



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 3	^y 2	^y 0	^y 2	^y 2
To date	^d 0	^d 4	^m 0	^m 9	^y 2	^y 0	^y 2	^y 2

7

Progress report

I attach a copy of the progress report

8

Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 0	^d 3	^m 1	^m 0	^y 2	^y 0	^y 2	^y 2
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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. Attach this to the relevant form.^① Use extra copies to tell us of additional insolvency practitioners.

✗ What this form is NOT for

You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ Filling in this form

Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

1

Appointment type

Tick to show the nature of the appointment:

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

① You can use this continuation page with the following forms:

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

2

Insolvency practitioner's name

Full forename(s)

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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- 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 October 2022

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

Linh Nguyen
Lnguyen1@parthenon.ey.com

Dear Sirs

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 Fifth Report on the progress of the administration of the Company ("the Administration"). This report covers the period from 5 March 2022 to 4 September 2022 ("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"); and
- 5 September 2021 to 4 March 2022 ("the Fourth 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.

Please be advised that the administration of the Company's parent company, Connect Airways Limited (in Administration) ("Connect") ended on 25 February 2022. In accordance with the provisions of paragraph 84(6) of Schedule B1 of the Insolvency Act 1986, as three months have now lapsed since 25 February 2022, Connect is now deemed to be officially dissolved. The end of the Connect administration and the dissolution of Connect will have no effect on the Company's Administration.

1. Summary of progress since the Fourth Progress Report

1.1 Sale of business and assets

- **Group business sale**

We confirm that the sale of the Company's business and certain assets (i.e. "the Transaction", as defined in the Second Progress Report) completed on 13 April 2021 with the Purchaser in respect of the Transaction being renamed to "Flybe Limited". The Company's name was changed to "FBE Realisations 2021 Limited" on 6 April 2021. Please refer to the Second Progress Report for further details. We will update in a subsequent report on any material update arising from the sale.

Regarding the remaining assets of the Company that were excluded from the Transaction, please see below an update on our progress in dealing with these assets within the period.

- **Engines**

As at the date of Administration, there were nine 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.

I provide the following update in relation to these engines in the Period:-

- i. Further to our reports to you previously regarding our assertion of title to a tenth PW150 engine, I am pleased to confirm that, following our efforts in the Period, title to this engine remains fully vested with the Company. As a result, there are ten PW150 engines which will be realised for the benefit of the estate (as opposed to nine reported previously). I note however, that any recoveries associated with this tenth engine will be for the benefit of the floating charge holders.
- ii. With regards to the remaining three PW150 engines (including the tenth PW150 engine), our appointed agents, SkyWorld, have continued to market the Company's right, title and interest in these engines over the period. I provide further detail on these engines below:
 - a. Engine FA0196 – following the test-cell run performed in the Period, we have since commenced marketing this engine for sale on an 'as is' basis. I am pleased to confirm that we have received a bid for this engine and are currently in the process of negotiating a sale.
 - b. Engine FA0222 – we have, in the period, received a bid for this engine via a letter of interest from a third party. This engine is currently being negotiated for sale with the help of our agents, SkyWorld and, absent any unforeseen issue, we expect the sale to be executed and completed within a few weeks from the date of this report.
 - c. Engine FA0765 (the tenth PW150 engine) – following our recovery of title to this engine, we have instructed our agents, Skyworld, to market this engine for sale. We have since received an expression of interest from an independent third party with whom we are currently exploring a potential sale.

The Joint Administrators anticipate that, subject to any unforeseen issues, the Company will be able to complete and finalise the sale of these three remaining PW150 engines in the forthcoming period.

- **Inventory**

A sum of USD 7,500 was realised in the Period from the sale of an aircraft gearbox to a third party.

There are no further sales expected and this concludes our realisations of inventory for the estate.

1.2 Credit card acquirers and debtors

- **Card acquirers**

As previously reported, various card acquirers held cash collateral in the name of the Company at the date of the Administration commencement as security against their exposure to the chargebacks and fees it faced with respect to flights that did not occur as a result of the Administration appointment.

Further collections of €0.5m (equivalent to £0.4m) have been made in the Period, bringing total recoveries to £15.1m. This now brings an end to our collections from card acquirers for the estate.

- **Trade Debtors and Other Debtors**

In the Period, a further £1.7m has been recovered from trade debtors (subject to floating charge security), bringing total recoveries from trade debtors to £9.1m. Realisations for other debtors remain at £0.3m.

Aside from this, the main trade debtor recoveries in the Administration remain as follows:

- Virgin Atlantic Airways Limited ("VAA") for £7.3m. Following approval of VAA's restructuring plan on 4 September 2020, a payment plan was formalised.

Since the Fourth Progress Report, a further £1.7m has been received in accordance with the terms of VAA's restructuring plan, which brings the total recoveries from VAA to £6.5m to date.

The Joint Administrators will collect the final remaining tranche due from VAA on 30 September 2022. This final tranche will take our collections to £7.3m and will mark the completion of the Administrators' collections from VAA.

- Trade debtor recoveries (aside from VAA) in the Period totalled £18.8k, comprising a receipt from Eastern Airways, being the only other trade debtor remaining. A payment plan has been negotiated with Eastern and of which we will collect upon over subsequent periods until September 2023.

- **Insurance Rebates**

There were no additional recoveries from insurance reclams in the Period. The total overall recovery from insurance rebates therefore remains at £1.1m for the Administration.

1.3 Trading liabilities

We have settled the majority of remaining trading liabilities in the period and are in the process of closing the remaining supplier accounts. The majority of these payments pertain to residual obligations such as rent & rates for storage and maintenance of the Company's remaining assets (including engines), legal fees, agency fees and insurance. We are currently awaiting confirmation from a small number of suppliers that there are no further balances outstanding and expect minimal further supplier payments.

1.4 VAT

In the Period, the Administrators have successfully received the £1.0m that was long overdue from HMRC as disclosed in the Fourth Lender Report. This refund comprised amounts due from various returns relating to the period November 2020 to March 2022. The refunds from HMRC have been timely since this receipt, reducing the amount of time and effort required by the Joint Administrators to collect VAT refunds.

2. Receipts and Payments Account

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

3. Investigations

There is no further update with regards to our investigations in this period. Please refer to our Second Progress Report for more detail.

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 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.

As previously reported, a creditors' committee was formed at the request of creditors. The creditors' committee comprises two former employees of the Company, Simon Westmancoat and Timothy Seymour, and the pension trustees, BRAL Trustees ("the Committee").

You may recall that on 3 September 2020, the Joint Administrators' remuneration was fixed on the basis of time properly given by them and their staff in dealing with matters arising by resolution of the Committee. Further, on 3 June 2021, the Committee resolved to increase the Joint Administrators' fee estimate for remuneration on the basis of time properly given by them and their staff in dealing with matters arising in the Administration. The increase was from £12,592,921 (plus VAT) to £16,530,902 (plus VAT).

In the Period, remuneration of £645,906.71 (plus VAT) was charged in respect of the Administration. The receipts and payments account at Appendix 2 shows the amount drawn in the Period and the total since the start of the administration. Of the sum of £645,906.71 charged, a total of £320,242.30 (plus VAT) has been drawn in the Period with the approval of the creditors' committee, BRAL and the Senior Lenders. An analysis of the time spent for the Period and a narrative explanation are attached in Appendix 4 of this report.

We anticipate that our remuneration may exceed the increased fee estimate approved by the Committee on 3 June 2021. The reasons that our remuneration may exceed the increased fee estimate are that at the time of preparing the increased (initial) fee estimate:-

1. It was unclear how long our discussions with respect to the sale of the remaining PW150 engines would take. The time taken to realise these engines, including the disputed 10th engine, has taken longer than expected due to the following:
 - Due diligence requirements for purchasers have been more extensive than anticipated, requiring the Administrators to negotiate more extensively to maximise value;
 - Market for second-hand engines remained depressed for an extensive period of time amidst a lull in demand during and following the covid-19 pandemic, increasing the Administrators' time and effort in ensuring appropriate maintenance and storage;
 - Significant delays were experienced with contracting a third party to attend to a test-cell in respect of one of the engines;
 - The Administrators' received significant challenges and had to circumvent the lack of co-operation from third parties in relation to the 10th disputed engine (now resolved).
2. It took longer than anticipated to negotiate with the Company's debtors and card acquirers in relation to the settlement and/or finalisation of their claims (there are no complex recoveries remaining hence no further time is expected to be incurred in this regard);
3. Significant time was required to engage with HMRC with respect to:
 1. recovering long overdue VAT refunds for the benefit of the estate; and
 2. obtaining corporation tax clearance which enabled the Joint Administrators to release a tax provision in the accounts and facilitate a return of the cash withheld to creditors.
4. The additional work required to deal with the numerous Protective Award claims (relating to preferential claims) and the consequent communication from solicitors, employees, unions and the Employment Tribunals (UK and Northern Ireland). This process has run since early in the Administration and is only now being finalised due to delays and jurisdictional issues; and
5. The Joint Administrators have, upon the approval from senior lenders, enrolled the Company into a litigation to recover unlawfully levied Multilateral Interchange Fees ("MIFs"). The prospective recovery is deemed significant, however the enrolment means a higher than anticipated amount of time will likely be required, and which ultimately depends on the strategic option(s) exercised by the senior lenders and the timing of any settlement/recovery achieved.

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. The Joint Administrators will be reporting to the Committee and the Senior Lenders in the next 3 months with their expectations as to any increase to the fee estimate required.

4.2 Joint Administrators' statement of expenses incurred

The total expenses for the Administration to date is £16.1m (plus VAT), which is a net increase of £103,189 from the total expenses recorded in the Fourth Progress Report.

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. This exceeds the initial estimate, provided to creditors at the time of the proposals of £11,923,951. The increase reflects the extended process to achieve a sale of the group business, as detailed in the Joint Administrators' remuneration section of the Second Progress Report.

Accordingly, an updated estimate of expenses, together with 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 of the expenses of the Administration are being funded by the Purchaser, 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's estate, there is no incremental cost to the Administration and therefore no requirement to disclose them to comply with the Statement of Insolvency Practice 9.

4.3 Pre-administration costs

The pre-administration costs of the Joint Administrators were approved for payment as an expense of the Administration by resolution of the creditors' committee on 3 September 2020. These costs have been paid in full.

5. Distributions to creditors

5.1 Secured Creditors

Our understanding of secured creditor claims has not changed from the Fourth Progress Report. For more information, please refer to the Fourth Progress Report.

In the Period, payments totalling £7.3m have been paid to secured charge holders, all of which have been paid from floating charge realisations.

This brings the total payments to secured charge holders by the Company to 4 September 2022 to:

- £28.2m to the Security Trustee (i.e. GLAS) for the benefit of the Senior Lenders (£7.5m from fixed charge realisations and £20.7m from floating charge realisations); and
- £3.1m has been paid to BRAL Trustee under their fixed charge security over the Training Academy.

5.2 Preferential Creditors

Following the issuance of the final Protective Award judgments and payment by the Redundancy Payment Services of the relevant Protective Awards, we were able to issue a notice of intended dividend to all preferential creditors on 21 July 2022 with a final date for proving of 26 August 2022.

A preferential dividend of 100p in the £ will be paid by 26 October 2022 to c2,000 preferential creditors at a total estimated value of approximately £2.7m.

5.3 Non-preferential Creditors

As reported in the Fourth Progress Report, based on our estimates, the total non-preferential claims may range between £550m to £650m. This includes accruals and provisions in the Directors' statement of affairs. No changes have been made to this estimate (note: this is an estimate only and it is possible that this figure may be materially different once all claims have been received and adjudicated).

- ***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. This was based on the large number (c.900,000) of claims, now in the region of £250m to £300m based on current claims received to date, sharing a maximum prescribed part of £600,000. The total quantum of unsecured creditors is subject to change should further claims against the estate are made by creditors. This application is pending the assessment of quantum and timing of any deferred consideration under the Transaction.

6. End of the Administration

As you are aware, the Joint Administrators made an application to Court to seek an extension to the period of 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.

7. Future conduct of the Administration

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

- selling the remaining three PW150 engines;
- progressing the MIFs class action claim (as discussed above);
- assisting redundant employees with ad-hoc queries;
- paying the preferential dividend and dealing with any subsequent enquiries;
- dealing with the statutory requirements of the Company's Administration, including reporting to creditors as necessary;
- calculating the Corporation Tax and VAT positions of the Company as appropriate;
- making distributions to the secured and preferential creditors (as applicable);
- to review and consider making distributions to the unsecured creditors under the prescribed part or otherwise deal with unsecured creditor enquiries (as applicable);

- dealing with any other matter to progress the purpose of the Administration;
- determining the most appropriate Administration exit route as set out in the Administrators' Proposals, subject to other matters in the Administration including timing of receipt of deferred consideration (if any) from the Purchaser; and
- finalising the Administration including the payment of all Administration liabilities.

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 Ernst & Young LLP 1 More London Place, London, SE1 2AF	Simon Jamie Edel Ernst & Young LLP 1 More London Place, 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 March 2022 to 4 September 2022

Note	Directors' Statement of Affairs - Estimated to Realise	GBP Equivalent	GBP			EUR			USD				
			Position as at 04-Mar-22	Movement in Period	Position as at 04-Sep-22	Position as at 04-Mar-22	Movement in Period	Position as at 04-Sep-22	Position as at 04-Mar-22	Movement in Period	Position as at 04-Sep-22		
Receipts													
Fixed Charge													
Property (Training Academy)	3,500,000	3,525,000	3,525,000	-	3,525,000	-	-	-	-	-	-		
Share in FAS	Uncertain	4,540,385	4,540,385	-	4,540,385	-	-	-	-	-	-		
Aircraft	85,462,700	-	-	-	-	-	-	-	-	-	-		
Aircraft Engines	17,144,100	8,804,164	-	-	-	-	-	-	10,198,743	-	10,198,743		
		16,869,548	8,065,385	-	8,065,385	-	-	-	10,198,743	-	10,198,743		
Floating Charge													
Cash at Bank (unrestricted)	6,437,608	6,854,775	5,967,346	-	5,967,346	627,894	-	627,894	398,473	-	398,473		
Third Party Funding	2	-	1,568,823	1,566,334	2,489	1,568,823	-	-	-	-	-		
Derivatives	580,000	580,000	580,000	-	580,000	-	-	-	-	-	-		
Card receipts	4,005,755	15,194,915	7,509,946	-	7,509,946	8,247,380	525,000	8,772,380	107,110	-	107,110		
Petty Cash	-	23,388	14,931	-	14,931	9,771	-	9,771	-	-	-		
Fleet Maintenance	-	10,476,589	10,145,797	-	10,145,797	344,712	-	344,712	37,583	-	37,583		
Trade Debtors	12,863,838	9,185,594	7,310,127	1,688,722	8,996,849	107,722	-	107,722	110,640	-	110,640		
Other Debtors	-	318,398	301,977	677	302,655	18,190	-	18,190	-	-	-		
Refund of pre-payment	-	6,183	6,183	-	6,183	-	-	-	-	-	-		
Bank Interest	-	22,806	18,290	4,515	22,806	-	-	-	-	-	-		
Chattel sales	-	16,600	16,600	-	16,600	-	-	-	-	-	-		
Airport Slots	Uncertain	-	-	-	-	-	-	-	-	-	-		
Spares and Parts	Uncertain	3,069,960	1,219,150	-	1,219,150	-	-	-	2,136,478	7,500	2,143,978		
Carbon Credits	7,253,792	7,122,328	39,482	-	39,482	8,183,521	-	8,183,521	-	-	-		
Insurance rebates	2,500,000	1,188,257	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		72,498,163	43,427,966	1,694,403	45,122,370	17,579,695	525,000	18,104,695	13,552,916	7,500	13,560,416		

Note	Directors' Statement of Affairs - Estimated to Realise	GBP Equivalent	GBP			EUR			USD		
			Position as at 04-Mar-22	Movement in Period	Position as at 04-Sep-22	Position as at 04-Mar-22	Movement in Period	Position as at 04-Sep-22	Position as at 04-Mar-22	Movement in Period	Position as at 04-Sep-22
Payments											
Wages		6,026,606	6,026,606	-	6,026,606	-	-	-	-	-	-
Legal Fees		4,247,492	4,202,234	38,584	4,240,818	7,712	-	7,712	-	-	-
Rent and Rates		2,191,826	2,190,405	1,421	2,191,826	-	-	-	-	-	-
Facilities Management and Security		403,936	403,704	232	403,936	-	-	-	-	-	-
Testing and Maintenance		388,175	372,414	14,803	387,218	-	-	-	1,108	-	1,108
Transportation		138,409	134,360	4,049	138,409	-	-	-	-	-	-
Equipment Leasing		64,671	64,671	-	64,671	-	-	-	-	-	-
IT & Finance Systems		948,714	901,752	-	901,752	54,260	-	54,260	-	-	-
Agents		898,749	860,074	38,650	898,724	-	-	-	30	-	30
Regulatory and License Payments		30,452	30,452	-	30,452	-	-	-	-	-	-
Interest Charges		5,492	209	-	209	5,938	166	6,104	-	-	-
Bank Charges		4,274	3,857	76	3,933	194	-	194	171	29	200
Employee Expenses		61,377	61,377	-	61,377	-	-	-	-	-	-
Sundry Expenses		94	94	-	94	-	-	-	-	-	-
Corporation Tax		136,501	136,501	-	136,501	-	-	-	-	-	-
Customs Duty		103,023	103,023	-	103,023	-	-	-	-	-	-
Insurance payments		456,398	417,509	5,999	423,508	38,001	-	38,001	-	-	-
Intercompany Loan (FAS)		-	-	-	-	-	-	-	-	-	-
Joint Administrators' pre-appointment fees		64,348	64,348	-	64,348	-	-	-	-	-	-
Administrator Fees		16,161,833	15,841,591	320,242	16,161,833	-	-	-	-	-	-
Administrator Expenses		37,871	37,871	-	37,871	-	-	-	-	-	-
PAYMENTS TOTAL		32,370,239	31,853,050	424,056	32,277,106	106,105	166	106,270	1,309	29	1,338
Intracompany Transfers											
Receipts	3	22,375,227	21,940,402	434,825	22,375,227	-	-	-	-	-	-
Payments	3	23,762,206	(3,520,202)	-	(3,520,202)	17,488,814	525,000	18,013,814	13,543,370	(15)	13,543,355
Payment to secured lenders		28,181,349	20,881,349	7,300,000	28,181,349	-	-	-	-	-	-
Payment to BRAL in respect of sale of the Training Academy		3,116,971	3,116,971	-	3,116,971	-	-	-	-	-	-

Net Input/(Output) VAT	4	387,492	995,811	(571,772)	424,039	-	-	-	(42,337)	-	(42,337)
Cash at Bank		7,188,779	12,178,693	(5,019,153)	7,159,540	14,356	(166)	14,191	12,157	7,486	19,643
Pension Control Account		(800)	(800)	(0)	(800)	-	-	-	-	-	-
Payroll Deductions Control Account		60	60	-	60	-	-	-	-	-	-
Trade Creditors		(270,619)	(240,156)	(3,904)	(244,060)	(29,580)	-	(29,580)	(1,108)	-	(1,108)
PAYE/NIC Control Account		5,024	5,024	0	5,024	-	-	-	-	-	-
MRO Control Account	5	137,039	102,918	-	102,918	-	-	-	39,525	-	39,525
FAS Control Account		(4,350)	(4,350)	-	(4,350)	-	-	-	-	-	-
REPRESENTED BY TOTAL		7,442,625	13,037,200	(5,594,828)	7,442,372	(15,224)	(166)	(15,389)	8,236	7,486	15,722

Notes

1. Currency conversation rates being applied to the Consolidated R&P to provide an indicative view of the GBP equivalent figures based on Bank of England Rates as at 4 September 2022 of EUR 1.1554 and USD 1.1584.
2. Third party funding received in the Period pertains to amounts received from occupiers 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. 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 equivalent is caused as a result of the transfer of funds at set bank FX rates at various dates throughout the Administration. The hypothetical net FX gain position shown above in GBP is caused by translating the EUR and USD amounts to GBP at the FX rate on 4 September 2022. However, in reality, this net gain GBP amount is just presentational.
4. Includes certain VAT that may be available to the Purchaser pursuant to funding provided to complete the Transaction. Amount not disclosed for confidentiality reasons.
5. Funds held separately on account by the Company, which will be drawn down as MRO final accounts paid.
6. Receipts and payments are stated net of VAT.
7. 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.

Appendix 3
FBE Realisations 2021 Limited (In Administration)

Summary of Joint Administrators' expenses incurred

Type of Expense	Per Estimate Dated 29 April 2020	Total Incurred as at 04-Mar-22	Total incurred in the period 5 March 2022 to 4 September 2022 (note 4)	Total Incurred 5 March 2020 to 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	-	6,087,982	-
Legal costs	3,640,286	4,203,689	26,996	4,230,685	170,000
IT & Finance Systems	1,090,100	946,577	2,138	948,715	45,000
Rent and Rates	754,864	2,190,405	1,733	2,192,138	-
Insurance	517,737	448,901	7,497	456,398	5,000
Facilities, Management and Security	144,477	403,704	232	403,936	-
Test and Maintenance	124,919	373,253	14,922	388,175	50,000
Agent Fees	89,232	860,096	38,653	898,749	30,000
Transportation Costs	54,993	134,360	4,049	138,409	-
Equipment Lease Payment	30,090	64,671	-	64,671	-
Regulatory and license payments	11,739	30,452	-	30,452	-
Bank Charges	2,500	4,147	127	4,274	370
Interest Charges	1,000	5,115	377	5,492	-
Sundry Expenses	1,000	94	-	94	5,000
Public Notices	625	-	-	-	-
Customs Duty	500	103,023	-	103,023	-
Corporation Tax	-	136,501	-	136,501	-
Category 1 disbursements (see note 2)					
Travel	21,466	19,365		19,365	-
Meals	-	-	74.73	75	
Accommodation	9,286	9,330		9,330	-
Specific Penalty Bond	1,280	1,280		1,280	-
Office Supplies	1,055	1,531		1,531	-
Parking	551	490		490	-
Postage, Photocopying and Printing	123	4,348	2823.14	7,171	-
Mileage	1,500	2,218		2,218	-
Telephone	-	416		416	-
Internal bulk copying, printing and postage	-	3,161	3567.56	6,729	-
EY Germany – employee advice invoice	-	4,915		4,915	-
Total	11,923,951	16,040,024	103,189	16,143,213	305,370

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 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 Progress Report 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) 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.

Appendix 4

FBE Realisations 2021 Limited (In Administration)

Joint administrators' time costs for the period from 5 March 2022 to 4 September 2022 and a comparison with the updated fee estimate dated 27 May 2021

Workstream	Estimated Hours as of 27 May 2021	Estimated fee as of 27 May 2021	Estimated Average Hourly Rate £/h	Actual to 4 March 2022 (Hours)	Actual to 4 March 2022 (£)	From 5 March 2022 to 4 September 2022 (Hours)	From 5 March 2022 to 4 September 2022 (£)	Cumulative to 4 September 2022 (Hours)	Cumulative to 4 September 2022 (£)	Actual Average Hourly Rate £/h
Sale of Business, Other Assets and Slots	9,000	5,258,799	584	8,770	5,089,055	69	9,460	8,839	5,089,055	580
Fleet, Engines & Equipment	4,230	1,946,644	460	4,275	1,900,412	31	11,348	4,306	1,911,760	444
Trading, Cashflow and Funding (including Debtor & Cash Realisations)	7,716	2,877,389	373	8,307	3,081,062	215	50,143	8,522	3,131,205	365
Creditors, Critical Suppliers and Property	5,132	1,225,660	239	4,799	1,146,534	147	12,371	4,946	1,158,905	234
Communications, Customers & Employees	4,751	1,652,977	348	4,541	1,532,001	559	65,455	5,100	1,597,456	313
Accounting & Administration	1,579	465,755	295	1,638	530,072	79	24,890	1,717	554,962	323
Bank & Statutory Reporting	889	482,663	543	890	535,733	142	38,118	1,032	573,851	556
Job Acceptance and Strategy	1,594	703,016	441	1,348	662,893	3	4,361	1,351	667,254	494
Immediate Tasks & Day 1	754	340,595	452	754	340,595	-	-	754	340,595	452
VAT & Taxation	1,585	824,468	520	1,641	941,162	195	65,306	1,836	1,006,468	548
Regulatory	219	140,877	643	169	130,693	3	1,554	172	132,247	769
Investigations	1,671	612,057	366	1,643	614,356	29	17,306	1,672	631,662	378
	39,120	16,530,902	423	38,775	16,504,568	1,471	300,312	40,246	16,804,880	418
Fees paid to date £										(16,161,833)
Residual £										369,069

FBE Realisations 2021 Limited (in Administration)

Description of narrative for Joint Administrators' time costs for the period 5 March 2022 to 4 September 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"> Continuing to liaise with key interested parties and working with agents to understand level of interest in the following: <ul style="list-style-type: none"> 3x PW150 Engines Residual tooling, stock and inventory Working with our agents in assessing the various offers and bids received, including negotiating price and facilitating inspections and due diligence requests. Engaging with CAMO and maintenance providers for PW150 engines to assist with due diligence exercises and shipping/transporting relating to sales processes. Engage with test-cell run provider in relation to quotes and timing. Deal with related matters such as contracting, dealing with insurance matters and issues with set-off (to avoid issues for the estate). Asserting title to the 10th disputed engine (now fully recovered by the Administrators). Dealing with residual post-completion matters for prior stock and engine sales, including tax queries. <p><i>Note: no time associated with the Group business sale is being charged to the creditors as and from 24 August 2020 to 13 April 2022 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"> Regular communications with engine maintenance provider to ensure records and engines maintained. Ensure approach aligned with CAMO provider. Dealing with engine maintenance provider and CAMO provider in relation to the proposed test-cell, maintenance and repairs, including seeking their assistance on quotes received for major overhauls (i.e. gearbox changes) and sale strategy. Ensure approaches aligned with SkyWorld as marketing agent.

Type of work	Description of work completed during the Period
	<ul style="list-style-type: none"> Attending to tasks associated with engine sale processes not already captured under the 'Sale of Business, Other Assets and Airport Slots heading', including segregation of stock & equipment, facilitating access to information for interested parties and investigations into customs duties that may be applicable upon sale. <p><i>Note: no time associated with the Group business sale is being charged to the creditors as and from 24 August 2020 to 13 April 2022 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"> Finalising the remaining collections due from debtors (including card acquirers) and documenting the overall proceeds and realisations for record-keeping purposes. Regular monitoring of the cashflow for the Administration to ensure adequate liquidity maintenance, including regular extension of cash flow forecasting. Processing and approving cash receipts and payments as appropriate. Monitoring and updating the receipts and payments schedule and estimate outcome statement for statutory reporting purposes to creditors (6-monthly progress report and lender reports) using the proscribed regulated format. Following up with the remaining few suppliers and arranging payments/recharges as appropriate.
Creditors, Critical Suppliers & Property	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> Maintaining and paying the remaining critical suppliers to ensure continuation of key services, including critical supplies relating to storing and maintaining of the remaining engines, stock and equipment. Responding to unsecured creditor queries and dealing with further creditor queries via phone and post as appropriate. Facilitating and arranging lodgement of unsecured creditor claims through online and action manual claims received.
Communications, Customers & Employees	<p>Tasks providing a benefit to employee creditors:-</p> <ul style="list-style-type: none"> Continuing to deal with and respond to employee queries as and when they arise, directly from prior employees, case team, or government agencies (including overseas jurisdictions).

Type of work	Description of work completed during the Period
	<ul style="list-style-type: none"> Continuing to deal with numerous Protective Award claims and consequent communication from solicitors, employees, unions and the Employment Tribunals (UK and Northern Ireland). As reported previously, this process has run since early in the Administration and has faced delays and jurisdictional issues. Finalising the process of reviewing the various RPS claims in conjunction with employee preferential claims, including liaising with lawyers to ensure appropriate adoption of employee law. Responding to queries from the Employment Tribunal and Unions in relation to protective awards on an ad-hoc basis.
Accounting & Administration	<p>Tasks providing an indirect benefit to creditors:</p> <p>Overall financial management of the Administration, processing daily, weekly and fortnightly payments (as necessary), updating internal accounting systems and preparation of bank account reconciliations.</p>
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 including stock and engine sales. Preparing estimated outcome statements, including and cash flow updates for the Senior Lenders. Preparation and submission of the Fourth Progress Report and commencing the drafting of this progress report, and complying with the statutory requirements of the Administration. Statutory filings at Companies House. Continuing to deal with third party holders of statutory records – hard copy and electronic – including dealing with data holders to preserve all data that may explain the conduct leading up to the Administration.
Job Acceptance and Strategy	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> Strategic planning and meetings (weekly and ad-hoc) throughout the Administration to follow 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"> • Filing of the Company's corporation tax return. • Liaison with HMRC with respect to the [Company's] corporate tax provision to confirm acceptance of the corporation tax submission made on [x] to enable the release of a tax provision. This resulted in a £3.1m provision being released and therefore facilitating a quicker return to creditors. • Handling general tax compliance matters, including responding to HMRC on FBE's VAT 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 and debtor settlements. • Preparing monthly VAT returns for the Company and dealing with HMRC requests. • Chasing HMRC in relation to VAT returns accrued and not paid back to the estate. This involved protracted discussions with HMRC to recover the VAT refunds of £1.05m for the benefit to the estate, which was received on 18 May 2022.
Investigations	<ul style="list-style-type: none"> • No further update in the period.