

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

AM10 (Scot)

Notice of administrator's progress report

6 Period of progress report

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

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 9	^m 0	^m 3	^y 2	^y 0	^y 2	^y 1
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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 **Central Square**

29 Wellington Street

Post town **Leeds**

County/Region

Postcode **L S 1 4 D L**

Country

DX

Telephone **0113 290 6174**



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

c/o BDO LLP

Street

4 Atlantic Quay

70 York Street

Post town

Glasgow

County/Region

Postcode

G 2 8 J X

Country

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

Statement of Affairs £	From 18/08/2020 To 17/02/2021 £	From 18/02/2019 To 17/02/2021 £
	FIXED CHARGE ASSETS	
	Aircraft engine	NIL
		39,270.00
		NIL
	FIXED CHARGE CREDITORS	
	Secured Creditor	NIL
		39,270.00
		NIL
		(39,270.00)
	ASSET REALISATIONS	
606,838.00	Book debts	90,115.58
2,632,146.00	Cash at Bank	1,562,138.42
	Forex Profits	2,805,840.47
	Fuel Refunds	99,208.38
	Interest Gross	71,491.02
	IT, Office Furniture & Equipment	12,502.86
	Life Assurance Refund	14,773.33
	Motor Vehicles	65,250.47
10,000.00	Other Property	4,000.00
350,000.00	Stock	NIL
	Sundry Refunds	NIL
		35,000.00
		215.67
		4,980.07
		125,750.46
		5,328,561.34
	COST OF REALISATIONS	
	Administrators' Fees	NIL
	Agents' Disbursements	856,373.80
	Agents' Fees	12,879.44
	Bank Charges	11,709.13
	Consultancy Fees	140,169.13
	Employee expenses and costs	177.35
	Employee Repatriation Costs	23,895.00
	ERA Fees	3,115.07
	Insurance	514.53
	Irrecoverable VAT	10,650.00
	IT Services	199.20
	Legal Fees & Disbs - Post Appointment	7,004.61
	Legal Fees & Disbs - Pre Appointment	NIL
	PAYE & NI	67.25
	Payroll Bureau Costs	90,385.29
	Pension Contributions	7,204.40
	PR/Media costs	132,868.06
	Pre-Administration Fees	41,938.67
	Printing & Postage	43,701.99
	Rates	5,390.92
	Re-direction of Mail	9,842.72
	Rents Payable	29,200.00
	Security Costs	108,454.45
	Statutory Advertising	5,431.81
	Storage Costs	1,874.79
	Sundry Expenses	1,878.00
	Sundry Property Expenses	33,415.43
	Utilities	1,687.50
	Wages & Salaries	79.25
		3,200.00
		15.00
		77.14
		819.12
		12,078.14
		NIL
		81,123.81
		(19,931.85)
		(1,657,489.15)
	PREFERENTIAL CREDITORS	
(392,400.00)	Preferential Creditors	NIL
		NIL

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

Statement of Affairs £		From 18/08/2020 To 17/02/2021 £	From 18/02/2019 To 17/02/2021 £
		NIL	NIL
	FLOATING CHARGE CREDS		
(1,757,011.00)	Airline Investments Ltd	NIL	1,404,014.91
(3,567,000.00)	Stephen Bond	NIL	277,730.00
		NIL	(1,681,744.91)
	UNSECURED CREDITORS		
(19,754,561.00)	Contingent Liabilities	NIL	NIL
(17,197,657.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(20,550,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(59,619,645.00)		105,818.61	1,989,327.28
	REPRESENTED BY		
	Floating Account No 2		1,228,331.46
	Floating Current Account		588,067.06
	Input VAT		3,782.71
	Output VAT		(7,008.18)
	Vat Control Account		176,154.23
			1,989,327.28



BDO LLP

Progress Report - British Midland Regional Limited (In Administration)

British Midland Regional Limited t/a Flybmi (In Administration) ('the Company')
Progress Report in terms of Rules 3.93 and 3.94 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 ('the Rules' or 'Insolvency (Scotland) Rules 2018')
Period of Report: From 18 August 2020 to 17 February 2021 ('the Period')

Contents

1. Introduction
2. Statutory Information
3. Proposals Approved
4. Deviations from Proposals
5. Actions in the Period
6. SIP2 Investigations
7. Outstanding Matters
8. Expected Outcome for Creditors
9. Joint Administrators' Fees
10. Resolutions to be considered by a decision by correspondence process
11. Insolvency Ethics & Complaints
12. Administration End

Appendices

- A. Joint Administrators' Receipts & Payments for the Period 18 August 2020 to 17 February 2021
- B. Estimated Outcome Statement at 17 February 2021
- C. Time Costs & Outlays in Reporting Period
- D. Time Costs to 17 February 2021 and Statement of Charge Out Rates
- E. Notice of Convening a Creditors Decision Procedure by Correspondence and Voting Form
- F. Creditors Request for a Decision in Respect of the Administration

Francis Graham Newton, of BDO LLP, Central Square, Wellington Street, Leeds, LS1 4DL, Antony David Nygate of BDO LLP, 55 Baker Street, London, W1U 7EU and James Bernard Stephen of BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX were appointed Joint Administrators on 18 February 2019. The business and assets of the Company are now managed by the Joint Administrators. The Joint Administrators act as agents of the Company, without personal liability.

Francis Graham Newton is authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association. Office holder number 9310; Antony David Nygate is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales. Office holder number 9237; and James Bernard Stephen is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales. Office holder number 9273.

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

The Joint Administrators are Data Controllers as defined by the General Data Protection Regulations. Personal data will be kept secure and processed only for matters relating to the Administration of British Midland Regional Limited t/a Flybmi. Please see the privacy statement at <https://www.bdo.co.uk/en-gb/legal-privacy/privacy-notice>.

This progress report has been prepared by the Joint Administrators solely to comply with their statutory duty under the Insolvency Act 1986 and Insolvency (Scotland) Rules 2018 to provide members and creditors with an update on the progress of the Administration and for no other purpose. This report is not suitable to be relied upon by any other person, or for any other purpose or in any other context including any decision in relation to the debt of or any financial interest in the Company. Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Act 1986 and Insolvency (Scotland) Rules 2018 does so at their own risk. Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for individual creditors.

1 INTRODUCTION

- 1.1 This is a statutory report to creditors on the progress of the Administration of British Midland Regional Limited t/a Flybmi. The report should be read in conjunction with previous reports and the Joint Administrators' Proposals. A copy of this report will be submitted to the Court and Registrar of Companies.
- 1.2 The management of this case is being undertaken in our Liverpool office. Should you wish to discuss this progress report our contact details are as follows:

Office Address : BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH

Case Contact: Alice Denmark 0151 237 4497
Email: BMR@bdo.co.uk

2 STATUTORY INFORMATION

- 2.1 The Joint Administrators are:
- Antony David Nygate (Office Holder No: 9237) of BDO LLP, 55 Baker Street, London, W1U 7EU;
 - Francis Graham Newton (Office Holder No: 9310) of BDO LLP, Central Square, Wellington Street, Leeds, LS1 4DL; and
 - James Bernard Stephen (Office Holder No: 9273) of BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX.
- 2.2 The Joint Administrators were appointed in respect of the Company on 18 February 2019. Under the provisions of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 the Joint Administrators carry out their functions jointly and severally meaning any action can be done by one Administrator or all of them.
- 2.3 The Joint Administrators were appointed by the Board of Directors under Paragraph 22 of Schedule B1 of the Insolvency Act 1986. The Administration proceedings are dealt with in the Court of Session and the court case number is P173/19.
- 2.4 The Company's registered office is situated at 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX and the registered number is SC104657. The registered office prior to Administration was Lightyear Building, 9 Marchburn Drive, Glasgow Airport, Paisley, Renfrewshire, PA3 2SJ.
- 2.5 We enclose at Appendix A, for your information, a summary of our receipts and payments to 17 February 2021. The receipts and payments shown are largely self-explanatory, although we would comment specifically on the following:

Receipts**2.6 Key receipts in the Period include:**

- (a) Book debts: A total of £90,116 has been collected in the period from NatWest Bank ('the Bank') (£17,212) and American Express ('Amex') (£72,903). Further details as regards these receipts are provided later in the report.
- (b) Stock: Additional stock has been sold and further realisations of £35,000 have been received.

Payments**2.7 Key payments in the Period include:**

- (a) Agents' Fees: In the Period, a total of £11,666 has been paid in respect of Agents' Fees to WH for their work in providing professional advice as regards the realisation of the Company's chattel assets and stock both in this Period and a part of these cost related to realisations occurring in prior periods. In addition, £43 was paid to CAPA for the recovery of a small rate refund from North Somerset Council).
- (b) Insurance: A total of £199 was paid to JLT Specialty for insurance costs.
- (c) Legal fees: In the Period, Gateley Plc have been paid £7,204 principally in respect of legal fees for their advice relating to the validity of the secured creditor's claims.
- (d) Utilities: The sum of £819 was paid to Business Stream for water charges at Aberdeen airport in the period immediately following the Joint Administrators appointment.

2.8 At Appendix B is an Estimated Outcome Statement, which shows the estimated final outcome for each class of creditor. We discuss the anticipated outcome for creditors in Section 8 of this report.**3 PROPOSALS APPROVED****3.1 The Joint Administrators' proposals ('the Proposals') summarised below were approved by a deemed consent procedure on 29 April 2019.**

- (a) They continue to manage the Company's business and realise assets in accordance with objective (c), the third statutory purpose of the Administration.
- (b) They may investigate and, if appropriate, pursue any claims the Company may have under the Companies Act 1985 and 2006 or Insolvency Act 1986 or otherwise. In addition, the Joint Administrators shall do all such other things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals.

- (c) If there are sufficient assets to enable payment of a dividend to unsecured creditors beyond the prescribed part, that the Joint Administrators, at a time they see fit, are empowered to file the necessary returns at Court and with the Registrar of Companies to place the Company into Creditors' Voluntary Liquidation ('CVL') pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986 and that the Joint Administrators be appointed Joint Liquidators of the Company. Any one Joint Liquidator may exercise all and/or any powers which are conferred on them as Joint Liquidators.
- (d) If there are insufficient assets to enable payment of a dividend to unsecured creditors beyond the prescribed part that the Joint Administrators arrange for the Company to exit the Administration by way of dissolving the Company under Paragraph 84 of Schedule B1 of the Insolvency Act 1986.

3.2 A Creditors' Committee has not been formed.

4 DEVIATIONS FROM PROPOSALS

- 4.1 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 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. However, in this instance, as detailed later in the report, there are expected to be funds available for the unsecured creditors of the Company by virtue of the unsecured creditors' funds which the Joint Administrators are obliged to set aside from floating charge realisations under statute (the "Prescribed Part"). Please refer to Section 8 for further information.

5 ACTIONS IN THE PERIOD

- 5.1 Issues marked with an asterisk (*) will not contribute to the financial outcome for the creditors but are statutory or regulatory duties imposed on the Joint Administrators.

Planning and Strategy (15.45 hours in the Period, time cost £4,970)

- 5.2 This area of work is led by a director or senior manager, with support at manager level in documenting and recording proposed strategy. Although this work does not directly benefit creditors, it does contribute to the efficient management of this insolvency appointment and contributes to reducing costs. In the Period the following was specifically dealt with:
- Meetings and conference calls to review outstanding issues and agree priorities and timescales to ensure that matters progress.
 - Review and approve bank reconciliations prepared by cashiers.
 - Periodical case reviews by manager and partner.
 - Liaise with Solicitors as regards the extension of the Administration.

General Administration (83.35 hours in the Period, time costs £24,493)

- 5.3 The majority of this work requires a range of insolvency knowledge and experience, balanced with good accounting and administrative skills and is delegated largely to executives with suitable levels of experience, supervised by directors or managers. In the Period, the following was specifically dealt with:
- *Reviewing and seeking to regularise affairs regarding VAT, insurance and taxation.
 - Liaising with solicitors on legal matters relating to a potential claim for damages for anti-competitive MasterCard and Visa multilateral interchange fees that have been charged.
 - Day to day management of the 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.
 - *Dealing with statutory and regulatory matters.
 - General administrative matters, enquiries from stakeholders and creditors and drafting replies as required.
 - Maintaining and filing documentation received on internal Administration files.
 - Discussions as regards the extension of the Administration

Asset Realisation/Management (25.35 hours in the Period, time costs £12,195)

- 5.4 This area of work requires a greater level of commercial experience than the general administration category of work, together with decision-making skills. The work is led at director or senior manager level supported by executives with suitable competencies. Major decisions are escalated to the Joint Administrators. In the Period, the following was specifically dealt with:
- Identifying and controlling recorded assets.
 - Evaluating the strategy on realising assets and reconciling recoveries.
 - Continuing to liaise with Valuers/Chattel Agents.
 - Correspondence with American Express and Diners Club as regards amounts due to the Company and securing funds.
 - Dealing with chattel assets, including consumable and rotatable stock and consulting/liasing with specialist agents and the third party holding the stock to agree and facilitate disposal strategies and monitoring the same.
 - Liaising with the Bank as regards funds released to the Joint Administrators and funds that continue to be held by the Bank.
 - Corresponding with a foreign airport as regards its claim against the performance bond held by the Bank.

Employee Matters (6.25 hours in the Period, time costs £1,416,)

- 5.5 This area of work requires employment law and insolvency knowledge. The work has been predominantly undertaken at assistant manager level with an overview provided at manager and senior manager level. In the Period, the following was specifically dealt with:

- Ongoing monitoring of various Employment Tribunal ('ET') claims for Protective Awards ('PA')
- Liaising with the Redundancy Payments Service ('RPS') and ERA Solutions Limited ('ERA'), our specialist employment agents who have assisted with employee claims.
- Liaising with ERA as regards the treatment by the RPS of ET claims.

Creditor Claims (22.30 hours in the Period, time costs £7,104)

5.6 The work is led at manager level supported by executives with suitable competencies. In the Period, the following was specifically dealt with:

- Liaising with creditors regarding their ongoing queries.
- Ongoing recording of creditors' claims received.
- Reviewing claims submitted and identifying whether additional evidence is necessary to support the claims received.
- Liaising with Gateley in relation to the ongoing review of secured creditors' claims to assess the validity of their security.
- Liaising with the RPS and foreign jurisdiction equivalents in relation to employee preferential and unsecured claims.

Reporting (30.70 hours in the Period, time costs £9,207)

5.7 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. The work has been undertaken principally by directors, senior managers and managers with support from suitable experienced executives. In the Period, the following was specifically dealt with:

- Preparing a six month progress report to creditors regarding the progress achieved and outstanding matters for the six month period to 17 August 2020 (finalised and issued in September 2020).
- Statutory filing of the progress report to Companies House and Court.
- Preparation of Receipts & Payments Accounts.
- Preparation of documentation to notify creditors of the proposed Administration, confirmation of the extension and Companies House notification

6 SIP2 INVESTIGATIONS

6.1 Our investigations into the failure of the Company are concluded and we have reported as required by statute to the Insolvency Service. However, if creditors consider that there are matters of which we should be aware, and which warrant investigation, they should contact us directly in this regard.

7 OUTSTANDING MATTERS**Cash at Bank**

- 7.1 We are continuing to liaise with the Bank who, as previously reported, is holding a performance bond in favour of a European airport for \$36,000, which remains outstanding. We have also repeatedly contacted the relevant airport, providing them with detailed instructions to help them make a valid claim against the bond. You will recall that the airport attempted to make a claim to the Bank by email, but the Bank was unable to accept a claim by email under the terms of the performance bond. The Bank has recently confirmed that it cannot release any funds to the Company until the airport has submitted a valid claim or has stated that it does not intend to make a claim. Neither of these events have occurred and therefore the funds remain under the control of the Bank. We shall continue to maintain contact with the Bank and the airport in an attempt to resolve the position, although recoveries remain uncertain.
- 7.2 Our previous Progress Report noted that Diners Club had remitted funds totalling £17,215 to the Bank. These funds have been transferred by the Bank to the Joint Administrators in the Period.
- 7.3 A balance of c£3,000 is held by the Bank and, absent any claims against these funds, the Bank will also transfer this balance to the Company in due course.

Trade debtors

- 7.4 As previously reported, the Company's revenue was principally from two sources: scheduled and non-scheduled income. Further details are provided below.

Scheduled income

- 7.5 At the date of appointment, several parties were holding funds on behalf of the Company which were subject to rights of set-off. The position with each party can be summarised as follows:

Worldpay

- 7.6 On appointment, c£1.7m was held in a designated bank account ('the **Blocked Account**') which was subject to fixed charge security in favour of Worldpay. Chargeback claims relating to advance passenger payments for flights which were not fulfilled continue to be submitted to Worldpay pursuant to Section 75 of the Consumer Credit Act.
- 7.7 Following confirmation from Worldpay that chargeback claims (under Section 75 of the Consumer Credit Act) had been received in excess of c£1.7m, the amount held in the Blocked Account was released to Worldpay. Details of their final unsecured claim against the Company have recently been submitted totalling c£353k.

Amex/ Diners Club

7.8 The amount due to the Company by Amex and Diners Club on appointment was as follows:

- Amex - c£267k; and
- Diners Club - c£26k.

Following further contact with Amex, the sum of c£72k was paid to the Company on 10 February 2021. We are continuing to liaise with Amex for payment of the balance or an explanation for non-payment. Further funds from Amex are uncertain at this stage.

As noted earlier in this report, funds totalling c£17k have been remitted to the Bank by Diners Club. Diners Club has been requested to explain the calculation of the amount transferred and why the balancing c£9k has not been paid. They have recently replied stating that the Company has been paid in full and its account with Diners Club closed. With limited information available to support the Company's claim against Diners Club, we have concluded that it is not cost effective to pursue Diners Club further.

Non-scheduled income

- 7.9 At the date of the Proposals, outstanding debtors totalling c£650k were being pursued. These balances subsequently reduced slightly to c£645k. The majority of the debtor ledger, c£498k, was due from Loganair Limited (a connected party) and was subject to a valid counter-claim which exceeded the balance due on the debtor ledger.
- 7.10 Responses have been received from remaining debtors, although the majority are subject to valid counter-claims. As a result, no further realisations are expected.

Chattel assets

- 7.11 Two model aircraft have recently been sold by WH for £333 and the proceeds transferred to us.

Rotable and Consumable Stock

- 7.13 A sale of the Company's remaining stock held at a third party location has recently been completed for the sum of £35k + VAT. The sale proceeds have been received in the Period, but are subject to agreed storage costs totalling £8,750 + VAT. These costs have been paid outside of the Period and are not therefore shown in the attached receipts and payments account.

VAT

- 7.14 As previously reported, the Company was part of a VAT Group with other connected companies. The Company was removed from the VAT Group with effect from 18 February 2019. According to the Company's books and records, there is a VAT refund due to the Company totalling c£338k in respect of

pre-Administration VAT periods. HMRC has been contacted as regards the refunds due but has not replied. It is possible that the refund will be subject to crown set off and therefore recoveries remain uncertain.

VISA/ Mastercard

- 7.15 As noted in our previous report, there is 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. Watson Farley & Williams LLP ('WFW') solicitors are undertaking further work on a contingent fee basis with a view to assessing the merits of such a claim on the Company's behalf. WFW's enquiries as regards the availability of funding such a claim and ATE insurance has still to be finalised. Once these have been determined, the Joint Administrators can decide whether to pursue an action on the Company's behalf. The potential quantum of this claim remains uncertain at this stage. Further details will therefore be provided in our next report.

Employee Matters***Preferential claims***

- 7.16 ERA Solutions ('ERA') are liaising with the Redundancy Payments Service ('RPS') with a view to obtaining a final proof of debt in respect of their preferential claim against the Company. In the meantime, ERA are undertaking a review of the claims as they stand at present. However, the claims cannot be adjudicated and agreed until the final proof of debt has been submitted by the RPS. The RPS has stated that their claim may take several months to be finalised.
- 7.17 In addition to the claim of the RPS and UK employees, we are still awaiting details of the claims of the employment agencies (Sweden, Germany and Belgium) who dealt with employees outside of the UK.

We understand that all claims for Protective Awards pursued through Employment Tribunals ('ET') have now been concluded and where Judgment has been handed down, these claims have been paid by the RPS in accordance with the terms of the Judgment. Creditors will recall from our previous report that an additional claim in respect of a Judgment amendment was being sought. We have received notification from the ET that this claim has been subsequently rejected. We await confirmation from the solicitors acting in respect of this claim as to the possibility of any appeal.

- 7.18 Based on realisations to date, the current expectation is that preferential creditor claims will be paid in full.

8 EXPECTED OUTCOME FOR CREDITORS**Secured Creditors - Standard Securities and validity of security**

- 8.1 The fixed and floating charge securities registered against the Company's assets remain as previously reported and are detailed below.

Stephen Bond ('SB')

- Created 26 March 2018, registered 10 April 2018. Fixed charge in respect of the Company's interest in (i) the spare engine serial number CAE312189 and with model number AE3007 A1/1 and (ii) the NGL Strut Assembly with part number 1170C0000-8, serial number 346. The Company was not in possession of the NGL Strut Assembly at the date of the Administrators' appointment.
- A provisional claim has been received totalling £3,617,000. This includes a secured loan of £317,000 and an unsecured guarantee claim of £3,300,000. The unsecured element has yet to be adjudicated. Following legal advice, SB's secured loan of £317,000 has been accepted as being valid and has been paid in full.
- As previously reported, the unsecured element of the SB claim totalling £3,300,000 will be adjudicated if it transpires that there is a distribution to unsecured creditors, other than by virtue of the prescribed part (floating charge creditors cannot participate in the prescribed part).

Airline Investments Limited ('AIL')

- AIL security: Created 22 October 2018, registered 6 November 2018. Fixed charge in respect of the Company's interest in (i) the spare engine serial number CAE312189 and with model number AE3007 A1/1 and (ii) the NGL Strut Assembly with part number 1170C0000-8, serial number 346. The Directors' Statement of Affairs shows a liability of c£1.85m.
- The Company was not in possession of the NGL Strut Assembly at the date of the Administrators' appointment as stated above. The spare engine was marketed for sale by the Administrators chattel agents and the best offer received was from Stephen Bond. The sale was subsequently concluded and realisations distributed subject to SB's fixed charge. As such, AIL is unable to realise value from its fixed charge over either of these assets.
- AIL has submitted secured claims totalling c£2.23m, of which c£1.62m have been admitted for distribution purposes pursuant to their floating charge. The balance of £614k relates to an additional claim submitted in the Period, which is currently being adjudicated. To date approximately £1.4m has been distributed to them pursuant to their floating charge.

Worldpay

- Worldpay security: Created 22 October 2013, registered 23 October 2013 (a variation to the charge created on 31 October 2012). The liability to Worldpay is estimated at c£2.1m, before the balance on the Blocked Account of £1.7m is set-off, which is lower than the previous estimate of c£2.7m.
- Worldpay: Created 31 October 2012, registered 16 November 2012.

- The fixed charge security of Worldpay over the Blocked Account is valid (they do not have a floating charge). Worldpay has retained the funds held on Blocked Account and has recently submitted details of its final unsecured claim against the Company totalling c£353k.

Preferential Creditors

- 8.2 On Administration, there were 309 employees in the UK and 54 overseas employees based in Belgium, Germany and Sweden. The UK employee claims have been processed by the RPS. The overseas employee claims are being processed by European Employee Agencies. To date, the total preferential claims received are approximately £620k.
- 8.3 Preferential claims are defined as monies owed to former employees in respect of arrears of wages (including Protective Awards), accrued holiday pay and other contractual entitlements, which may include a preferential element, at the date of Administration.
- (a) UK employees:
Current information indicates that preferential claims from the RPS and employee claims are estimated to total £367,378 and £180,441 respectively. The RPS has indicated that a small element of the PAs (c£4,200) that it had previously considered to be preferential will now be treated as unsecured. This will be confirmed once the RPS is in a position to submit a final claim in the Administration.
- (b) Overseas employees:
We understand that these employees have submitted their claims for arrears of wages and holiday pay to the RPS equivalent agency ('Overseas RPS') in their respective countries and we await confirmation from the Overseas RPS in Belgium, Germany and Sweden, as to the level of agreed claims. For the purposes of this report, we estimate the overseas preferential claims to be c£72,000.
- 8.4 Based on current information it is anticipated that preferential creditors will be paid in full. However, the timing of a distribution is dependent on the RPS and Overseas RPS' finalising the processing of the respective employees' claims.
- 8.5 In summary, the total claims of the preferential creditors are estimated to be £619,697, as follows:



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	£
RPS (UK)	367,378
Employees (UK)	180,441
Belgium employees - wage arrears/ holiday pay (estimate)	11,674
German employees - wage arrears/ holiday pay (estimate)	41,333
Swedish employees - wage arrears/ holiday pay (estimate)	18,871
Total	619,697

Prescribed Part - Unsecured Creditors

- 8.6 Under the provisions of Section 176A of the Insolvency Act 1986, the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the Company has granted a floating charge to a creditor after 15 September 2003. The prescribed part applies in this case and is estimated to be approximately £517K
- 8.6 The above estimate assumes that the preferential creditor claims total c£620k. The funds available for unsecured creditors from the prescribed part will change if the quantum of the preferential claims changes.

Ordinary Unsecured Creditors

- 8.7 The Directors' Statement of Affairs estimated the claims of the ordinary unsecured creditors to be in the region of £37million, being as follows:

	£million
Trade creditors	17
Contingent/other liabilities	20
Total	37

- 8.8 The contingent/other liabilities figure noted above of c£20m includes a provision of c£4.5million being the estimated unsecured claims of former employees, which are summarised as follows:

	£million	Category
Redundancy Payments Services	1.8	Redundancy & Pay in Lieu of Notice ('PILON')
UK Employees	0.4	Wages & holiday pay excess that cannot be claimed preferentially
Overseas Employees	0.6	Wages, holiday pay & PILON
Protective Award	1.4	90 day awarded by the ET and submitted to RPS for payment
Protective Award (provision)	0.3	Outcome of ET claims awaited
Total	4.5	

- 8.9 On current information, the estimated unsecured claims of employees and the RPS are £420k and £1.8million respectively. Protective Award claims are estimated at c£1.7m, including £1.4m already awarded, with further claims expected once judgement is handed down by the ET. The overseas employee claims, based on the Company records, are estimated to be in the region of £630k.
- 8.10 The level of ordinary unsecured claims notified to the Joint Administrators (excluding employees) totals approximately £22m to date. Claims continue to be received from passengers (cancelled flights, historical claims, claims under EU regulations). Further unsecured claims are expected to be submitted in due course as counter-claims, cancellation costs and other termination costs are calculated and finalised.
- 8.11 At the current time it appears that at least a portion of the further claim submitted by AIL will be valid and will expunge any floating charge realisations which may, had these claims been at a lower level, been available to distributable to ordinary unsecured creditors above that which may be available under the prescribed part. Unless there are significant recoveries from the VISA/Mastercard claim or the VAT refund, it is currently considered likely that any funds available for the ordinary unsecured creditors will be limited to the prescribed part only.

8.12 The outcome for the ordinary unsecured creditors are subject to the following outstanding matters:

- (a) the validity of the floating charge securities and quantum of agreed claims;
- (b) final realisations;
- (c) the agreement of all preferential creditors;
- (d) the quantum of creditor claims that are ultimately agreed; and
- (e) the professional costs and expenses of the Administration.

9 JOINT ADMINISTRATORS' FEES

- 9.1 A declaration was not made in terms of Para 52(1)(b) of Schedule B1 of the Insolvency Act 1986 and as such decision procedures in relation to fees in this case were passed by the approval of creditors.
- 9.2 A fees estimate was previously provided with our proposals dated 12 April 2019 showing that time costs for the period 18 February 2019 to 5 April 2019 in relation to the Administration were estimated at £467,639.85. Creditors gave their approval to our Interim Fee at this level, via a decision procedure on 29 April 2019.
- 9.3 In addition, creditors have given their approval to the Joint Administrators Interim Fees of £390,097.05 and Category 2 outlays of £7,468.99 for the period 6 April 2019 to 10 January 2020 via a decision procedure on 10 February 2020.
- 9.4 A summary of the Joint Administrators' time costs for the Period are attached at Appendix C and summarised below. This shows a total of 183 hours at an average hourly rate of £323, totalling £59,182.05 for the Period. A summary of and the nature of the work undertaken in the Period by category is detailed in Section 5 of this report.
- 9.5 A summary of the cumulative time costs are attached at Appendix D, together with a copy of our remuneration and disbursements policy. This shows a total of 3,875.85 hours at an average hourly rate of £267, totalling £1,035,026.40 for the post appointment period.
- 9.6 The Joint Administrators' time costs, summarised by accounting period, the fee requested and approvals obtained to date, are summarised in the table below:

Accounting Period	Time Costs (Excl VAT) incurred to date £	Outlays (Excl VAT) incurred to date £	Fee requested and approved (Excl VAT) £	Outlays Approved (Excl VAT) £
Pre Appointment	108,454.45	nil	108,454.45	nil
Post Appointment (18 February 2019 to 5 April 2019)	467,639.85	1,926.91	467,639.85	1,926.91
Post Appointment (6 April 2019 to 17 August 2019)	243,107.80	7,218.41	243,107.80	7,218.41
Post Appointment (18 August 2019 to 17 February 2020)	181,394.35	250.58	145,626.15	250.58
Post Appointment (18 February 2020 to 17 August 2020)	83,071.60	nil	nil	nil
Post Appointment (18 August 2020 to 17 February 2021)	59,182.05	nil	nil	nil
Total	£1,142,850.10	£9,395.90	£964,828.25	£9,395.90

9.7 The approved Joint Administrators' fees and outlays that have been drawn to date are summarised in the table below:

Accounting Period they were paid in	Fee From Fixed Charge (Excl VAT) £	Outlays from Fixed Charge (Excl VAT) £	Fee drawn from Floating Charge realisations (Excl VAT) £	Outlays drawn from Floating Charge realisations(Excl VAT) £
Pre Appointment	nil	nil	108,454.45	nil
Post Appointment (18 February 2019 to 17 August 2019 only)	nil	nil	200,000.00	1,926.91
Post Appointment (18 August 2019 to 17 February 2020)	nil	nil	117,000.00	Nil

Post Appointment (18 February 2020 to 17 August 2020)	nil	nil	539,373.80	nil
Post Appointment (18 August 2020 to 17 February 2021)	nil	nil	nil	nil
Total drawn to date	£nil	£nil	£964,828.25	£1,926.91

10 RESOLUTIONS TO BE CONSIDERED BY A DECISION BY CORRESPONDENCE PROCESS

- 10.1 I would now ask the creditors to consider approving a further Interim Fee Resolution. Pursuant to Rules 3.95 and 3.96 of Insolvency (Scotland) Rules 2018, I attach a notice of a Decision Process by correspondence together with a written resolution. If a creditors' committee is appointed it will be responsible for considering and approving the further Interim Fee.

We are requesting the consent of the general body of creditors to these amounts being paid as an expense of the Administration. A resolution is included below.

- 10.2 The following resolutions will be put to creditors via a decision process by correspondence:

- That a Creditors' Committee be established if sufficient creditors are willing to be members. A form of consent is attached should you wish to be represented on a Creditors' Committee.
- The balance of the Joint Administrators remuneration for the accounting period 18 August 2019 to 17 February 2020 of £35,768.20 (Excl VAT) be determined at £35,768.20.
- The Joint Administrators' remuneration request for the accounting period 18 February 2020 to 17 August 2020 of £83,071.60 (Excl VAT) be determined at £83,071.60.
- The Joint Administrators' remuneration request for the accounting period 18 August 2020 to 17 February 2021 of £59,182.05 (Excl VAT) be determined at £59,182.05.

- 10.3 Creditors are requested to use the attached postal resolution form to vote on these resolutions. The decision date for Deemed consent and decision by correspondence procedure in this case is 19 April 2021; you should return the voting form to us by this date. If you have not already done so, you will need to send me a statement of claim for your vote to be counted.

- 10.4 Creditors with a small debt of £1,000 or less must send a statement of claim for their vote to count, even though they may receive dividends without sending a proof of debt. Creditors who have opted out from receiving notices may vote if the creditor provides a statement of claim. Additional information regarding the decision by correspondence procedure is set out in Appendix F, Creditors Request for a Decision.

11 INSOLVENCY ETHICS & COMPLAINTS

- 11.1 As Insolvency Practitioners, we are bound by the Insolvency Code of Ethics. The fundamental principles are:

- Integrity
- Objectivity
- Professional competence and due care
- Confidentiality
- Professional behaviour

- 11.2 A full copy of the code of ethics is available at:

<http://www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code>.

- 11.3 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 from us 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.

12 ADMINISTRATION EXTENSION AND EXIT

- 12.1 The Administration has been extended with the approval of the court until 18 February 2022. Notification of the extension has been filed at Companies House and creditors were notified via the web portal on 16 February 2021.
- 12.2 In the event there is only a prescribed part to distribute and subject to the progress of outstanding matters, it is possible that the Administration will be further extended (subject to court approval) and the Company will exit the Administration by dissolution.



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Joint Administrators' Discharge

- 12.3 As a declaration was not made in terms of Para 52(1), the Joint Administrators' will seek a resolution granting their discharge from liability in a decision process of creditors towards the end of the Administration.

A handwritten signature in black ink, appearing to read 'Antony David Nygate'.

Antony David Nygate
Joint Administrator
29 March 2021



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Progress Report - British Midland Regional Limited (In Administration)

APPENDIX A - Joint Administrators' Receipts & Payments for Period 18 August 2020 to 17 February 2021

British Midland Regional Limited t/a Flybmi			
(in Administration)			
Joint Administrators' Summary of Receipts & Payments			
Statement of Affairs	From 18/08/2020 To 17/02/2021	From 18/02/2019 To 17/02/2021	
£	£	£	
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			
Book debts	90,115.58	1,562,138.42	
Cash at Bank	NIL	2,805,840.47	
Forex Profits	NIL	99,208.38	
Fuel Refunds	NIL	71,491.02	
Interest Gross	85.88	12,502.86	
IT, Office Furniture & Equipment	333.33	14,773.33	
Life Assurance Refund	NIL	65,250.47	
Motor Vehicles	NIL	4,000.00	
Other Property	NIL	NIL	
Stock	35,000.00	688,376.32	
Sundry Refunds	215.57	4,960.07	
	125,750.46	5,328,561.34	
COST OF REALISATIONS			
Administrators' Fees	NIL	856,373.80	
Agents' Disbursements	NIL	12,879.44	
Agents' Fees	11,709.13	140,169.13	
Bank Charges	NIL	177.35	
Consultancy Fees	NIL	23,895.00	
Employee expenses and costs	NIL	3,115.07	
Employee Repatriation Costs	NIL	514.53	
ERA Fees	NIL	10,650.00	
Insurance	199.20	7,004.61	
Irrecoverable VAT	NIL	67.25	
IT Services	NIL	90,388.29	
Legal Fees & Disbs - Post Appointment	7,204.40	132,868.06	
Legal Fees & Disbs - Pre Appointment	NIL	41,938.67	
PAYE & NI	NIL	43,701.99	
Payroll Bureau Costs	NIL	5,390.92	
Pension Contributions	NIL	9,842.72	
PR Media costs	NIL	29,200.00	
Pre-Administration Fees	NIL	108,454.45	
Printing & Postage	NIL	5,431.81	
Rates	NIL	1,874.79	
Re-direction of Mail	NIL	1,878.00	
Rents Payable	NIL	33,415.43	
Security Costs	NIL	1,687.50	
Statutory Advertising	NIL	79.25	
Storage Costs	NIL	3,200.00	
Sundry Expenses	NIL	15.00	
Sundry Property Expenses	NIL	77.14	
Utilities	819.12	12,078.14	
Wages & Salaries	NIL	81,123.81	
	(19,931.85)	(1,657,489.15)	
PREFERENTIAL CREDITORS			
Preferential Creditors	NIL	NIL	
(392,400.00)			

British Midland Regional Limited t/a Flybmi (In Administration) Joint Administrators' Summary of Receipts & Payments			
Statement of Affairs £		From 18/08/2020 To 17/02/2021 £	From 18/02/2019 To 17/02/2021 £
		NIL	NIL
	FLOATING CHARGE CREDS		
(1,757,011.00)	Airline Investments Ltd	NIL	1,404,014.91
(3,567,000.00)	Stephen Bond	NIL	277,730.00
		NIL	(1,681,744.91)
	UNSECURED CREDITORS		
(19,754,561.00)	Contingent Liabilities	NIL	NIL
(17,197,657.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(20,550,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(59,619,645.00)		105,818.61	1,989,327.28
	REPRESENTED BY		
	Floating Account No 2		1,228,331.46
	Floating Current Account		588,067.06
	Input VAT		3,782.71
	Output VAT		(7,008.18)
	Vat Control Account		176,154.23
			1,989,327.28



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Progress Report - British Midland Regional Limited (In Administration)

APPENDIX B - Estimated Outcome Statement at 17 February 2021



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Progress Report – British Midland Regional Limited (In Administration)

Amounts have been rounded to the nearest £1,000.

	Progress Report – British Midland Regional Limited (In Administration)			
	As at 30 September 2019	As at 30 September 2020	As at 30 September 2021	As at 30 September 2022
Assets subject to fixed charge				
Goodwill	-	-	-	-
Aircraft & engine costs	610,981	39,270	-	39,270
Amount available under fixed charge	610,981	39,270	-	39,270
Less:				
Joint Administrators' remuneration	-	-	(2,000)	(2,000)
Joint Administrators' disbursements	-	-	(1,000)	(1,000)
Agent's costs	-	-	(3,000)	(3,000)
	-	-	(6,000)	(6,000)
Amount available to Stephen Bond under fixed charge	-	-	(6,000)	33,270
Amount owed to Stephen & Peter Bond	-	(39,270)	-	(3,615,000)
Estimated surplus/(deficit) under fixed charge		(39,270)	(6,000)	(3,581,730)
Fixed charge surplus brought down				
Amount owed to Airline Investments Ltd	-	-	-	(446,679)
Estimated surplus/(deficit) under fixed charge				(446,679)
Assets subject to floating charge				
Leasehold property/ improvements	100,421	-	-	-
Stock - consumables	1,405,881	688,376	-	688,376
Stock - rotables	136,978	-	-	-
Trade Debtors	8,514,556	1,562,138	-	1,562,138
Prepayments	402,903	136,741	-	136,741
Deposits	243,548	-	-	-
Pilot and staff loans	191,557	-	-	-
Forex	-	99,208	-	99,208
Plant & machinery	3,994	4,000	-	4,000
Computer equipment - software	524,821	-	-	-



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Progress Report – British Midland Regional Limited (In Administration)

British Midland Regional Limited (In Administration)

Particulars	Progress Report – British Midland Regional Limited (In Administration)			
	30 September 2019 £000	30 September 2020 £000	30 September 2020 £000	30 September 2020 £000
Computer equipment - hardware	63,898	14,773	-	14,773
Office equipment	-	-	-	-
Cash at Bank and in Hand	2,632,146	2,805,840	3,000	2,808,840
VAT refund	-	-	-	-
Sundry	-	4,980	-	4,980
Interest	-	12,503	-	12,503
Legal claim	-	-	Unascertained	Unascertained
Amounts due from Other Group Companies	177,282	-	-	-
	14,297,563	5,328,560	3,000	5,331,559
Less:				
Pre-appointment costs		(108,454)	(0)	(108,454)
Joint Administrators' remuneration		(856,374)	(278,022)	(1,134,396)
Joint Administrators' disbursements		-	(12,000)	(12,000)
Legal costs - pre appointment		(41,939)	(2,667)	(44,606)
Legal costs - post appointment		(132,868)	(74,743)	(207,611)
Agent's costs		(187,594)	(1,710)	(189,304)
Holding costs		(92,357)	(10,427)	(102,785)
Employee costs		(138,298)	(4,420)	(142,718)
Payroll bureau costs		(5,391)	(1,961)	(7,352)
Printing and postage		(5,432)	(10,079)	(15,511)
Insurance		(7,005)	(32,995)	(40,000)
Storage and clearance		(3,200)	(10,550)	(13,750)
PR/Media		(29,200)	(800)	(30,000)
Premises		(47,446)	(17,039)	(64,485)
Security costs		(1,688)	(77)	(1,765)
Bank charges		(177)	(323)	(500)
Irrecoverable VAT		(67)	0	(67)
Contingency		-	(25,000)	(25,000)
		(1,657,489)	(482,813)	(2,140,302)



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Progress Report – British Midland Regional Limited (In Administration)

British Midland Regional Limited (In Administration)

Notes	Progress Report – British Midland Regional Limited (In Administration)		
	As at 31 March 2019 (£m)	As at 31 March 2018 (£m)	As at 31 March 2017 (£m)
Amount available for preferential creditors	3,671,071	(479,813)	3,191,257
Preferential creditors		(619,697)	(619,697)
Estimated sum available under prescribed part		(1,099,510)	2,571,560
Prescribed Part (c/d)		-	(517,312)
Amount available to the holders of floating charges		(1,099,510)	2,054,248
Due to the Bonds pursuant to their floating charges	(277,730)	-	(277,730)
Amount due to Airline Investments Ltd (subject to further review)	(1,404,015)	(829,134)	(2,233,149)
Surplus/(deficit) available to unsecured creditors	1,989,326	(1,928,644)	(456,631)
Prescribed Part available to Unsecured Creditors (b/d)		-	517,312
Less: cost of dealing with Prescribed Part		-	(60,000)
Amount available to unsecured creditors		-	457,312
Estimate of distribution to unsecured creditors pursuant to the Prescribed Part (p in £) (1)			1.3

(1) Based on unsecured claims per the directors Statement of affairs totalling £36.95m. This additionally assumes that the security over the SB debt is valid, and excludes any potential recovery from the sale of the engine, as the value has not yet been ascertained.

In the event that the SB security is unenforceable either in whole or in part, the dividend to unsecured creditors may increase.



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Progress Report - British Midland Regional Limited (In Administration)

APPENDIX C - Time Costs & Outlays in Reporting Period



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Progress Report - British Midland Regional Limited (In Administration)

Name of Assignment **British Midland Regional Limited** **00291330****Detail of Time Charged and Rates Applicable for the Period From 18/08/2020 to 17/02/2021**

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
		£		£		£		£		£		£		£
C. Planning and Strategy														
02. Review Financial Position			1.10	316.60									1.10	316.60
03. Review Bus. Process/Systems			4.50	1,343.40									4.50	1,343.40
07. Strategy Planning			9.85	3,310.20									9.85	3,310.20
sub total -			15.45	4,970.20									15.45	4,970.20
C. Planning and Strategy														
D. General Administration														
01. Insurance Matters			1.80	533.20									1.80	533.20
02. VAT			6.60	1,883.40									6.60	1,883.40
03. Taxation			3.95	1,432.85					1.10	286.00			5.05	1,718.85
04. Instruct/Tax Solicitors			3.30	1,773.60									3.30	1,773.60
07. Receipts/Payments/Accounts	0.05	29.35	5.50	844.70			2.45	149.20	7.50	502.50			15.50	1,525.95
09. Statutory Matters			4.00	1,417.55									4.00	1,417.55
14. General Discussions	13.00	10,234.00			0.60	136.20							13.60	10,370.20
15. Gen. Admin/Correspondence	0.20	118.20	3.55	983.15	2.70	585.00			21.20	2,136.35	0.75	52.50	28.40	3,875.20
16. Maintain Internal Files			3.60	1,058.60	0.25	56.75							3.85	1,115.35



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Progress Report - British Midland Regional Limited (In Administration)

Name of Assignment **British Midland Regional Limited** **00291330**

Detail of Time Charged and Rates Applicable for the Period From 18/08/2020 to 17/02/2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
99. Other Matters					1.10	249.70			0.40	29.60			1.50	279.30
sub total -	13.25	10,381.75	32.30	9,927.05	4.65	1,027.65	2.45	149.20	30.20	2,954.45	0.75	52.50	83.60	24,492.60
D. General Administration														
E. Assets Realisation/Dealing														
06. Property Related Matters			0.70	206.20									0.70	206.20
07. Debt Collection			7.20	2,157.80									7.20	2,157.80
08. Dealing with Chattel Assets			8.65	4,192.80									8.65	4,192.80
09. Dealing with other Assets			1.90	610.80									1.90	610.80
14. Sale of Business/Assets	4.50	3,546.00											4.50	3,546.00
99. Other Matters	1.60	1,260.80	0.80	220.80									2.40	1,481.60
sub total -	6.10	4,806.80	19.25	7,388.40									25.35	12,195.20
E. Assets Realisation/Dealing														
G. Employee Matters														
02. Dealing with Employees					3.35	730.30							3.35	730.30
99. Other Matters			0.80	220.80	2.10	464.55							2.90	685.35
sub total -			0.80	220.80	5.45	1,194.85							6.25	1,415.65
G. Employee Matters														
H. Creditor Claims														
02. Secured Creditors			9.70	3,846.90									9.70	3,846.90



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Progress Report - British Midland Regional Limited (In Administration)

Name of Assignment **British Midland Regional Limited** **00291330**

Detail of Time Charged and Rates Applicable for the Period From 18/08/2020 to 17/02/2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
03. Preferential Creditors					2.10	476.70							2.10	476.70
04. Non-Preferential Creditors			5.90	1,764.70	3.65	824.75							9.55	2,589.45
06. Other Creditors			0.95	190.95									0.95	190.95
sub total - H. Creditor Claims			16.55	5,802.55	5.75	1,301.45							22.30	7,104.00
I. Reporting														
01. Statutory Reporting			0.40	98.80					5.05	568.50			5.45	667.30
04. Reporting to Creditors	1.00	783.00	21.15	6,889.20					0.25	30.25			22.40	7,702.45
05. Reporting to Court			2.60	785.20									2.60	785.20
99. Other Matters			0.25	51.75									0.25	51.75
sub total - I. Reporting	1.00	783.00	24.40	7,824.95					5.30	598.75			30.70	9,206.70
													Net Total	
													59,384.35	
													Secretarial Expense	
													0.00	
													Other Disbursements	
													0.00	
													Billed	
													0.00	
													Grand Total	
													59,384.35	

A creditor's guide to office holder remuneration can be accessed via: <https://www.icas.com/technical-resources/creditor-guides-to-office-holder-remuneration>



BDO LLP

Progress Report - British Midland Regional Limited (In Administration)

APPENDIX D - Time Costs to 17 February 2021 and Statement of Charge Out Rates



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Progress Report - British Midland Regional Limited (In Administration)

Name of Assignment **British Midland Regional Limited** **00291330**

Detail of Time Charged and Rates Applicable for the Period From 18/02/2019 to 17/02/2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
B. Steps on Appointment														
01. Review Appointment Validity			0.50	223.50									0.50	223.50
02. Statutory Documentation	6.00	2,964.00	5.25	1,293.25	3.70	728.90	0.85	107.95	3.90	269.10			19.70	5,363.20
04. Meet Directors/Directors etc.			1.50	670.50	6.80	1,441.60							8.30	2,112.10
06. Third Party Discussions					1.00	212.00							1.00	212.00
07. Attendance at Premises			116.05	32,197.95	30.15	6,391.80							146.20	38,589.75
09. Preparation of Proposals			11.65	2,822.75	13.95	2,383.65							25.60	5,206.40
12. Setting up Internal Files					0.90	190.80							0.90	190.80
99. Other Matters	36.50	27,740.00	6.75	1,869.50	1.65	328.55	0.75	95.25					45.65	30,033.30
sub total -	42.50	30,704.00	141.70	39,077.45	58.15	11,677.30	1.60	203.20	3.90	269.10			247.85	81,931.05
B. Steps on Appointment														
C. Planning and Strategy														
02. Review Financial Position			4.60	1,268.30									4.60	1,268.30
03. Review Bus. Process/Systems			73.70	18,381.20									73.70	18,381.20
07. Strategy Planning			63.40	25,677.20	37.20	7,897.65							100.60	33,574.85
08. Reporting			0.20	92.00	0.20	40.60							0.40	132.60



BDO LLP

Progress Report - British Midland Regional Limited (In Administration)

Name of Assignment **British Midland Regional Limited** **00291330**

Detail of Time Charged and Rates Applicable for the Period From 18/02/2019 to 17/02/2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
	£		£		£		£		£		£		£	
99. Other Matters			1.90	469.30									1.90	469.30
sub total -			143.80	45,888.00	37.40	7,938.25							181.20	53,826.25
C. Planning and Strategy														
D. General Administration														
01. Insurance Matters			10.75	2,969.50	2.85	604.20							13.60	3,573.70
02. VAT			31.65	9,187.40	9.35	1,968.55							41.00	11,155.95
03. Taxation	0.25	175.50	34.05	13,335.95	1.25	264.25			8.60	2,236.00			44.15	16,011.70
04. Instruct/Litase Solicitors			20.60	7,926.45	0.50	109.00							21.10	8,035.45
05. Investigations			39.80	12,748.30	4.35	928.20							44.15	13,676.50
06. Conduct Reports			14.80	4,283.60									14.80	4,283.60
07. Receipts/Payments Accounts	1.45	763.95	39.60	9,527.00	8.50	1,818.80	12.75	578.15	92.20	6,678.05	0.45	17.40	154.65	19,383.35
08. Remuneration Issues	2.05	1,103.55	3.70	1,258.50									5.75	2,362.05
09. Statutory Matters			44.45	14,018.45	79.80	16,765.20	1.10	159.70					125.35	30,923.35
10. Contractual Matters			0.40	178.80									0.40	178.80
12. Press/PR Matters			1.90	533.40									1.90	533.40
13. General Meetings			7.50	2,789.50	1.00	215.00							8.50	3,004.50



BDO LLP

Progress Report - British Midland Regional Limited (In Administration)

Name of Assignment **British Midland Regional Limited** **00291330**

Detail of Time Charged and Rates Applicable for the Period From 18/02/2019 to 17/02/2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
	£		£		£		£		£		£		£	
14. General Discussions	116.25	89,649.75	29.15	9,810.50	17.10	3,616.20							162.50	103,076.45
15. Gen. Admin/Correspondence	18.30	9,911.10	183.05	49,049.55	61.35	11,330.20	22.90	2,908.30	462.45	35,729.45	1.75	125.50	749.80	109,054.10
16. Maintain Internal Files			52.20	13,378.80	1.75	352.25							53.95	13,731.05
99. Other Matters			2.55	633.00	5.00	773.00			0.40	29.60			7.95	1,435.60
sub total -	138.30	101,603.85	516.15	151,628.70	192.80	38,744.85	36.75	3,626.15	563.65	44,673.10	1.90	142.90	1,449.55	340,419.55
D. General Administration														
E. Assets Realisation/Dealing														
02. Evaluation/Reconciliation			0.25	115.00									0.25	115.00
03. Asset Tracing			1.10	491.70									1.10	491.70
04. Agent Instruction/Issuing			13.35	5,248.65	11.90	2,522.80							25.25	7,771.45
05. Sales Info Preparation			0.20	89.40									0.20	89.40
06. Property Related Matters			47.20	14,514.00	25.60	5,427.20							72.80	19,941.20
07. Debt Collection			122.65	34,022.75	0.75	159.00							123.40	34,181.75
08. Dealing with Chattel Assets	0.75	399.75	70.75	25,697.70									71.50	26,097.45
09. Dealing with other Assets	1.25	674.25	96.05	33,899.35	10.45	2,222.90	6.00	1,236.00					113.75	38,032.50
10. LLP/Leasing Matters			17.70	5,155.90	37.75	8,036.00							55.45	13,191.90



BDO LLP

Progress Report - British Midland Regional Limited (In Administration)

Name of Assignment British Midland Regional Limited 00291330

Detail of Time Charged and Rates Applicable for the Period From 18/02/2019 to 17/02/2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
	£		£		£		£		£		£		£	
12. Retention of Title			3.55	1,311.25	19.30	4,091.60							22.85	5,402.85
14. Sale of Business/Assets	30.50	23,192.50	4.60	2,064.00									35.10	25,256.50
99. Other Matters	1.60	1,260.80	8.85	3,032.40	8.85	1,883.70							19.30	6,176.90
sub total -	34.10	25,527.30	386.25	125,642.10	114.60	24,343.20	6.00	1,236.00					540.95	176,748.60
E. Assets Realisation/Dealing														
F. Trading Related Matters														
06. Monitor/Supervise Trading					0.90	190.80							0.90	190.80
08. Trading Accounts			1.65	579.15									1.65	579.15
09. Business Closure			0.85	298.35									0.85	298.35
99. Other Matters					0.30	63.60							0.30	63.60
sub total -			2.50	877.50	1.20	254.40							3.70	1,131.90
F. Trading Related Matters														
G. Employee Matters														
01. Dealing with Trade Unions					5.60	1,220.80							5.60	1,220.80
02. Dealing with Employees	16.50	12,574.50	172.95	57,680.30	274.80	58,499.70			2.25	204.25			466.50	128,958.75
03. IPA Matters			2.80	951.00	18.35	3,906.10							21.15	4,858.00
04. Pension Issues			1.50	417.50	15.30	3,246.60							16.80	3,664.10



BDO LLP

Progress Report - British Midland Regional Limited (In Administration)

Name of Assignment **British Midland Regional Limited** **00291330**

Detail of Time Charged and Rates Applicable for the Period From 18/02/2019 to 17/02/2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
	£		£		£		£		£		£		£	
99. Other Matters			28.50	8,829.30	43.00	9,301.05	3.05	636.95	5.40	449.10			79.95	19,216.40
sub total -	16.50	12,574.50	205.75	67,879.00	357.05	76,174.25	3.05	636.95	7.65	653.35			590.00	157,918.05
G. Employee Matters														
H. Creditor Claims														
01. Validity of charges			6.15	2,144.75									6.15	2,144.75
02. Secured Creditors			85.65	34,144.05									85.65	34,144.05
03. Preferential Creditors			1.75	657.80	10.80	2,373.30							12.55	3,031.10
04. Non-Preferential Creditors	20.00	9,880.00	60.80	17,547.45	45.50	9,303.80	0.15	19.05	214.60	15,001.40			341.05	51,751.70
06. Other Creditors			5.70	1,571.20									5.70	1,571.20
99. Other Matters					1.35	216.60	0.25	31.75					1.60	248.35
sub total -	20.00	9,880.00	160.05	56,065.25	57.65	11,893.70	0.40	50.80	214.60	15,001.40			452.70	92,891.15
H. Creditor Claims														
I. Reporting														
01. Statutory Reporting			139.60	48,321.00	11.75	2,267.70			33.00	3,193.50			184.35	53,782.20
02. Reporting to Appointor			1.50	690.00									1.50	690.00
04. Reporting to Creditors	17.50	11,882.50	178.65	55,975.80	8.65	1,862.40			0.50	51.25			205.30	69,771.95
05. Reporting to Court			2.60	785.20									2.60	785.20



BDO LLP

Progress Report - British Midland Regional Limited (In Administration)

Name of Assignment **British Midland Regional Limited** **00291330**

Detail of Time Charged and Rates Applicable for the Period From 18/02/2019 to 17/02/2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
	£		£		£		£		£		£		£	
99. Other Matters			0.25	51.75									0.25	51.75
sub total -	17.50	11,882.50	322.60	105,823.75	20.40	4,130.10			33.50	3,244.75			394.00	125,081.10
I. Reporting														
J. Distribution and Closure														
01. Closure Planning			7.30	1,845.80									7.30	1,845.80
02. Distributions	2.65	1,449.15	5.35	1,706.60									8.00	3,155.75
99. Other Matters			0.95	279.50									0.95	279.50
sub total -	2.65	1,449.15	13.60	3,831.90									16.25	5,281.05
J. Distribution and Closure														
Net Total													1,035,228.70	
Secretarial Expense													0.00	
Other Disbursements													0.00	
Billed													0.00	
Grand Total													1,035,228.70	

A creditor's guide to office holder remuneration can be accessed via: <https://www.icas.com/technical-resources/creditor-guides-to-office-holder-remuneration>



BDO LLP

Progress Report - British Midland Regional Limited (In Administration)

BDO LLP REMUNERATION AND DISBURSEMENTS POLICY

In accordance with best practice we provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency follows: This in no way implies that staff at all such grades will work on the case.

Charge Out Rates by Staff Grade	Charge out rates applicable from 1 July 2019 to 1 July 2020	Charge out rates applicable from 1 July 2020 to 1 December 2020	Charge out rates applicable from 1 December 2020 to date
	£	£	£
Partner	509-783	549-873	493-788
Senior Manager/Director	323-460	424-542	413-661
Manager	242-380	304-435	302-402
Assistant Manager	218	218-311	227-302
Senior Cashier/Cashier	124	124	124
Senior Administrator	206	181-213	181-281
Administrator	119-185	119-170	110-147
Support staff/Secretary	73-77	73-77	74-110

The rates charged by BDO LLP are reviewed each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

Pre Appointment
Steps upon Appointment
Planning and Strategy



BDO LLP

Progress Report - British Midland Regional Limited (In Administration)

General Administration
Asset Realisation/Management
Trading Related Matters
Employee Matters
Creditor Claims
Reporting
Distribution and Closure
Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

1. Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into 2 categories.

a) Category 1 Disbursements

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, travel (by public transport), couriers, searches at company house, land registry searches, fees in respect of swearing legal documents, external printing costs etc. In each case the recharge will be reimbursement of a specific expense incurred.

Where applicable, disbursements will be subject to VAT at the prevailing rate.

b) Category 2 Disbursements

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (Scotland) Rules to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.



BDO LLP

Progress Report - British Midland Regional Limited (In Administration)

APPENDIX E - Notice of Convening a Creditors Decision Procedure by Correspondence and Voting Form

The Insolvency Act 1986 - Notice of Convening a Creditors Decision Procedure by Correspondence

Pursuant to Rule 5.8 Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 ('the Rules')

To consider the Joint Administrators' fee request for the accounting period 18 August 2019 to 17 February 2021 in terms of Rules 3.95 and 3.96 Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018.

Name of Company British Midland Regional Limited t/a Flybmi (In Administration)	Company number SC104657
In the the Court of Session, Parliament House, Parliament Square, Edinburgh, EH1 1RQ [full name of court]	Court case number P173/19

The Joint Administrators are Francis Graham Newton (Office holder No: 9310) of BDO LLP, c/o BDO LLP Central Square, 29 Wellington Street, Leeds, LS1 4DL; Antony David Nygate (Office holder No: 9237) of BDO LLP, 55 Baker Street, London, W1U 7EU, and James Bernard Stephen (Office holder No: 9273) of BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX, who were appointed on 18 February 2019. The Joint Administrators may also be contacted via Alice Denmark (0151 237 4497 /BMR@bdo.co.uk).

NOTICE that the Creditors of the above named Company are invited to make decisions as to whether to approve or reject the resolution below.

Decision Procedure: The Creditors are invited to indicate whether they approve or reject the resolutions. A voting form is attached for recording your vote along with a statement of claim. The completed form, together with details of your claim, if not already provided, must be sent to the Joint Administrators whose details are below and on the attached voting form otherwise your vote will be disregarded. Your voting form must be delivered to Joint Administrators before the Decision date below otherwise it cannot be counted.

Decision Date: 19 April 2021

Creditors may within five business days of this notice require a virtual meeting to be held to consider the matter. This is explained overleaf.

Any response may be sent by correspondence, using the attached voting form. To be valid your voting form must be received by the Joint Administrators by no later than the Decision Date detailed above.

The Resolutions to be considered are as follows:

- a) That a Creditors' Committee be established if sufficient creditors are willing to be members. A form of consent is attached should you wish to be represented on a Creditors' Committee.
- b) The balance of the Joint Administrators remuneration for the accounting period 18 August 2019 to 17 February 2020 of £35,768.20 (Excl VAT) be determined at £35,768.20.
- c) The Joint Administrators' remuneration request for the accounting period 18 February 2020 to 17 August 2020 of £83,071.60 (Excl VAT) be determined at £83,071.60.
- d) The Joint Administrators' remuneration request for the accounting period 18 August 2020 to 17 February 2021 of £59,182.05 (Excl VAT) be determined at £59,182.05.

A Summary of the Joint Administrators' time cost for the period together with a brief summary of the work undertaken is attached to this notice. In terms of Rule 3.95 we also enclose a receipts and payment account of our intromissions with the Company's assets and a scheme of division of the funds at hand.

A guide to the role and function of creditors' committees may be found at:
<https://www.r3.org.uk/what-we-do/publications/professional/creditors-guides>

Date of Decision Notice: 29 March 2021



Antony David Nygate
Joint Administrator and Convenor of the decision process

Summary of Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 that are Relevant to the Decision Process by Correspondence

Certain Rules apply to decision procedures. The full text of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 relevant to this decision process is attached but the key effects of the Rules are summarised below:

Formation of a Creditors' Committee (R3.39): Nominations for members of the committee must be received by the Joint Administrators by the Decision Date. Nominations can only be accepted if the Joint Administrators are satisfied as to the creditor's eligibility under Rule 3.74.

Creditor Voting rights (R.5.26): Every creditor who has this notice is entitled to vote in respect of the debt due to the creditor. Where there is a physical meeting the creditor must submit a proxy form (not relevant at this stage). Creditors, including creditors whose debt is treated as a 'small debt' (£1,000 or less) or who has opted out of receiving notices must still deliver a statement of claim and documentary evidence of debt if they wish to vote.

Appeals against decisions (R.5.32): Decisions of the Joint Administrators in convening the Decision Procedure and dealing with voting is subject to appeal to the court by a creditor. Any appeal must be made within 21 days of the Decision date.

Virtual Meeting: If creditors want to consider the resolutions at a virtual meeting they must notify in writing the Joint Administrator, whose details are above, within five business days of delivery of this notice. A meeting will be convened if sufficient creditors notify the Administrators within the timeframe. Section 246ZE of the insolvency Act sets the "minimum number" of creditors for requisitioning a meeting at any of the following:

- (a) 10% in value of the creditors or contributories;
- (b) 10% in number of the creditors or contributories;
- (c) 10 creditors or contributories.

Due to strict Government guidelines currently in place as a result of the COVID-19 outbreak, should contributories and creditors wish to consider the resolutions at a meeting, attendance will be facilitated remotely by way of a conference call, further details of which will be provided on request.

Fees

Where creditors fail to determine a fee request by the Administrators (with our without modification) the Administrators' are obliged to make an application to the Court to have their fee determined.

Where fees are set by a creditors decision R3.100 allows any creditor or creditors of the Company representing in value at least 25% of the creditors may apply to court not later than eight weeks after the end of an accounting period for an order that the remuneration or outlays be reduced on the grounds that they are, in all circumstances, excessive.

Extract of Section 246ZE of the Insolvency Act 1986

- (1) This section applies where, for the purposes of this Group of Parts, a person (“P”) seeks a decision about any matter from a company’s creditors or contributories.
- (2) The decision may be made by any qualifying decision procedure P thinks fit, except that it may not be made by a creditors’ meeting or (as the case may be) a contributories’ meeting unless subsection (3) applies.
- (3) This subsection applies if at least the minimum number of creditors or (as the case may be) contributories make a request to P in writing that the decision be made by a creditors’ meeting or (as the case may be) a contributories’ meeting.
- (4) If subsection (3) applies P must summon a creditors’ meeting or (as the case may be) a contributories’ meeting.
- (5) Subsection (2) is subject to any provision of this Act, the rules or any other legislation, or any order of the court—
- (a) requiring a decision to be made, or prohibiting a decision from being made, by a particular qualifying decision procedure (other than a creditors’ meeting or a contributories’ meeting);
 - (b) permitting or requiring a decision to be made by a creditors’ meeting or a contributories’ meeting.
- (6) Section 246ZF provides that in certain cases the deemed consent procedure may be used instead of a qualifying decision procedure.
- (7) For the purposes of subsection (3) the “minimum number” of creditors or contributories is any of the following—
- (a) 10% in value of the creditors or contributories;
 - (b) 10% in number of the creditors or contributories;
 - (c) 10 creditors or contributories.
- (8) The references in subsection (7) to creditors are to creditors of any class, even where a decision is sought only from creditors of a particular class.
- (9) In this section references to a meeting are to a meeting where the creditors or (as the case may be) contributories are invited to be present together at the same place (whether or not it is possible to attend the meeting without being present at that place).
- (10) Except as provided by subsection (8), references in this section to creditors include creditors of a particular class.
- (11) In this Group of Parts “qualifying decision procedure” means a procedure prescribed or authorised under paragraph 8A of Schedule 8.

Extract of Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 that are Relevant to Decision Process by Correspondence

Voting in a decision procedure

- 5.9. (1) In order to be counted in a decision procedure other than where votes are cast at a meeting, votes must—
- (a) be received by the convener on or before the decision date; and
 - (b) in the case of a vote cast by a creditor—
 - (i) in a CVA, be accompanied by written notification of the creditor’s debt unless such a notification has already been given to the convener;
 - (ii) in an administration, be accompanied by a statement of claim and documentary evidence of debt (where the requirement to provide the latter is not dispensed with under rule 5.26(2)) unless already given to the convener.
- (2) In an administration, a vote must be disregarded if—
- (a) a statement of claim and, where required, documentary evidence of debt are not received by the convener on or before the decision date or, in the case of a meeting, at or before the meeting (unless under rule 5.24 the chair is content to accept them before resumption of the adjourned meeting); or
 - (b) the convener decides, in the application of Chapter 7 of this Part, that the creditor is not entitled to cast the vote.
- (3) The convener must have received at least one valid vote on or before the decision date in order for a decision to be made.

Non-receipt of notice of decision

- 5.15. Where a decision is sought by a notice in accordance with the Act or these Rules, the decision procedure or deemed consent procedure is presumed to have been duly initiated and conducted, even if not everyone to whom the notice is to be delivered has received it.

Decisions on remuneration and conduct

- 5.16. (1) This rule applies in relation to a decision or resolution which is proposed in an administration, and which affects a person in relation to that person's remuneration or conduct as administrator (actual, proposed or former).
- (2) The following may not vote on such a decision or resolution whether as a creditor, proxy-holder or corporate representative, except so far as permitted by rule 6.7 (proxy-holder with financial interest)—
- (a) that person;
 - (b) the partners and employees of that person;
 - (c) the officers and employees of the company of which that person is a director, officer or employee; and
 - (d) the representative of any person mentioned in sub-paragraphs (a) to (c).

Requisitions of decision

[Note: this rule is concerned with requests by creditors for a decision, rather than requests for decisions to be made by way of a physical meeting under section 246ZE(3).]

- 5.17. (1) In this Chapter, "requisitioned decision" means a decision requested to be sought under paragraph 52(2) or 56(1) of Schedule B1.
- (2) A request for a decision to be sought under paragraph 52(2) of Schedule B1 must be delivered within eight business days of the date on which the administrator's statement of proposals is delivered.
- (3) The request for a requisitioned decision must include a statement of the purpose of the proposed decision and either—
- (a) a copy of the requesting creditor's statement of claim, together with—
 - (i) a list of the creditors concurring with the request and of the amounts of their respective claims, and
 - (ii) confirmation of concurrence from each creditor concurring; or
 - (b) a copy of the requesting creditor's statement of claim and a statement that that alone is sufficient without the concurrence of other creditors.

Expenses and timing of requisitioned decision

- 5.18. (1) The convener must, not later than 14 days from receipt of a request for a requisitioned decision, provide the requesting creditor with itemised details of the sum to be deposited as caution for payment of the expenses of such procedure.
- (2) The convener is not obliged to initiate the decision procedure or deemed consent procedure (where applicable) until either—
- (a) the convener has received the required sum; or
 - (b) the period of 14 days has expired without the convener having informed the requesting creditor of the sum required to be deposited as caution.
- (3) A requisitioned decision must be made within 28 days of the date on which the earlier of the events specified in paragraph (2) of this rule occurs.
- (4) The expenses of a requisitioned decision must be paid out of the deposit (if any) unless the creditors decide that they are to be payable as an expense of the administration.
- (5) The notice of a requisitioned decision of creditors must contain a statement that the creditors may make a decision as in paragraph (4) of this rule.
- (6) Where the creditors do not so decide, the expenses must be paid by the requesting creditor to the extent that the deposit (if any) is not sufficient.
- (7) To the extent that the deposit (if any) is not required for payment of the expenses, it must be repaid to the requesting creditor.

Creditors' voting rights

- 5.26. (1) In an administration, a creditor is entitled to vote in a decision procedure or to object to a decision proposed using the deemed consent procedure only if—
- (a) the creditor has delivered to the convener a statement of claim and documentary evidence of debt, including any calculation for the purposes of rule 5.28 or 5.29;
 - (b) the statement of claim and documentary evidence of debt were received by the convener not later than the decision date, or in the case of a meeting, at or before the meeting; and
 - (c) the statement of claim and documentary evidence of debt has been admitted for the purposes of entitlement to vote.

- (2) The convener or chair may dispense with the requirement to produce documentary evidence of debt in paragraph (1)(a).
- (3) In the case of a meeting, a proxy-holder is not entitled to vote on behalf of a creditor unless the convener or chair has received the proxy intended to be used on behalf of that creditor.
- (4) In a decision relating to a proposed CVA every creditor, secured or unsecured, who has notice of the decision procedure is entitled to vote in respect of that creditor's debt.
- (5) Where a decision is sought in an administration under rule 3.52(3)(b), rule 3.96(5) or rule 3.96(6), creditors are entitled to participate to the extent stated in those rules.

Claim made in proceedings in other member States

- 5.27.**—(1) Where, in an administration,—
- (a) a creditor is entitled to vote under rule 5.26 (as determined, where that is the case, in accordance with rule 5.32);
 - (b) that creditor has made the claim in other proceedings;
 - (c) that creditor votes on a resolution in a decision procedure; and
 - (d) a member State liquidator casts a vote in respect of the same claim, only the creditor's vote is to be counted.
- (2) Where, in an administration,—
- (a) a creditor has made a claim in more than one set of other proceedings; and
 - (b) more than one member State liquidator seeks to vote in respect of that claim, the entitlement to vote in respect of that claim is exercisable by the member State liquidator in the main proceedings, whether or not the creditor has made the claim in the main proceedings.
- (3) In this rule, "other proceedings" mean main, secondary or territorial proceedings in another member State.

Calculation of voting rights

- 5.28.** (1) Votes are calculated according to the amount of each creditor's claim—
- (a) in an administration, as at the date on which the company entered administration, less—
 - (i) any payments that have been made to the creditor after that date in respect of the claim, and
 - (ii) any adjustment by way of set-off which has been made in accordance with that principle or would have been made if that principle were applied on the date on which the votes are counted;
 - (b) in a proposed CVA—
 - (i) at the date the company went into liquidation where the company is being wound up,
 - (ii) at the date the company entered administration (less any payments made to the creditor after that date in respect of the claim) where it is in administration,
 - (iii) at the beginning of the moratorium where a moratorium has been obtained (less any payments made to the creditor after that date in respect of the claim), or
 - (iv) where (i) to (iii) do not apply, at the decision date.
- (2) A creditor may vote in respect of a debt of an unliquidated or unascertained amount if the convener or chair decides to put upon it an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose.
- (3) In relation to a proposed CVA, a debt of an unliquidated or unascertained amount is to be valued at £1 for the purposes of voting unless the convener or chair or an appointed person decides to put a higher value on it.
- (4) Where a debt is wholly secured its value for voting purposes is nil.
- (5) Where a debt is partly secured its value for voting purposes is the value of the unsecured part.
- (6) The value of the debt for voting purposes is its full value without deduction of the value of the security in the following cases—
- (a) where the administrator has made a statement under paragraph 52(1)(b) of Schedule B1 and the administrator has been requested to seek a decision under paragraph 52(2) of that Schedule; and
 - (b) where, in a proposed CVA, there is a decision on whether to extend or further extend a moratorium or to bring a moratorium to an end before the end of the period of any extension.
- (7) No vote may be cast in respect of a claim more than once on any resolution put to the meeting and for this purpose (where relevant), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim.
- (8) A vote cast in a decision procedure which is not a meeting may not be changed.
- (9) Paragraph (7) does not prevent a creditor or member State liquidator from—
- (a) voting in respect of less than the full value of an entitlement to vote; or
 - (b) casting a vote one way in respect of part of the value of an entitlement and another way in respect of some or all of the balance of that value.

Calculation of voting rights: hire-purchase agreements

- 5.29.** (1) In an administration, a creditor under a hire-purchase agreement is entitled to vote in respect of the amount of the debt due and payable by the company on the date on which the company entered administration.
- (2) In calculating the amount of any debt for the purpose of paragraph (1), no account is to be taken of any amount attributable to the exercise of any right under the relevant agreement so far as the right has become exercisable solely by virtue of—
- (a) the making of an administration application;
 - (b) a notice of intention to appoint an administrator or any matter arising as a consequence of the notice; or
 - (c) the company entering administration.

Procedure for admitting creditors' claims for voting

- 5.30.** (1) The convener or chair in respect of a decision procedure must ascertain entitlement to vote and admit or reject claims accordingly.
- (2) The convener or chair may admit or reject a claim in whole or in part.
- (3) If the convener or chair is in any doubt whether a claim should be admitted or rejected, the convener or chair must mark it as objected to and allow votes to be cast in respect of it, subject to such votes being subsequently declared invalid if the objection to the claim is sustained.

Requisite majorities

- 5.31.** (1) A decision is made by creditors when a majority (in value) of those voting have voted in favour of the proposed decision, except where this rule provides otherwise.
- (2) In the case of an administration, a decision is not made if those voting against it include more than half in value of the creditors to whom notice of the decision procedure was delivered who are not, to the best of the convener's or chair's belief, persons connected with the company.
- (3) Each of the following decisions in a proposed CVA is made when 75% or more (in value) of those responding vote in favour of it—
- (a) a decision approving a proposal or a modification;
 - (b) a decision extending or further extending a moratorium; or
 - (c) a decision bringing a moratorium to an end before the end of the period of any extension.
- (4) In a proposed CVA a decision is not made if more than half of the total value of the unconnected creditors vote against it.
- (5) For the purposes of paragraph (4)—
- (a) a creditor is unconnected unless the convener or chair decides that the creditor is connected with the company;
 - (b) in deciding whether a creditor is connected reliance may be placed on the information provided in the company's statement of affairs or otherwise in accordance with these Rules; and
 - (c) the total value of the unconnected creditors is the total value of those unconnected creditors whose claims have been admitted for voting.

Appeals against decisions under this Chapter

- 5.32.** (1) A decision of the convener or chair under this Chapter is subject to appeal to the court by a creditor.
- (2) In a proposed CVA, an appeal to the court against a decision under this Chapter may also be made by a member of the company.
- (3) If the decision is reversed or varied, or votes are declared invalid, the court may order another decision procedure to be initiated or make such order as it thinks just but, in a CVA, the court may only make an order if it considers that the circumstances which led to the appeal give rise to unfair prejudice or material irregularity.
- (4) An appeal under this rule may not be made after the end of the period of 21 days beginning with the decision date.
- (5) However, the previous paragraph does not apply in a proposed CVA where an appeal may not be made after the end of the period of 28 days beginning with the day on which the first of the reports required by section 4(6) or paragraph 30(3) of Schedule A1 was lodged with the court.
- (6) The person who made the decision is not personally liable for costs incurred by any person in relation to an appeal under this rule unless the court makes an order to that effect.

Record of a decision

- 5.36.** (1) Where a decision is sought using a decision procedure, the convener or chair must make a record of the decision procedure.
- (2) In the case of a meeting, the record must be in the form of a minute of the meeting.
- (3) The record must be authenticated by the convener or chair and must include—
- (a) identification details for the insolvency proceedings;
 - (b) a list of the names of the creditors who participated in the decision procedure and their claims;

- (c) where a decision is taken on the election of members of a creditors' committee, the names and addresses of those elected;
 - (d) a record of any change to the result of the resolution made under rule 5.35(6) and the reason for any such change; and
 - (e) in any case, a record of every decision made and how creditors voted.
- (4) Where a decision is sought using the deemed consent procedure, the convener must make a record of the procedure.
- (5) The record under paragraph (4) must be authenticated by the convener and must—
 - (a) identify the insolvency proceedings;
 - (b) state whether or not the decision was made; and
 - (c) contain a list of the creditors who objected to the decision and their claims.
- (6) A record made under this rule must also identify any decision procedure (or the deemed consent procedure) by which a decision had previously been sought.

**The Insolvency Act 1986 -Creditors Decision Procedure by Correspondence
Pursuant to Rule 5.8 & 5.9 of Insolvency (Scotland) (Company Voluntary
Arrangements and Administration) Rules 2018**

Voting Form.

Name of Company British Midland Regional Limited t/a Flybmi(In	Company number SC104657
In the the Court of Session, Parliament House, Parliament Square, Edinburgh, EH1 1RQ [full name of court]	Court case number P173/19

TO BE COMPLETED BY CREDITORS

RESOLUTIONS IN THE DECISION NOTICE DATED - 19 April 2021

(* Please indicate voting preference)

- | | | |
|---|--|----------------------------|
| 1 | That a Creditors' Committee be established if sufficient creditors are willing to be members. A form of consent is attached should you wish to be represented on a Creditors' Committee. | *Approved/Rejected |
| 2 | The balance of the Joint Administrators remuneration for the accounting period 18 August 2019 to 17 February 2020 of £35,768.20 (Excl VAT) be determined at £35,768.20. | *Approved/ Rejected |
| 3 | The Joint Administrators' remuneration request for the accounting period 18 February 2020 to 17 August 2020 of £83,071.60 (Excl VAT) be determined at £83,071.60. | *Approved/ Rejected |
| 4 | The Joint Administrators' remuneration request for the accounting period 18 August 2020 to 17 February 2021 of £59,182.05 (Excl VAT) be determined at £59,182.05. | *Approved/ Rejected |

**Name of
Creditor:**_____

Signature of Creditor:

(If signing on behalf of creditor, state capacity. E.g. directors/ solicitor)

NOTE:

This form must be accompanied by a proof of the amount due to the creditor unless a statement of claim form has already been delivered. Creditors whose debt is treated as a @small debt' (£1,000 or less) or who has opted out of receiving notices must still deliver a proof for voting purposes otherwise their vote will be disregarded.

Should you wish to serve on a Creditor's Committee, you should also return the attached Consent form evidencing your consent to serve on any Creditor's Committee that may be formed as result of this decision process.

This and accompanying must be returned to Antony David Nygate c/o Business Restructuring, BDO LLP, c/o BDO LLP Central Square, 29 Wellington Street, Leeds, LS1 4DL by no later than the Decision date **19 April 2021**

Should any creditor's wish to request a decision, rather than request for decisions to be made by way of a physical meeting, you may intimate this in terms of Para 52(2) or 56(1) of Sch B1. (Rule 5.17 & 5.18 of the Rules apply) on the attached form "**Creditors request for a decision in respect of the Administration**" The Joint Administrators may also be contacted via Alice Denmark (0151 237 4497/BMR@bdo.co.uk)

British Midland Regional Limited t/a Flybmi (In Administration)

Consent to act on Creditors' Committee

Pursuant to R3.74 & 3.75(2) of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018

I,, hereby consent to act as a member of the Creditors' Committee in respect of British Midland Regional Limited t/a Flybmi In Administration.

Dated: _____

Name of Creditor: _____

Address of Creditor: _____

Claim Amount: _____

Contact telephone number: _____

Signature of Creditor: (If creditor in person): _____

If creditor not in person:

** Delete whichever is not applicable*

I consent to act as a member of the Creditors' Committee having been authorised by the above mentioned creditor by *proxy/authority* *under Section 323 of the Companies Act 2006 (as amended)* issued on

_____.

Name of Representative: _____

Address of Representative: _____

Signature of Representative: _____

Representative's Telephone: _____

Contact email address: _____

Do you consent to delivery of correspondence by email? Yes / No

Internal Use Only

If a Creditor's Committee is Formed

1. Ensure IPS updated to reflect committee form and who appointed.
2. Ensure SIP 15 guidance issued to committee.
3. File this form with any proxy/statement of claim

This form may be posted to Francis Graham Newton c/o Business Restructuring, BDO LLP, c/o BDO LLP Central Square, 29 Wellington Street, Leeds, LS1 4DL. Alternatively it may be emailed to BMR@bdo.co.uk



BDO LLP

Progress Report - «FUNCTION_NME» (In Administration)

APPENDIX F - Creditors Request for a Decision in Respect of the Administration

The Insolvency Act 1986 - Creditors Request for a Decision in Respect of the Administration

Pursuant to Rule 5.17 of Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018

Name of Company British Midland Regional Limited t/a Flybmi (In Administration)	Company number SC104657
In the the Court of Session, Parliament House, Parliament Square, Edinburgh, EH1 1RQ [full name of court]	Court case number P173/19

Creditor's name & address I (a) _____

Purpose of decision process
Rule 5.17(3) Request a decision procedure for the creditors of British Midland Regional Limited t/a Flybmi, Registered office is situated at: 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX ('the Company') for the purpose of:

Confirm creditor's claim Rule 5.17(3)(a) My claim in the Administration is £_____ (A statement of claim form is attached/has already been delivered)*(delete as necessary)

Insert full name(s) and address(es) of creditors concurring with the request (if any) and their claims in the administration if the requesting creditor's claim is below the required 10% continue on reverse if necessary
Rule 5.18(3)(a)(ii) & (b) _____

_____ Continue overleaf if necessary

The creditors listed above concur with the above request, and I attach copies of their written confirmation of concurrence.

Signature of creditor or person authorised to act on his behalf _____ Dated _____

Name in BLOCK LETTERS

If signing on behalf of the creditor, confirm relation to creditor and address

Statement of Claim

Pursuant to Rule 3.105 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018

WARNING

It is a criminal offence

- for a creditor to produce a statement of claim, account, voucher or other evidence which is false, unless he shows that he neither knew nor had reason to believe that it was false; or

- for a director or other officer of the company who knows or becomes aware that is false to fail to report it to the administrator within one month of acquiring such knowledge.

On conviction either the creditor or such director or other officer of the company may be liable to a fine and/or imprisonment.

Notes

(a) Insert name of company

(a) British Midland Regional Limited t/a Flybmi

(b) Insert name and address of creditor

(b)

(c) Insert name and address, if applicable, of authorised person acting on behalf of the creditor

(c)

(d) Insert total amount as at the due date (see note (e) below) claimed in respect of all the debts, the particulars of which are set out overleaf.

I submit a claim of (d) £ in the administration of the above 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.

(e) The due date in the case of a company

Date for Claims: 18 February 2019

Signed _____
Creditor/person acting on behalf of creditor

Date _____

Notes

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

- | | |
|---|---|
| <p>1. Describe briefly the debt, giving details of its nature, the date when it was incurred and when payment became due</p> <p>Attach any documentary evidence of the debt, if available.</p> <p>2. Insert total amount of the debt, showing separately the amount of principal and any interest which is due on the debt as at the due date (see note (e)). 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.</p> <p>3. Insert the nature and amount of any preference under Schedule 6 to the Act claimed in respect of the debt.</p> <p>4. Specify and give details of the nature of any security held in respect of the debt, including:-</p> <p>(a) the subjects covered and the date when it was given;</p> <p>(b) the value of the security</p> <p>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 procedure security also includes a hire purchase agreement, agreement for the hire of goods for more than three months and a conditional sale agreement (see Rule 2.33).</p> <p>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 of commencement of the winding up (note (e)) require a creditor to discharge a security or to convey or assign it to him on payment of the value specified by the creditor.</p> | <p>1. Particulars of debt</p> <p>2. Amount of debt</p> <p>3. Preference claimed for debt</p> <p>4. Security for debt</p> <p>5. Total amount of debt</p> <p>6. Underlying claims</p> |
|---|---|
5. In calculating the total amount of his claim in a administration, a creditor shall deduct the value of any security as estimated by him unless he surrenders it (see note 4).
6. In the case of a member state administrator creditor, specify and give details of underlying claims in respect of which he is claiming as creditor

The statement of claim should be posted to Francis Graham Newton c/o Business Restructuring, BDO LLP, c/o BDO LLP Central Square, 29 Wellington Street, Leeds, LS1 4DL. Alternatively it may be emailed to BMR@bdo.co.uk.