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IN THE MATTER OF
BLUESPARKLE LIMITED IN LIQUIDATION
("THE COMPANY")

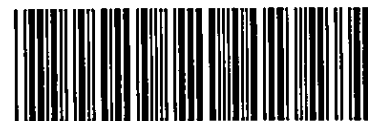
JOINT LIQUIDATORS' PROGRESS REPORT

8 JANUARY 2016

ALEXANDER KINNINMONTH AND GRAHAM BUSHBY
JOINT LIQUIDATORS

RSM RESTRUCTURING ADVISORY LLP
THE PINNACLE
170 MIDSUMMER BOULEVARD
MILTON KEYNES MK9 1BP

SATURDAY



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COMPANIES HOUSE

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1 PURPOSE OF REPORT

This report has been prepared in accordance with insolvency legislation to provide creditors and members of the Company with information relating to the progress of the Liquidation in the period from 14 November 2014 to 13 November 2015. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

This report has been prepared solely to comply with the statutory requirements of Rule 4.49B of the Insolvency Rules 1986 (as amended). The purpose of the report is to provide creditors and members with information relating to the progress of the Winding Up in the period from 14 November 2014 to 13 November 2015. It has not been prepared for use in respect of any purpose, or to inform any investment decision in relation to any debt or financial interest in the company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

RSM Tenon Limited was acquired by Baker Tilly UK Holdings Limited in September 2013 and, following an internal restructuring, insolvency appointments such as this are now conducted on behalf of RSM Restructuring Advisory LLP, which was previously named Baker Tilly Restructuring and Recovery LLP until 26 October 2015.

Neither the Liquidators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

2 JOINT LIQUIDATORS' APPOINTMENT

Alexander Kinninmonth and Nicholas Charles Simmonds were appointed Joint Liquidators of Bluesparkle Limited on 14 November 2013 by a meeting of creditors.

As a result of Nicholas Charles Simmonds leaving Baker Tilly Restructuring & Recovery LLP by Court Order dated 24 March 2015, he was removed as Joint Liquidator and Chris Cooke (IP No 13610) of RSM Restructuring Advisory LLP was appointed in his place. A Notice to this effect was advertised in the London Gazette on 15 April 2015, and in accordance with the terms of the Order, Nicholas Charles Simmonds was released from office with effect from 7 May 2015. The costs of the application were met by RSM Restructuring Advisory LLP. The Order also provided that each creditor of the estate was at liberty to apply to vary or discharge the Order 28 days of publication in the Gazette (or receipt of this report, if sooner).

Subsequently, as a result of Chris Cooke leaving RSM Restructuring Advisory LLP, by Court Order dated 15 December 2015, Graham Bushby (IP No 8736) of RSM Restructuring Advisory LLP has been appointed in his place. A Notice to this effect will be advertised in the London Gazette shortly, and in accordance with the terms of the Order, Chris Cooke will be released as Joint Administrator. The costs of the application were met by RSM Restructuring Advisory LLP. The Order also provided that each creditor of the estate was at liberty to apply to vary or discharge the Order within 21 days of publication in the Gazette.

3 COMPANY DETAILS

We attach as Appendix A an extract of information from the Company's file held at Companies House.

4 RECEIPTS AND PAYMENTS SUMMARY

We attach as Appendix B a summary of our receipts and payments for the period from 14 November 2014 to 13 November 2015.

VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

5. CREDITORS' CLAIMS

Creditors' claims as set out in the Estimated Financial Position totalled £300,173.79. We have not as yet analysed any claims for dividend purposes.

6 PRESCRIBED PART

The "Prescribed Part" is a statutory amount of the company's assets subject to a floating charge to be set aside for the benefit of the Company's non-preferential creditors

Whilst there are creditors secured by fixed and qualifying floating charges over the assets and undertaking of the company, those creditors will receive no recovery under their floating charges. There is therefore no requirement to estimate the amount of the Prescribed Part of the assets under Section 176A of the Insolvency Act 1986 (as amended)

7 DIVIDEND PROSPECTS FOR CREDITORS

The amount and timing of any dividend is dependent on the sale of land which the Company owns further details of which are in paragraph 8 below

8 CONDUCT OF THE WINDING UP IN THE PREVIOUS TWELVE MONTHS

8 ASSETS REMAINING TO BE REALISED

As previously advised the Company's only asset comprises of a strip of land in Darlington. Local estate agents were instructed to value and market the land and we were advised that it would expect to realise in the region of £150,000. Subsequently, three offers were received in total resulting in an offer of £195,000 being accepted, subject to contract. Our solicitors are presently liaising with the buyers with a view to completing the sale in the next 2 months.

8.1 Potential Claim for Compensation for Mis-selling of Interest Rate Hedging Product

As you may be aware, a settlement agreement was recently reached between the Financial Conduct Authority ("FCA") and certain major banks, including Barclays Bank plc in relation to the sale of interest rate hedging products. The Joint Liquidators are currently investigating whether or not the Company was sold a relevant Interest Rate Hedging Product, and whether there is an entitlement to redress whether inside the framework of the FCA settlement, or otherwise.

The Joint Liquidators are aware that a number of banks are in the process of developing a methodology to implement the terms of the settlement reached with the FCA in respect of the sale of these products. My understanding is that this process will take several months to refine and finalise and, until such time, my own investigations cannot be completed.

Consequently, to ensure creditors' rights to any potential claim are protected, Joint Liquidators are at present unable to conclude the Compulsory Liquidation.

9 ADMINISTRATION AND PLANNING

This includes dealing with the following

- Cashiering and statutory receipts and payments
- Statutory duties associated with appointment including filing of relevant Notices
- Undertaking case reviews to establish that all matters have been dealt with in a cost effective and efficient manner
- Setting up case files
- Preparation of statutory progress reports

10 JOINT LIQUIDATORS' REMUNERATION AND DISBURSEMENTS

10.1. Basis of Remuneration

The basis of the Joint Liquidators' remuneration was approved by creditors on 10 March 2015, when the following resolution was passed

The Liquidators shall be authorised to draw their remuneration based upon their time costs by reference to the time properly given by the Liquidators and their staff, in attending to matters arising in the liquidation at RSM Restructuring Advisory LLP standard hourly rates, at the rates prevailing at the time the work is done

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix D

10.2 Remuneration and Disbursements incurred in the period from 14 November 2014 to 13 November 2015

In accordance with insolvency legislation the Joint Liquidators' are required to report remuneration 'charged'. This reflects the time charged to the case and is the maximum that can be taken in fees by the Joint Liquidators. It does not necessarily reflect the amount of remuneration that will ultimately be taken by the Joint Liquidators in remuneration. If there are insufficient realisations to allow the Joint Liquidators remuneration to be recovered in full, any balance will be written off. Details of any write off will be set out in the final report.

10.2.1 Joint Liquidators' remuneration

Joint Liquidators have incurred time costs of £5,006.70 in respect of work done in the current period (a summary of which is set out in Appendix G). Details of the sums drawn in respect of remuneration for the period covered by this report are set out in the receipts and payments account (Appendix B).

Attached are the following:

- Appendix C RSM Restructuring Advisory LLP's Charging, Expenses and Disbursements Policy Statement
- Appendix D Joint Liquidators' Charge Out and Disbursement Rates,
- Appendix E Category 2 Disbursements Table,
- Appendix G Joint Liquidators' Time Cost Analysis for the period set out above,

10.2.2 Joint Liquidators' disbursements

The basis of the Joint Liquidators' drawing disbursements was approved by creditors on 10 March 2015, when the following resolution was passed:

The Joint Liquidator be authorised to draw 'category 2' disbursements out of the assets as an expense of the Winding Up, at the rates prevailing when the cost is incurred.

Disbursements incurred in the period in accordance with the resolution above are detailed on Appendix F (Statement of Expenses).

In addition, Appendix D also includes details of these disbursements together with disbursements incurred in any previous periods prior to the above resolution being passed and details of whether they have been paid.

10.3 Total remuneration incurred and paid to date since appointment

The Joint Liquidators have incurred time costs of £8,558.80 since the date of our appointment in accordance with the resolution set out above. Due to no assets being realised in the Liquidation to date no fees have been drawn and the balance remains outstanding.

Should you require any further information please do not hesitate to contact me at restructuring.miltonkeynes@rsmuk.com

11 JOINT LIQUIDATORS' STATEMENT OF EXPENSES

A statement of the expenses incurred during the period, is attached at Appendix F. This includes all expenses incurred by the Joint Liquidators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period together with cumulative figures.

12 CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE REMUNERATION AND EXPENSES

In accordance with the provisions of Rules 4.49E and 4.131 of the Insolvency Rules 1986 creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses

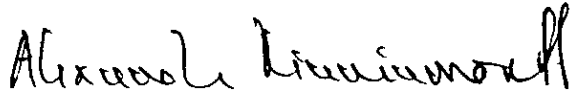
A request for further information must be made in writing within 21 days of receipt of this report

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the Liquidator are in all the circumstances excessive

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question

A Guide to Liquidators Fees, which provides information for creditors in relation to the remuneration of a Liquidator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing

Should you have any further queries please do not hesitate to contact me



Alexander Kinninmonth
RSM Restructuring Advisory LLP
Joint Liquidator

Alexander Kinninmonth is licensed to act as an Insolvency Practitioner in the UK by the Association of Chartered Certified Accountants. Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

APPENDIX A

STATUTORY INFORMATION

COURT & REFERENCE	In the High Court of Justice, Chancery Division No 9267 of 2012
COMPANY NAME	Bluesparkle Limited
PREVIOUS COMPANY NAMES	N/A
COMPANY NUMBER	03904769
DATE OF INCORPORATION	11 January 2000
TRADING NAME	Bluesparkle Limited
TRADING ADDRESS	2 nd Floor, Hygeia House, 66 College Road, Harrow, HA1 1BE
PRINCIPAL ACTIVITY	Land owners
REGISTERED OFFICE	RSM Restructuring Advisory LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1BP 34 Clarendon Road, Watford, WD17 1JJ

Bluesparkle Limited In Liquidation
Appendix B
Joint Liquidator's Receipts & Payments Account From 14/11/2014 To 13/11/2015

		14/11/2014 to 13/11/2015		Total to 13/11/2015
SOA Value £		£	£	£
	ASSET REALISATIONS			
0 00	Deposit on Cr's Petition	0 00	1,165 00	
			0 00	1,165 00
	COST OF REALISATIONS			
0 00	DTI Fees	0 00	(2,235 00)	
0 00	ISA Quarterly Charges	(88 00)	(176 00)	
			(88 00)	(2,411 00)
			(88 00)	(1,246 00)
0 00				
	REPRESENTED BY			
	Insolvency Services A/c		(1,246 00)	
				(1,246 00)
				(1,246 00)

APPENDIX C

RSM RESTRUCTURING ADVISORY LLP

CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done
- The current charge rates for RSM Restructuring Advisory LLP Milton Keynes are attached
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as "category 1" disbursements
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as "category 2" disbursements
- A resolution to consider approving "category 2" disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Milton Keynes will be proposed to the relevant approving party in accordance with the legislative requirements
- General office overheads are not re-charged to the insolvency estate as a disbursement
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate

APPENDIX D**RSM RESTRUCTURING ADVISORY LLP****JOINT LIQUIDATORS' CURRENT CHARGE OUT AND DISBURSEMENT RATES**

HOURLY CHARGE OUT RATES		
	Rates at commencement	Current rates
	£	£
Partner	380 - 475	495
Directors / Associate Directors	380	310
Manager	335	149
Assistant Managers	250 – 335	125
Administrators	150 – 230	70 to 110
Support staff	100 - 195	70

"CATEGORY 2" DISBURSEMENT RATES	
Internal room hire	N/A
Subsistence	£25 per night (from 3 rd September 2013) £23 per night (up to 2 nd September 2013)
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42 5p per mile (from 1 April 2011)
"Tracker" searches	£10 per case

APPENDIX E**RSM RESTRUCTURING ADVISORY LLP****JOINT LIQUIDATORS' CATEGORY 2 DISBURSEMENTS TABLE**

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, Type and Purpose	Paid	Unpaid
	£	£
None	0 00	0 00
Total	0 00	0 00

APPENDIX F

STATEMENT OF EXPENSES INCURRED BY THE JOINT LIQUIDATORS IN THE PERIOD FROM 14 NOVEMBER 2014 TO 13 NOVEMBER 2015

Type and Purpose	Incurred in Period
	£
Statutory Advertising (unpaid)	84 60
Insolvency Bond (unpaid)	10 00
Insurance of Assets (unpaid)	175 00
Total	269 60

NOTES TO APPENDIX G

JOINT LIQUIDATORS' TIME COST ANALYSIS

a) Administration and Planning

This includes dealing with the commencement of the case administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day case administration duties, maintenance of records and ongoing statutory obligations. These include but are not limited to handling receipts and payments, VAT and corporation tax issues such as the monthly VAT returns, pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, obtaining company searches, maintenance and obtaining books and records, general meetings / correspondence, statutory and other advertising, insurance, re-directed mail, statutory receipts and payments accounts, dealing with (including the winding up of) company pension schemes where applicable.

b) Investigations

Where appropriate this will include such matters as investigation of pre-appointment transactions in accordance with the relevant Statement of Insolvency Practice (SIP 2), preparing reports / returns in accordance with the Company Directors' Disqualification Acts and the investigation of any potential antecedent transactions such as transactions at under value and preferences which may result in legal action resulting in a recoverable asset.

c) Realisation of Assets

This includes dealing with all aspects of the realisation of assets including identifying, securing and insuring assets, and (where applicable), property, business and asset sales, retention of title claims and debt collection. Other matters dealt with during the case administration which will relate to asset realisation may commonly include effecting disclaimers, dealing with landlords, liaising with agents, undertaking inventories, meetings with purchasers / directors, arranging collection of leased assets, obtaining insurance, pursuing antecedent claims identified as part of the investigation work set out above. Details of the specific asset realisation work undertaken on this case are set out in the main body of the report. Asset realisation is considered to be a key aspect of the case administration.

d) Trading

Where the company has continued trading following the Joint Liquidators' appointment our staff will have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Where trading has ceased, accounts will have been closed and final bills paid. Other matters will also have been dealt with in accordance with the usual trading obligations such as dealing with employees and payroll.

e) Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the case administration process. The preparation of the Joint Liquidators' proposals has been undertaken including the attendant aspects of providing and obtaining the required information, convening the creditors' meeting etc. A brief report on the outcome of the creditors' meeting and the report on the first six months of the administration period have both been prepared.

f) Case Specific Matters

Any case specific matters will generally be set out in the body of the report but will commonly include meetings, correspondence and telephone calls relating to specific issues in the case which do not fall into any the categories set out above and are specific to the case in question. This may include work done in relation to litigation, general advice or other major issues.

Bluesparkle Limited in Liquidation

Appendix G

Time Cost Summary For the period 14/11/2014 to 13/11/2015

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning									
Case Management	0.1	1.5	0.5	1.1	4.2	0.0	7.4	£ 1,209.00	£163.38
Closure	0.0	0.0	0.0	0.0	0.5	0.0	0.5	£ 55.00	£110.00
Director(s)/debtor/bankrupt	0.0	0.0	0.5	0.0	0.0	0.0	0.5	£ 87.50	£175.00
Receipts and Payments	0.0	0.0	0.0	2.1	0.0	0.0	2.1	£ 262.50	£125.00
Tax Matters	0.0	0.0	0.1	0.0	0.0	0.0	0.1	£ 17.50	£175.00
Total	0.1	1.5	1.1	3.2	4.7	0.0	10.6	£ 1,631.50	£153.92
Realisation of Assets									
Land and Property	0.0	0.0	0.3	0.5	6.0	0.0	6.8	£ 802.20	£117.97
Total	0.0	0.0	0.3	0.5	6.0	0.0	6.8	£ 802.20	£117.97
Creditors									
Other Creditor Meetings and Reports	0.0	0.0	1.5	2.2	10.5	0.0	14.2	£ 2,116.50	£149.05
Unsecured Creditors	0.0	0.0	0.0	0.6	0.0	0.0	0.6	£ 78.00	£130.00
Total	0.0	0.0	1.5	2.8	10.5	0.0	14.8	£ 2,194.50	£148.28
Case Specific Matters - Legal Matters									
Legal Matters	0.0	0.0	1.1	1.4	0.0	0.0	2.5	£ 378.50	£151.40
Total	0.0	0.0	1.1	1.4	0.0	0.0	2.5	£ 378.50	£151.40
Total Hours (From Jan 2003)	0.1	1.5	4.0	7.9	21.2	0.0	34.7	£ 5,006.70	£144.29
Total Time Cost (From Jan 2003)	£ 43.50	£ 465.00	£ 696.20	£ 1,102.50	£ 2,699.50	£ 0.00	£ 5,006.70		
Average Rates	£435.00	£310.00	£174.05	£139.56	£127.33	£0.00	£144.29		