

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

02817155

Name of Company

Blue Flag Limited

I / ~~We~~

Martin Halligan, City Mills, Peel Street, Morley, Leeds, LS27 8QL

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 23/08/2014 to 22/08/2015

Signed



Date

21/10/15

MPH Recovery
City Mills
Peel Street
Morley
Leeds
LS27 8QL

Ref 0125/MH/PJ

SATURDAY



A07 *A4INZGQ8* 24/10/2015 #455
COMPANIES HOUSE



City Mills
Peel Street
Morley, Leeds
LS27 8QL

BLUE FLAG LIMITED – IN LIQUIDATION
Company Number: 02817155
Registered Office: City Mills, Peel Street, Morley, Leeds, LS27 8QL

Joint Liquidators' Fifth Progress Report
Pursuant to Section 104A of the Insolvency Act 1986 and Rule 4.49 of the Insolvency Rules 1986

Report Dated 21 October 2015



Bradford • Leeds • Llandudno

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Martin Halligan is licensed in the United Kingdom to act as an Insolvency Practitioner by the Association of Chartered Certified Accountants
Insolvency Practitioners acting as Administrators or Administrative Receivers contract as agents without personal liability
MPH Recovery is a trading style of MPH (GB) Limited registered in England No. 5143886
Registered Office: First Floor, Unit 3, Killingbeck Court, York Road, Leeds, LS14 6FD

Blue Flag Limited ("the Company") – In Liquidation
Company Number: 02817155
Registered Office. City Mills, Peel Street, Morley, Leeds, LS27 8QL

Introduction

In accordance with the provisions of Section 98 of the Insolvency Act, 1986, statutory meetings of shareholders and creditors were duly held at City Mills, Peel Street, Morley, Leeds, LS27 8QL on 23 August 2010. Alexandra Joanne Whyte, a director, acted as chairman for the purposes of the meetings.

A report was presented together with a summary of the statement of affairs signed as a statement of truth by the director on 23 August 2010. At a meeting of shareholders held on 23 August 2010, resolutions were passed for the voluntary winding-up of the Company and for the appointment of myself and G D Rusling of the P&A Partnership as Joint Liquidators. At a subsequent meeting of the Company's creditors the shareholders' resolution was confirmed. A liquidation committee was not formed.

The EC Regulation on Insolvency Proceedings 2000 does apply and these proceedings are the main proceedings as defined by Article 3 of the EC Regulation. The Company's registered office and centre of main interests are in the United Kingdom.

This fifth progress report for the period 23 August 2014 to 22 August 2015 is to be read in conjunction with my reports dated 23 August 2010, 22 September 2011, 22 October 2012, 21 October 2013 and 23 October 2014.

Receipts and Payments

A summary of receipts and payments for the period 23 August 2014 to 22 August 2015 together with a summary of receipts and payments for the duration of the Liquidation is attached at Appendix I. This shows a balance in hand of £21,518.63. The contents therein are self-explanatory. In accordance with the provisions of Statement of Insolvency Practice 7, the receipts and payments are shown net of VAT. An interest bearing bank account has been opened for the purposes of the Liquidation. Gross bank interest received for the reporting period totals £21.90.

Assets Specifically Pledged

The Director's Estimated Statement of Affairs indicated that there were no assets specifically pledged. As at the date of this report, no specifically pledged assets have been brought to the Joint Liquidators' attention.

Assets Not Specifically Pledged

The Director's Estimated Statement of Affairs indicated that stock, was estimated to realise £3,250. Following an inspection by my agents it was ascertained that the stock was made up of surplus items from completed contracts and many items were deemed unsalable. Accordingly the stock was abandoned due to the cost involved in attempting to move and sell individual items.

The director's Estimated Statement of Affairs indicated book debts, were estimated to realise approximately £105,290 after providing for bad and doubtful debts. Realisations have been £31,993.40 in this respect. Candor Law LLP have attempted to pursue these remaining debts, however, due to the paucity of source records and low individual debt amounts, the costs of recovery action would outweigh potential realisations. No further realisations are anticipated in this regard.

The director's Estimated Statement of Affairs also indicated that cash at bank would realise £788. However after closing charges and interest there have been no realisations from this source.

Preferential Creditors

The Director stated that the Company had estimated preferential claims in respect of potential employees' claims for arrears of wages and holiday pay in the sum of £48,800.00. To date, the Liquidator has received preferential claims in the sum of £15,090.05.

Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for non-preferential creditors pursuant to Section 176A of the Act. The Prescribed Part applies to floating charges created on or after 15 September 2003.

The Company has no outstanding registered charges and as such the Prescribed Part, pursuant to Section 176A of the Insolvency Act 1986, does not apply.

Floating Charge Creditors

The Company has no outstanding registered charges and as such there are no floating charge creditors.

Non - Preferential Creditors

Non - preferential claims received to date total £1,356,648.68, detailed as follows -

		£ Per		£
	No.	'S of A'	No	Claims
Trade Creditors	36	221,631.00	24	236,878.14
HM Revenue & Customs – VAT/PAYE/NIC/CIS	3	737,215.00	1	665,465.39
Employee Claims (RPO)	1	345,413.00	1	374,241.15
Directors Loan Account	1	80,064.00	1	80,064.00
Total		1,384,323.00		1,356,648.68

Remuneration

MPH Recovery's fee of £5,000.00 plus Vat and disbursements plus VAT was approved by the first meeting of creditors in respect of assisting in the preparation of the Statement of Affairs and preparing the report presented to the first meeting of creditors. This fee has been drawn in full.

MPH Recovery's fee of £5,000.00 plus Vat and disbursements plus VAT was approved by the first meeting of creditors in respect of convening the meeting of members and creditors. This fee has been drawn in full.

At the first meeting of creditors, the creditors, having considered the explanatory note, "A Creditors' Guide to Liquidators Fees", resolved that, the Joint Liquidators' fees be agreed on a time cost basis and that such remuneration be drawn on account as and when appropriate and that the Joint Liquidators be reimbursed for any necessary disbursements incurred during the administration of the winding up, in accordance with MPH Recovery's "Fees and Disbursements in Liquidations" schedule, and in accordance with the provisions of SIP9 Category 1 and 2 disbursements, and that such disbursements be drawn on account as and when appropriate.

It was agreed that the Joint Liquidator would deal with investigatory matters in respect of the Company and its officers.

A summary of the Joint Liquidator's time costs for the period 23 August 2014 to 22 August 2015 together with a summary of the Joint Liquidator's time costs for the duration of the Liquidation is attached at Appendix II.

A total of 45.00 hours have been spent on this assignment, totalling £6,563.40 at an average hourly rate of £145.85. No remuneration has been drawn in this regard to the date of this report.

Included in the above is a total of 1.50 hours which have been spent on this assignment for the period of 23 August 2014 to 22 August 2015, totalling £286.50 at an average hourly rate of £191.00.

A summary of my time costs for the period 23 August 2014 to 22 August 2015 together with a summary of my Liquidator's time costs for the duration of the Liquidation is attached at Appendix III.

A total of 96.47 hours have been spent on this assignment, totalling £29,037.15 at an average hourly rate of £301.00. No remuneration has been drawn in this regard to the date of this report.

Included in the above is a total of 3.60 hours which have been spent on this assignment for the period of 23 August 2014 to 22 August 2015, totalling £1,254.00 at an average hourly rate of £348.33.

A summary of the work carried out from the date of my appointment has included

- Preparation of standard documents in accordance with the Insolvency Act 1986 and in accordance with recommended best practice,
- Dealing with all statutory matters associated with my appointment,
- Investigations into the Company's dealings and that of its officers,
- Realisation of the Company's assets,
- Preparation of statutory Progress Reports and other administrative matters,
- Circularising Reports and corresponding with creditors to ascertain claims,
- Office holder file reviews,
- Taxation and VAT issues

Liquidator's Disbursements

A summary of MPH Recovery's disbursements, Category 1 and Category 2, both pre and post appointment, for the period to 22 August 2015, is detailed below -

Disbursement	Payee	Amount incurred (£)	
		Pre	Post
Specific Bond		0 00	390 00
Statutory Advertising		0 00	266 49
Meeting Room Hire		175 00	0 00
Creditor Circulars		288 00	1,440 00
Total		463 00	2,096 49

To date I have not drawn any pre-appointment or post appointment disbursements

A schedule of MPH Recovery's fees and disbursements in Liquidations for 2015 is attached at Appendix IV Scale rates are reviewed periodically and may increase from time to time over the period of administration on each insolvency case There has been no increase during the Liquidation

A creditors' guide to fees can be found on The Association of Business Recovery Professionals website at www.r3.org.uk/what-we-do/publications/professional/fees (under the sub heading "Guide to Liquidators Fees") Alternatively, it can be supplied upon request, free of charge

In accordance with Rule 4 49E of the Insolvency Rules 1986 as amended creditors and members have the right to request that the liquidator provides further information about his remuneration and expenses incurred during the period of the administration of the liquidation The request must be made in writing, within 21 days of receipt of this report, and can be made by, a secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors or with permission of the Court Furthermore in accordance with Rule 4 131 of the Insolvency Rules 1986 as amended, creditors have the right to challenge the Liquidators remuneration and expenses by application to the Court within 8 weeks of receiving this report

Other Professionals / Agents Employed

As Liquidator I have employed the following professionals, a summary of their fees for the duration of the Liquidation, is detailed below -

Professionals		Basis of fee	Incurring
			£
Ward Hadaway Solicitors	Legal Fees		Nil
Michael Steel & Co	Agents Fees	Time Costs	500 00
Candor Law LLP	Book Debt Collections	Percentage of Realisations	Nil
Total			500 00

I consider the above to be firms of repute with the appropriate expertise in their respective fields My experience of working with them indicates that their charge out rates and internal delegation results in charges which are cost effective for this kind of work

Dividend Prospects

I regret to advise, that there has been insufficient asset realisations to enable a dividend payment to unsecured creditors

Notice of No Dividend or Notice of No Further, dividend

In accordance with Rule 11 7(b) of the Insolvency Rules 1986 as amended, Notice is hereby given that the funds realised have already been distributed or used or allocated for defraying the expenses of administration and that no dividend will be declared in this liquidation

Company Directors Disqualification Act 1986

As Liquidator, I have a duty to investigate generally the affairs of an insolvent company and to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation & Skills I confirm that I have discharged my duties in these respects

Yours faithfully

A handwritten signature in black ink, appearing to be 'M. Halligan', written over a horizontal line.

Martin P Halligan
Joint Liquidator

**Blue Flag Limited
(In Liquidation)**

JOINT LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

Statement of affairs £	From 23/08/2014 To 22/08/2015 £	From 23/08/2010 To 22/08/2015 £
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RECEIPTS

Stock	3,250 00	0 00	0 00
Book Debts	105,290 00	0 00	31,993 40
Cash at Bank	788 00	0 00	0 00
Bank Interest Gross		21 90	100 83
		<u>21 90</u>	<u>32,094 23</u>

PAYMENTS

Statement of Affairs fee		0 00	5,000 00
S98 Fee		0 00	5,000 00
Agents/Valuers Fees		0 00	500 00
Statutory Advertising		0 00	75 60
		<u>0 00</u>	<u>10,575 60</u>
Net Receipts/(Payments)		<u>21 90</u>	<u>21 518 63</u>

MADE UP AS FOLLOWS

Svenska Handelsbanken AB (publ)	135 13	21,518 63
VAT Receivable / (Payable)	(1,863 23)	0 00
	<u>(1,728 10)</u>	<u>21,518 63</u>



Martin Halligan
Joint Liquidator

B107810 Blue Flag Limited

SIP 9 - Time & Cost Summary

Period 23/08/10 22/08/15

Time Summary

Classification of work function	Hours					Time Cost (£)	Average hourly rate (£)
	IP Director	Manager	Other Senior Professionals	Assistants	Total Hours		
Administration & planning	0.90	1.30	9.60	5.20	16.40	1,411.33	117.07
Investigations	2.30	0.00	6.30	0.00	8.60	1,689.33	219.06
Realisations of assets	0.50	0.00	0.00	7.00	7.50	160.00	32.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	6.50	0.00	13.20	19.70	2,210.33	111.24
Case specific matters	0.00	0.20	0.00	0.20	0.40	61.40	152.50
Pre-Sip ¹ Time Recording	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	3.40	8.00	15.00	16.60	15.00	6,363.40	115.85
Total Time Cost (£)	1,092.50	2,124.00	2,602.30	744.00			

B107810 Blue Flag Limited

SIP 9 - Time & Cost Summary

Period 23/08/14 22/08/15

Time Summary

Classification of work function	Hours					Time Cost (£)	Average hourly rate (£)
	IP Director	Manager	Other Senior Professionals	Assistants	Total Hours		
Administration & planning	0.00	0.00	1.50	0.00	1.50	286.50	191.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case specific matters	0.00	1.00	0.00	0.00	0.00	0.00	0.00
Pre SIP9 Time Recording	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	0.00	0.00	1.50	0.00	1.50	286.50	191.00
Total Time Cost (£)	0.00	0.00	286.50	0.00			

Time Entry - SIP9 Time & Cost Summary

0125 - Blue Flag Limited
All Post Appointment Project Codes
From 23/08/2010 To 22/08/2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	4.20	3.20	15.72	6.10	29.22	8,535.40	292.11
Creditors	0.00	4.05	19.80	10.00	33.85	9,058.50	267.61
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Meeting Reports & Reviews	7.80	4.25	4.20	0.00	16.25	5,846.50	359.78
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	2.60	1.65	7.30	0.50	12.05	3,861.00	320.41
Taxation	0.50	3.25	1.35	0.00	5.10	1,735.75	340.34
Total Hours	15.10	16.40	48.37	16.60	96.47	29,037.15	301.00
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary

0125 - Blue Flag Limited
All Post Appointment Project Codes
From 23/09/2014 To 22/08/2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.00	1.20	1.20	0.00	2.40	774.00	322.50
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Meeting Reports & Reviews	1.20	0.00	0.00	0.00	1.20	480.00	400.00
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	1.20	1.20	1.20	0.00	3.60	1,254.00	348.33
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

FEES AND DISBURSEMENTS IN LIQUIDATIONS**Fees**

The fees of the Liquidator are fixed by reference to time properly spent by the Liquidator and his staff in attending to all matters arising in the liquidation unless otherwise agreed with the creditors. The liquidator and his staff charge time to all insolvency cases in units of 6 minutes. Charge Out Rates are subject to annual review.

Charge Out Rates (Per Hour)

Staff Grade	Rate Per Hour
	£
Director	400
Manager	350
Administrator	295
Assistant	180

Standard Activity (Examples of Work)

Investigations/ Realisations/Taxation/Reports /Admin/Planning/Creditors/Claims

Disbursements

In dealing with the liquidation, the Liquidator will incur specific expenses and disbursements that are recoverable from the assets available in the liquidation in accordance with Rule 4.218 of the Insolvency Rules. These are referred to as Category 1 disbursements (Creditor approval not required). In addition to specific out of pocket expenditure, the Liquidator will also recover shared or allocated costs of an incidental nature directly incurred on the case. These are referred to as Category 2 disbursements (Creditor approval required).

Where no specific provision is made, other expenses and disbursements, Category 1 and 2, are recovered as follows:

Expense Type	Basis of Charge
Internal Room Hire (for each statutory meeting of creditors)	£175 per meeting
Mileage	75p per mile
Search costs	At Cost
Storage of books and records	At Cost
Creditor circulars/notification (incl stationery, printing, postage and telephone charges)	£8 for every creditor and contributory (per circular/notification)

Where funds permit, a charge for storage of boxes for 12 months after closure of the liquidation is made to cover storage costs until such time as destruction of the records is permitted.

Should any creditor require further information in respect of fees or expenses, then please contact the Liquidator, at the above address.