

The Insolvency Act 1986

Administrator's progress reportName of Company
Aardvark Media LimitedCompany number
03182500In 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)

I/ We (a) Andrew Pear and Michael Solomons

of BM Advisory, 82 St John Street, London, EC1M 4JN

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

from

to

(b) 19 September 2015

(b) 18 March 2016

(b) Insert dates

Signed

Andrew Pear

Dated

14/04/2016

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.

Alex Bellamy

BM Advisory

82 St John Street, London, EC1M 4JN

Tel 020 7549 2932

DX Number

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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COMPANIES HOUSE

BM Advisory.

Corporate Advisory & Restructuring

TO ALL MEMBERS AND KNOWN CREDITORS

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Our ref: AB/AAR002AP

14 April 2016

Dear Sirs

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

Company Number: 03182500

High Court of Justice No. 6425 of 2013

Michael Solomons and I, of BM Advisory of 82 St John Street, London, EC1M 4JN, were appointed Joint Administrators of the Company on 30 September 2013, following an application by the director of the Company. The Notice of Appointment was filed in the High Court of Justice under reference number 6425 of 2013. On 19 September 2014, the Court approved the extension of the Administration to 30 November 2016.

The Joint Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the Notice of Appointment.

The purpose of this report is to provide creditors with an account of the progress of the Administration, for the period 19 September 2015 to 18 March 2016, in accordance with rule 2.47 of the Insolvency Rules 1986. A copy of Form 2.24B is attached to this report.

This report should be read in conjunction with my earlier reports to creditors, copies of which are available on request.

STATUTORY INFORMATION

Statutory information relating to the Company is attached at **Appendix I**.

PROGRESS OF THE ADMINISTRATION

As previously reported, the business and assets of the Company were sold to Aardvark London Limited ("Aardvark London") for the total consideration of £130,000 on 30 September 2013.

Under the terms of the Sale and Purchase Agreement, £15,000 was received upon completion of the sale with the remaining balance to be paid on a deferred basis over three years.

As previously reported, Aardvark London's trading results have never achieved its projections and as a result it was not able to meet the agreed deferred consideration payments. It was determined by the director of Aardvark London that the company was insolvent and it was placed into Liquidation on 8 December 2015.

Following correspondence with the liquidators of Aardvark London, it was apparent that there would be insufficient surplus funds to enable a distribution to unsecured creditors. As such, I took steps to pursue the guarantor under the Sale and Purchase Agreement, Mr Christopher Johns, for the outstanding deferred consideration.

In order to pay the consideration, Mr Johns has sold his residential property. A sum of £82,666 was paid directly into the Administration bank account and represented the balance of the outstanding sale consideration, interest and costs, as a result of ongoing delays.

There was an overdrawn director's loan account detailed in the Company's accounts and I understand that the director had personally settled some of the Company's liabilities prior to my appointment, to the value of the outstanding loan. I have requested documentation confirming the same and once finalised all matters will have been concluded and I shall be bringing my files to a close.

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

Attached at **Appendix II**, is the Joint Administrators' receipts and payments account, for the period 19 September 2015 to 18 March 2016, detailing a balance on hand of £1,815. The funds are held in an interest bearing estate account

During this reporting period, there has been a reallocation of some fees and costs against fixed charge realisations.

LIABILITIES

Secured creditor

HSBC Bank Plc ("HSBC") holds a debenture which was created on 24 February 2000 and duly registered on 9 March 2000, incorporating fixed and floating charges.

The amount owing to HSBC at the date of my appointment was £87,301. This claim increased to £89,118, due to interest and a balance outstanding on a company credit card.

There has been one distribution to HSBC, totalling £10,000, in this reporting period and £33,660 paid to HSBC in total under its fixed charge. HSBC's remaining debt was settled in full from the sale of Mr John's residential property. Therefore, a sum of £55,458 was paid to Mr Johns, under his subrogated secured creditor claim from the sale proceeds.

Preferential creditors

There are no preferential creditors. Under the terms of the sale agreement, all employees of the Company were transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

Unsecured creditors

The Company's accounting records indicate that the Company has 25 trade and expense creditors totalling £74,379. To date, I have received claims of £75,376.

HM Revenue & Customs

The Company's accounting records indicate that HM Revenue & Customs ("HMRC") is owed a total of £170,435 in respect of unpaid PAYE/NIC contributions and £39,405 in respect of unpaid VAT. HMRC has submitted a claim in the sum of £188,930.

DIVIDENDS

Distributions have been paid to HSBC to settle its fixed charge in full, and Mr Johns under his subrogated secured claim, as detailed above.

A dividend payment to unsecured creditors is unlikely in this matter as net asset realisations will be insufficient to meet the costs and expenses of the Administration.

PRESCRIBED PART

The Prescribed Part Fund is created out of the Company's net floating charge property pursuant to Section 176A of the Insolvency Act 1986, as long as the floating charge was registered later than 15 September 2003.

As previously advised, there is no registered floating charge registered after 15 September 2003 and therefore the prescribed part does not apply.

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, shadow directors or de facto directors at any time within three years preceding the Administration and consider whether any civil proceedings should be taken.

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking into account public interest and the potential recoveries and costs involved. I have made enquiries where necessary and concluded that there were no matters that justified further investigation.

Within six months of my appointment as Administrator, I was required to submit a confidential report to the Secretary of State to include any matters which came to my attention during the course of my work, which may have indicated that the conduct of any past or present director would make them unfit to be concerned with the management of the Company. I confirm that my report has been submitted.

PRE-ADMINISTRATION COSTS

The proposals were deemed approved and the secured creditor, HSBC, approved BM Advisory's pre-Administration costs and expenses. No pre-Administration fees were taken due to insufficient realisations.

Pre-Administration costs were paid to independent agents, Hilco Appraisal Limited in the sum £3,500 plus VAT and disbursements of £149 plus VAT and to solicitors, Pitmans LLP in the sum of £10,000 plus VAT and disbursements of £84 plus VAT, in accordance with HSBC's approval.

JOINT ADMINISTRATORS' REMUNERATION

As reported above, the proposals were deemed approved and it was agreed by the secured creditor, that the Joint Administrators be remunerated by reference to time properly spent by them and their staff in attending to matters arising from the Administration of the Company.

A total of 51 hours have been spent during this reporting period at a cost of £13,655, resulting in an average hourly charge out rate of £268.

Since the Administration commenced, a total of 243 hours have been spent during the period 30 September 2013 to 18 March 2016 at a cost of £56,022, resulting in an average hourly charge out rate of £231. Attached at **Appendix III**, are schedules of my time costs, together with BM Advisory's policy on fees.

The sum of £37,982 plus VAT has been drawn against these time costs to date. During this reporting period, a sum of £5,000 plus VAT was drawn against fixed charge realisations and £19,982 plus VAT against floating charge realisations.

A description of the work undertaken during this reporting period is as follows:

Administration and planning

- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on insolvency case management software.
- Case planning, administration and ongoing strategy reviews.
- Maintaining and managing the Administrators' cashbook and bank account.

Statutory compliance and reporting

- Preparation and issue of reports to members and creditors.
- Case bordereau.
- Ensuring statutory lodgements are submitted and tax lodgement obligations are met.

Creditors

- Corresponding with the secured creditor, HSBC
- Preparing revised estimated outcome statements.
- Paying distributions to HSBC and the guarantor, under his subrogated secured creditor claim.
- Dealing with creditor correspondence and telephone calls
- Maintaining creditor information on insolvency case management software.

Investigations

- Investigating the potential director's loan including corresponding with the Company's accountant and director.

In addition to the routine work above, I have spent additional time as follows:

- Calculating the interest and costs due under the terms of the Sale and Purchase agreement.
- Regularly corresponding with Aardvark London regarding the outstanding deferred sale consideration payments.
- Reviewing Aardvark London's financial position and corresponding with its liquidator.
- Researching the position regarding the guarantor's property.
- Extensive correspondence and telephone calls with the guarantor and his conveyancer, regarding the sale of the property

A copy of 'A Guide to Administrators' Fees' can be located on the following website which provides information relating to Administrators' remuneration: www.r3.org.uk/index.cfm?page=1591 A hard copy is available on request.

During the reporting period, I have incurred category 1 and 2 disbursements totalling £18 in respect of printing and postage, which has been paid in full. I expect further printing and postage costs to be incurred.

Please note that under rule 2.48 of the Rules any secured creditor, or unsecured creditor with concurrence of at least 5% in value of the total unsecured creditors, may request further information in respect of the Administrators' remuneration and expenses. This must be sent in writing to the Administrators within 21 days of receipt of this progress report

Furthermore, any secured creditor, or unsecured creditor with at least 10% in value of the total unsecured creditors, is entitled to challenge the remuneration and expenses under rule 2.109 of the Rules. Any challenge must be brought within 8 weeks of receipt of this progress report.

COMPLETION OF THE ADMINISTRATION

As previously reported, the Administration was extended to 30 November 2016 to enable the outstanding sale consideration to be realised and the surplus funds distributed accordingly. The Administration will be concluded shortly, following the completion of my investigations into the director's loan account. The Joint Administrators shall conclude the Administration pursuant to Paragraph 84 of Schedule B1 of The Insolvency Act 1986, by moving from Administration to dissolution in the event that there is no distribution to creditors.

PROVISION OF SERVICES REGULATIONS

In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our insolvency partners, directors and consultants are recorded on the register of insolvency practitioners.

Our professional indemnity insurer is Markel International Insurance Company Limited, 49 Leadenhall Street, London EC3A 2EA. The territorial coverage is worldwide, excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim brought in any court in the United States of America or Canada

COMPLAINTS PROCEDURE

BM Advisory strives to provide a first class service to all of its clients and we are committed to a process of continuous improvement. As such should you have any comments or complaints regarding this matter you should contact me in the first place at the address on the front of this letter.

Should you consider that we have not dealt with your comments appropriately you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within BM Advisory not involved in the assignment and would be co-ordinated by the Complaints Partner, Paul Ashton, who is contactable at this office.

If you do not receive a satisfactory response then you may be able to make a complaint to my regulatory body, via the complaints Gateway operated by The Insolvency Service. The contact details for the Gateway are by email insolvency.enquiryline@insolvency.gov.uk, by phone 0300 678 0015 (call charges apply) or by post at The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA. To make an online submission or for further information please visit <https://www.gov.uk/complain-about-insolvency-practitioner>

FURTHER INFORMATION

Information can also be found at www.creditorinsolvencyguide.co.uk which is designed to provide creditors with a step by step guide to the insolvency process.

Should you require any further information, please do not hesitate to contact Alex Bellamy on 020 7549 2932 or email alex.bellamy@bm-advisory.com.

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 1996
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 15/07/1996 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

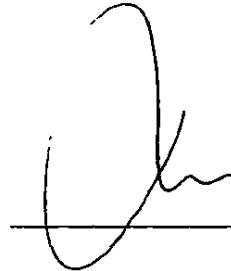
Aardvark Media Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 19/09/2015 To 18/03/2016	From 30/09/2013 To 18/03/2016
	SECURED ASSETS		
110,109.00	Goodwill	73,999.96	110,109.00
10,000.00	Intellectual Property	NIL	10,000.00
1.00	Contracts	NIL	1.00
	Interest	3,407.71	3,407.71
	Costs	5,258.50	5,258.50
		<u>82,666.17</u>	<u>128,776.21</u>
	COSTS OF REALISATION		
	Joint Administrators' Fees	5,000.00	5,000.00
	Joint Administrators' Disbursements	85.00	85.00
	Legal Fees	7,323.20	7,323.20
	Agent's Fees	3,220.00	3,220.00
	Agent's Disbursements	136.86	136.86
		<u>(15,765.06)</u>	<u>(15,765.06)</u>
	SECURED CREDITORS		
(87,301.00)	HSBC Bank plc - 24/02/2000	10,000.00	33,660.00
	Mr C Johns	55,457.61	55,457.61
		<u>(65,457.61)</u>	<u>(89,117.61)</u>
	ASSET REALISATIONS		
9,890.00	Equipment	NIL	9,890.00
	Book Debts	NIL	390.00
	Bank Interest Gross	9.74	67.71
	Rent Deposit	NIL	12,488.50
		<u>9.74</u>	<u>22,836.21</u>
	COST OF REALISATIONS		
	Preparation of S.of.A	NIL	1,500.00
	Joint Administrators' Fees	19,982.18	32,982.18
	Joint Administrators' Disbursements	(67.18)	459.42
	Agent's Fees	(3,220.00)	280.00
	Agent's Disbursements	(136.86)	11.91
	Legal Fees	(7,323.20)	3,636.80
	Legal Expenses	NIL	779.00
	Insurance of Assets	NIL	265.00
		<u>(9,234.94)</u>	<u>(39,914.31)</u>
	UNSECURED CREDITORS		
(74,379.00)	Trade & Expense Creditors	NIL	NIL
(209,840.00)	HM Revenue & Customs	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(12,000.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(253,520.00)		<u>(7,781.70)</u>	<u>6,815.44</u>
	REPRESENTED BY		
	Vat Receivable		5,000.00

Estate bank account - interest bearing

1,815.44

6,815.44

A handwritten signature in black ink, appearing to read 'Andrew Pear', is written over a horizontal line.

Andrew Pear
Joint Administrator

Aardwerk Media Limited - In Administration

Joint Administrators' time costs

for the period
19 September 2015 to 18 March 2016

Classification of Work	Hours by Staff Grade										Total Costs £	Average Hourly Rate £
	Work Analysis	Partner	Associate Director	Senior Administrator	Junior Administrator	Cashier	Support Staff	Grand Total				
Administration and Planning	Bill	0.00	0.10	0.30	0.00	0.00	0.00	0.40			108.00	270.00
	Case Accounting	0.00	0.50	0.00	0.00	2.20	0.10	2.80			925.50	327.51
	Partner Review	0.50	0.00	0.00	0.00	0.00	0.00	0.50			238.00	430.00
	Strategy and Planning	0.00	0.10	3.50	1.30	0.00	0.00	5.30			1,124.50	214.08
	Asset Realisation	3.40	0.50	1.00	0.00	0.00	0.00	4.90			1,862.00	384.08
Asset Realisation	Asset Realisation (other)	0.70	0.00	15.40	0.00	0.00	0.00	16.10			5,782.00	342.44
	Asset Realisation (Reest)	2.10	0.00	0.00	0.00	0.00	0.00	2.10			903.00	430.00
	Asset Realisation (Reest)	0.00	0.00	0.70	0.00	0.00	0.00	0.70			168.00	240.00
	Unsecured Creditors	1.50	0.00	5.50	0.00	0.00	0.00	7.00			1,965.00	280.71
	Secured Creditors	0.90	0.00	1.60	0.00	0.00	0.00	2.50			771.00	308.40
Investigation	Investigatory Work	0.30	0.00	0.00	0.00	0.00	0.00	0.30			129.00	430.00
	Legal / Litigation (other)	0.00	0.30	0.00	0.00	0.00	0.00	0.30			383.00	212.78
	Legal and Litigation	0.00	0.30	0.00	0.00	0.00	0.00	0.30			497.00	225.91
	Statutory Compliance	0.00	0.70	0.50	1.00	0.00	0.00	2.20			849.00	265.31
	Statutory Reporting	0.30	0.20	2.70	0.00	0.00	0.00	3.20			1,049.00	265.31
Tax & VAT	Tax & VAT	0.30	0.20	2.70	0.00	0.00	0.00	3.20			1,049.00	265.31
	Tax & VAT	0.30	0.20	2.70	0.00	0.00	0.00	3.20			1,049.00	265.31
Grand Total		9.30	2.40	33.70	5.30	2.20	0.10	51.00			13,655.00	267.75

For the period
20 September 2012 to 18 March 2013

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BM ADVISORY

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 Professionals (R3)

The following information applies to all appointments of partners, directors, consultants or staff of BM Advisory, 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 ("the Act") 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

In accordance with the Act, the Office Holder may seek approval of their remuneration either on a fixed fee basis, on a percentage basis or on a time costs basis. When an Office Holder's fees are charged by reference to time costs, they will be 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, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory 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. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

As at 1st March 2014 the rates applicable are.

Grade	£
Partner 1	430
Partner 2	380
Associate Director	360
Senior Manager	340
Manager	310
Assistant Manager	285
Senior Administrator	240
Administrator 1	185
Administrator 2	155
Junior Administrator	125
Cashier	115
Support staff	85

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory 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 guidance notes in relation to fees at www.r3.org.uk/index.cfm?page=1591

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, 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 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 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:

Meeting room hire	Up to £200
Creditor portal (operated within BM Advisory website)	£10 (per report)
Postage	£0.51 - £2.25
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.

