

The Insolvency Act 1986

**Administrator's progress report**Name 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) 30 September 2013

(b) 29 March 2014

(b) Insert dates

Signed

Andrew Pear

Dated

22 APRIL 2014

**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.

Adam Boyle

BM Advisory

82 St John Street, London, EC1M 4JN

Tel 020 7549 8007

DX Number

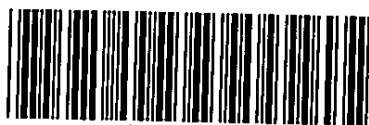
DX Exchange

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

TUESDAY



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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

22 April 2014

Dear Sirs

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

**Company Number: 03182500**

**High Court of Justice No. 6425 of 2013**

Andrew Pear and Michael Solomons 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. The Notice of Appointment was filed in the High Court of Justice under reference number 6425 of 2013.

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 30 September 2013 to 29 March 2014, 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 dated 7 October 2013 and 22 November 2013.

## **STATUTORY INFORMATION**

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

## **PROGRESS OF THE ADMINISTRATION**

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 has been achieved through the sale of the business and assets of the Company as a going concern on 7 October 2013, potentially enabling the secured creditor to be paid in full under its fixed charge.

Also, as previously advised, the Company held 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 covered any liabilities arising in relation to the property following the sale. The Administrators' surrendered the lease on 12 December 2013.

## **JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

Attached at **Appendix 2**, is the Joint Administrators' Receipts and Payments Account, for the period 30 September 2013 to 29 March 2014, detailing a balance on hand of £19,271

### **Sale of Assets**

In accordance with the Sale and Purchase Agreement, I have received a further three instalments, totalling £7,500 To date, I have received £25,000 which has been apportioned as follows,

	£
Goodwill	5,110
Intellectual Property	10,000
Equipment	9,890
<b>Total</b>	<b>25,000</b>

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

### **Rent Deposit**

Following a surrender of the lease held for the Company's trading premises, the rent deposit was returned to the Company in the sum of £12,489

## **LIABILITIES**

### **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**

A dividend payment to unsecured creditors is unlikely in this matter due to insufficient asset realisations.

## **PRESCRIBED PART**

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

Since the Company gave a fixed and floating charge to HSBC Bank plc on 24 February 2000, this is before the required date and as a result, the prescribed part provisions do 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 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 was submitted

## **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 it doing so

Pre-Administration costs of Hilco Appraisal Limited in the sum of £3,500 plus VAT and disbursements of £149 and Pitmans LLP in the sum of £10,000 plus VAT and disbursements of £84 have been paid

## **JOINT ADMINISTRATORS' REMUNERATION**

It was agreed by the creditors on 5 December 2013, 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 pursuant to rule 2.106(2)(b) of the Rules

Since the Administration commenced, a total of 66.05 hours have been spent during the period 30 September 2013 to 29 March 2014 at a cost of £13,552, resulting in an average hourly charge out rate of £205.18. Attached at **Appendix 3**, is a schedule of my time costs to date together with BM Advisory's policy on fees.

No time has been drawn to date

A description of the routine work undertaken in the Administration to date is as follows

### **Administration and Planning**

- Dealing with the formalities of appointment and preparing documentation required.
- Statutory notifications and advertising
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on IPS case management software.
- Case bordereau.
- Case planning and Administration
- Preparing reports to members and creditors

### Cashiering

- Maintaining and managing the Administrator's cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

### Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information on IPS case management software, including proof of debts received from creditors

### Investigations

- Review and storage of books and records
- Conduct an initial investigation into the Company's affairs.
- Prepare a report pursuant to the Company Directors Disqualification Act.

### Realisation of Assets

- Negotiation and finalisation of the sale of business and assets
- Liaising with the Company's bank regarding the closure of the account
- Vacating the leasehold property and realising the rent deposit

Creditors will find a guide to Administrators' fees on the following website

[http://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Administrators\\_Fees.pdf](http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees.pdf)

I have also incurred category 1 and 2 disbursements totalling £442 as per the following breakdown, which remain unpaid

	£	
Statutory advertising	75 00	Category 1
Printing and postage	26 60	Category 1 & 2
Bonding	330 00	Category 1
<b>Total</b>	<b><u>441.60</u></b>	

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

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

The Administration will remain open until the deferred consideration due from the sale of the business and assets has been received. Once completed 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.

The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately on their appointment as Joint Liquidators, as Administrators ceasing to have effect.

## **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

**Aardvark Media Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**  
**To 29/03/2014**

<b>S of A £</b>		<b>£</b>	<b>£</b>
	<b>SECURED ASSETS</b>		
110,109 00	Goodwill	5,110 04	
10,000 00	Intellectual Property	10,000 00	
1 00	Contracts	NIL	
			15,110 04
	<b>SECURED CREDITORS</b>		
(87,301 00)	HSBC Bank plc - 24/02/2000	NIL	
			NIL
	<b>ASSET REALISATIONS</b>		
9,890 00	Equipment	9,890 00	
	Bank Interest Gross	10 19	
	Rent Deposit	12,488.50	
			22,388 69
	<b>COST OF REALISATIONS</b>		
	Preparation of S of A	1,500 00	
	Agent's Fees	3,500 00	
	Agent's Disbursements	148 77	
	Legal Fees	10,000 00	
	Legal Expenses	84 00	
	Insurance of Assets	265 00	
			(15,497 77)
	<b>UNSECURED CREDITORS</b>		
(74,379 00)	Trade & Expense Creditors	NIL	
(209,840 00)	HM Revenue & Customs	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(12,000 00)	Ordinary Shareholders	NIL	
			NIL
<b>(253,520.00)</b>			<b>22,000.96</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		4,174 37
	Bank 1 Current		19,271 21
	Vat Payable		(1,444 62)
			<b>22,000.96</b>

Note:

Andrew Pear  
Joint Administrator

Aardvark Media Limited - In Administration

Joint Administrators' Time Costs

For the Period  
30 September 2013 to 29 March 2014

		Hours by Staff Grade								
Classification of Work	Work Analysis	Hours by Staff Grade						Grand Total	Total Cost £	Average Hly Rate £
		Partner	Manager: Senior	Administrator 1	Administrator: Junior	Cashier	Support Staff			
Administration and Planning	Admin & Planning	1.60	0.20	1.40	0.20	0.20	0.00	3.60	947.50	263.19
	Case Accounting	0.50	0.00	4.70	0.90	4.05	0.00	10.15	1,499.00	147.68
	Partner Review	3.80	0.00	0.00	0.00	0.00	0.00	3.80	1,444.00	380.00
	Asset Realisation	0.00	0.00	6.00	0.00	0.00	0.00	6.00	1,085.00	180.83
Creditors	Freehold/Leasehold Property	1.30	0.40	7.70	0.00	0.00	0.00	9.40	1,996.00	212.34
	Unsecured Creditors	0.30	0.00	0.80	0.00	0.00	0.00	1.10	258.00	234.55
	Secured Creditors	1.80	0.40	3.30	0.00	0.00	0.00	5.50	1,394.00	253.45
	Investigatory Work	0.00	0.00	2.50	0.00	0.00	0.00	2.50	462.50	185.00
Legal and Litigation	Legal / Litigation	0.00	0.00	0.80	0.00	0.00	0.00	0.80	148.00	185.00
	Statutory Compliance	0.00	0.80	5.70	0.00	0.00	0.00	6.50	1,258.00	193.54
Controllable	Statutory Reporting	0.00	1.10	12.60	0.00	0.00	1.00	14.70	2,647.00	180.07
	Tax & VAT	0.00	0.00	1.60	0.00	0.00	0.00	1.60	290.00	181.25
	Billing & WIP Reviews	0.20	0.00	0.20	0.00	0.00	0.00	0.40	123.00	307.50
Grand Total		9.50	2.90	47.30	1.10	4.25	1.00	66.05	13,552.00	205.18



## **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) as at 1 August 2005

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 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, 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.

As at 1<sup>st</sup> 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 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, 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 by BM Advisory

Meeting room hire	£200.00
Creditor portal (per report)	£10
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.