

AM10

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 0 2 7 6 9 7 6 8

Company name in full FBE Realisations 2021 Limited (in Administration)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Simon Jamie

Surname Edel

3 Administrator's address

Building name/number Ernst & Young LLP

Street 1 More London Place

Post town London

County/Region London

Postcode S E 1 2 A F

Country United Kingdom

4 Administrator's name ①

Full forename(s) Alan Michael

Surname Hudson

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Ernst & Young LLP

Street 1 More London Place

Post town London

County/Region London

Postcode S E 1 2 A F

Country United Kingdom

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d	0	d	5	m	0	m	9	y	2	y	0	y	2	y	2
To date	d	0	d	4	m	0	m	3	y	2	y	0	y	2	y	3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X  X

Signature date

d 0 d 4 m 0 m 4 y 2 y 0 y 2 y 3

**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 Emma White

Company name Ernst & Young LLP

Address 1 More London Place

Post town London

County/Region London

Postcode S E 1 2 A F

Country United Kingdom

DX

Telephone (0) 20 7951 2000

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse 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. ①
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

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

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

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

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

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

2 Insolvency practitioner's name

Full forename(s)

Joanne Honor

Surname

Robinson

3 Insolvency practitioner's address

Building name/number

Ernst & Young LLP

Street

1 More London Place

Post town

London

County/Region

London

Postcode

S E 1 2 A F

Country

United Kingdom

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- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Lucy

Surname

Winterborne

3 Insolvency practitioner's address

Building name/number

Ernst & Young LLP

Street

The Paragon

32 Counterslip

Post town

Bristol

County/Region

Postcode

B S 1 6 B X

Country

United Kingdom

TO ALL KNOWN CREDITORS

3 April 2023

Ref: AH/JR/LW/SE/LN
Switchboard: (0) 20 7951 2000

Linh Nguyen
Lnguyen1@parthenon.ey.com

Dear Sir/Madam

FBE Realisations 2021 Limited (formerly “Flybe Limited”) (in Administration) (“the Company” or “FBE”)

High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD), Number CR-2020-001582

I refer to the appointment of Alan Hudson, Joanne Robinson, Simon Edel and Lucy Winterborne as joint administrators (“Joint Administrators”) of the Company on 5 March 2020. The Joint Administrators, act as agents of the Company only and without personal liability. Under the terms of the appointment any act required or authorised to be done by the Joint Administrators can be done by any of them.

I write in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 (“the Rules”) to provide creditors with a Sixth Report on the progress of the Administration of the Company (“the Administration”). This report covers the Period from 5 September 2022 to 4 March 2023 (“the Period”) and should be read in conjunction with the Joint Administrators’ Statement of Proposals (“the Proposals”) dated 29 April 2020, and the previous progress reports for the periods:-

- 5 March 2020 to 4 September 2020 (“the First Progress Report”);
- 5 September 2020 to 4 March 2021 (“the Second Progress Report”);
- 5 March 2021 to 4 September 2021 (“the Third Progress Report”);
- 5 September 2021 to 4 March 2022 (“the Fourth Progress Report”); and
- 5 March 2022 to 4 September 2022 (“the Fifth Progress Report”);

including the definitions contained therein.

Statutory information about the Company, the Administration and the office holders is given at Appendix 1. A copy of the Proposals and the abovementioned progress reports can be obtained at https://www.ey.com/en_uk/fbe-realisations-2021-limited-administration.

Summary of progress since the Fifth Progress Report

1.1 Sale of assets

Group business sale

As reported in the previous progress reports, the Company's business and certain assets were sold to Thyme Opco Limited (subsequently renamed to Flybe Limited, hereafter referred to as "New Flybe") on 13 April 2021 ("the Transaction"). The agreement included the prospect of deferred consideration becoming payable in the event certain conditions were met.

On 28 January 2023, New Flybe entered into administration with David Pike and Mike Pink of Interpath Limited being appointed as administrators ("Interpath").

We have obtained a copy of Interpath's statement of proposals for the administration of New Flybe and note the following:

- Following their appointment, Interpath sought to rescue New Flybe as a going concern. The proposed route to achieving this purpose was proposed to have been via a share sale of New Flybe and exit from administration to maximise the value from the Heathrow and Amsterdam slots, being New Flybe's most valuable slots.
- Despite this, the sales process was unsuccessful and Interpath have amended their administration strategy to wind down the business.
- New Flybe has insufficient property to enable a distribution to unsecured creditors other than by virtue of the Prescribed Part (which is capped at £800,000). However, preferential creditors, which rank ahead of the claims of floating charge holders (from which the Prescribed Part would be payable), are currently estimated at £676,000.

As a consequence of these events, the Joint Administrators' conclude that nil deferred consideration under the Transaction is likely to be realised by the Joint Administrators. As such, there will not be any funds available in the estate available for a distribution to the unsecured creditors of FBE other than in relation to the Prescribed Part which is commented upon at section 5.3 below.

An update on the remaining assets of the Company that were excluded from the Transaction is set out below.

For the remainder of the report, references to 'the Administration' relate to FBE.

Engines

As at the date of Administration, there were ten PW150 engines and two CF-34 engines subject to fixed charged security in favour of the Security Trustee under the control of the Joint Administrators.

In our Fifth Progress Report to you dated 3 October 2022, there were three PW150 engines remaining to be realised.

I am now pleased to confirm that the Joint Administrators have successfully completed the sale for all three remaining PW150 engines as follows:

- i. Engine FA0196 – sold on an as is basis for a market value of USD \$75,000¹;
- ii. Engine FA0222 – sold on an as is basis for a market value of USD \$470,000; and
- iii. Engine FA0765 – sold on an as is basis for a market value of USD \$185,000.

Agency fees of £42,412 were paid in the Period as commission for the sale of engines FA0196 and FA0765. Commission relating to the sale of engine FA0222 totalling £24,951 was paid following the Period and will be reflected in the next progress report.

This marks the successful realisation of all of the Company's aircraft engines. In summary, a total of USD \$10.9m (£9.1m) was realised from selling ten PW150 engines (USD \$7.3m, or £6.1m) and two CF34 engines (USD \$3.6m, or £3.0m)². All engines are assets subject to fixed and floating charge security in favour of the Senior Lenders.

Spares

There remains one PW150 gearbox that is potentially realisable for value. An offer to purchase this gearbox has been received from an interested party which is currently being assessed. This asset is subject to floating charge security. Assuming the sale proves to be cost effective, the Joint Administrators will seek Senior Lender approval to proceed with the sale.

An update on this will be provided in the next update to creditors.

1.2 Debtors

Trade Debtors and Other Debtors

In the Period, the final tranche of £822k was received from Virgin Atlantic Airways ("VAA"), marking the final collection due under the VAA restructuring plan. This brings the total realisation from VAA to £7.3m.

Separately, £37.5k was recovered from Eastern Airways in the Period. A further two payments remain outstanding from Eastern Airways with the final one scheduled to be paid in September 2023.

Total recoveries from trade and other debtors to date are £10.2m³, €107.7k and USD \$110.6k respectively (note: all trade and other debtor recoveries are subject to floating charge security).

1.3 Multilateral Interchange Fee ("MIF") Claims

There is a potential recovery from the MIF claims that the Company has against Visa and Mastercard, with any realisations from such claims being subject to floating charge security. However, this matter is subject to ongoing litigation, of which the details remain confidential and the outcome is uncertain. The Joint Administrators have, in the Period, assigned such right, title and interest that the Company has in the MIF claims to a third party litigation funder. The assignment was done to minimise the Joint Administrators' costs and preserve value for the estate. The terms of the assignment remain confidential, however the

¹ A bank charge of USD \$13 was levied and deducted from the proceeds relating to engine FA0196.

² Realisations in foreign denominated currencies are translated into GBP using the prevailing spot rate on the date of the transaction where relevant.

³ Of the £10.2m, £0.3m was recovered from other debtors as disclosed in the Receipts & Payment table in Appendix 2.

assignment was executed for a small upfront consideration (which was received in the Period) plus deferred consideration for a significant portion of any eventual recovery. A further update on MIF claims will be provided in the next progress report.

1.4 Trading liabilities

All trading liabilities have now been settled. There are a small number of active undertakings remaining to facilitate the statutory obligations for closing and exiting the Administration (e.g. storage of books and records and engine storage and maintenance costs that were incurred in the Period but paid following the Period). Further, there is one supplier account that has been kept open to facilitate the receipt of an outstanding refund of £95k which is subject to floating charge security.

Payments made in the Period as shown in the Summary of Receipts and Payments at Appendix 2 include:

- Water charges for the Exeter premises totalling £13,716 for the period March 2020 to November 2020. This was the final payment to settle the remaining utility account. Of this, £1,728 was recharged to Exeter Aerospace for the portion relating to their occupation at the Exeter premises.
- Testing and maintenance costs of £9,695 relate to the storage and maintenance of two remaining PW150 aircraft engines. A further \$30,000 was incurred for the storage of the third remaining PW150 engine. Following the sale of the three engines in the Period, we have requested the final account statement which we anticipate will be approx. £3,000. This will be paid in the following period and the account closed thereafter.
- IT & Finance systems of £180, which relate to the storage of the Company's books and records to satisfy the Joint Administrators' statutory obligations for and on behalf of the Company. Further payments of £1,500 are expected for ongoing storage of books and records for the statutory Period. This is shown at Appendix 3 in the Summary of Joint Administrators' expenses incurred.

1.5 VAT

A sum of £4.9k was received from HMRC in the Period for VAT refunds relating to April and May 2022.

The Joint Administrators are also due to receive approximately £236.2k in VAT refunds from HMRC, which are owed for the periods between July 2022 to February 2023. HMRC have had delays in processing and refunding VAT accounts, however the team are continuing to chase these refunds.

As at the date of writing, HMRC has verbally confirmed that a repayment of £227.7k (relating to the period from July 2022 to December 2022) is imminent. This leaves a balance of £8.5k to be collected for the period between January 2023 and February 2023.

2. Receipts and Payments Account

A summary of our receipts and payments for the Period from 5 September 2022 to 4 March 2023 is attached at Appendix 2. The summary does not reflect estimated future realisations or costs.

3. Investigations

The investigations relating to the conduct of all persons who were directors, shadow directors or de-facto directors of the Company in the three years preceding the Administration are detailed in our Second

Progress Report dated 2 October 2020. These investigations have concluded and no further action will be undertaken and no specific investigations or actions have been requested by creditors.

4. Joint Administrators' remuneration and expenses

4.1 Joint Administrators' remuneration

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

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

On 17 November 2022, and pursuant to Rule 18.30 of the Insolvency (England and Wales) Rules 2016, the Joint Administrators convened a creditors committee ("the Committee") meeting to provide an update on the status of the Administration, and sought approval to revise the fee estimate by an additional £850,000. The uplift was approved by way of resolution on 17 November 2022. The reasons for the uplift were disclosed in our Fifth Progress Report dated 3 October 2022.

We do not anticipate that our remuneration will exceed the fee estimate approved by the Committee on 17 November 2022. We will not draw remuneration in excess of the fee estimate without providing an explanation to and receiving approval from the Committee and the Senior Lenders.

A detailed breakdown of the Joint Administrators' fee to date is disclosed in Appendix 4 of this report.

4.2 Joint Administrators' statement of expenses incurred (excluding remuneration)

The total expenses incurred for and on behalf of the Administration to date is £16.3m.

These expenses represent expenses incurred (both paid and accrued) by the Company and includes, but is not limited to legal costs, employee costs, rent and rates, and insurance. The expenses are distinct and separate from the Joint Administrators' remuneration as discussed at section 4.1.

An analysis of the expenses incurred in the Period, and cumulatively for the Administration, is provided at Appendix 3 to this report.

As referenced in the Joint Administrators' remuneration section of this report, certain expenses of the Administration are being funded by the purchaser of the Transaction, to the extent that they are incurred in relation to the Transaction since 24 August 2020. For reasons of confidentiality, we are unable to disclose the total amount of funding received by the Joint Administrators in respect of such costs. However, since these costs are not being borne by the Company, there is no incremental cost to the Administration and therefore no requirement to disclose them to comply with the Statement of Insolvency Practice 9.

5. Distributions to creditors

5.1 Secured Creditors

In the Period, £1.0m was distributed to GLAS as Security Trustee (as security trustee for the Senior Lenders) from fixed and floating charge realisations of £0.1m and £0.9m respectively.

This brings the total payments to secured charge holders by the Company to 4 March 2023:

- £29.2m to the Security Trustee for the benefit of the Senior Lenders (£7.6m from fixed charge realisations and £21.6m from floating charge realisations); and
- £3.1m to the BRAL Trustee pursuant to the fixed charge security held over the Training Academy.

5.2 Preferential Creditors

A preferential dividend of 100p in the £ was paid to 2,066 preferential creditors and four Redundancy Payment Service claims for a total value of £2.7m.

There are no further dividends for preferential creditors.

5.3 Non-preferential Creditors

Earlier in the Administration, the Joint Administrators reported that, based on its estimates, the total non-preferential claims would range between £550m to £650m. This included accruals and provisions in the Directors' statement of affairs. As at the date of this report, total claims received amount to approximately £300m. An adjudication and claim proving process has not been performed to confirm the quantum and validity of these claims. The total quantum of unsecured creditors is subject to change should further claims against the estate be made by creditors. Any return to unsecured creditors will be limited to the prescribed part (detailed further below), given the likelihood of any receipt relating to the deferred consideration under the Transaction being remote.

Prescribed part

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003.

At the time of the Proposals, it was noted that the Joint Administrators intended to make an application to the court, under section 176A(5) of the Insolvency Act 1986 for an order not to distribute the prescribed part on the grounds that the cost of making a distribution to unsecured creditors would be disproportionate to the benefit of doing so. The Joint Administrators' position remains unchanged given that, based on the total claims received to date of approximately £300m, on sharing a maximum prescribed part of £600,000 ordinary unsecured creditors would receive a return of approximately 0.001p. Further, the dividend would need to be distributed to a large number (over 900,000) of creditors. Factoring in postage and other disbursements, this distribution would not be economically viable nor beneficial to creditors.

6. End of the Administration

As you are aware, the Joint Administrators made an application to Court to seek an extension for the Administration beyond the statutory period of one year. The Court granted the extension until 2:30 a.m. on 5 March 2024, pursuant to paragraph 76(2)(a) of Schedule B1 to the Insolvency Act 1986.

The three year extension was sought on the basis that:

- It allowed sufficient time for all statutory obligations and tasks relating to the administration to be carried out in satisfaction of the purpose of the Administration; and
- It was determined appropriate at the time, principally to avoid further requests for extensions.

In this regard,

- Having successfully realised all of the Company's material business and assets;
- There being considered to be no prospect for receipt of any deferred consideration under the terms of the Transaction following the insolvency of New Flybe; and
- Having fulfilled the statutory duties and objectives of the Administration;

the Joint Administrators are now in the process of planning an exit from the Administration. This will involve an application for, amongst other matters, the dissolution of the Company. The slightly earlier than anticipated exit will mitigate further costs being incurred.

7. Future conduct of the Administration

The remaining tasks include, but are not limited to, the following:

- a) ascertaining the progress of the Company's MIF claims with the third party litigation funder;
- b) realising and collecting the remaining debts due from Eastern Airways (final collection in Sep-23);
- c) recovering the remaining amounts due from HMRC for outstanding VAT refunds;
- d) in the event items (a) to (c) above are not completed prior to the Joint Administrators exiting the Administration, we will consider executing a deed of assignment with the Security Trustee to allow any future payments from the MIF claims, Eastern Airways and/or HMRC to flow to the Senior Lenders;
- e) making distributions to the Senior Lenders, as appropriate;
- f) to make an application to disapply the prescribed part for unsecured creditors; and
- g) finalising the Administration including the payment of all final Administration liabilities, dealing with the statutory requirements of the Company's Administration, including reporting to creditors as necessary, applying to HMRC for a release and notifying of the Joint Administrators ceasing to act, filing the final tax returns and applying to the Registrar to move the Company into dissolution.

8. Other matters

If there are any matters concerning the Company's affairs which with you consider may require investigation, and consequently should be brought to our attention, please forward the details to me in writing as soon as possible.

9. Next report

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

Yours faithfully
For and on behalf of the Company



S J Edel
Joint Administrator

A Hudson, S Edel, J Robinson and L Winterborne are licensed in the United Kingdom to act as an Insolvency Practitioner by The Insolvency Practitioners Association. The affairs, business and property of the Company are being managed by the Joint Administrators, A Hudson, S Edel, J Robinson and L Winterborne who act as agents of the Company only and without personal liability. The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1

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

Name of court:	High Court of Justice Business and Property Courts of England and Wales, Insolvency and Companies List
Court reference:	CR-2020-001582
Registered name of the company:	FBE Realisations 2021 Limited
Registered office address of the company:	1 More London Place, London, SE1 2AF
Registered number:	02769768
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Date of appointment of the joint administrators:	5 March 2020
Details of any changes of administrator:	None
Full names of the administrators:	Alan Michael Hudson, Simon Jamie Edel, Joanne Honor Robinson and Lucy Winterborne
Office holder number(s):	9200, 9810, 19890 and 21130 respectively
Administrators' address(es):	
Alan Michael Hudson	Simon Jamie Edel
Ernst & Young LLP	Ernst & Young LLP
1 More London Place,	1 More London Place,
London, SE1 2AF	London, SE1 2AF

Joanne Honor Robinson
Ernst & Young LLP
1 More London Place,
London, SE1 2AF

Lucy Winterborne
Ernst & Young LLP
The Paragon,
32 Counterslip, Bristol, BS1 6BX

Telephone number:

(0) 20 7951 2000

Name of alternative person to contact with
enquiries about the case:

Linh Nguyen

Appendix 2

FBE Realisations 2021 Limited (in Administration)

Joint Administrators' Summary of Receipts and Payments from 5 September 2022 to 4 March 2023

	Note	Directors' Statement of Affairs - Estimated to Realise	GBP			EUR			USD		
			Position as at 04-Sep-22	Movement in Period	Position as at 04-Mar-23	Position as at 04-Sep-22	Movement in Period	Position as at 04-Mar-23	Position as at 04-Sep-22	Movement in Period	Position as at 04-Mar-23
Receipts											
Fixed Charge											
Property (Training Academy)		3,500,000	3,525,000	-	3,525,000	-	-	-	-	-	-
Share in FAS		Uncertain	4,540,385	-	4,540,385	-	-	-	-	-	-
Aircraft		85,462,700	-	-	-	-	-	-	-	-	-
Aircraft Engines		17,144,100	-	-	-	-	-	-	10,198,743	729,987	10,928,730
			8,065,385	-	8,065,385	-	-	-	10,198,743	729,987	10,928,730
Floating Charge											
Cash at Bank (unrestricted)		6,437,608	5,967,346	-	5,967,346	627,894	-	627,894	398,473	-	398,473
Third Party Funding	2	-	1,568,823	1,728	1,570,551	-	-	-	-	-	-
Derivatives		580,000	580,000	-	580,000	-	-	-	-	-	-
Card receipts		4,005,755	7,509,946	-	7,509,946	8,772,380	-	8,772,380	107,110	-	107,110
Petty Cash		-	14,931	-	14,931	9,771	-	9,771	-	-	-
Fleet Maintenance		-	10,145,797	-	10,145,797	344,712	-	344,712	37,583	-	37,583
Trade Debtors		12,863,838	8,996,849	879,038	9,875,887	107,722	-	107,722	110,640	-	110,640
Other Debtors		-	302,655	-	302,655	18,190	-	18,190	-	-	-
Refund of pre-payment		-	6,183	-	6,183	-	-	-	-	-	-
Bank Interest		-	22,806	10,835	33,641	-	-	-	-	-	-
Chattel sales		-	16,600	-	16,600	-	-	-	-	-	-
Airport Slots		Uncertain	-	-	-	-	-	-	-	-	-
Spares and Parts		Uncertain	1,219,150	-	1,219,150	-	-	-	2,143,978	-	2,143,978
Carbon Credits		7,253,792	39,482	-	39,482	8,183,521	-	8,183,521	-	-	-
Insurance rebates		2,500,000	666,417	-	666,417	40,505	-	40,505	563,889	-	563,889
Fixed Assets - Software		Uncertain	-	-	-	-	-	-	-	-	-
Fixed Assets - Plant and Equipment		50,000	-	-	-	-	-	-	-	-	-
Intercompany Debtors		Uncertain	-	-	-	-	-	-	-	-	-
Other Receivables		Uncertain	-	-	-	-	-	-	-	-	-
RECEIPTS TOTAL			45,122,370	891,601	46,013,971	18,104,695	-	18,104,695	13,560,416	729,987	14,290,402

	Note	Directors' Statement of Affairs - Estimated to Realise	GBP			EUR			USD		
			Position as at 04-Sep-22	Movement in Period	Position as at 04-Mar-23	Position as at 04-Sep-22	Movement in Period	Position as at 04-Mar-23	Position as at 04-Sep-22	Movement in Period	Position as at 04-Mar-23
Payments											
Wages			6,026,606	-	6,026,606	-	-	-	-	-	-
Legal Fees			4,240,818	38,036	4,278,854	7,712	-	7,712	-	-	-
Rent and Rates			2,191,826	-	2,191,826	-	-	-	-	-	-
Facilities Management and Security			403,936	13,716	417,652	-	-	-	-	-	-
Testing and Maintenance			387,218	9,695	396,913	-	-	-	1,108	30,000	31,108
Transportation			138,409	-	138,409	-	-	-	-	-	-
Equipment Leasing			64,671	-	64,671	-	-	-	-	-	-
IT & Finance Systems			901,752	180	901,932	54,260	-	54,260	-	-	-
Agents			898,724	42,412	941,135	-	-	-	30	-	30
Regulatory and License Payments			30,452	-	30,452	-	-	-	-	-	-
Interest Charges			209	-	209	6,104	3	6,107	-	-	-
Bank Charges			3,933	1,049	4,981	194	-	194	200	45	245
Employee Expenses	3		61,377	(585)	60,792	-	-	-	-	-	-
Sundry Expenses			94	-	94	-	-	-	-	-	-
Corporation Tax			136,501	-	136,501	-	-	-	-	-	-
Customs Duty			103,023	-	103,023	-	-	-	-	-	-
Insurance payments			423,508	-	423,508	38,001	-	38,001	-	-	-
Intercompany Loan (FAS)			-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
Joint Administrators' pre-appointment fees			64,348	-	64,348	-	-	-	-	-	-
Administrator Fees			16,161,833	993,156	17,154,989	-	-	-	-	-	-
Administrator Expenses			37,871	-	37,871	-	-	-	-	-	-
PAYMENTS TOTAL			32,277,106	1,097,659	33,374,765	106,270	3	106,273	1,338	30,045	31,383
1						GBP equivalent as at 4 Mar 2023			GBP equivalent as at 4 Mar 2023		
						94,047			26,203		

Intracompany Transfers										
Receipts	4	25,895,429	-	25,895,429	-	-	-	-	-	-
Payments	4	-	-	-	18,013,814	-	18,013,814	13,543,355	-	13,543,355
Payment to secured lenders		28,181,349	1,000,000	29,181,349	-	-	-	-	-	-
Payment to BRAL in respect of sale of the Training Academy		3,116,971	-	3,116,971	-	-	-	-	-	-
Payment to preferential creditors		-	2,665,388	2,665,388	-	-	-	-	-	-
NET RECEIPTS/PAYMENTS TOTAL		7,442,372	(3,871,446)	3,570,926	(15,389)	(3)	(15,392)	15,722	699,942	715,664
Net Input/(Output) VAT	5	424,039	212,879	636,918	-	-	-	(42,337)	-	(42,337)
Cash at Bank		7,159,540	(5,283,235)	1,876,305	14,191	(3)	14,188	19,643	699,942	719,584
Pension Control Account		(800)	-	(800)	-	-	-	-	-	-
Payroll Deductions Control Account		60	-	60	-	-	-	-	-	-
Trade Creditors		(244,060)	1,198,934	954,874	(29,580)	-	(29,580)	(1,108)	-	(1,108)
PAYE/NIC Control Account		5,024	-	5,024	-	-	-	-	-	-
MRO Control Account	6	102,918	-	102,918	-	-	-	39,525	-	39,525
FAS Control Account		(4,350)	-	(4,350)	-	-	-	-	-	-
REPRESENTED BY TOTAL		7,442,372	(3,871,446)	3,570,926	(15,389)	(3)	(15,392)	15,722	699,942	715,664
GBP Equivalent on 4 March 2023	1						(13,621)			597,532
Interest Bearing				1,876,305			14,188			719,584
Non Interest Bearing				1,694,622			(29,580)			(3,921)
TOTAL				3,570,926			(15,392)			715,664

Notes

1. Currency conversion rates applied to the consolidated R&P to provide an indicative view of the GBP equivalent figures for the EUR and USD amounts are based on the Bank of England Rates as at 4 March 2023 of EUR 1.1300 and USD 1.1977 respectively. This is in accordance with SIP 7.
2. Third party funding received in the Period pertains to amounts received from the occupier in relation to their occupation under licence of the Company's former premises at New Walker Hangar, Exeter in relation to rent, rates and utilities.
3. A refund of £585 was received in the Period from a pension fund. This relates to an amount for a former employee who has opted out of the pension scheme. Accordingly, no further payments are required in this regard.
4. Intercompany transfers (i.e. Receipts and Payments) details the movements of cash between our various Administration bank accounts which are denominated in three separate currencies. The net receipt shown in the GBP column pertains to the transfer of funds at set bank FX rates at various dates in the Administration.

5. Includes certain VAT that may be available to the Purchaser pursuant to funding provided to complete the Transaction. Amount not disclosed for confidentiality reasons.
6. Funds held separately on account by the Company, which will be drawn down as MRO final accounts paid.
7. Receipts and payments are stated net of VAT.
8. Receipts and payments are shown net of Transaction funding due to timing differences, costs incurred in the Period will be subject to final adjustments following completion.

FBE Realisations 2021 Limited (In Administration)

Summary of Joint Administrators' expenses incurred

Type of Expense	Per Estimate Dated 29 April 2021	Total Incurred as at 4 September 2022	Total incurred in the Period 5 September 2022 to 4 March 2023	Total Incurred 5 March 2020 – 4 September 2022	Estimate to Complete
Payments made from the estate which are not disbursements (see notes 1 and 2 at the end of this table)					
Employee Costs	5,424,629	6,087,982	(585)	6,087,397	-
Legal Fees	3,640,286	4,242,343	38,186	4,280,529	190,000
IT & Finance Systems	1,090,100	948,714	180	948,894	1,500
Rent and Rates	754,864	2,191,826	-	2,191,826	-
Insurance payments	517,737	456,398	-	456,398	-
Facilities Management and Security	144,477	403,936	8,726	412,662	-
Testing and Maintenance	124,919	388,175	34,712	422,886	3,059
Agents	89,232	898,749	42,411	941,160	-
Transportation	54,993	138,409	-	138,409	-
Equipment Leasing	30,090	64,671	-	64,671	-
Regulatory and license payments	11,739	30,452	-	30,452	-
Bank Charges	2,500	4,274	1,084	5,358	-
Interest Charges	1,000	5,492	2	5,494	-
Sundry Expenses	1,000	94	-	94	-
Public Notices	625	-	-	-	-

Type of Expense	Per Estimate Dated 29 April 2021	Total Incurred as at 4 September 2022	Total incurred in the Period 5 September 2022 to 4 March 2023	Total incurred from 5 March 2020 to 4 September 2022	Estimate to Complete
Customs Duty	500	103,023	-	103,023	-
Corporation Tax	-	136,501	-	136,501	-
Category 1 disbursements (see Note 2)		-			
Travel	21,466	19,335	-	19,335	-
Accommodation	9,286	9,330	-	9,330	-
Specific Penalty Bond	1,280	1,280	-	1,280	-
Office Supplies	1,055	1,477	-	1,477	-
Parking	551	490	-	490	-
Postage, Photocopying and Printing	123	4,342	-	4,342	-
Category 2 disbursements (note 2 and 3)			-		-
Mileage	1,500	2,218	-	2,218	-
Telephone	-	416	-	416	-
Internal bulk copying, printing and postage	-	3,098	-	3,098	-
EY Germany – employee advice invoice	-	5,150	-	5,150	-
Totals	11,923,952	16,148,173	124,716	16,272,889	194,559

Notes

- 1 Statement of Insolvency Practice 9 (SIP 9) defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors.
- 2 SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
 - Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment
 - Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.
- 3 Expenses are shown net of Transaction Funding. Due to timing difference, costs incurred in the Period will be subject to final adjustments once all accounts are finally settled.
- 4 We note that a number of the expenses detailed in the table above are higher than estimated in our Proposals as at 29 April 2020. The reasons for these differences have been outlined in the Fourth and Fifth Progress Reports which you may refer to for further information.
- 5 Certain expense items, such as rent and rates, relating to third party funded costs (i.e. licenced areas to Exeter Aerospace and the purchaser of New Flybe) have not been included in the summary above. This is because the expense is recovered in full – so there is net nil cost to the Administration.
- 6 Legal fees of £4,280,529 above is disclosed separately to the EY Germany employee legal advice fee of £5,150 in compliance with SIP 9. Collectively, the total legal fee is £4,285,679 as disclosed in the Summary of Receipts and Payments (Appendix 2).
- 7 Facilities management and security of £412,622 is disclosed net of the third party funding we have received in the Period.

FBE Realisations 2021 Limited (In Administration)

	Estimated Hours as of 17 Nov 2022	Estimated fee as of 17 Nov 2022	Estimated Average Hourly Rate £/h	Actual to 4 September 2022 (Hours)	Actual to 4 September 2022 (£)	From 5 September 2022 to 4 March 2023 (Hours)	From 5 September 2022 to 4 March 2023 (£)	Cumulative to 4 March 2023 (Hours)	Cumulative to 4 March 2023 (£)	Actual Average Hourly Rate £/h
Workstream										
Sale of Business, Other Assets and Slots	9,139	5,335,949	584	8,839	5,098,515	28	37,048	8,867	5,135,563	579
Fleet, Engines & Equipment	4,330	1,985,969	459	4,306	1,911,760	28	13,525	4,333	1,925,285	444
Trading, Cashflow and Funding	8,549	3,145,313	368	8,522	3,131,205	197	35,905	8,720	3,167,110	363
Creditors, Critical Suppliers and Property	5,098	1,193,800	234	4,946	1,158,905	117	23,809	5,063	1,182,714	234
Communications, Customers & Employees	5,109	1,644,159	322	5,100	1,597,456	86	30,880	5,186	1,628,336	314
Accounting & Administration	1,769	559,068	316	1,717	554,962	125	36,004	1,843	590,966	321
Bank & Statutory Reporting	1,150	585,176	509	1,032	573,851	57	23,647	1,088	597,497	549
Job Acceptance and Strategy	1,515	667,254	440	1,351	667,254	15	10,486	1,367	677,740	496
Immediate Tasks & Day 1	754	340,595	452	754	340,595	-	-	754	340,595	452
VAT & Taxation	1,929	1,012,437	525	1,836	1,006,468	52	22,402	1,888	1,028,870	545
Regulatory	235	151,076	643	172	132,247	1	286	172	132,533	769
Investigations	1,672	631,662	378	1,672	631,662	54	24,046	1,726	655,708	380
MIF Claims	275	128,442	468	-	-	166	85,069	166	85,069	512
	41,524	17,380,902	419	40,246	16,804,880	927	343,105	41,173	17,147,985	416
Fees paid to date (approved by senior lenders) £									(17,004,989)	
Fees paid by BRAL (fixed fee) £									(150,000)	
									(17,154,989)	
UCC approved limit as at 17 Nov 22									17,380,902	
Residual £									225,913	

FBE Realisations 2021 Limited (in Administration)

Description of narrative for Joint Administrators' time costs for the Period 5 September 2021 to 4 March 2022

Type of work	Description of work completed during the Period
Sale of Business, Other Assets and Airport Slots	<p>Tasks providing a direct benefit to creditors via asset realisations and preservation of critical assets:</p> <ul style="list-style-type: none"> • Finalised the sale of the three remaining PW150 aircraft engines; • Attended to documentation matters in support of the transactions; and • Reviewed the remaining spares and assets to be sold (for e.g., gearbox). <p><i>Note: no time associated with the Group business sale is being charged to the creditors as and from 24 August 2020 as these costs are being met by the purchaser</i></p>
Fleet, Engines & Equipment	<p>Tasks providing a direct benefit to creditors by preserving and realising value in assets:</p> <ul style="list-style-type: none"> • Dealing with engine maintenance and storage for the 2x engines (now sold), in liaison with FlyerTech and Exeter Aerospace; and • Reviewing the relevant insurance documentation to ensure sufficient coverage. <p><i>Note: no time associated with the Group business sale is being charged to the creditors as and from 24 August 2020 as these costs are being met by the purchaser</i></p>
Trading, Cashflow, and Funding (including Debtor and Cash Realisations)	<p>Tasks providing a direct benefit to creditors by preserving and realising value in assets:</p> <ul style="list-style-type: none"> • Dealing with cash flow monitoring and general trading matters; • Managing payments & receipts and accounting reconciliations as required; • Preparing and finalising EOS and trading cash flows; and • Realising the remaining debtor balances (i.e. Eastern).

Type of work	Description of work completed during the Period
Creditors, Critical Suppliers & Property	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> • Dealing with ad-hoc creditor queries; • Reviewing creditor claim submissions; • Dealing with post-appointment critical suppliers; and • Managing payment of invoices and settlement of accounts.
Communications, Customers & Employees	<p>Tasks providing a benefit to employee creditors:-</p> <ul style="list-style-type: none"> • Dealing with post-adjudication and distribution matters; and • Dealing with queries from former employees.
Accounting & Administration	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> • Overall financial management of the administration, processing daily, weekly and fortnightly payments (as necessary), updating internal accounting systems and preparation of bank account reconciliations.
Bank & Statutory Reporting	<p>Tasks providing a direct benefit to the senior lenders and reports as required by statute:</p> <ul style="list-style-type: none"> • Regular reporting to the Company's Senior Lenders providing details on key administration strategy and recommendations, including requesting authority for the sale of assets subject to fixed and floating charges; • Preparing estimated outcome statements, including and cash flow updates for the senior lenders; • Preparation and filing of progress reports in compliance with the statutory requirements; • Coordinating to organise the retention and separation of the Company's records; and • Dealing with unsecured creditors committee and Committee meeting by correspondence as required.
Job Acceptance and Strategy	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> • Strategic planning and meetings to progress of the Administration, ensure alignment of activities and making sure that strategic priorities of the Administration are met. • Various emails, calls and meetings between the Joint Administrators and central EY coordination to discuss job strategy and make key decisions.

Type of work	Description of work completed during the Period
VAT & Taxation	<p>Tasks required by statute and potentially providing a direct and/or indirect benefit to creditors:</p> <ul style="list-style-type: none"> • Preparing and filing the corporation tax return for the Company; • General tax compliance, including responding to HMRC on tax returns; • Strategic tax planning advice on capital gains, VAT/input tax and corporation tax in relation to various actions taken during the Period in relation to engine sales, card acquirers and debtor settlements; • Preparing monthly VAT returns for the Company, including preparing detailed reconciliations for returns to support VAT recoveries; and • Chasing HMRC for outstanding VAT refunds.
Investigations	Not applicable.
MIF Claims	<p>Tasks required by statute and potentially providing a direct and/or indirect benefit to creditors:</p> <ul style="list-style-type: none"> • Assignment of the claims to Henderson & Jones to undertake and progress the claims; • Dealing with post-assignment queries (including provision of MSAs/agreements); and • Correspondence to ascertain the status of the claims and likelihood of recovery.