98.6</b>	<b>46,341</b>	<b>533.3</b>	<b>296,718</b>	<b>556</b>
Fees paid in this Period									(235,384)	
<b>Residual Balance</b>									<b>61,335</b>	

## Appendix 4

### Connect Airways Limited (in Administration) (“the Company”)

Joint Administrators’ **time costs** for the period from 10 September 2020 to 9 March 2021 and a comparison with the fee estimate dated 4 May 2020.

Categories of work	Description of work completed / to be completed
Sale of Shares and Other Assets	<p>Tasks providing a direct benefit to creditors via asset realisations:</p> <ul style="list-style-type: none"> <li>• Finalising sale of interest in Stobart Air to Stobart Aviation including review and execution of sale agreements, other transaction documents, and intercompany loan documents</li> <li>• Investigating, preserving and collecting other assets including pre-appointment cash and debtors</li> </ul>
Creditors	<p>Tasks providing a direct benefit to creditors:</p> <ul style="list-style-type: none"> <li>• Receipt and recording of creditor claims</li> <li>• Dealing with creditor queries or questions regarding matters of the administration</li> </ul>
Employees	<p>Tasks required by statute and providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> <li>• Responses to ad-hoc queries (by email and phone) from three employees regarding the Administration process and employee entitlement</li> </ul>
Bank and Statutory	<p>Tasks providing an indirect benefit to creditors including reports as required by statute:</p> <ul style="list-style-type: none"> <li>• Regular reporting to the Company’s secured creditors providing details on key administration strategy and recommendations</li> </ul>
Reporting Job Acceptance & Strategy	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> <li>• Matters relating to the appointment and initial planning of the administration strategy.</li> </ul>
Accounting & Administration	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> <li>• Overall management of the case, treasury and accounting functions, statutory compliance and diaries and time cost reporting</li> </ul>



### Connect Airways Limited (in Administration) (“the Company”)

Joint Administrators’ **time costs** for the period from 10 September 2020 to 9 March 2021 and a comparison with the fee estimate dated 4 May 2020.

Categories of work	Description of work completed / to be completed
Taxation	<p>Tasks required by statute and possibly providing a direct and indirect benefit to creditors:</p> <ul style="list-style-type: none"> <li>• Preparation of tax advice in relation to the sale of Stobart Air shares</li> <li>• Documentation of certain intragroup loan balances</li> </ul>
Statutory Duties, Investigations & CDDA	<p>Tasks required by statute:</p> <ul style="list-style-type: none"> <li>• Investigations into the conduct of the Company and its directors including the submission of a report pursuant to the Company Director Disqualification Act 1986 (“CDDA”)</li> <li>• Seeking formal consent to extend the administration from Security Trustee</li> <li>• Conducting a non-preferential creditor decision procedure to obtain consent to pay the Potential Consideration to the Security Trustee, for the benefit of the Senior Lenders;</li> <li>• distributing the benefit of the Potential Consideration in specie to the Security Trustee</li> <li>• Compliance with the statutory requirements of the administration, including notices and advertising of appointment, preparing the Joint Administrators’ Proposals, progress reports and final report. Filings with Companies House</li> </ul>
Regulatory	<p>Tasks required by statute:</p> <ul style="list-style-type: none"> <li>• Managing communications with other regulatory bodies including the Insolvency Service and Financial Conduct Authority</li> </ul>