

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company
Murphy Limited

Company number
01916346

In the Royal Courts of Justice, Chancery Division, Companies Court
--

Court case number
7295 of 2013

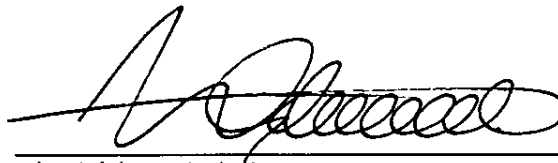
We
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Deloitte LLP
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London
EC4A 3WA

Robert James Harding
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66 Shoe Lane
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attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on 2 December 2013

Signed



Joint Administrator

Dated

2 / 12 / 2013

Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

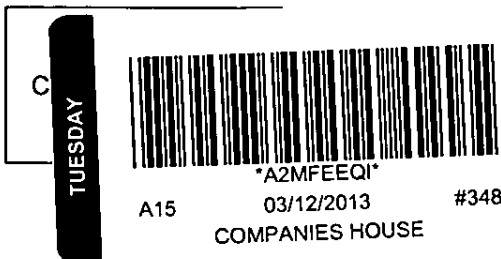
The contact information that you give will be visible to researchers of the public record

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¹ When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



**Murphy Limited
(in Administration) (the "Company")**

Court Case No. 7295 of 2013

**JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO
PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)
FOR THE PERIOD TO 15 NOVEMBER 2013**

2 December 2013

**Nicholas Guy Edwards & Robert James Harding
Joint Administrators of Murphy Limited (in Administration)
Deloitte LLP
66 Shoe Lane
London
EC4A 3BQ**

Nicholas Guy Edwards and Robert James Harding were appointed Joint Administrators of the Company on 22 October 2013. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

Disclaimer Notice

- This Statement of Proposals (the "Proposals") has been prepared by Nicholas Guy Edwards and Robert James Harding, the Joint Administrators of the Company, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) to lay before the Company's creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person or for any other purpose, or in any other context.
- The Proposals has not been prepared in contemplation of it being used, and is not suitable to be used to inform any investment decision in relation to the debt of or any financial interest in the Company.
- Any estimated outcomes for creditors included in the Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for the Company's creditors.
- Any person that chooses to rely on the Proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of the Proposals.
- The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of the Proposals or the conduct of the administration.
- All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

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ABBREVIATIONS AND GLOSSARY OF TERMS

ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986 (as amended)
"Bandon Properties"	Bandon Properties Limited
"c"	Circa
"Clear Route"	Clear Route Utility Services Limited
"the Company"	Murphy Limited (in Administration)
"the Court"	High Court of Justice, Chancery Division, Companies Court
"Deloitte"	Deloitte LLP
"the Directors"	Statutory directors of the Company being Francis Carey, Michael Hayes, Michael Maloney, Joseph Murphy, Peter Salmon, Dawn Stedman and Kevin Tims
"Drivers Trett"	Drivers Corporate Services Limited
"the Group"	Comprises Bandon Holdings Limited and its subsidiaries
"the Joint Administrators"	Nicholas Guy Edwards and Robert James Harding of Deloitte
"m"	Million
"PP"	The Prescribed Part, being a fund for unsecured creditors, to be set aside out of a company's net property, as provided for under Section 176A of the Insolvency Act 1986 (as amended) The amount of the fund set aside for unsecured creditors is calculated as 50% of net property up to £10,000, plus, 20% of net property thereafter up to a maximum fund of £600,000
"Reliable"	Reliable Construction Limited
"RPO"	The Redundancy Payments Office
"ROT"	Retention of Title
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010

"the Secured Creditor"

Bandon Holdings Limited

A secured creditor has fixed and/or floating charge debenture security across part/all of a company and as such is entitled to be paid out of the net realisations in priority to other creditors

However, where the security is by way of a floating charge, this priority is subject to payment of preferential creditors in full, and, should any funds still remain, a reserve for distribution to unsecured creditors (subject to a maximum fund of £600,000) must be set aside under the PP provisions before any return out of net realisations to a secured creditor under the floating charge

"SIP9 (E&W)"

Statement of Insolvency Practice 9 (England & Wales)

"SIP13 (E&W)"

Statement of Insolvency Practice 13 (England & Wales)

"Wyles Hardy"

Wyles Hardy & Co Limited

GLOSSARY OF TERMS

For the purpose of this report the following terms shall be used

Floating charge realisations	Monies realised from the sale/disposal of assets pledged to a secured creditor under a debenture secured by a floating charge
Net property	The amount remaining from floating charge realisations after payment of costs and preferential claims but before any distribution to the secured floating charge holder
Preferential creditor	A preferential creditor has a right to be paid in priority to unsecured creditors out of net floating charge realisations, before the PP and before payment to the secured floating charge holder. Such creditors are generally employees in relation to specific wage arrears, holiday pay and certain pension contributions
Purposes of an administration	<p>The purpose of an administration under The Enterprise Act 2002 is split into three parts</p> <ol style="list-style-type: none">1 To rescue a company as a going concern (in other words a restructuring which keeps the actual entity intact)2 If the first purpose is not reasonably practicable (or the second purpose would clearly be better for the creditors as a whole), then the Administrators must perform their functions with the objective of achieving a better result for creditors as a whole than would be obtained through an immediate liquidation of the company. This would normally envisage a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation)3 If neither of the first two parts of the purpose are reasonably practicable, the Administrators must perform their functions with the objective of realising property in order to make a distribution to secured and/or preferential creditors as applicable
Unsecured creditor	An unsecured creditor ranks behind secured and preferential creditors. An unsecured creditor is able to participate in any PP distribution and in the distribution of any surplus funds after payment of expenses and prior claims (secured and preferential)

1. INTRODUCTION AND EXECUTIVE SUMMARY

1.1. Introduction

This report is prepared pursuant to Paragraph 49 of Schedule B1 of the Act, which requires the Joint Administrators to provide creditors with details of their proposals to achieve the purposes of the administration

To assist the creditors and enable them to decide on whether or not to vote for the adoption of the proposals, the following information is included in the report

- background of the Company, and
- the circumstances giving rise to the appointment of the Joint Administrators

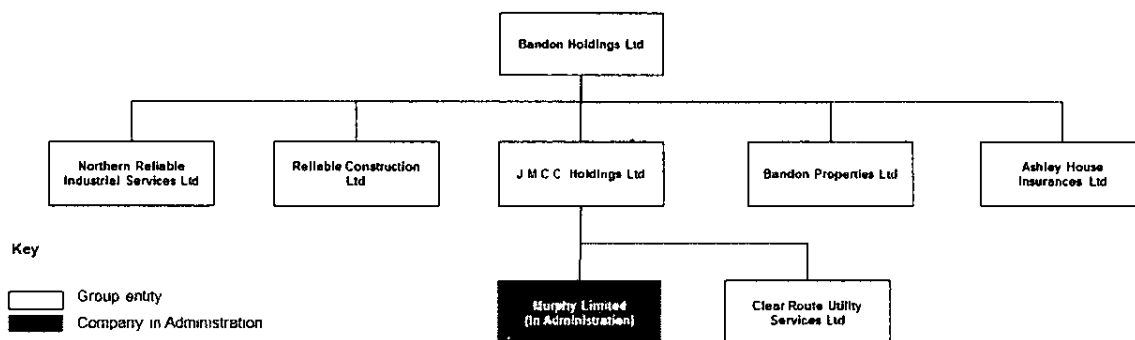
1.2. Executive Summary

The information provided below is provided on the basis of information currently available and is subject to variation. We will keep you informed through the reporting process of any variances

Purpose of the administration	To achieve a better result for the Company's creditors as a whole than would be achieved by an immediate liquidation of the Company
Initial Meeting	The Joint Administrators have convened a creditors' meeting for 11 00 on 17 December 2013, to be held at the Grand Connaught Rooms (WC2B 5DA). Please refer to Paragraph 5.7 and Appendix 6 for further details.
Trading	The Company ceased trading following the appointment of the Joint Administrators. The Joint Administrators took immediate control of the Company's main sites and secured assets prior to making them available for sale.
Timing	The conclusion of the administration is dependent on the outcome of asset sale negotiations and debtor recoveries, however it is anticipated that the administration period will not exceed 12 months.
Costs	The Joint Administrators are currently preparing Company assets for sale. Once the asset disposal process has commenced, the Joint Administrators will have a more informed estimate of the quantum of agent's fees and other sale related costs.
Outcomes	On present information it is anticipated that there will be sufficient floating charge realisations to enable payment in full of preferential and secured claims and a distribution (over and above a PP distribution) to unsecured creditors. The quantum of any distribution to unsecured creditors is unknown at this time and will be largely influenced by the level of asset realisations and the value of unsecured creditor claims.

2. BACKGROUND

The Company traded as a construction company that performed cable laying and civil engineering work, predominantly for utility companies. Established in 1985, the Company is part of a larger group and its parent company, Bandon Holdings Limited (also the Secured Creditor), recently injected funds in excess of £1m to help the Company to continue to trade. A group structure is included below. Please note that only the Company has entered administration and that the remaining group companies continue to trade as normal.



Source: Management Information

2.1. Overview of Financial Information

Extracts from the audited Company accounts for the 12 months to 31 August 2011 and unaudited management accounts for the 16 months to 31 December 2012 and 8 months to 31 August 2013, are shown below.

Please note that this information has not been verified by the Joint Administrators or by Deloitte.

Furthermore, the comments below each table reflect Company management's explanations of the amounts included in the profit and loss account and balance sheet.

Company Summary Profit and Loss Account

	Audited Statutory Accounts for 12 months to 31 August 2011	Management Accounts for 16 months to 31 December 2012	Management Accounts for 8 months to 31 August 2013
£'000			
Turnover	62,678.3	90,322.4	27,935.9
Cost of Sales	(56,121.5)	(86,041.4)	(28,691.5)
Gross Profit	6,556.8	4,281.0	(755.6)
Gross Margin %	10.5%	4.7%	(2.7)%
Overheads	(5,893.7)	(8,745.8)	(4,217.6)
Other Income	524.0	695.8	382.6
Exceptional Items	(592.2)	-	-
Profit before Interest and Tax	594.9	(3,769.0)	(4,590.6)

Source: Management Information Audited Accounts

Turnover fell during the 8 months to 31 August 2013 following

- 1 The conclusion of a major contract in December 2012, and
- 2 reduced project work in the North of England as a result of the economic climate

Deterioration in gross margins from 31 August 2011 was primarily driven by a movement towards lower margin contracts and on-going work on a loss making contract that the Company was unable to renegotiate

Company Summary Balance Sheet

£'000	Audited Statutory Accounts as at 31 August 2011	Management Accounts as at 31 Dec 2012	Management Accounts as at 31 August 2013
Fixed Assets			
Tangible assets	2 866 3	2,197 8	1,895 0
Current Assets			
Stock	991 0	423 6	423 6
Debtors	16,697 0	22,944 6	15,087 2
Intercompany Debtors	310 6	641 7	646 8
Cash	<u>1,227 6</u>	<u>2,421 4</u>	<u>4 2</u>
Total Current Assets	19,226 1	26,431.2	16,161 7
Total Assets	22,092 4	28,629 0	18,056 8
Liabilities			
Trade Creditors	8,012 7	20,482 0	12,267 6
Other Creditors	2,505 7	-	-
Intercompany Creditors	1,905 0	1,451 4	3,681 3
Deferred Taxation	<u>67 9</u>	<u>67 9</u>	<u>67 9</u>
Total Liabilities	12,491 2	22,001 3	16,016.8
Net Assets	<u>9,601 2</u>	<u>6,627 7</u>	<u>2,040 0</u>
Source Management Information Audited Accounts			

Tangible assets principally comprise fixed assets such as plant and machinery. Stock includes cable, diesel and other miscellaneous non-fixed items

2.2. Management and Employees

As at 22 October 2013, the Company employed 307 staff

Statutory information in respect of the Company, including details of the Directors and Company secretary, bankers & any Director shareholdings is provided at Appendix 1

3 THE CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS

3.1. Events Prior to the Administration

The decline in the Company's trading performance since August 2011 was primarily caused by the loss of a major contract (with the Company entering an adjudication process over disputes with the client) and the impact of another major on-going contract operating at a significant loss. This client was unwilling to renegotiate to agree new terms on the latter contract contributing to negative gross margins over the 8 months to August 2013.

The Company's head office function, structured towards a £65m annual turnover business, became unworkable by the reduced revenue/margin levels and the Directors were unable to materially restructure the cost base.

In September 2013, the Secured Creditor injected over £1m to allow the Company to continue to trade, whilst options including a potential sale of the Company were explored. Interest in some of the Company's business and assets was demonstrated by a prospective purchaser, however no viable offers were received.

On 22 October 2013, the Directors of the Company resolved to place the Company into administration, in light of the Company's inability to pay its debts as they fell due.

3.2. Details of the Appointment of the Joint Administrators

Nicholas Guy Edwards and Robert James Harding of Deloitte were appointed Joint Administrators of the Company by the Directors on 22 October 2013, following the filing of a Notice of Appointment of Administrators.

The Court having conduct of the proceedings is the High Court of Justice, Chancery Division, Companies Court (case number 7295 of 2013).

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly or severally.

3.3. Purpose of the Administration

The purpose of an administration under The Enterprise Act 2002 is split into three parts:

- 1 To rescue a company as a going concern (in other words a restructuring which keeps the actual entity intact)
- 2 If the first purpose is not reasonably practicable (or the second purpose would clearly be better for the creditors as a whole), then the Administrators must perform their functions with the objective of achieving a better result for creditors as a whole than would be obtained through an immediate liquidation of the company. This would normally envisage a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation).

- 3 If neither of the first two parts of the purpose are reasonably practicable, the Administrators must perform their functions with the objective of realising property in order to make a distribution to secured and/or preferential creditors as applicable

The Company had significant secured and unsecured creditor liabilities and therefore a restructuring of these creditors would have been required to meet the first objective. It was apparent that there was insufficient value placed on the Company's assets by third parties in order to affect a restructuring of the Company's debt and the Joint Administrators concluded that the first option was not possible to achieve.

Accordingly, the purpose of the administration is to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Company. The purpose of the administration is being achieved through a sale of the Company's assets as discussed in Section 4.

3.4. Electronic Communication with Creditors

In an effort to reduce the costs of the administration, all communications with creditors, including updates and progress reports, have been posted onto a website, which has been set up specifically for this purpose. The web address is www.deloitte.com/uk/murphylimited.

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All creditors' statutory notices will be retained on the website until its closure 3 months from the administration being brought to a close.

Please therefore ensure that you review the website regularly for updates and further notices and reports.

4 THE MANNER IN WHICH THE AFFAIRS OF THE COMPANY HAVE BEEN MANAGED AND FINANCED AND WILL CONTINUE TO BE MANAGED AND FINANCED IF THE JOINT ADMINISTRATORS' PROPOSALS ARE APPROVED

4.1. Introduction

Trading the Company in administration was considered but ultimately deemed unviable due to

- 1 The health and safety risks inherent with trading a business of this nature,
- 2 the Company's employment under its main customer construction contracts being terminable by the client upon an insolvency appointment (effectively diminishing their value to zero),
- 3 the Company's employment under the main construction contracts (if not terminated) would likely require a guarantee of contract completion, and
- 4 the significant funding required to continue to trade the business

In light of the above factors, it was not feasible to trade the Company in administration whilst a purchaser for the business was sought

Instead, the adopted course of action and method of maximising value for all creditors (including the Secured Creditor, preferential and unsecured creditors), is to manage a controlled closure of the business and sale of the Company's assets (predominantly tangible assets, debtors and WIP)

4.2. Post Appointment Strategy

Following the appointment of the Joint Administrators on 22 October 2013, members of the Joint Administrators' staff attended each of the Company's main sites throughout the UK to meet with Company employees. Staff were briefed with regards to the administration and informed they were of necessity immediately being made redundant, with the exception of a small number of staff retained to aid the Joint Administrators to secure assets and maximise realisations.

Customers were contacted and informed that the Company had entered administration. The Joint Administrators, in conjunction with construction and engineering specialists from Deloitte Real Estate engaged Driver Trett, consultants with expertise in engineering and construction, to help review the contracts and explore the possibility of novations for value.

Since entering administration, the Joint Administrators have agreed to the novation of a contract to Clear Route and a separate contract to Reliable. Under the terms of the Clear Route agreement, Clear Route will collect payment of outstanding work in process and debtors and pay the Company £0.40 for every £1.00 of value. In addition, Clear Route agreed to pay the sum of £162,198 (£0.40 for every £1.00 of value) to the Company in full and final settlement of the intercompany debt.

Under the terms of the Reliable agreement, Reliable will collect payment of outstanding work in process and debtors and pay the Company £0.40 for every £1.00 of value.

In conjunction with Wyles Hardy, a specialist firm of chattel agents, the Joint Administrators ensured that Company's assets deployed at client sites were returned to the nearest secure Company site. All assets have substantially been transferred to the London, Manchester and Sheffield sites, valued and prepared for disposal.

Some plant and machinery was financed on hire purchase agreements or leased from third parties. The Joint Administrators together with their staff continue to liaise with these parties and information continues to be provided to assist them in assessing their position.

In tandem with the Joint Administrators' legal advisors, all ROT claims received to date have been reviewed and discussions with claimants remain on going. Any party believing that they have an ROT claim should contact the Joint Administrators at the address at the front of this report or by email to our dedicated email address murphy@deloitte.co.uk as soon as possible.

5. DIRECTORS' STATEMENT OF AFFAIRS

5.1. Introduction

A Statement of Affairs as at 22 October 2013 has been submitted by the Directors which is attached at Appendix 3 Individual creditor details have been redacted for data protection purposes

In accordance with the standard format of the Statement of Affairs form, no provision has been made in the Statement of Affairs for the costs of the administration (including agents, legal and other professional fees)

The most recent management accounting information available for the Company is summarised at Section 2 and an up to date schedule of creditors, as drawn from the books and records of the Company, is attached with the Directors' Statement of Affairs at Appendix 3 The Joint Administrators have not carried out any work of the nature of an audit on any of this information

5.2. Notes to the Directors' Statement of Affairs

The Directors have stated the following

- The net book values have been taken from the Company's management accounts prepared as at 31 August 2013 and adjusted for transactions up to 22 October 2013,
- The estimated to realise values are based on the Directors' understanding of the likely values of collectable debtors and the other assets available for sale as at 22 October 2013,
- The figures do not take into account any unsatisfied hire purchase liabilities, and
- No provision has been made in the Statement of Affairs for the costs of the administration (including agents, legal and professional fees)

There are also a number of inter-company debts between Group companies The Joint Administrators have not yet verified these intercompany debts for dividend distribution purposes

5.3. Secured Creditor

The Company's secured debt to Bandon Holdings Limited at the date of the appointment of the Joint Administrators, and as set out in the Statement of Affairs, totals £1.7m As noted above, the Joint Administrators have not yet verified intercompany debts for dividend distribution purposes

On the basis of current estimates it is likely that the Secured Creditor will be paid in full

5.4. Preferential Creditors

Preferential claims relate to wage arrears, holiday pay and unpaid pension contributions The preferential creditor position as at 22 October 2013 per the Directors' Statement of Affairs is £441,015 The Directors have assumed all Company employees were made redundant

following the administration appointment, however, as a small number of employees have been retained in the short term, the preferential claim will be reduced to reflect settlement of the retained employees' wage arrears in the administration

On present information it is likely that preferential claims will be paid in full

5.5. The Prescribed Part

On the basis of current outcome estimates, we anticipate being able to make a distribution under the PP provisions. Please also note that the net property figures can only be estimated at this stage and therefore the value of the PP for the Company is also only an estimate and is subject to change (once creditor claims and the Joint Administrators' costs and expenses have been finalised)

Due to the possible distribution to unsecured creditors under the PP you are requested to submit claims to the address on the front of this report or by email to our dedicated email address murphy@deloitte.co.uk, marked for the attention of Hannah Cutmore-Scott

A Proof of Debt form is attached at Appendix 5

5.6. Unsecured Claims

The unsecured creditor position as at 22 October 2013 per the Directors' Statements of Affairs (excluding any shortfall to floating charge holders) is £16.5m. Further details are included at Appendix 3

After discharging the costs of the administration, it is anticipated that realisations from floating charge assets could be sufficient to repay fully the Secured Creditor. As such, there is a possibility that a dividend to the unsecured creditors of the Company (in addition to the PP distribution) could be paid, although it is not possible to quantify the likely amount of any dividend at this early stage in proceedings

5.7. Creditors' Meeting to Seek Approval to the Proposals and Consider Specific Resolutions Regarding the Remuneration and Costs of the Joint Administrators

The Joint Administrators have convened a creditors' meeting for 11.00 on 17 December 2013, to be held at the Grand Connaught Rooms, 61-65 Great Queen Street, WC2B 5DA. Notice of that meeting, on Form 2.20B, is attached at Appendix 6

Creditors are requested to print, complete, sign and return the Proxy Form (Appendix 7) to the address on the front of this report, to signify their approval or otherwise of the resolutions and Joint Administrators' Proposals. The resolutions are as follows

- That the Joint Administrators Proposals dated 2 December 2013 in respect of the Company are approved
- That, in the absence of a creditors' committee, the Joint Administrators' remuneration be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed (plus VAT)

- That, in the absence of a creditors' committee, the Joint Administrators' disbursements for mileage be fixed by reference to mileage properly incurred by the Joint Administrators and their staff in attending to matters arising in the administration, calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred
- That, in the absence of a creditors' committee, the creditors of the Company agree that the Joint Administrators be discharged from liability per Paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Joint Administrators filing their final report to creditors and vacating office
- That, in the event the creditors of the Company so determine, a creditors' committee be appointed in respect of the Company

6 JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

6.1. Introduction

In accordance with Rule 2 106(5) the following resolutions regarding the basis of the Joint Administrators' remuneration will be put to the general body of creditors at the meeting detailed in Section 5 7 or to the creditors' committee should one be formed

Resolution 1 That the Joint Administrators' remuneration be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed (plus VAT)

Resolution 2 That the Joint Administrators' disbursements for mileage be fixed by reference to mileage properly incurred by the Joint Administrators and their staff in attending to matters arising in the administration, calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

The Joint Administrators' time costs incurred to 15 November 2013 total £515,322 50, which represents 1,017 2 hours at an average rate of £506 61 per hour, this time is charged in six minute increments These time costs are analysed at Appendix 4, where the work undertaken has been categorised into the following task headings and sub categories

- **Administration and Planning** includes such tasks as case planning and set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions
- **Realisation of Assets** includes such tasks as identifying and securing assets, dealing with the sale of business / novation of customer contracts, property issues, activities in relation to other fixed assets, stock, debtors and any related legal issues
- **Investigation** includes such tasks as reporting on the Directors' conduct, investigating antecedent transactions and any other investigations that may be deemed appropriate
- **Trading** although no on-going trading was undertaken during the administration, trading refers to general activities undertaken in ensuring cessation of trade such as day one site visits
- **Creditors** include such tasks as creditor set up, communication and meetings, reviewing and agreeing preferential and unsecured claims, ROT issues, corresponding with the Secured Creditor, reviewing and obtaining advice in relation to security granted to the Secured Creditor Also, dealing with trade creditors, customer creditors, employee creditor issues and submitting documentation to HM Revenue & Customs
- **Other matters** include employee related issues, VAT and corporation tax issues

The range of charge out rates for the separate categories of staff is based on our 2013 charge out rates as summarised overleaf Manager rates include all grades of assistant manager

Grade	2013 (£)
Partners/Directors	605 to 950
Managers	305 to 720
Assistants and Support Staff	155 to 305

The above bands are specific to the Restructuring Services department's partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Deloitte Real Estate may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff members have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Charge out rates will be subject to review from 1 September 2014.

"A Creditors' Guide to Administrators' Remuneration" is available for download at www.deloitte.com/uk/sip-9-england-and-wales. Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on the front of this report and this will be provided to you at no cost.

6.2 Joint Administrators' Disbursements

A summary of the Joint Administrators' outstanding disbursements (excluding VAT if applicable) which relate to direct expenses such as travel are set out below. Please note that the Joint Administrators' disbursements for mileage are calculated by reference to mileage properly incurred by the Joint Administrators and their staff in attending to matters arising in the administration, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (presently up to 45p per mile).

Nature of disbursements	Total incurred and outstanding £
Mileage	334 61
Parking and tolls	23 46
Subsistence	102 04
Taxis	188 50
Telephone - Business Calls	33 89
Travel-Train/Bus + Booking Fee	117 60
Total	800 10

6.3. Other Professional Costs

To advise on appropriate legal matters and to prepare required legal documentation (including contract novation agreements) the Joint Administrators instructed Matthew Arnold & Baldwin LLP, a firm of lawyers with the appropriate expertise and experience in dealing with this type of administration

In addition, Wyles Hardy, a firm of chattel agents, were instructed by the Joint Administrators to secure, value and sell the Company's stock, plant and equipment, fixtures and fittings and other chattel assets where appropriate

Drivers Trett, consultants with expertise in engineering and construction, were instructed by the Joint Administrators to assist the contract review and explore the possibility of novations for value

The Joint Administrators engaged Insol Group Plc, a firm of employee specialists, to assist with the redundancy programme and help process employee claims

Professional costs will be a combination of recorded time costs incurred and success fees and will be reviewed by the Joint Administrators' staff before being approved for payment

Deloitte Business Rates (a dedicated team within Deloitte Corporate Finance), has been engaged to review the Company's leased property portfolio and secure any rates repayments due to the Company Fees have been agreed as a percentage of recoveries secured

To date, no invoices relating to legal or agents' fees have been received by the Joint Administrators The Joint Administrators have reimbursed Wyles Hardy expenses incurred on behalf of the administration totalling c £5k

6.4. Creditors' Right to Request Information

The Secured Creditor or any unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Joint Administrators to provide additional information regarding remuneration or expenses to that already supplied within this document Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2 47(1)(fa) and 2 48A of the Rules

6 5. Creditors' Right to Challenge Remuneration and/or Expenses

The Secured Creditor or, any unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2 109(4) of the Rules), challenging the amount or the basis of remuneration which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred Such applications must be made within 8 weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2 109 of the Rules

7. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

7.1. Directors' Conduct

As part of their statutory duties, the Joint Administrators will consider the conduct of the Directors and any person they consider a shadow or de facto director in relation to their management of the affairs of the Company and the causes of failure, and will submit a confidential report to the Insolvency Service, a division of the Department for Business, Innovation and Skills

As part of their investigations the Joint Administrators will consider, among other matters, the following

- Statutory compliance issues,
- misfeasance or breach of duty, and
- antecedent transactions (including transactions at an undervalue and preferences)

Creditors who wish to draw any matters to the attention of the Joint Administrators should write to the Joint Administrators at the address given on the front of this report or by email to our dedicated email address murphy@deloitte.co.uk

7.2. SIP13 (E&W) – Transactions with Connected Parties

In accordance with the guidance given in SIP13 (E&W), we have been made aware of a number of transactions with connected parties during the period of this report or in the two years prior to our appointment

7.2.1. Historical Connected Party Transactions

The Company provided head office functions to the Group in addition to transferring tax losses (for consideration), making purchases on behalf of other Group companies (in instances where the Company enjoyed the benefit of supplier discounts) and meeting certain employee payments (reimbursed through management charges)

Other specific company transactions include

- The Company and Reliable contracting with each other to perform client work,
- The Company renting its principal trading sites from Bandon Properties,
- Reliable providing unsecured funds totalling £3.55m to allow the Company to continue to trade,
- The Company meeting payments on behalf of Bandon Properties for the development of a site owned by Bandon Properties (Castleford) and various insurance related payments,
- The Company paying for other Group employees to attend specialised training courses, and
- Group companies having use of Company owned equipment (for a rental charge)

Having reviewed these transactions, we are of the opinion that there were undertaken in the ordinary course of business and have therefore not provided detail on a line by line basis

7.2.2. Connected Party Transactions since Entering Administration

As discussed above in Section 4.2, since entering administration the Joint Administrators have agreed to the novation of a contract to Clear Route and a separate contract to Reliable

In the absence of any such agreements, the Company's employment under the contract would have been terminated making collection of outstanding debtors and work in progress challenging as it is likely that the customer would have counter claims for liquidated damages in respect of non-performance of contracts. As such, and in the absence of any alternative offers, this agreement represented the best value to the administration estate

Should creditors have information regarding any other connected party transactions not undertaken in the ordinary course of business they should forward details in writing to the Joint Administrators to the address on the front of this report

7.3. Exit Routes from Administration

In accordance with the provisions of the Act incorporated by the Enterprise Act 2002, all administrations automatically come to an end after one year, unless an extension is granted by the Court or with consent of the creditors

There are several exit routes which are available to the Joint Administrators, including

- an application to Court,
- filing a notice in Court and with the Registrar of Companies confirming that the purpose of administration has been sufficiently achieved, or
- in the event that the Company has no property remaining to be realised the Joint Administrators may notify the Registrar of Companies to that effect at which time the appointment of the Joint Administrators ceases and three months following that date the company is deemed to be dissolved

In addition the Joint Administrators could propose to place the Company into Creditors' Voluntary Liquidation, a Compulsory Liquidation or a Company Voluntary Arrangement. Reference will be made in the resolutions within this report as to the exit route most suitable to the circumstances of this administration

On the basis of current information it is presently intended that the Company will be placed into Creditors' Voluntary Liquidation at the conclusion of the administration which will allow for a distribution to be made to unsecured creditors without the requirement for a Court order

7.4. EC Regulations

As stated in the Administration Order in respect of the Company, Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation

7.5. Third Party Assets

Should you believe that you own items that may have been present at the Company's former trading premises at the date of appointment please contact the Joint Administrators as soon as possible

8. STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)

Murphy Limited (in Administration) (the "Company") Court Case No. 7295 of 2013

The Joint Administrators' proposals are as follows

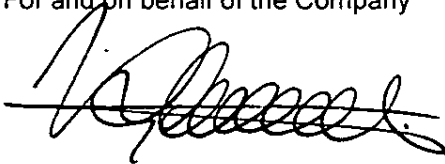
- 1 the Joint Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all administration expenses,
- 2 the Joint Administrators continue with their enquiries into the conduct of the Directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company,
- 3 the Joint Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against the Company unless the Joint Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution,
- 4 the Joint Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of the Company so determine, at a meeting of creditors, a creditors committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of that Company,
- 6 that, the creditors' committee, if one is appointed, be asked to agree that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT, and asked to agree the Joint Administrators' expenses,
- 7 that, the creditors' committee, if one is appointed, be asked to fix the Joint Administrators' disbursements for mileage to be fixed by reference to mileage properly incurred by the Joint Administrators and their staff in attending to matters arising during the administration, calculated at the prevailing standard mileage rate used by Deloitte at the time when mileage is incurred (presently up to 45p per mile), plus VAT where applicable,
- 8 that, if a creditors' committee is not appointed at the initial meeting of creditors, that the creditors be asked at that meeting to agree that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT, and asked to agree the Joint Administrators' expenses,
- 9 that, if a creditors' committee is not appointed at the initial meeting of creditors, that the creditors shall fix at that meeting, the Joint Administrators' disbursements for mileage to be fixed by reference to mileage properly incurred by the Joint Administrators and their staff in attending to matters arising during the administration, calculated at the prevailing

standard mileage rate used by Deloitte at the time when mileage is incurred (presently up to 45p per mile), plus VAT where applicable,

- 10 that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, the Joint Administrators implement the most cost effective steps to formally conclude the administration. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Company or alternatively, seeking to put the Company into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 11 that, if the Company was to be placed into CVL, the Joint Administrators propose to be appointed Liquidators and any creditors' committee appointed will become the Liquidation Committee pursuant to Rule 4 174A of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT, and asked to agree the Joint Administrators' expenses. As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2 117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors. For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and
- 12 in the absence of a creditors' committee, the creditors of the Company agree that the Joint Administrators be discharged from liability per Paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Joint Administrators filing their final report to creditors and vacating office

Yours faithfully

For and on behalf of the Company



Nicholas Guy Edwards and Robert James Harding
Joint Administrators of Murphy Limited (in Administration)
Deloitte LLP
66 Shoe Lane
London
EC4A 3BQ

Nicholas Guy Edwards and Robert James Harding were appointed Joint Administrators of Murphy Limited (the "Company") on 22 October 2013. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability

All licensed Insolvency Practitioners of Deloitte are licensed in the UK to act as Insolvency Practitioners

MURPHY LIMITED (IN ADMINISTRATION)

STATUTORY INFORMATION

Company Name	Murphy Limited
Previous Names	N/A
Proceedings	In Administration
Court	High Court of Justice, Chancery Division, Companies Court
Court Reference	7295 of 2013
Date of Appointment	22 October 2013
Joint Administrators	Nicholas Guy Edwards & Robert James Harding Deloitte LLP 66 Shoe Lane London EC4A 3BQ
Registered office Address	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR
Company Number	01916346
Incorporation Date	23 May 1985
Company Secretary	Kevin Tims
Bankers	Allied Irish Bank Natwest Bank
Auditors	Newton & Garner Limited
Appointment by	The Directors – under Paragraph 22 of Schedule B1 of the Act
Directors at date of Appointment	Francis Carey, Michael Hayes, Michael Maloney, Joseph Murphy, Peter Salmon, Dawn Stedman and Kevin Tims
Directors' Shareholdings	No shareholdings in Murphy Limited

Murphy Limited (in Administration)
Receipts & Payments Account
For the Period 22 October 2013 to 15 November 2013

	Statement of Affairs £	22/10/13 - 15/11/13 £
Receipts		
Funds Provided by Secured Lender		500,000 00
Pre Appointment VAT Refund		398 834 20
Book debts	946 417 00	23,748 00
Insurance Related Receipts		3,098 00
Cash at Bank	1 962 189 00	1,963,540 36
Bank Interest		6 19
		<u>2,889,226 75</u>
Payments		
Labour Costs		(167,039 82)
Credit Card Payments Cleared Post Appointment		(19,048 77)
Realisation Cost		(3,500 00)
Accommodation		(1 353 58)
Bank Holdback		(138,702 32)
Security		(49,642 08)
Sundry Expenses		(762 40)
Consultant		(23 019 30)
Transport		(5,328 31)
Agents' Expenses		(4,811 83)
Stationery		(127 06)
Postage & Redirection		(1,119 84)
Statutory Advertising		(84 60)
Bank Charges		(3 099 49)
		<u>(417,639 40)</u>
Net Realisations		<u><u>2,471,587.35</u></u>
Represented by		
Cash		2,523,753 56
VAT Receivable		17,949 82
PAYE/NIC Payable		(70,116 03)
		<u>2,471,587 35</u>

DIRECTORS' STATEMENT OF AFFAIRS

Rule 2 29

Form 2 14B

Statement of affairs

Name of Company Murphy Limited	Company number 01916346
In the Royal Courts of Justice, Chancery Division Companies Court	Court case number 7925 of 2013

Statement as to the affairs of Murphy Limited
on the 22 October the date that the company entered administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) xxx the date that the company entered administration

Full name Peter Samuel
Signed [Signature]
Dated 15/11/2013

Before me

[Signature]

18/11/2013


Albert Isaiah Corban Esq
Commissioner for Oaths
Corban Solicitors
51, The Hale Tottenham Hale
London N17 9JZ

[Signature]
DMS
M. H.



A Statement of Assets

Assets	Book value £	Estimated to Realise £
Assets subject to fixed charge	0	0
Assets subject to floating charge		
Fixed Assets	2,148,227	871,625
Stock	1,273,169	370,000
Debtors (see below)	3,315,049	946,417
Debtor retention (see below)	2,307,330	977,000
Work in Progress (see below)	8,695,815	1,510,000
Cash	<u>1,962,189</u>	<u>1,962,189</u>
	19,701,779	6,637,231
Uncharged assets	0	0
Estimated total assets available for preferential creditors	19,701,779	6,637,231

Note
The amount estimated to realise in respect of debtors, retentions and work in progress has been based on the directors' estimate of the net amount which should be recoverable and assumes no further significant counterclaims are made

Signature  _____

Date 18.11.2013


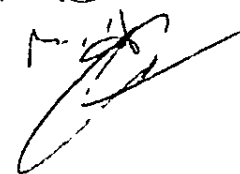

DM Steadman


A1 Statement of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)	6,637,231
Liabilities	
Preferential creditors	(441,015)
Estimated deficiency/surplus as regards preferential creditors	6,196,216
Estimated prescribed part of net property where applicable (to carry forward)	(600,000)
Estimated total assets available for floating charge	5,596,216
Debts secured by floating charges	(1,698,192)
Estimated deficiency/surplus of assets after floating charges	3,898,024
Estimated prescribed part of net property where applicable (brought down)	600,000
Total assets available to unsecured creditors	4,498,024
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	(16,495,532)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	(11,997,508)
Shortfall to floating charge holders (brought down)	0
Estimated deficiency/surplus as regards creditors	(11,997,508)
Issued and called up share capital	(2,500,000)
Estimated total deficiency/surplus as regards members	(14,497,508)

Signature  _____

Date 18 11 2013




DHSrectus


Company Creditors

Name of creditor or claimant	Address (w/ h postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security
Purchase ledger per attachment A		3 727 150	None	N/A	N/A
Subcontract ledger per attachment B		1 295 238			
Subcontract retention per attachment B		1 716 970			
Reliable Construction Ltd	Ashley House, Ashley Rd, Tottenham, London, N17 3JZ	4 067 198			
HMA Revenue & Customs		895 068			
Other creditors		314 983			
Goods received not invoiced		785 635			
Remedials provision		692 181			
Invoices not yet processed		3 001 569			
Total		16 495 532			

Date 18 11 2013

Signature 

 Director
 M. J. J.

Company Shareholders

Name of shareholder	Address (with postcode)	No of shares held	Nominal value	Details of shares held
JMCC HOLDINGS LIMITED	Building 2, 30 Friern Park, London, N12 9DA	2,500,000	£2,500,000	ORD SHARES

Signature _____ Date 18/11/2015

[Handwritten Signature]
[Handwritten Signature]
 DMS/Scotus
 M. G. H.

Murphy Limited
(In Administration)

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	0 15	127 50	39 20	19,640 00	6 40	1,839 00	45 75	21,606 50	472 27
Case Supervision, Management and Closure	-	-	9 10	4,209 50	4 60	1,140 00	13 70	5,349 50	390 47
Initial Actions (e.g. Notification of Appointment, Securing Assets)	16 00	13,200 00	151 00	73,792 50	64 00	14,585 00	231 00	101,577 50	439 73
General Reporting	-	-	39 00	20,845 00	-	-	39 00	20,845 00	534 49
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	16 15	13,327 50	238 30	118,487 00	75 00	17,564 00	329 45	149,378 50	453 42
Investigations									
Investigations	15 00	12,425 00	32 50	10,225 00	10 25	1,302 50	57 75	23,952 50	414 76
Reports on Directors' Conduct	15 00	12,425 00	32 50	10,225 00	10 25	1,302 50	57 75	23,952 50	414 76
Trading									
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-
Ongoing Trading	5 50	4,575 00	19 00	10,665 00	-	-	24 50	15,240 00	622 04
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	21 00	17,375 00	56 50	30,395 00	23 50	5,265 00	101 00	53,035 00	525 10
	26 50	21,950 00	75 50	41,060 00	23 50	5,265 00	125 50	68,275 00	544 02
Realisation of Assets									
Book Debts	14 00	14 490 00	41 00	29,930 00	-	-	55 00	44,420 00	807 64
Other Assets (e.g. Stock)	-	-	4 50	2,227 50	-	-	4 50	2,227 50	495 00
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	7 00	3,465 00	15 00	3,600 00	22 00	7,065 00	321 14
Property - Freehold and Leasehold	18 00	14,850 00	71 50	38,332 50	9 00	2,160 00	98 50	55,342 50	561 85
Retention of Title	17 00	17,595 00	29 00	21,170 00	-	-	46 00	38,765 00	842 72
Sale of Business / Assets	-	-	-	-	-	-	-	-	-
Third Party Assets	49 00	46,935 00	153 00	95,125 00	24 00	5,760 00	226 00	147,820 00	654 07
Creditors									
Employees	8 00	6,600 00	58 20	25,939 00	32 00	9,275 00	98 20	41,814 00	425 80
Preferential	-	-	-	-	-	-	-	-	-
Secured	19 00	15,750 00	10 50	5,897 50	-	-	29 50	21,647 50	733 81
Shareholders	4 50	3,712 50	37 50	18,562 50	78 10	18,744 00	120 10	41,019 00	341 54
Unsecured	31 50	26,062 50	106 20	50,399 00	110 10	28,019 00	247 80	104,480 50	421 63
Other Matters Include									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	14 80	15,444 00	5 30	3,498 00	10 60	2,474 00	30 70	21,416 00	697 59
Tax and VAT	14 80	15,444 00	5 30	3,498 00	10 60	2,474 00	30 70	21,416 00	697 59
	152 95	136,144 00	610 80	318,794 00	253 45	60,384 50	1,017 20	515,322 50	506 61
TOTAL HOURS & COST									
TOTAL FEES DRAWN TO DATE									

0 00

TOTAL FEES DRAWN TO DATE

PROOF OF DEBT - FORM 4.25

Rule 2 72

Form 4 25

PROOF OF DEBT - GENERAL FORM

In the matter of
Murphy Limited

In Administration
and in the matter of The Insolvency Act 1986

Date of Administration Order 22 October 2013

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding un capitalised interest as at the date the company went into administration	£
4	Details of any document by reference to which the debt can be substantiated [Note there is no need to attach them now but the administrator may call for any document or evidence to substantiate the claim at his discretion]	
5	If total amount above includes outstanding un capitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet)	
7	Particulars of any security held the value of the security and the date it was given	£
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	

Rule 2.72

PROOF OF DEBT - GENERAL FORM (CONTD)

Form 4.25

Admitted to Vote for

£

Date

Administrator

Admitted preferentially for

£

Date

Administrator

Admitted non-preferentially for

£

Date

Administrator

Notice of meeting

Form 2 20B

Rule 2 35

Notice of a meeting of Creditors

Name of Company Murphy Limited	Company number 01916346
In the Royal Courts of Justice, Chancery Division Companies Court <small>(full name of court)</small>	Court case number 7295 of 2013

(a) Insert full name(s)
and address(es) of
administrator(s)

Notice is hereby given by (a)
Nicholas Guy Edwards
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

Robert James Harding
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

(b) Insert full name and
address of registered
office of the company

that a meeting of creditors of (b)
Murphy Limited
Hill House
1 Little New Street
London

(c) Insert details of place
of meeting

is to be held at (c)
(c) The Grand Connaught Rooms 61-65 Great Queen Street London, WC2B 5DA

(d) Insert date and time
of meeting

on (d) 17 December 2013 at 11 00am

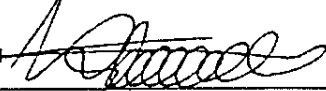
*Delete as applicable

An initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ('the schedule')

I invite you to attend the above meeting

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented

In order to be entitled to vote under Rule 2 38 at the meeting you must give to me, not later than 12 00 hours on the business day before the day fixed for the meeting, details in writing of your claim

Signed 
Joint Administrator

Dated 29/11/2013

*Delete as applicable

A copy of the proposals is attached

PROXY FORM – 8.2

Rule 8.1

Insolvency Act 1986

Form 8.2

Proxy (Administration)

Murphy Limited

Name of Creditor _____

Address _____

Name of Proxy Holder

1 _____

2 _____

3 _____

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well.

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 17 December 2013, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion)

Voting Instructions for resolutions

*Please delete as appropriate

1 For the acceptance/rejection* of the Joint Administrator's proposals as attached to this form

2 For the acceptance/rejection* that, in the absence of a creditors' committee, the Joint Administrators' remuneration be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte LLP at the time when the work is performed. And that the Joint Administrators be authorised to draw their remuneration, plus VAT, from the Administration estate, together with disbursements incurred which relate specifically to the case

3 For the acceptance/rejection* that, in the absence of a creditors' committee, the Joint Administrators' disbursements for mileage be fixed by reference to mileage properly incurred by the Joint Administrators and their staff in attending to matters arising during the Administration, calculated at the prevailing standard mileage rate used by Deloitte LLP at the time when mileage is incurred (presently up to 45p per mile), plus VAT where applicable and that the Joint Administrators be authorised to draw their/his disbursements for mileage from the Administration estate

4 For the acceptance/rejection* that, in the absence of a creditors' committee, the Administrators be discharged from liability per paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Joint Administrators' filing their final report to creditors and vacating office

5 For the appointment of
Of
Representing
as a member of the creditors' committee

This form must be signed **Signature** _____ **Date** _____

Name in CAPITAL LETTERS _____

Only to be completed if the
creditor has not signed in
person

Position with creditor or relationship to creditor or other authority for signature

Remember there may be resolutions on the other side of this form

STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)

Murphy Limited (in Administration) (the "Company") Court Case No. 7295 of 2013

The Joint Administrators' proposals are as follows

- 1 the Joint Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all administration expenses,
- 2 the Joint Administrators continue with their enquiries into the conduct of the Directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company,
- 3 the Joint Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against the Company unless the Joint Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution,
- 4 the Joint Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of the Company so determine, at a meeting of creditors, a creditors committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of that Company,
- 6 that, the creditors' committee, if one is appointed, be asked to agree that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT, and asked to agree the Joint Administrators' expenses,
- 7 that, the creditors' committee, if one is appointed, be asked to fix the Joint Administrators' disbursements for mileage to be fixed by reference to mileage properly incurred by the Joint Administrators and their staff in attending to matters arising during the administration, calculated at the prevailing standard mileage rate used by Deloitte at the time when mileage is incurred (presently up to 45p per mile), plus VAT where applicable,
- 8 that, if a creditors' committee is not appointed at the initial meeting of creditors, that the creditors be asked at that meeting to agree that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT, and asked to agree the Joint Administrators' expenses,
- 9 that, if a creditors' committee is not appointed at the initial meeting of creditors, that the creditors shall fix at that meeting, the Joint Administrators' disbursements for mileage to be fixed by reference to mileage properly incurred by the Joint Administrators and their staff in attending to matters arising during the administration, calculated at the prevailing

standard mileage rate used by Deloitte at the time when mileage is incurred (presently up to 45p per mile), plus VAT where applicable,

- 10 that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, the Joint Administrators implement the most cost effective steps to formally conclude the administration. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Company or alternatively, seeking to put the Company into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 11 that, if the Company was to be placed into CVL, the Joint Administrators propose to be appointed Liquidators and any creditors' committee appointed will become the Liquidation Committee pursuant to Rule 4.174A of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT, and asked to agree the Joint Administrators' expenses. As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2.117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors. For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and
- 12 in the absence of a creditors' committee, the creditors of the Company agree that the Joint Administrators be discharged from liability per Paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Joint Administrators filing their final report to creditors and vacating office