Rule 2.47 | Form 2.24B(CH)

The Insolvency Act 1986

Administrator's progress report

Name of Company	Company number
Flynn Holdings Limited	04336125

In the	Court case number
Birmingham District Registry, Chancery Division (full name of court)	8338 of 2014

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

I/We (a)

Christopher James Farrington
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

Dominic Lee Zoong Wong
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From	To
(b) 26 August 2014	(b) 25 February 2015

Signed

Joint / Administrator(s)

Dated 19 | 3 | 15.

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 searchers of the public record

Dominic Criscione
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

DX Number | 0121 632 6000
DX Exchange

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

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Flynn Holdings Limited (In Administration) ("the Company")

Court Case No 8338 of 2014
In the Birmingham District
Registry, Chancery Division
Company Number 04336125

Registered Office: c/o Deloitte LLP, 1 Woodborough Road, Nottingham, NG1 3FG

Progress report to creditors for the period 26 August 2014 to 25 February 2015 pursuant to Rule 2.47 of the Insolvency Rules 1986 (as amended).

Christopher James Farrington and Dominic Lee Zoong Wong were appointed Joint Administrators of Flynn Holdings Limited on 26 August 2014 by the Director of the Company 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 LLP are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended) the Joint Administrators confirm that they are authorised to carry out all functions duties and powers by either of them jointly and severally

20 March 2015

Abbreviations and glossary of terms

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

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"the Administrators"	The Joint Administrators, Christopher James Farrington and Dominic Lee Zoong Wong of Deloitte LLP
"Deloitte"	Deloitte LLP
"Flynn" / "the Company"	Flynn Holdings Limited (In Administration)
"the Bank"/"Secured Creditor"	HSBC Bank Plc
"the Property"	Main Road, Bulcote, Nottingham, NG14 5GT
"the Court"	The High Court of Justice, Chancery Division, Birmingham District Registry
"ES"	ES (Group) Limited
"Nelsons"	Nelsons Solicitors Limited
"RPO"	The Redundancy Payment Office
"PP"	This is a fund for unsecured creditors to be set aside out of a company's net property, known as the Prescribed Part of the Company's net property, and as provided for under Section 176A of the Act
"SIP2 (E&W)"	Statement of Insolvency Practice 2 (England and Wales)
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England and Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England and Wales)

Contacts

Joint Administrators of the Company

Christopher James Farrington

Dominic Lee Zoong Wong

Flynn Holdings Limited (In Administration)

c/o Deloitte LLP

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Nottingham

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Contact details

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Key messages

	Commentary
Purpose of Administration	• 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
Progress of Administration	• Trading ceased on 3 September 2014 • Funds of £5,941 have been realised in the period as a trading surplus, after a further £2,365 of trading period costs were settled since the issue of the proposals • A sale of the Company's freehold property has been agreed subject to contract, however the value of the sale will not be disclosed until completion has taken place • Preferential claims have been agreed and Unsecured Creditor claims are in the process of being agreed to enable distributions to be made upon completion of the Property sale
Costs	• The basis of the Joint Administrators' remuneration was fixed by the by the general body of creditors on 3 November 2014 on a time costs basis • The Joint Administrators' time costs incurred during the period of the report amount to £181,000 • No fees have been drawn by the Joint Administrators in the period Further detail on the Joint Administrators' time costs are set out in the analysis on page 13 • The Joint Administrators' Pre-Administration costs of £20,957 were approved by the Secured and Preferential Creditors on 3 November 2014 and remain unpaid
Outstanding matters	• Conclude the investigations into the Company's affairs and submission of a final report on the Director's conduct prior to the Administration • Complete the sale of the Property • Make distributions to the Secured and Preferential Creditors • Make a distribution to the Unsecured Creditors, with the permission of the Court following an appropriate application
Dividend prospects	• The Secured Creditor will be paid in accordance with their security once the costs of the realisation of the Property are finalised and it is anticipated they will be paid in full • Preferential Creditors are expected to be paid in full • There is expected to be a dividend to Unsecured Creditors
Extension to Administration period	The Joint Administrators will seek to extend the Administration if required for a period of six months from 26 August 2015 to enable distributions to creditors to be made and to finalise the closure of the case Due consideration will be given by the Joint Administrators to any objections received within the 21 day time period and details thereof will be provided to the Court as part of the extension application

Contents

Progress of the Administration

Progress of the Administration

Summary

Progress of the administration

Following an initial assessment of the Company's financial position, and preparation of cash flow and profit forecasts for the ongoing business, the Administrators concluded to allow the Company to trade in the short term to realise the stock and seek a purchaser of the business The nature of the Company's stock required that the plants were watered and the fish were fed and tended accordingly It was the Administrators' belief, supported by our professional agents' valuation, that this would achieve a better result for creditors than an immediate winding up of the Company A summary trading account is set out on page 7 of this report showing that a surplus of £5,941 was generated during the short trading period

Unfortunately, the Company was unable to trade normally within the constrains of an Administration process in particular due to concerns raised by our insurers over certain aspects of the safety of the premises, and consequently, trading ceased on 3 September 2014 and all employees were made redundant

Following an initial marketing process undertaken, with approximately 400 parties being contacted, no offers were received for the whole of the business and assets and therefore, we sought to realise the remaining stock via auction The residual stock and some limited chattels were subsequently sold post cessation of trading Total realisations from this source amounted to £900

The Administrators conducted three rounds of negotiations in relation to the sale of the Property to ensure the highest price was achieved An overage clause agreement has also been negotiated, details of which will be disclosed in the Administrators' next report to creditors

A sale has been agreed, subject to contract and solicitors are dealing with the conveyance

Costs incurred but unpaid

The receipts and payments account on page 6 has been prepared on a cash basis and excludes a number of costs which have been incurred but which have not yet been billed and paid These include

- Nelsons – Legal fees in connection with matters relating to the Administration appointment, retention of title claims, validity of the Bank's security and sale of the Property totalling £6,373 plus VAT
- ES – Professional fees in connection with the marketing and sale of the business and the Property totalling £12,085 plus VAT This is made up of time costs, disbursements and agreed sales fee on completion of the Property sale
- Willis – Insurance costs estimated at £1,610 for the twelve month period from 26 August 2014
- Joint Administrators' remuneration and expenses Further information on these costs are provided on page 12

Investigations

The Joint Administrators submitted an interim confidential report to the Insolvency Service on 11 February 2015 and are continuing to investigate the affairs of the Company

The Joint Administrators have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Company Currently no avenues of recovery have been identified

If you have any information that you feel the Joint Administrators should be made aware of in relation to the above, please contact the Joint Administrators in writing

Progress of the Administration
Receipts and payments

Joint Administrators' Receipts and Payments Account
26 August 2014 to 25 February 2015

£	Statement of Affairs	Notes	Period	Total
Receipts				
Trading Surplus		1	5,941 34	5,941 34
Cash in hand		2	5,790 42	5,790 42
Bank Interest Gross			9 33	9 33
Book Debts			164 95	164 95
Stock and sundry chattel asset	7,750 00		900 00	900 00
Freehold land and buildings	-		-	-
Total Receipts	**7,750 00**		**12,806 04**	**12,806 04**
Payments				
Security costs			569 99	569 99
Health and Safety Requirements			3,463 00	3,463 00
Preparation of S of A			750 00	750 00
Accountants fees			3,000 00	3,000 00
Agents fees			900 00	900 00
Insurance of Assets			608 00	608 00
Stock clearance supervision			1,890 00	1,890 00
Statutory Advertising			84 60	84 60
Postage & Redirection			350 00	350 00
Bank Charges			45 60	45 60
Total Payments			**11,661 19**	**11,661 19**
Balance in Hand			1,144 85	1,144 85
			12,806 04	**12,806 04**
Made up as Follows				
Bank Account		2	2,054 24	2,054 24
VAT Receivable		3	1,833 13	1,833 13
VAT Payable		3	(2,742 52)	(2,742 52)
			1,144 85	**1,144.85**

A receipts and payments account to 25 February 2015 is provided opposite, detailing the transactions in the Administration since the Administrators' appointment On the next page is a separate trading account

Notes to receipts and payments account

Note 2 – Cash in hand represents funds held at the Company's premises on the date of the Administration All funds held by the Administrators are banked in interest bearing accounts and are subject to corporation tax

Note 3 – The Company is registered for VAT and the receipts and payments are shown net of VAT

Note 1– A further £2,365 of trading period costs were settled since the issue of the proposals, reducing the overall trading surplus by the corresponding amount

Progress of the Administration

Receipts and payments

Joint Administrators' Trading Account
26 August 2014 to 25 February 2015

£	Total
Receipts	
Sales	13,712 62
Total Receipts	**13,712 62**
Payments	
Rates	181 48
Heat & Light	226 89
Professional Fees	265 00
Sundry Expenses	176 77
Wages	6,496 09
Waste Disposal	425 05
Total Payments	**7,771 28**
Trading Surplus	**5,941 34**

The Joint Administrators' trading account shown opposite has been prepared on a cash basis as at 25 February 2015

The Joint Administrators achieved a trading surplus of £5,941 A further £2,365 of trading period costs were settled since the issue of the proposals, reducing the overall trading surplus from £8,306, as previously reported

Information for creditors

Information for creditors
Outcome

Secured creditors

The Company's secured debt at the date of the appointment of the Administrators was £102,393

The Bank hold a debenture comprising fixed and floating charges over all the assets and undertaking of the Company including a legal charge over the Company's the Property Nelsons have confirmed the validity of the Bank's security,

Joint Administrators will pay the Secured Creditor in accordance with the priority of charges together with all payments related to the sale of the Property once the sale has been completed It is anticipated that the Secured Creditor will be repaid in full

Corporation Tax

Once the sale of the Property has completed and all the costs directly related to the sale have been ascertained, a corporation tax computation will be prepared and submitted to HM Revenue & Customs If it is calculated that tax is payable, it will be an expense payable out of the funds in the Administration estate

Preferential creditors

Preferential claims relating to employee holiday pay were estimated at £8,331, in the Director's Statement of Affairs Total claims received to date amount to £10,934 and have been agreed The difference between claims expected and those received is a result of one employee claim not being known when the Director's Statement of Affairs was prepared All wages arrears were paid during the Administration as an expense of the Administration

It is expected that following the sale of the Property there will be sufficient funds to enable a payment of these claims in full

Prescribed Part & Unsecured Creditors

As detailed in the Proposals, the Joint Administrators expect the Secured Creditor will be paid in full from the realisation of fixed charge assets Accordingly the PP provision will not apply and after discharging the costs of the Administration, it is anticipated that a dividend to the Unsecured Creditors of the Company will be paid

On current information it is not possible to quantify the likely amount of any dividend, as it is dependent upon the sale of Company's property

Claims process

Unsecured Creditors who have not already claimed are invited to submit their claims to the Joint Administrators by completing a proof of debt form which is available on the Administration website and which should be sent to the address on page 2, marked for the attention of Dominic Criscione

Exit from Administration

As detailed in the Joint Administrators' proposals, the appropriate exit from Administration will be decided following the sale of the Property

Information for creditors

Transactions

Connected party transactions

Counterparty	Connection	Date	Value (£)	Transaction
Mr G R Stephenson	Company Director	18/09/2014	550	Sale of residual aquatic centre dry stock and roasted coffee
Mr G R Stephenson	Company Director	23/09/2014	250	Sale of Christmas stock and sundry office equipment
Mr G R Stephenson	Company Director	23/09/2014	100	Sale of remaining fish tanks and plants

Transactions with connected parties

In accordance with the guidance given in SIP13 (E&W), details of the Company's known transactions with connected parties during the period of this report are provided above

Our agents, ES, recommended acceptance of the Director's offer to buy these residual stocks because there were no other interest parties and otherwise the items would have incurred a cost to the Administration to dispose of them

The Joint Administrators are not currently aware of any transactions with connected parties in the two years prior to our appointment

Remuneration and expenses

Remuneration and expenses
Joint Administrators' remuneration

Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www deloitte com/uk/flynnholdings

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

Basis of remuneration and expenses

The basis of the Joint Administrators' remuneration was fixed on 3 November 2014 by the general body of creditors by reference to the time properly given by the 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

Time costs incurred

The Joint Administrators' time costs for the period amount to £181,000 made up of 464 9 hours at an average charge out rate of £389 37 across all grades of staff

The Joint Administrators have not drawn any remuneration to date Please note the Joint Administrators do not currently intend to draw the full amount of their time costs incurred The balance of any undrawn remuneration at the completion of the Administration will be written off

Remuneration and expenses

Joint Administrators' time costs for the period 26 August 2014 to 25 February 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	0 50	362 50	0 40	242 50	3 10	1,564 50	9 70	3 775 50	4 40	1 205 00	18 10	7,150 00	395 03
Case Management and Closure	9 20	6,624 50	7 90	3 752 50	0 20	99 00	9 10	2 967 50	13 05	2 770 00	39 45	16 213 50	410 99
Initial Actions	0 50	322 50	1 00	475 00	8 50	3 400 00	1 00	317 50	4 50	915 00	15 50	5 430 00	350 32
General Reporting	5 00	3,332 50	22 15	10 521 25	-	-	14 80	4,736 00	8 60	1 720 00	50 55	20,309 75	401 78
	15 20	10,642 00	31 45	14,991 25	11 80	5,063 50	34 60	11,796 50	30 55	6,610 00	123 60	49,103 25	397 28
Investigations													
Investigations	-	-	5 50	2 612 50	-	-	-	-	-	-	5 50	2,612 50	475 00
Reports on Directors' Conduct	0 30	198 00	6 35	3 016 25	-	-	1 80	576 00	6 70	1,340 00	15 15	5 130 25	338 63
	0 30	198 00	11 85	5,628 75	-	-	1 80	576 00	6 70	1,340 00	20 65	7,742 75	374 95
Trading													
Day 1 Control of Trading	-	-	5 50	2,557 50	-	-	-	-	0 40	78 00	5 90	2 635 50	446 69
Ongoing Trading	0 90	594 00	-	-	-	-	-	-	1 10	218 00	2 00	812 00	406 00
Monitoring Trading	-	-	14 00	6 600 00	-	-	1 50	480 00	-	-	15 50	7 080 00	456 77
Closure of Trade	-	-	14 50	6 887 50	-	-	-	-	-	-	14 50	6 887 50	475 00
	0 90	594 00	34 00	16,045 00	-	-	1 50	480 00	1 50	296 00	37 90	17,415 00	459 50
Realisation of Assets													
Other Assets (e g Stock)	1 50	990 00	1 00	475 00	-	-	-	-	4 40	880 00	6 90	2,345 00	339 86
Property - Freehold and Leasehold	10 60	6,996 00	101 75	48 176 25	-	-	-	-	18 00	3 580 00	130 35	58 752 25	450 73
Retention of Title	0 50	330 00	3 75	1 781 25	-	-	-	-	36 70	7 340 00	40 95	9 451 25	230 80
Sale of Business / Assets	0 50	330 00	4 50	2 137 50	-	-	-	-	1 00	200 00	6 00	2 667 50	444 58
	13 10	8,646 00	111 00	52,570 00	-		-	-	60 10	12,000 00	184 20	73,216 00	397 48
Creditors													
Employees	-	-	2 00	950 00	-	-	25 00	8,000 00	25 20	5 289 00	52 20	14 239 00	272 78
Preferential	-	-	-	-	-	-	1 00	320 00	-	-	1 00	320 00	320 00
Secured	-	-	7 25	3 443 75	-	-	-	-	-	-	7 25	3 443 75	475 00
Unsecured	-	-	0 50	237 50	-	-	5 50	1 755 00	6 70	1,340 00	12 70	3,332 50	262 40
	-	-	9 75	4,631 25	-	-	31 50	10,075 00	31 90	6,629 00	73 15	21,335 25	291 66
Case Specific Matters													
VAT	1 70	1 592 50	8 10	4,051 50	1 40	931 00	4 95	2 376 00	4 00	800 00	20 15	9,751 00	483 92
Tax	-	-	4 50	2 137 50	0 45	240 75	-	-	0 25	58 75	5 20	2,437 00	468 65
	1 70	1,592 50	12 60	6,189 00	1 85	1,171 75	4 95	2,376 00	4 25	858 75	25 35	12,188 00	480 79
TOTAL HOURS & COST	31 20	21,672 50	210 65	100,055 25	13 65	6,235 25	74 35	25,303 50	135 00	27,733 75	464 85	181,000 25	389 37
AVERAGE RATE/HOUR PER GRADE		£ 694 63		£ 474 98		£ 456 79		£ 340 33		£ 205 44			
FEES DRAWN												NIL	

Remuneration and expenses
Detailed information

Joint Administrators' time costs – work undertaken

A detailed breakdown of the time costs incurred by the Joint Administrators and their staff during the period from 26 August 2014 to 25 February 2015 is shown on the previous page Time is charged in six minute increments The work undertaken has been categorised into the following task headings

Administration and planning

- Activities include case set-up and management, statutory reporting and compliance, appointment notifications, correspondence, cashiering, accounting and administrative functions

Investigations

- Activities include such tasks as reporting on the Director's conduct, investigating any antecedent transactions, a review of the Company's records and any other investigations that may be deemed appropriate

Trading

- Activities include such tasks as planning, preparation of cash flow and other trading forecasts, strategy and managing day one site visit and corresponding with suppliers and customers Also, monitoring trading to 3 September 2014 and dealing with matters upon cessation of trading

Realisation of Assets

- Activities include such tasks as identifying and securing assets, dealing with the sale of business, stock, debtors and any related legal issues Also, dealing with interested parties, liaising with agents and legal advisors in connection to the sale of the property and health and safety issues

Creditors

- Activities include such tasks as creditor set up, communication and meetings, reviewing and agreeing preferential and unsecured claims, retention of title issues, corresponding with the Secured Creditor, obtaining legal advice in relation to security granted to the Bank Also, dealing with trade creditors and dealing with customer creditors

Case specific matters

- Activities include such tasks as employee related issues, liaising with HM Revenue & Customs on VAT and corporation tax issues

Remuneration and expenses

Detailed information

Restructuring Services charge out rates (£/hour)

Grade	From 1 Sept 2012	From 1 Sept 2014
Partners & Directors	605 - 950	615 - 970
Assistant Directors	465 - 720	475 - 735
Managers	400 - 645	410 - 660
Assistant Managers	305 - 515	310 - 525
Assistants & Support	50 - 305	50 - 310

Charge out rates

The range of charge - out rates applicable to this case are set out above

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 record 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 2014

Remuneration and expenses
Detailed information

Expenses incurred

Nature of Expense	Value (£)	Paid (£)	Unpaid (£)
Travel & Subsistence	356 30	0 00	356 30
Website Costs	575 00	0 00	575 00
Statutory Advertising	84 60	0 00	84 60
Postal redirection	350 00	0 00	350 00
Case Bonding	115 00	0 00	115 00
Total	1480 90	0 00	1480 90

Expenses

The Joint Administrators' direct expenses and disbursements incurred to date (excluding VAT) are set out above

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

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 leave of the Court) may, in writing, request the Administrators to 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 2 47(1)(fa) and 2 48A of the Rules

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 leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 2 109(4) of the Rules), reducing the amount or the basis of remuneration which the Administrators 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 2 109 of the Rules

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

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