

The Insolvency Act 1986

Administrator's progress report

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)

I / We (a) Andrew Pear
BM Advisory LLP
82 St John Street
London
EC1M 4JN

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

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

(b) Insert dates

from

to

(b) 30 MARCH 2014

(b) 25 AUGUST 2014

Signed

Joint / Administrator(s)

Dated

25 AUGUST 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.

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

DX Number

020 7549 8050
DX Exchange

I 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



A08 *A3H1350J* 23/09/2014 #317
COMPANIES HOUSE

BM Advisory.

Corporate Advisory & Restructuring

TO ALL MEMBERS AND 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

25 August 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 seek an extension of the Administration for 26 months, in order to provide sufficient time to realise the outstanding deferred consideration and pay a distribution to the secured creditor. This report is also to provide creditors with an account of the progress of the Administration, for the period 30 March 2014 to 25 August 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, 22 November 2013 and 22 April 2014.

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 which completed on 30 September 2013, for the sum of £130,000.

Under the terms of the Sale and Purchase Agreement, £15,000 was received upon completion of the sale, with the remaining balance payable on a deferred basis over three years with £2,500 payable per month for the first year, £3,750 per month for the second year and £3,333 per month for the third year.

Since the date of my last report, I have collected 3 months deferred consideration totalling £7,500, resulting in 7 months deferred consideration received in total. This has allowed for a distribution to the secured charge holder, HSBC Bank plc ("HSBC"), in the sum of £17,610. The purchaser is currently 3 months in arrears but has put forward a proposal to bring these payments up to date within the next 2 months and remain up to date for the remainder of the agreement.

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

Attached at **Appendix 2**, is the Joint Administrators' Receipts and Payments Account, for the period 30 March 2014 to 25 August 2014, detailing a balance on hand of £1,273.

LIABILITIES

SECURED CREDITORS

HSBC 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 at the date of my appointment was £87,301. The sum of £17,610 has been paid to date and it is anticipated that the full amount will be settled, subject to the deferred consideration being paid in full.

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.

No other preferential claims have been received to date.

UNSECURED CREDITORS

Trade and Expense 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 £12,558.

HM Revenue & Customs

The Company's accounting records indicate that HMRC are 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 of £188,929.

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.

The Company granted a fixed and floating charge to HSBC Bank plc on 24 February 2000, being 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.

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.

The pre-Administration costs have been paid to Hilco Appraisal Limited in the sum of £3,500 and disbursements of £149 (plus VAT) and Pitmans LLP in the sum of £10,000 and disbursements of £84 (plus VAT).

JOINT ADMINISTRATORS' REMUNERATION

It was agreed by the secured creditor on 4 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 last reporting period, a total of 33.83 hours have been spent at a cost of £6,601, resulting in an average hourly charge out rate of £195. During the whole administration, a total of 93.58 hours have been spent at a cost of £18,980, resulting in an average hourly charge out rate of £203. Attached at **Appendix 3**, is a schedule of my time costs to date together with BM Advisory's policy on fees.

The sum of £8,442 plus VAT has been drawn against these time costs in this reporting period.

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.
- Reporting to the secured creditor.
- Distributing secured funds.

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.
- Monitoring deferred consideration.
- 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

I have also incurred category 1 and 2 disbursements totalling £442 as per the following breakdown, which remain unpaid. An invoice has been raised to pay these disbursements in full but has not been paid at the date of this report.

	£	
Statutory advertising	75 00	Category 1
Printing and postage	26 60	Category 1 & 2
Bonding	330 00	Category 1
Total	441.60	

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

An application for the extension of the Administration to 25 November 2016 is made in order for the Administrators to realise the full outstanding deferred consideration from the sale of the business and assets. The full receipt of the deferred consideration will result in the secured creditor being paid in full.

The Joint Administrators shall then 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 unsecured 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.

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 ip.complaints@insolvency.gsi.gov.uk, by phone 0845 602 9848 (call charges apply) or by post: 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

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

Enc

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

Statement of Affairs		From 30/03/2014 To 25/08/2014	From 30/09/2013 To 25/08/2014
	SECURED ASSETS		
110,109.00	Goodwill	7,500.00	12,610.04
10,000.00	Intellectual Property	NIL	10,000.00
1.00	Contracts	NIL	NIL
		<u>7,500.00</u>	<u>22,610.04</u>
	SECURED CREDITORS		
(87,301.00)	HSBC Bank plc - 24/02/2000	<u>17,610.00</u>	<u>17,610.00</u>
		(17,610.00)	(17,610.00)
	ASSET REALISATIONS		
9,890.00	Equipment	NIL	9,890.00
	Bank Interest Gross	11.66	21.85
	Rent Deposit	NIL	12,488.50
		<u>11.66</u>	<u>22,400.35</u>
	COST OF REALISATIONS		
	Preparation of S.of A.	NIL	1,500.00
	Joint Administrators' Fees	8,441.60	8,441.60
	Agent's Fees	NIL	3,500.00
	Agent's Disbursements	NIL	148.77
	Legal Fees	NIL	10,000.00
	Legal Expenses	NIL	84.00
	Insurance of Assets	NIL	265.00
		<u>(8,441.60)</u>	<u>(23,939.37)</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>(18,539.94)</u>	<u>3,461.02</u>
	REPRESENTED BY		
	Vat Receivable		2,188.32
	Bank 1 Current		1,272.70
			<u>3,461.02</u>

Note:

Aardvark Media Limited - In Administration

Joint Administrators' Time Costs
For the Period
30 March 2014 to 25 August 2014

Classification of Work	Work Analysis	Hours by Staff Grade					Grand Total	Total Cost £	Average Hry Rate £
		Partner	Administrator 1	Administrator 2	Junior	Cashier			
Administration and Planning	Admin & Planning	0.00	1.10	0.00	0.00	0.00	1.10	203.50	185.00
	Case Accounting	0.00	1.10	0.38	0.30	1.15	2.93	418.65	142.88
	Partner Review	1.40	0.00	0.00	0.00	0.00	1.40	602.00	430.00
	Asset Realisation	0.00	3.70	0.00	0.00	0.00	3.70	684.50	185.00
Creditors	Secured Creditors	0.00	2.20	0.00	0.00	0.00	2.20	407.00	185.00
Investigation	Investigatory Work	0.00	2.50	0.00	0.00	0.00	2.50	462.50	185.00
Legal and Litigation	Legal / Litigation	0.00	0.80	0.00	0.00	0.00	0.80	148.00	185.00
Statutory Compliance	Statutory Compliance	0.00	4.30	0.00	0.00	0.00	4.30	795.50	185.00
	Statutory Reporting	0.00	8.60	0.00	0.00	0.00	8.60	1,591.00	185.00
	Tax & VAT	0.30	5.60	0.00	0.00	0.00	5.90	1,165.00	197.46
Controllable	Billing & WTP Reviews	0.20	0.20	0.00	0.00	0.00	0.40	123.00	307.50
Grand Total		1.90	30.10	0.38	0.30	1.15	33.83	6,600.65	195.11

For the Period
30 September 2013 to 25 August 2014

Classification of Work	Hours by Staff Grade										Grand Total	Total Cost £	Average Hourly Rate £
	Work Analysis	Partner	Senior Manager	Administrator 1	Administrator 2	Junior Administrator	Junior	Support Staff	Cashier				
Administration and Planning	Admin & Planning	1.60	0.70	2.20	0.00	0.20	0.00	0.00	0.20		4.40	1,095.50	248.98
	Case Accounting	0.50	0.00	5.50	0.38	0.90	0.30	0.00	4.60		12.18	1,793.15	147.22
	Partner Referral	5.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00		5.20	2,046.00	393.46
	Asset Realisation	0.00	0.00	8.70	0.00	0.00	0.00	0.00	0.00		8.70	1,584.50	182.13
Creditors	Freehold/Leasehold Property	1.30	0.40	7.70	0.00	0.00	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	0.00	0.00		1.10	258.00	234.55
	Secured Creditors	1.80	0.40	5.50	0.00	0.00	0.00	0.00	0.00		7.70	1,801.00	233.90
	Investigation	0.00	0.00	2.50	0.00	0.00	0.00	0.00	0.00		2.50	467.50	186.00
Legal and Litigation	Legal / Litigation	0.00	0.00	0.80	0.00	0.00	0.00	0.00	0.00		0.80	148.00	185.00
	Statutory Compliance	0.00	0.80	10.00	0.00	0.00	0.00	0.00	0.00		10.80	2,053.50	190.14
	Statutory Reporting	0.00	1.10	21.20	0.00	0.00	0.00	1.00	0.00		23.30	4,238.00	181.89
	Tax & VAT	0.70	0.00	6.80	0.00	0.00	0.00	0.00	0.00		7.10	1,381.00	194.51
Contributable	Feeling & WIP Reviews	0.70	0.00	0.70	0.00	0.00	0.00	0.00	0.00		0.40	121.00	307.50
	Grand Total	11.20	2.90	71.90	0.38	1.10	0.30	1.00	4.60		93.58	18,980.15	202.82

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 (RB) 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 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 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	Up to £200
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