

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company
Aardvark Media Limited

Company number
03182500

In the
High Court of Justice
(full name of court)

Court case number
6425 of 2013

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

Andrew Pear of
BM Advisory LLP
82 St John Street
London
EC1M 4JN

Michael Solomons of
BM Advisory LLP
82 St John Street
London
EC1M 4JN

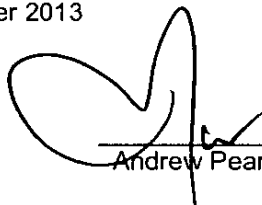
*Delete as
applicable

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

(b) 22 November 2013

Signed



Andrew Pear - Joint Administrator

Dated

22 November 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

Adam Boyle
BM Advisory LLP
82 St John Street
London
EC1M 4JN

DX Number +44 (0) 20 7549 8050

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

SATURDAY



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A35

30/11/2013

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COMPANIES HOUSE

TO THE MEMBERS AND ALL KNOWN CREDITORS

82 St John Street
London EC1M 4JN

T +44 (0)20 7549 8050

F +44 (0)20 7549 2400

www.bm-advisory.com

Our ref: AB/AAR002AP

22 November 2013

Dear Sirs

Aardvark Media Limited - In Administration ("the Company")

Company Number: 03182500

High Court of Justice No. 6425 of 2013

I write to advise you that Michael Solomons and I were appointed Joint Administrators of the Company on 30 September 2013 following an application by the director. In accordance with paragraph 46(3) of Schedule B1 of the Insolvency Act 1986, I enclose formal notice of our appointment, Form 2 12B

This report to the Company's members and creditors and the Proposals enclosed set out the information required by the Joint Administrators to discharge their duty pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and Rule 2 33 of the Insolvency Rules 1986 (as amended) ("the Rules")

JOINT ADMINISTRATORS' APPOINTMENT

Andrew Pear and Michael Solomons of BM Advisory LLP of 82 St John Street, London, EC1M 4JN were appointed Joint Administrators of the Company on 30 September 2013 by the director of the Company

The Notice of Appointment was filed in the High Court under reference number 6425 of 2013

The Joint Administrators' appointment specified that they would have the power to act jointly and severally. The Joint Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment.

STATUTORY INFORMATION

Attached as **Appendix 1** are the statutory details of the Company as filed at Companies House.

BACKGROUND AND EVENTS LEADING TO THE APPOINTMENT OF JOINT ADMINISTRATORS

The Company was incorporated on 3 April 1996 as a digital marketing agency, providing website support services for a number of SME and large blue chip customers. The director and shareholder, Christopher Johns, founded the business which grew organically with no initial external investment.

The business traded from leasehold premises at Unit 101 The Chambers, First Floor Chelsea Harbour, London SW10 0XF and employed 16 members of staff.

The Company continued to grow, attracting a number of reputable clients. In line with this, the Company obtained a loan and overdraft facility from HSBC Bank plc to assist with the growth of the business. This debt has been personally guaranteed by the director, Mr Johns.

However, due to accounting errors made by the previous bookkeeper, it transpired that the Company owed HMRC £180,000 for PAYE and VAT from 5 April 2011. Accordingly, the Company tried to agree a 'Time-To-Pay' arrangement with HMRC in order to settle the outstanding debt in full.

The Company's cash flow could not support the payment plan that HMRC were demanding and the director had no option but to seek professional advice on the financial position of the Company.

A meeting was subsequently held with Andrew Pear of BM Advisory LLP following an introduction made through the Company's external accountant, David Shobanjo. A meeting was held with Mr Johns on 15 August 2013 to advise the Company on possible options for restructuring the business.

Accordingly, at a board meeting held on 13 September 2013, it was resolved that having regard to the financial position of the Company, it would be in the best interests of the Company and its creditors for the Company to be placed into administration.

In order to preserve the business as a whole, the directors placed the Company into Administration on 30 September 2013 at the High Court of Justice under the Court reference number 6425 of 2013. This step was taken following prior consultation with the secured creditor, HSBC Bank plc and HMRC.

OBJECTIVES OF ADMINISTRATION AND STRATEGY FOR ACHIEVEMENT BY THE JOINT ADMINISTRATORS

The objective of the Administration process in the Act is to -

- (a) rescue the Company as a going concern; or
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

The Company could not be rescued as a going concern because it was insolvent. The purpose of the Administration is therefore objective (b) to achieve a better result for the creditors as a whole than would be likely if the Company was placed directly into Liquidation.

Objective (b) has been achieved through the sale of the business and assets of the Company as a going concern.

STATEMENT OF AFFAIRS

The director has not yet provided the Administrators with a Statement of Affairs ("SOA") and I therefore enclosed at **Appendix 2** is an Estimated Statement of Affairs based on information from the Company's records.

The SOA records the assets and liabilities at their estimated book value and realisable value at the date of the Administration, together with details of the names, addresses and the amounts due to the Company's creditors.

The values at which creditor claims are stated in the SOA are those which are reflected in the books and records of the Company and may not be (wholly) correct. In addition, certain claims may be subject to reduction in respect of mitigation, set-off or retention of title. Creditors' claims will be adjudicated at such time that a dividend will be made.

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

CONDUCT OF THE ADMINISTRATION

As previously advised in my initial circular to creditors, on 7 October 2013, the goodwill, intellectual property, contracts and equipment were sold to Aardvark London Limited for the total sum of £130,000. A Memorandum of Sale incorporating full disclosure under Statement of Insolvency Practice 16 was attached to my previous circular.

The Company holds a lease for the trading premises of Unit 101, The Chambers, First Floor Chelsea Harbour, London, SW10 0XF. As part of the sale agreement, a licence to occupy these premises was granted to the purchaser, on the basis that the purchaser covers any liabilities arising in relation to the property following the sale. It is the Administrators' intention to surrender the lease on 29 November 2013.

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

Attached at **Appendix 3** is a summary of the Joint Administrators' Receipts and Payments account to the date of this report. This reflects a balance in hand of £17,500.

RECEIPTS

Sale of Assets

On the recommendation of Hilco Appraisal Limited, the business and assets were sold to Aardvark London Limited for the total consideration of £130,000, as detailed below.

Fixed Charge Assets

Goodwill	£110,109
Intellectual Property	£10,000
Contracts	£1

Fixed charge consideration	£120,110
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Floating Charge Assets

Equipment	£9,890
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Total consideration	£130,000
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Under the terms of the Sale and Purchase Agreement, £15,000 was received upon completion of the sale. The first instalment of the deferred consideration in the sum of £2,500 has also been received. The sale price has been apportioned as follows,

	£
Equipment	9,890
Intellectual Property	7,610

The remaining balance will continue to be paid on a deferred basis over three years with £2,500 being paid every month for the first year, £3,750 every month for the second year and £3,333 every month for the third year.

CREDITOR CLAIMS

SECURED CREDITORS

HSBC Bank plc holds a debenture created on 24 February 2013 and registered on 9 March 2013, incorporating fixed and floating charges over the undertaking and all property and assets, present and future of the Company.

The amount owing to HSBC Bank plc at the date of my appointment was £87,301. It is anticipated that the amount owing to HSBC will be settled in full, subject to the full amount of deferred consideration being paid.

PREFERENTIAL CREDITORS

There are no preferential creditors as all employees' contracts were transferred to the purchaser on completion of the sale.

UNSECURED CREDITORS

Trade and Expense Creditors

The Company's accounting records indicate that the Company has 25 trade and expense creditors totalling £74,379.

HM Revenue & Customs

HM Revenue & Customs are owed a total of £170,435 in respect of unpaid PAYE/NIC contributions and £39,405 in respect of unpaid VAT

DIVIDEND PROSPECTS

It is unlikely that a dividend payment will be made to unsecured creditors due to insufficient assets. However, a Proof of Debt form is attached at **Appendix 4** for the purpose of lodging your claim should a dividend become available.

JOINT ADMINISTRATORS' PROPOSALS

Pursuant to Paragraph 49 of Schedule B1 of the Act, enclosed with this report are the Joint Administrators' Proposals for achieving the purpose of the Administration as set out in **Appendix 5** of this report.

PROPOSED EXIT ROUTE 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 the consent of the creditors.

There are several exit routes available to the Administrators and the exit route chosen will largely depend upon the circumstances of each Administration. It is not envisaged that there will be a distribution to unsecured creditors and in these circumstances, the Company would normally move directly into dissolution.

Enclosed with this report are the Joint Administrators' proposals, which include at proposal (c) that, Andrew Pear and Michael Solomons be the proposed liquidators of the Company if the exit from Administration is into Creditors Voluntary Liquidation.

If the Joint Administrators consider it appropriate to exit into a CVL, then pursuant to paragraph 83(7) of Schedule B1 to the Act and rule 2.117(3) of the Rules, the creditors may nominate a different person(s) as the proposed liquidator(s) provided that the nomination(s) is made after the receipt of the proposals but before the proposals are approved. If the Company exits into Compulsory Liquidation, the Joint Administrators propose to accept the appointment as Joint Liquidators pursuant to section 140(1) of the Act.

JOINT ADMINISTRATORS' INVESTIGATIONS

Under the insolvency legislation, the Administrators have a duty to consider the conduct of those persons who have been directors of the Company at any time within three years preceding the Administration. The Administrators are also required to consider whether any civil proceedings should be taken. Please provide information, using the attached form at **Appendix 6**, if there is any matter of which you believe the Administrators should be aware when considering the director's conduct.

As part of the Administrators' statutory duties, it is their responsibility, under the Company Directors Disqualification Act 1986 and the Insolvent Companies (Report on Conduct of Directors) Rules 1996, to report on the conduct of persons who have acted as directors. Should you have any information concerning matters to which reference should be made in that report, then I should be grateful if you would write to me formally setting out any facts which you believe should be considered for inclusion.

PRE-ADMINISTRATION COSTS

Pre-Administration costs are defined as the remuneration, charges and expenses incurred by the Administrator before the Company entered into Administration but with a view to its doing so

BM Advisory's pre-administration costs amount to £15,344 which remain outstanding. These costs primarily relate to

- Marketing the business and assets of the Company,
- Compiling heads of terms,
- Dealing with interested parties and competing offers,
- Agreeing the sale agreement,
- Statutory planning work in relation to the appointment of administrators,
- Preparing the application to Court for an Administration Order with the assistance of Pitmans LLP

Other pre-appointment costs incurred prior to my appointment include agent's fees incurred by Hilco Global of £3,500 plus VAT and disbursements of £149 plus VAT for valuing and marketing the business and assets for sale

Legal fees of £9,000 plus VAT and disbursements of £84 plus VAT for were incurred by Pitmans LLP for assisting with the sale of the business and assets and preparing the application to Court of an Administration Order

Creditors should note that the payment of unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 2.67A IR1986 and not part of the proposal subject to approval under paragraph 53 of Sch B1 IA1986. Our pre-administration costs will be approved pursuant to Rule 2.67A IR1986 by the creditors' committee (if there is one), alternatively by the secured creditor, HSBC Bank plc

JOINT ADMINISTRATORS' REMUNERATION

Included within this report, is **Appendix 7** being a schedule of time costs to date and supporting information as required by Statement of Insolvency Practice 9

Since the Administration commenced, a total of 28 hours at a cost of £6,562 have been incurred. This results in an average hourly charge out rate of £235.20. I can confirm these costs remain unpaid.

I have also incurred disbursements totalling £434.66 which can be broken down as follows, and remain unpaid,

Advertising	£63.50
Printing & Postage	£41.16
Specific Penalty bond	£330.00

The Joint Administrators are proposing that they should be remunerated by reference to time properly spent by them and their staff in attending to the matters arising from the Administration of the Company pursuant to rule 2.106(2)(b) of the Rules. The Joint Administrators will be seeking agreement for such remuneration from the Creditors' Committee or, in the event that such a committee is not formed, from the creditors at the forthcoming meeting by way of formal resolution.

BM Advisory LLP's policy on fees is attached at **Appendix 8** and a creditor's guide to fees can be located on the following website which provides information relating to Administrators' remuneration: <http://www.insolvency-practitioners.org.uk/uploads/Admin.pdf>

MEETING OF CREDITORS

The Joint Administrators propose that there shall be no meeting of creditors under Paragraph 51(1) of Schedule B1 of the Act because the Company is likely to have insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176A(2)(a) of the Act.

Creditors may cause the Joint Administrators to summon an initial creditors meeting as follows -

1. At the least 10% of the creditors, measured against the Company's total debts, must request this meeting, and
2. The request must be made on Form 2.21B (available upon request) and made within 12 days of the date of this document. It must also include a list of the creditors concurring with the request, showing the amounts of their respective debts, and confirmation of concurrence.

Please note that the expenses of summoning and holding the meeting shall be paid by that person, in advance of the meeting.

EC REGULATION

For the following reason it is considered that the EC Regulation on Insolvency Proceedings 2000 will apply. If it does apply, these proceedings will be the main proceedings as defined in article 3(1) of the EC regulation.

The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom.

FURTHER INFORMATION

Should you require any further information, please do not hesitate to contact Adam Boyle on 020 7549 2932

Yours faithfully
For and on behalf of
Aardvark Media Limited



Andrew Pear
Joint Administrator

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Aardvark Media Limited

Statutory Information

Company Number	03182500
Date of Incorporation	3 April 2006
Nature of Business	Web Services
Trading Address	Unit 101 The Chambers First Floor Chelsea Harbour London SW10 0XF
Registered Office	82 St John Street London EC1M 4JN Changed from Unit 101 The Chambers, First Floor Chelsea Harbour, London, SW10 0XF
Directors	The directors of the Company over the last 3 years are detailed below Christopher Benedict Johns 15/07/2006 to date Sarah Johns 04/04/2007 to 02/09/2013
Share Capital	The Company's authorised share capital consists of 12,000 ordinary shares Shareholdings as follows: Christopher Johns 9,600 Ordinary Shares Sarah Johns 2,400 Ordinary Shares
Registered charges	HSBC Bank plc Debenture Created 24/02/2000 Registered 09/03/2000
Related entities	None

Insolvency Act 1986
 * * *
 Aardvark Media Limited
 Estimated Statement Of Affairs as at 30 September 2013

	Book Value £	Estimated to Realise £
ASSETS		
Goodwill		110,109 00
Intellectual Property		10,000 00
Contracts		1 00
HSBC Bank plc - 24/02/2000		(87,301 00)
Surplus c/d		<u>32,809 00</u>
Equipment	10,628 00	9,890 00
Surplus b/d		<u>32,809 00</u>
		42,699 00
LIABILITIES		
PREFERENTIAL CREDITORS -		NIL
		<u>42,699 00</u>
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		NIL
		<u>42,699 00</u>
Estimated prescribed part of net property where applicable (to carry forward)		NIL
		<u>42,699 00</u>
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003		
		NIL
		<u>42,699 00</u>
Estimated prescribed part of net property where applicable (brought down)		NIL
		<u>42,699 00</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors		74,379 00
HM Revenue & Customs		<u>209,840 00</u>
		284,219 00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)		<u>(241,520 00)</u>
		(241,520 00)
Issued and called up capital		
Ordinary Shareholders		12,000 00
		12,000 00
TOTAL SURPLUS/(DEFICIENCY)		<u>(253,520 00)</u>

Aardvark Media Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 22/11/2013

S of A £		£	£
	SECURED ASSETS		
110,109 00	Goodwill	NIL	
10,000 00	Intellectual Property	7,610.04	
1.00	Contracts	<u>NIL</u>	7,610.04
	SECURED CREDITORS		
(87,301 00)	HSBC Bank plc - 24/02/2000	<u>NIL</u>	NIL
	ASSET REALISATIONS		
9,890 00	Equipment	<u>9,890 00</u>	9,890 00
	UNSECURED CREDITORS		
(74,379 00)	Trade & Expense Creditors	NIL	
(209,840 00)	HM Revenue & Customs	<u>NIL</u>	NIL
	DISTRIBUTIONS		
(12,000 00)	Ordinary Shareholders	<u>NIL</u>	NIL
(253,520.00)			<u><u>17,500.04</u></u>
	REPRESENTED BY		
	Bank 1 Current		9,890 00
	Bank 2 Current Fixed		7,610 04
			<u><u>17,500.04</u></u>

Note

Rule 2 72

PROOF OF DEBT - GENERAL FORM

**In the matter of Aardvark Media Limited
In Administration
and in the matter of The Insolvency Act 1986**

Appointment Date – 30 September 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	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	
	Date	

Aardvark Media Limited – In Administration

Statement of Joint Administrators' proposals Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and The Insolvency Rules 1986 ("the Rules"), and the Joint Administrators ("Administrators") of Aardvark Media Limited ("the Company"), make the following proposals for achieving the purpose of the Administration

These proposals and the attached report to creditors together set out the information required by and to discharge the Administrators' duty pursuant to Paragraph 49 of Schedule B1 of the Act and Rule 2.33 of the Rules

Proposals

The Administrators propose that

- (a) they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that
 - (i) they dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient,
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company
 - (iii) in addition, they do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals, and
- (b) the Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Administrators. At this stage the Company shall be dissolved or placed into liquidation as outlined above. If necessary, the Joint Administrators propose to seek an extension of their appointment as Administrators from the creditors and/or the Court pursuant to paragraph 76 of Schedule B1 to the Act
- (c) In the event that the Administrators are of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Joint Administrators be authorised to take steps to place the Company into whichever liquidation process they, at their discretion, deem appropriate. In either circumstance, it is proposed that the Joint Administrators would take the appointment as joint liquidators of the Company and that they will act jointly and severally in their duties. In relation to moving into creditors' voluntary liquidation, and in accordance with paragraph 83(7) and Rule 2.117 (3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before those proposals are approved
- (d) Upon the Company proceeding into Liquidation as set out above, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following the Company entering into liquidation

- (e) They be at liberty to incur and pay such costs and expenses, including professional fees, as considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Joint Administrators' statutory duties
- (f) The Administrators propose to be remunerated by reference to time properly spent both for their services as Administrators and also for their staff in attending to the matters arising in the Administration of the Company, charged at the charge out rates prevailing at the time the work is undertaken. The Administrators' remuneration will be deemed approved should no creditors meeting be held. Should a meeting be held the Administrators' remuneration will be agreed by the Creditors' Committee or in the event that no Committee is formed by creditors at the first meeting of creditors, by way of resolution for the acceptance of these proposals
- (g) BM Advisory's costs and expenses relating to the appointment of Administrators as would fall within the definition of Rule 2.67(1)(c) be treated as an expense of the Administration (albeit incurred prior to the date of appointment) and calculated by reference to the charge out rates prevailing at the time the work is undertaken
- (h) They be at liberty to recharge disbursements as detailed in the circulated Creditors guide to Administrators' fees
- (i) They be at liberty to pay costs and remuneration in relation to proposals (f), (g) and (h) above when funds become available
- (j) They consult with the Creditors' Committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where they consider it expedient obtain the sanction of that Committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Administrators



Andrew Pear
Joint Administrator

22 November 2013

CREDITORS QUESTIONNAIRE

INVESTIGATION INTO THE AFFAIRS OF

AARDVARK MEDIA LIMITED

IN ADMINISTRATION

Creditor's name and address	
1	Estimated Claim
2	If the estimated claim exceeds the credit limit, on what basis or terms was the additional credit allowed?
3	Please provide details of any comfort, security or assurance given to you to allow continuance of credit
4	When were you first aware that there were difficulties in getting payment and what was the evidence of this? e g extended credit, lump sum payments, dishonoured cheques

5	Please provide details of any cheques which were dishonoured, including dates and amounts
6	Please provide details, including dates, of any writs, summons, decrees or other legal action you took to recover your debt
7	Are there any particular matters you feel should be reviewed? If so, please provide brief details
Name	
Signature	
Position	
Date	

Should there be insufficient space on this form, please use a separate piece of paper clearly indicating which question the continuation sheet refers to

Aardvark Media Limited - In Administration

Joint Administrators' Time Costs

For the Period

30 September 2013 to 22 November 2013

Classification of Work	Work Analysis	Hours by Staff Grade					Grand Total	Total Cost £	Average Hrlly Rate £
		Partner	Manager	Case Administrator	Support Staff				
Administration and Planning	Admin & Planning	1.60	0.00	0.40	0.20		2.20	698.00	317.27
	Case Accounting	0.00	0.00	1.00	2.10		3.10	383.00	123.55
	Partner Review	3.80	0.00	0.00	0.00		3.80	1,444.00	380.00
Asset Realisation	Asset Realisation	0.00	0.00	2.40	0.00		2.40	432.00	180.00
	Freehold/Leasehold Property	0.70	0.00	1.90	0.00		2.60	608.00	233.85
Creditors	Unsecured Creditors	0.30	0.00	0.80	0.00		1.10	258.00	234.55
	Secured Creditors	1.80	0.00	1.20	0.00		3.00	900.00	300.00
Statutory Compliance	Statutory Compliance	0.00	0.80	4.30	0.00		5.10	1,006.00	197.25
	Statutory Reporting	0.00	0.70	3.50	0.00		4.20	833.00	198.33
Grand Total		8.20	1.50	15.50	2.30		27.50	6,562.00	238.62

BM ADVISORY LLP

STATEMENT OF POLICY ON FEES IN INSOLVENCY PROCEEDINGS

Introduction

This statement has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Specialists (R3) as at 1 August 2005

The following information applies to all appointments of partners or staff of BM Advisory LLP, to act as any of the following -

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or Limited Liability Partnership
Trustee in Bankruptcy
Supervisor of an Individual, Company or Partnership Voluntary Arrangement
Administrator under the Insolvent Estates Order

When acting as Nominee, the provisions of the Insolvency Act 1986 require that the amount of the fees payable to the Office Holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office Holder's expected time costs arising as referred to below

Policy on fees

Unless otherwise fixed in accordance with the Insolvency Act 1986, an Office Holder's fees are charged by reference to time costs, as incurred, charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of BM Advisory LLP, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory LLP to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum.

As at 1st March 2012 the rates applicable are

Grade	£
Partner	380
Associate	350
Manager	290
Assistant Manager	270
Senior Administrator	220
Administrator	180
Junior Administrator	125
Support staff	80

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory LLP may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act.

For further information on the manner in which an Office Holder's fees may be fixed, please refer to the attached guidance notes in relation to fees.

Disbursements

Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the case or BM Advisory LLP, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the case. These disbursements are recoverable in full from the case without the prior approval of creditors either by a direct payment from the case or, where BM Advisory LLP has made payment on behalf of the case, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage and specific bond insurance.

Category 2 expenses are incurred by BM Advisory LLP and recharged to the case, they are not attributed to the case by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the case, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, internal room hire and internal storage.

It is proposed that the following Category 2 disbursements are recovered by BM Advisory LLP

Meeting room hire	£200.00
Postage	£0.44 - £1.24
Mileage (per mile)	£0.45
Photocopies (per sheet)	£0.15
Storage (per box per month)	£0.35

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.