

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

1916346

Name of Company

Murphy Limited /

~~++~~We

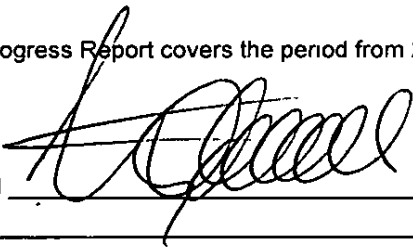
Nicholas Guy Edwards, PO Box 810, 66 Shoe Lane, London, EC4A 3WA

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

the liquidator(s) of the company attach a copy of ~~my~~our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 21/10/2014 to 20/10/2015

Signed



Date

18/11/15

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

Ref MURP02L/PWH/AJT/CPB

FRIDAY



A20 *A4KLCAA3* #202
20/11/2015
COMPANIES HOUSE

Murphy Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 21/10/2014 To 20/10/2015
-----------------------------	--

ASSET REALISATIONS	
Book debts	60,015 52
Administrative surplus	5,811,149 39
Administration VAT reclaim	47,400 58
Bank interest gross	17,090 10
	5,935,655 59

COST OF REALISATIONS	
Agents' fees - Insol Group Plc	9,575 00
Agents' fees - Driver Trett	27,851 88
Legal fees	23,372 50
Legal disbursements	1,111 00
Telephone, telex & fax	42,293 93
Postage & redirection	2,733 87
Statutory advertising	169 20
Rates	157 00
Other property expenses	2,470 00
Bank charges	337 50
	(110,071 88)


PREFERENTIAL CREDITORS	
Department of employment	5,274 95
Preferential dividend	367,645 85
	(372,920 80)

UNSECURED CREDITORS	
Trade & expense creditors	3,067,643 54
	(3,067,643 54)

2,385,019 37

REPRESENTED BY	
IB Instant Access A/C	2,385,019 37

2,385,019.37



 Nicholas Guy Edwards
 Joint Liquidator

**MURPHY LIMITED
(IN LIQUIDATION)
("the Company")**

**ANNUAL PROGRESS REPORT TO CREDITORS FOR THE PERIOD TO 20 OCTOBER
2015 PURSUANT TO RULES 4.49B/4.49C OF THE INSOLVENCY RULES 1986 (AS
AMENDED)**

18 November 2015

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Nicholas Guy Edwards and Robert James Harding were appointed Joint Liquidators of Murphy Limited on 21 October 2014.

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

Nicholas Guy Edwards and Robert James Harding
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

Tel +44 (0) 20 7936 3000
Fax +44 (0) 20 7007 3442

CONTENTS

Page

1	INTRODUCTION	1
2	JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT	2
3	DISTRIBUTIONS TO CREDITORS	3
4	OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS	5
5	JOINT LIQUIDATORS' REMUNERATION AND EXPENSES	6

APPENDICES

1	Statutory information	
2.	Joint Liquidators' receipts and payments account for the period from 21 October 2014 to 20 October 2015	
3	Joint Liquidators' time costs for the period from 21 October 2014 to 20 October 2015	
4.	Proof of debt – Form 4 25	

ABBREVIATIONS

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

"the Act"	Insolvency Act 1986 (as amended)
"the Company"	Murphy Limited (in Liquidation)
"the Court"	High Court of Justice, Chancery Division, Companies Court
"Deloitte"	Deloitte LLP
"the Directors"	Francis Carey, Michael Hayes, Michael Maloney, Joseph Murphy, Peter Salmon, Dawn Stedman and Kevin Tims
"Driver Trett"	Driver Corporate Services Limited
"the Group"	Bandon Holdings Limited and its subsidiaries
"the Joint Liquidators"	Nicholas Guy Edwards and Robert James Harding of Deloitte LLP
"Prescribed Part" / "PP"	The Prescribed Part, being a fund set aside 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
"ROT"	Retention of title
"the Rules"	Insolvency Rules 1986 (as amended)
"the Secured Creditor"	Bandon Holdings Limited
"SIP2 (E&W)"	Statement of Insolvency Practice 2 (England & Wales)
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"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

1 INTRODUCTION

1.1 Introduction

This report has been prepared to update creditors on the progress of the liquidation of the Company since the Joint Liquidators were appointed

We have focused on the progress of the liquidation subsequent to our earlier reports to creditors as Joint Administrators

A schedule of statutory information in respect of the Company is attached at Appendix 1

1.2 Details of the appointment of the Joint Liquidators

Nicholas Guy Edwards and Robert James Harding of Deloitte were appointed Joint Liquidators of the Company on 21 October 2014 at the cessation of the preceding administration

For the purposes of section 231 of the Act the Joint Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally

1.3 Electronic communication with creditors

In an effort to reduce the costs of the liquidation, all future communications with creditors, including updates and progress reports, will be posted onto a website which has been set up specifically for this purpose. The web address is

<http://www.deloitte-insolvencies.co.uk/murphy>

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All statutory notices will be retained on the website for three months.

2. JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

2.1 Introduction

Appendix 2 summarises receipts and payments since the date of our appointment

The following paragraphs provide additional commentary on the receipts and payments in the last 12 months and also detail costs incurred in the period but not yet been paid

2.2 Asset realisations

On appointment, funds totalling £5.8m were received from the administration estate

During the liquidation the Joint Liquidators continued to pursue residual book debt claims arising from works performed by the Company prior to entering administration. Further realisations of £60k have been achieved.

Group balances payable to the Company of £289k have been received during the liquidation, these funds were held in an account with the Joint Liquidators' legal advisers and have been paid to the liquidation account subsequent to the anniversary date of 20 October 2015.

In addition, a VAT recovery of £47k in respect of the administration period has been received.

Bank interest of £17k has been earned.

2.3 Estimated future realisations

There remains one outstanding book debt against which the debtor has submitted a large counter-claim. Due to the commercial sensitivity of this claim we are not in a position to comment further on its potential recovery.

2.4 Costs incurred but not yet paid

There are currently no unpaid invoices, however, the Joint Liquidators will have incurred legal fees associated with the ongoing debtor dispute.

2.5 Estimated outcome for creditors

It is anticipated that the Secured Creditor will be paid in full. Unsecured creditors of the Company with agreed claims have received an interim distribution of 25p in the pound, with a further distribution anticipated later in the liquidation.

The preferential creditors have been paid in full.

Further details on distributions are provided in section 3.

3. DISTRIBUTIONS TO CREDITORS

3.1 Secured creditors

As previously reported the Company's debt to the Secured Creditor at the date of appointment of the Joint Administrators, as set out in the Statement of Affairs, was c £1.7m. The Secured Creditor received £1.5m during the administration in a distribution and sale of plant and equipment. The balance payable to the Secured Creditor was further reduced by the allocation of undertakings provided to suppliers to the value of c £56k. The Joint Liquidators agreed to surrender brought forward tax losses to the value of c £175k to the Group which leaves a balance payable of c £33k to the Secured Creditor which will be paid in full.

3.2 Preferential creditors

A dividend totalling c £373k was paid to preferential creditors of the Company on 12 February 2015. This dividend represented 100p in the pound. Unclaimed dividends totalling £2.6k will shortly be paid to the Insolvency Services unclaimed dividend account. If you have not received your cheque please contact Nicola Wyatt by email nwyatt@deloitte.co.uk to request a replacement cheque.

3.3 Prescribed Part

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors. This equates to:

- 50% of net property up to £10,000,
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000

The Joint Liquidators distributed £536,497 under the Prescribed Part on 10 June 2015. This was included within the distribution detailed in section 3.4 as the secured creditors have not yet been repaid in full.

3.4 Unsecured creditors

The Joint Liquidators paid a first distribution of 25p in the pound, which amounted to c £3.1m, to unsecured creditors of the Company on 10 June 2015. This included the Prescribed Part funds detailed in section 3.3. A further c £59k was distributed to unsecured creditors with held claims on 18 August 2015. To date, the Joint Liquidators have received and agreed unsecured claims totalling c £12.3m.

The Joint Liquidators anticipate that there may be the possibility of a further dividend, although the likely quantum and timing of this dividend is unknown.

3.5 Claims process

Due to the possible further distribution to unsecured creditors, you are requested to submit claims to the address on the front of this report, marked for the attention of Adrienne Thomas or by email to adrthomas@deloitte.co.uk

A Proof of Debt form is attached

Please note: if you have previously lodged a claim in the liquidation or preceding administration you do not need to resubmit your claim.

4. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

4.1 Investigations

The Joint Liquidators completed an investigation into the conduct of the Directors and submitted a confidential report to the Insolvency Service on 4 March 2015

4.2 Other

As part of our duties as Joint Liquidators, we reviewed all of the information available to us and having completed this review, we identified no further avenues of recovery

If you have any information that you feel we should be made aware of in relation to the above, please contact us as a matter of urgency

4.3 Transactions with connected parties

During the period covered by this report, there have been no transactions with connected parties

As previously reported, during the preceding administration a significant amount of Company plant and equipment was sold to the Group. The negotiated sale price was in excess of Wyles Hardy valuations and removed marketing and sale costs that would have been required had the assets been sold to third parties

4.4 EC regulations

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation

5. JOINT LIQUIDATORS' REMUNERATION AND EXPENSES

5.1 Joint Liquidators' remuneration

5.1.1 Basis of remuneration

The basis of the Joint Liquidators' remuneration was deemed approved by creditors during the earlier administration proceedings by reference to the time properly given by the Joint Liquidators and their staff in attending to matters arising in the liquidation

5.1.2 Remuneration

In the 12 month period since their appointment, commencing on 21 October 2014, the Joint Liquidators have incurred time costs of £353,620 made up of 654 hours at an average charge out rate of £540 across all grades of staff. Time is charged in six minute increments.

Please refer to Appendix 3, where the work done has been categorised into the following task headings and sub categories

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashiering and accounting
- **Investigations** includes investigating the Company's affairs and in particular any antecedent transactions and also reporting on the conduct of the Directors
- **Realisation of assets** includes collection of debts and continued liaison with legal advisers regarding the disputed debt referred to in section 2.3 of this report
- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims and secured claims, which includes various communications to request support documentation for claims received. During the period under review time was incurred
 - in agreeing the preferential claims, which consist primarily of employee claims, for dividend purposes and a distribution paid
 - providing the notice of intended dividend to all known potential unsecured creditors and their claims adjudicated for dividend purposes
- **Case specific matters** include VAT and taxation matters including the preparation and submission of the final administration period tax return including professional advice relating to surrender of Company tax losses to Group companies

To date, the Joint Liquidators have not drawn any remuneration in respect of the liquidation

"A Creditors' Guide to Liquidators' 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 Liquidators at the address on the front of this report and this will be provided to you at no cost

Expenses

During the period covered by this report the Joint Liquidators have incurred expenses of £1,054 which are summarised in the table overleaf

Nature of expenses	Total incurred	Paid	Outstanding
	£	£	£
Travel	66 10	-	66 10
Subsistence	122 42	-	122 42
Couner	10 00	-	10 00
Tax fees	855 00	-	855 00
Total	1,053 52	-	1,053 52

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

5.2 Charge out rates

The range of charge out rates for the separate categories of staff in force during the period of appointment is summarised below. Please also note that the range of charge out rates is now provided separately for Assistant Directors and Assistant Managers, this information was previously provided under the category of Managers' rates

Grade	£	£
	From 1 Sep 2014	From 1 Sep 2015
Partners/Directors	615 to 970	645 to 1,020
Assistant Directors	475 to 735	500 to 770
Managers	410 to 660	430 to 695
Assistant Managers	310 to 525	325 to 550
Assistants and Support Staff	50 to 310	80 to 325

The average charge out rates applicable to this case are provided at Appendix 3

The above bands are specific to the Restructuring Services department 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 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 increased on 1 September 2015.

5.3 Other professional costs

Matthew Arnold & Baldwin LLP were instructed by the Joint Liquidators to advise on appropriate legal matters. In addition, Insol Group plc, a firm of employee specialists, helped to process employee claims. Furthermore, Driver Trett – consultants with expertise in engineering and construction, were instructed to assist with the contract reviews.

The professional costs to date are summarised in the table below.

Name of lawyer/agent	Net (£)	VAT (£)	Total (£)
Matthew Arnold & Baldwin LLP	24,483 50	4,896 70	29,380 20
Insol Group plc	9,575 00	1,915 00	11,490 00
Driver Trett	27,851 88	5,570 38	33,422 26
Total	34,058 50	6,811 70	40,870 20

All professional costs are reviewed and analysed before payment is approved.

5.4 Creditors' right to request information

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may, in writing, request that the Joint Liquidators provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with rule 4.49E of the Rules.

5.5 Creditors' right to challenge remuneration and/or expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders (in accordance with rule 4.131 of the Rules), reducing the amount or the basis of remuneration which the Joint Liquidators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with rule 4.131(1B) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

**MURPHY LIMITED (IN LIQUIDATION)
STATUTORY INFORMATION**

Company Name	Murphy Limited
Previous Names	N/A

Proceedings	Creditors' Voluntary Liquidation
Court	High Court of Justice, Chancery Division, Companies Court
Court reference	7295 of 2014
Date of appointment	21 October 2014
Joint Liquidators	Nicholas Guy Edwards and Robert James Harding Deloitte LLP PO Box 810 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, National Westminster Bank
Auditors	Newton & Garner Limited
Appointment by	Pursuant to paragraph 83 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	None

Murphy Limited – First progress report to creditors dated 18 November 2015

Murphy Limited
(In Creditors' Voluntary Liquidation)

Joint Liquidators' receipts and payments account
for the period 21 October 2014 to 20 October 2015

	Note	Total (£)
RECEIPTS		
Book debts		60,015 52
Administration surplus		5,811,149 39
Administration VAT reclaim		47,400 58
Bank interest gross		17,090 10
		<u>5,935,655 59</u>
PAYMENTS		
Agents' fees - Insol Group plc		9,575 00
Agents' fees - Dnver Trett		27,851 88
Legal fees		23,372 50
Legal disbursements		1,111 00
Telephone and fax		42,293 93
Postage and redirection		2,733 87
Statutory advertising		169 20
Rates		157 00
Other property expenses		2,470 00
Bank charges		337 50
		<u>110,071 88</u>
DISTRIBUTIONS		
Preferential Final Dividend 100p in the £		372,920 80
Unsecured Interim Dividend (incl PP) 25p in the £		3,067,643 54
		<u>3,440,564 34</u>
Cash at Bank	1	<u>2,385,019 37</u>

Notes

1) Per SIP7, no Statement of Affairs figures are provided as the liquidation follows an administration

MURPHY LIMITED (IN LIQUIDATION)
JOINT LIQUIDATORS' TIME COSTS FOR THE PERIOD FROM 21 OCTOBER 2014 TO 20 OCTOBER 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning	0.10	88.50	1.45	842.50	8.40	4,244.50	27.60	11,210.00	10.40	3,005.50	47.95	18,489.00	406.44
Cashiering and Statutory Filing	3.50	2,977.50	-	-	11.60	5,885.50	3.80	1,548.00	1.65	401.75	20.55	10,813.75	526.22
Case Management and Closure	31.00	26,080.00	-	-	1.50	757.50	-	-	-	-	32.50	28,847.50	826.08
Initial Actions	0.50	432.50	0.20	130.00	-	-	-	-	5.40	1,701.00	6.10	2,263.50	371.07
General Reporting	35.10	29,586.50	1.65	1,072.50	21.60	10,887.50	31.40	12,789.00	17.45	5,104.25	107.10	69,413.75	594.73
Investigations													
Reports on Directors Conduct	1.00	865.00	-	-	2.00	1,010.00	-	-	-	-	3.00	1,875.00	625.00
Realisation of Assets													
Book Debts	18.50	15,825.00	-	-	-	-	-	-	-	-	18.50	15,825.00	855.41
Property Freehold and Leasehold	1.00	840.00	-	-	-	-	-	-	-	-	1.00	840.00	840.00
	18.50	16,665.00	-	-	-	-	-	-	-	-	19.50	16,665.00	854.62
Creditors													
Employees	-	-	-	-	7.60	3,116.00	95.50	38,677.50	0.30	90.00	103.40	41,883.50	405.09
Preferential	1.50	1,297.50	-	-	5.50	2,711.00	-	-	-	-	7.00	4,008.50	572.64
Unsecured	64.00	53,840.00	0.80	548.00	265.10	133,885.50	1.40	482.00	40.50	9,132.50	371.80	197,868.00	532.24
	65.50	55,137.50	0.80	548.00	278.20	139,712.50	96.90	39,159.50	40.80	9,222.50	482.20	243,780.00	505.56
Case Specific Matters													
VAT	7.40	7,855.00	-	-	5.00	2,577.50	-	-	-	-	12.40	10,532.50	849.40
Tax	3.00	3,140.00	2.80	2,360.00	22.40	15,263.50	-	-	2.00	590.00	30.20	21,353.50	707.07
	10.40	11,095.00	2.80	2,360.00	27.40	17,841.00	-	-	2.00	590.00	42.60	31,686.00	748.50
TOTAL HOURS & COST	131.50	113,349.00	5.25	3,980.50	329.10	169,451.00	128.30	51,918.50	60.25	14,926.75	654.40	353,619.75	540.37
AVERAGE RATE/HOUR PER GRADE		£ 861.97		£ 758.18		£ 514.89		£ 404.66		£ 247.65			
FEES DRAWN													

Rule 4.73

Form 4 25

PROOF OF DEBT - GENERAL FORM

In the matter of **Murphy Limited**
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 uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Particulars of any reservation of title claimed, including details of goods supplied, their value and when supplied	
12	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	