

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 March 2016

(b) 18 September 2016

(b) Insert dates

Signed

Andrew Pear

Dated

11/10/16

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

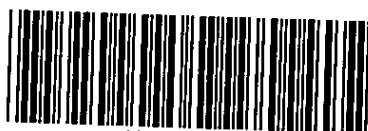
82 St John Street, London, EC1M 4JN

Tel 020 7549 2932

DX Number

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COMPANIES HOUSE

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

TO ALL MEMBERS AND KNOWN CREDITORS

82 St John Street
London EC1M 4JN

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www.bm-advisory.com

Our ref: AB/AAR002AP

11 October 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 March 2016 to 18 September 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, an overdrawn director's loan account was identified in the Company's draft management accounts but I had been advised that the director had personally settled some of the Company's liabilities prior to my appointment, to the value of the outstanding loan. During this reporting period, I have engaged in extensive correspondence, telephone calls and a meeting with the director and his financial advisor to substantiate the extent of the set-off and determine the true quantum of the loan (if any) at the date of my appointment. I have received some supporting information to date and I am continuing to investigate this matter. I will report the outcome in my next progress report and I am endeavouring to resolve this line of enquiry prior to 30 November.

During this reporting period, I have also corresponded with HJS Recovery (UK) Limited regarding the liquidation of Aardvark London Limited in connection with their investigations.

The purpose of the Administration was to achieve a better result for the creditors as a whole than would be likely if the Company was placed directly into Liquidation. This was achieved by way of the sale of the business and assets in excess of the ex situ valuation provided by Hilco Appraisal Limited. There has been no change in the Joint Administrators' strategy.

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

Attached at **Appendix II**, is the Joint Administrators' receipts and payments account, for the period 19 March 2016 to 18 September 2016, detailing a balance on hand of £3,795. The funds are held in an interest bearing estate account.

LIABILITIES

Secured creditor

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.

As previously reported, distributions were made to HSBC totalling £33,660 during the Administration and the remaining debt was settled in full under a personal guarantee provided by Mr Johns. A sale of Mr Johns' residential property completed on 1 March 2016 and the Administrators received a gross sum of £82,666 under an undertaking provided by his solicitors. Therefore, a residual sum of £55,458 was paid to Mr Johns, under his subrogated secured 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 totalling £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.

Based on present information, 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 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 a Company. I confirm that my report has been submitted.

PRE-ADMINISTRATION COSTS

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

Pre-administration costs were paid to independent agents, Hilco Appraisal Limited in the sum of £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 30.50 hours have been spent during this reporting period at a cost of £7,988, resulting in an average hourly charge out rate of £262.

Since the Administration commenced, a total of 273.23 hours have been spent at a cost of £64,096, resulting in an average hourly charge out rate of £235. Attached at **Appendix III** are schedules of my time costs, together with BM Advisory's policy on fees.

The sum of £40,482 plus VAT has been drawn against these time costs to date, of which a sum of £2,500 plus VAT was drawn during this reporting period.

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

Administration and planning

This is work involved in the routine administrative functions of the case. It does not give direct financial benefit to the creditors, but has to be undertaken to meet our statutory requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice.

- 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

This is work involved in the statutory functions of the case, together with the necessary control and supervision by senior staff. It does not give direct financial benefit to the creditors, but has to be undertaken to meet our statutory obligations.

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

Creditors

This is work required to deal with the various creditors of the Company and maintain records of each claim. All queries and correspondence are dealt with as part of our statutory obligations.

- Dealing with creditor correspondence

Investigations

This is work required to comply with our statutory obligations and has no direct financial benefit to creditors unless there are potential recovery actions identified. Details of the investigations undertaken and outcome are set out in this report.

- Investigating the potential director's loan accounting including extensive correspondence and telephone calls with the director and financial advisor, together with a meeting.
- Corresponding with HJS Recovery (UK) Limited regarding Aardvark London Limited in connection with their investigations.

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 also incurred category 1 and 2 disbursements totalling £18 in respect of postage and printing (Category 1 & 2), which have been paid in full. I expect further printing and postage costs to be incurred.

I have not instructed professional advisors and/or agents during this reporting period or incurred such fees.

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. The Administration will be concluded 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.

However, if there are sufficient funds realised to enable a dividend to creditors, as agreed in the Proposals, the Joint Administrators will be permitted to place the Company into Creditors' Voluntary Liquidation, in order to conclude any further asset realisations and make a distribution to the unsecured creditors. In accordance with Paragraph 83(1) of Schedule B1 of The Insolvency Act 1986 it has been proposed that Michael Solomons and I are appointed Joint Liquidators.

The Joint Administrators will be discharged from liability in respect of any act of theirs immediately after they cease to be Administrators of the Company.

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 VAT number is 108 9819 82.

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.gsi.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 7529 2932 or email alex.bellamy@bm-advisory.com.

Yours faithfully

**For and on behalf of
Aardvark Media Limited**



Andrew Pear
Joint Administrator

Enc.

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' Summary of Receipts & Payments

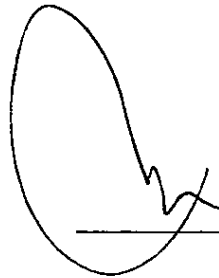
Statement of Affairs £		From 19/03/2016 To 18/09/2016 £	From 30/09/2013 To 18/09/2016 £
	SECURED ASSETS		
110,109 00	Goodwill	NIL	110,109 00
10,000 00	Intellectual Property	NIL	10,000 00
1 00	Contracts	NIL	1.00
	Interest	NIL	3,407.71
	Costs	NIL	5,258.50
		NIL	128,776.21
	COSTS OF REALISATION		
	Joint Administrators' Fees	NIL	5,000 00
	Joint Administrators' Disbursements	NIL	85.00
	Legal Fees	NIL	7,323 20
	Agent's Fees	NIL	3,220 00
	Agent's Disbursements	NIL	136 86
		NIL	(15,765 06)
	SECURED CREDITORS		
(87,301.00)	HSBC Bank plc - 24/02/2000	NIL	33,660 00
	Mr C Johns	NIL	55,457 61
		NIL	(89,117 61)
	ASSET REALISATIONS		
9,890 00	Equipment	NIL	9,890 00
	Book Debts	NIL	390 00
	Bank Interest Gross	1.14	68 85
	Rent Deposit	NIL	12,488 50
		1 14	22,837 35
	COST OF REALISATIONS		
	Preparation of S of A	NIL	1,500 00
	Joint Administrators' Fees	2,500 00	35,482 18
	Joint Administrators' Disbursements	17 82	477.24
	Agent's Fees	NIL	280.00
	Agent's Disbursements	NIL	11 91
	Legal Fees	NIL	3,636.80
	Legal Expenses	NIL	779 00
	Insurance of Assets	NIL	265.00
		(2,517.82)	(42,432.13)
	UNSECURED CREDITORS		
(74,379 00)	Trade & Expense Creditors	NIL	NIL
(209,840.00)	HM Revenue & Customs	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(12,000 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(253,520.00)		(2,516.68)	4,298.76

REPRESENTED BY

Vat Receivable
Estate bank account - interest bearing

503 56
3,795 20

4,298.76

A handwritten signature in black ink, consisting of a large loop followed by a series of smaller, connected strokes.

Andrew Pear
Joint Administrator

19 March 2016 to 18 September 2016

Classification of Work	Hours by Staff Grade						Total Cost £	Average Hrlly Rate £
	Work Analysis	Partner	Associate Director	Senior Administrator	Junior Administrator	Cashier		
Administration and Planning	Buil	0.00	0.10	0.30	0.00	0.00	0.40	108.00
	Case Accounting	0.00	0.00	1.30	0.20	0.20	3.20	587.50
	Partner Review	0.80	0.00	0.00	0.00	0.00	0.80	430.00
	Unsecured Creditors	0.00	0.00	0.20	0.00	0.20	0.40	240.00
Creditors	Investigatory Work	2.40	0.90	1.10	1.30	0.00	16.00	4,293.50
	Statutory Compliance	0.00	0.90	0.00	0.00	0.00	3.20	876.00
	Statutory Reporting	0.30	0.70	4.60	0.50	0.00	6.10	1,562.50
	Tax & VAT	0.00	0.20	0.40	0.00	0.00	0.60	280.00
Grand Total		3.50	3.00	20.50	2.00	1.50	30.50	7,987.50

Aardvark Media Limited In Administration

Joint Administrators' Time Costs

For the period
30 September 2013 to 18 September 2016

Classification of Work Administration and Planning	Hours by Staff Grade										Total Cost £	Average Rate £
	Work Analysis	Partner	Associate Director	Senior Manager	Senior Administrator	Administrator 1	Junior Administrator	Junior	Carliner	Support Staff		
Asset Realisation	Bill	0.00	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.20	336.00
	Case Accounts	0.70	1.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.50	5,034.90
	Partner Review	10.10	0.00	0.00	0.00	0.00	0.10	0.00	13.25	0.00	29.98	4,153.00
	Strategy and Planning	1.60	0.80	0.50	0.00	0.00	3.10	0.35	0.30	0.00	10.10	2,025.95
	Asset Realisation (other)	9.70	3.50	0.00	0.00	10.40	0.00	0.00	0.00	0.00	23.55	10,663.50
Creditors	Asset Realisation (other)	1.50	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.90	1,859.00
	Asset Realisation (other)	1.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.60	1,815.00
	Asset Realisation (other)	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.40	1,815.00
	Asset Realisation (other)	1.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.50	3,998.00
	2 Debt Collection	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.70	682.00
Investigation	Unsecured Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.30	1,099.00
	Secured Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.10	7,537.50
	Investigatory Work	1.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.70	248.24
	2 Legal / Litigation (other)	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.70	4,342.00
	2 Legal / Litigation (other)	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.40	322.50
Compliance	Statutory Compliance	0.00	2.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.40	4,682.00
	Statutory Compliance	0.70	4.10	0.40	0.00	16.10	1.00	0.00	0.00	0.00	21.20	203.57
	Statutory Compliance	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.50	1,127.00
	2 Tax & VAT	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.20	3,197.50
	2 Tax & VAT	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40	123.00
Grand Total											273.23	64,093.90

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=1210 (for appointments from 1 October 2015) www.r3.org.uk/index.cfm?page=1591 (for appointments between November 2011 and September 2015)

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.