

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

03374330

Name of Company

Aardvark TMC Limited

I / We

Brian Green, 1 The Embankment, Neville St, Leeds, LS1 4DW

Mark Granville Firmin, 1 The Embankment, Neville St, Leeds, LS1 4DW

Howard Smith, 1 The Embankment, Neville St, Leeds, LS1 4DW

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 15/05/2014 to 14/05/2015

Signed



Date 14 July 2015

KPMG LLP
1 The Embankment
Neville St
Leeds
LS1 4DW

Ref AD516D0001/LJS/SPC/JB/KF/PT/SR

SATURDAY



A14 18/07/2015 #427
COMPANIES HOUSE

Aardvark TMC Limited
(In Liquidation)
Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 15/05/2014 To 14/05/2015	From 15/05/2013 To 14/05/2015
	FIXED CHARGE ASSETS		
750,000 00	Freehold land & buildings	NIL	615,800 00
480,000 00	Fixed plant	NIL	650,000 00
1 00	Goodwill	NIL	1 00
		NIL	1,265,801 00
	FIXED CHARGE CREDITORS		
(13,123,343 00)	First ranking fixed charge holder	NIL	1,265,801 00
(28,135,000 00)	Second ranking fixed charge holder	NIL	NIL
		NIL	(1,265,801 00)
	HP/LEASING		
7,803,825 00	Mobile plant	NIL	NIL
(6,485,522 00)	HP creditor inc claim on full proceeds	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Motor Vehicles	NIL	50,000 00
1,724,453 00	Mobile plant unencumbered	NIL	1,454,350 00
10,000 00	Fixtures and fittings	NIL	NIL
1,117,710 00	Coal stocks	NIL	1,000,000 00
45,182 00	Fuel stock	NIL	NIL
1,836,142 00	Book debts	NIL	1,299,998 00
123,478 00	Plant spares	NIL	46,000 00
236,148 00	Other debtors	NIL	NIL
	Other assets	NIL	1 00
	Financed equipment	NIL	1,313,650 00
	Pre-appointment funds held by solicitor	NIL	336,019 98
6,448,433 00	Cash at bank	NIL	6,443,118 29
1,323 00	Petty cash	NIL	854 01
50,000 00	Prepayments	NIL	NIL
		NIL	11,943,991 28
	OTHER REALISATIONS		
	Bank interest, gross	2,609 03	11,587 89
	Bank interest, net	6,442 19	6,442 19
	Legal fees refund	NIL	2,514 87
	Rates refund	84,743 62	282,774 98
	Sundry refunds	1,433 60	7,210 31
	Third party funds	NIL	1,825,348 13
	Pension refund	NIL	355 56
		95,228 44	2,136,233 93
	COST OF REALISATIONS		
	Fee for preparing statement of affairs	NIL	1,500 00
	Liquidators' fees	NIL	300,000 00
	Liquidators' expenses	NIL	1,581 64
	Fee for convening section 98 meeting	NIL	25,000 00
	Section 98 expenses	NIL	1,328 99
	Cash to OCCW (Netherton)	NIL	93,000 00
	Cash to OCCW (Duncanziemere)	NIL	57,000 00
	Legal fees	28,103 54	200,233 54
	Legal disbursements	418 69	19,317 58

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Pre-appointment legal fees	NIL	77,915 84
Pre-appointment disbursements	NIL	42,602 52
Repayment of third party funds	NIL	1,825,348 13
Agents fees	2,000 00	43,500 00
Storage costs	523 44	545 19
Re-direction of mail	240 00	1,020 00
Statutory advertising	NIL	1,741 35
Insurance of assets	NIL	339 20
Wages, salaries & holiday pay	NIL	1,124 59
Bank charges	NIL	268 30
	(31,285 67)	(2,693,366 87)
PREFERENTIAL CREDITORS		
(415,351 00) Wages, salaries & holiday pay	NIL	NIL
	NIL	NIL
FLOATING CHARGE CREDITORS		
Floating charge	NIL	8,663,999 00
	NIL	(8,663,999 00)
UNSECURED CREDITORS		
(2,383,409 54) Trade & expense	NIL	NIL
(2,462,771 00) Staff claims for redundancy	NIL	NIL
(30,743,527 00) Restoration liabilities	NIL	NIL
(1,846,136 00) Contract termination claims	NIL	NIL
(26,641,136 00) Intercompany loans	NIL	NIL
(557,727 00) Accruals	NIL	NIL
(3,968,428 00) HMRC	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
(1,000 00) Ordinary shareholders	NIL	NIL
	NIL	NIL
(96,136,655 54)	63,942.77	2,722,859 34
REPRESENTED BY		
VAT receivable		133,225 18
Current account		2,707,853 64
Fixed charge VAT payable		(87,640 00)
VAT payable		(142 73)
Floating ch VAT control		(30,436 75)
		2,722,859 34



Aardvark TMC Limited – in Liquidation (the ‘Company’)
Annual Report to creditors pursuant to Section 104A of the Insolvency Act 1986
for the period 15 May 2014 to 14 May 2015
KPMG LLP

**Aardvark TMC Limited – in
Liquidation (the ‘Company’)**

**Annual Report to creditors
pursuant to Section 104A of
the Insolvency Act 1986
for the period 15 May 2014
to 14 May 2015**

KPMG LLP
13 July 2015
This report contains 25 pages
HS/LS/KF/JB



Glossary

ATH Resources	ATH Resources Plc
the Banks	HSBC Bank Plc and Clydesdale Bank
Becap	Becap Capital Coal Limited
the Company	Aardvark TMC Limited – in Liquidation (company number 03374330)
CMS	CMS Cameron McKenna LLP
the Directors	Alistair Black Andrew Weatherstone David Lancashire Peter Morgan James Wilson Derek Pollock
Dentons	Dentons UKMEA LLP
Euler Hermes	Euler Hermes (UK) Limited
The Hivocos	OCCW (Netherton) Limited and OCCW (Duncanziemere) Limited
HMRC	HM Revenue & Customs
HSML	Hargreaves Surface Mining Limited
IA 86	The Insolvency Act 1986
IR 86	The Insolvency Rules 1986 (as amended)
Iron Mountain	Iron Mountain (UK) Limited
Joint Liquidators	Mark Firmin, Brian Green and Howard Smith of KPMG LLP, 1 The Embankment, Neville Street, Leeds, LS1 4DW
KPMG	KPMG LLP



Aardvark TMC Limited – in Liquidation (the ‘Company’)
Annual Report to creditors pursuant to Section 104A of the Insolvency Act 1986
for the period 15 May 2014 to 14 May 2015
KPMG LLP
13 July 2015

About this report

This annual report has been prepared by Mark Firmin, Brian Green and Howard Smith of KPMG LLP, the Joint Liquidators of the Company solely to comply with their statutory duty to report to members and creditors under Section 104A of the Insolvency Act 1986, and to provide an account of their acts and dealings and of the conduct of the Liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under Section 104A of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Mark Firmin and Brian Green are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Howard Smith is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

The appointments of the Joint Liquidators are personal to them and, to the fullest extent permitted by law, KPMG LLP do not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the liquidation.

Please note that unless stated otherwise, all amounts in this report and appendices are stated net of VAT.



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Annual Report to creditors pursuant to Section 104A of the Insolvency Act 1986
for the period 15 May 2014 to 14 May 2015
KPMG LLP
13 July 2015

1 Executive Summary

I was appointed Joint Liquidator of the Company together with Mark Firmin and Brian Green by the members of the Company on 15 May 2013. Our appointment was ratified by the creditors of the Company at a meeting of creditors held at The Hilton Hotel, 1 William Street, Glasgow on 24 May 2013.

In accordance with Section 104A of the Insolvency Act 1986, I set out below my annual report on the progress of the Liquidation. This report covers the 12 month period from 15 May 2014 to 14 May 2015.

Full details of the progress of the Liquidation are detailed below with all the relevant statutory information included by way of Appendices.

Joint Liquidator – Howard Smith



2 Progress to Date

2.1 Background

As previously reported, the Joint Liquidators concluded a sale of the business and certain assets of the Company to HSML and transferred certain land relating to the active coaling sites at Netherton and Duncanziemere to the Hivecons, two newly formed subsidiaries of the Company

In order to maintain operations at Netherton and Duncanziemere the directors of the Hivecons entered into a service agreement with HSML, who have assumed full operational responsibility at both sites. As part of the sale, 237 of the Company’s employees transferred to HSML

The Hivecons were set up to enable the land associated with the ongoing coaling operations at Netherton and Duncanziemere to be transferred into them. This land could not be immediately transferred to HSML, without certain planning permissions and consents being granted, due to the significant restoration liabilities attached to the land

The assets transferred into the Hivecons for a total consideration of £588,200 (apportioned in respect of land of £438,200 and cash of £150,000). This is currently represented as an intercompany loan to the Hivecons

On receipt of the requisite planning consents and permissions, HSML will acquire the shares in the Hivecons for £1, at which point the intercompany debt will be settled and the Company will receive £588,200 in respect of the assets transferred. It is currently anticipated this will take place in October 2015

In addition, assets relating specifically to the Glenmuckloch site were transferred to a special purpose vehicle owned by Buccleuch Estates Limited. The consideration for these assets was £1

2.2 Strategy

The majority of the business and assets had transferred to HSML as a result of the above transaction. Accordingly, the Joint Liquidators are seeking to realise the remaining assets, in particular the recovery of the loans due in respect of the Hivecons

The Joint Liquidators are also managing the ongoing assignment of licences and permits to HSML

2.3 Communication

Following their appointment, the Joint Liquidators wrote to all known creditors on 15 May 2013 advising them of their appointment and attaching details of the sale of the business and assets



Shortly thereafter, on 29 May 2013, the Joint Liquidators wrote to all known creditors enclosing a copy of the Directors’ report which had been presented at the meeting of creditors on 24 May 2013

We wrote to creditors again on 8 July 2014 enclosing the Joint Liquidators’ Annual Report for the period 15 May 2013 to 14 May 2014

2.4 Assets

2.4.1 Bank interest

Bank interest of £9,051 has been received in the period, of which £6,442 has been received net of tax

2.4.2 Rates refunds

In September 2013, the Joint Liquidators instructed a specialist surveyor to undertake a number of business rates revaluation appeals in respect of the Company’s former sites

As a result, a total of £84,744 has been received in the period from Fife Council. No further refunds are anticipated

2.4.3 Sundry refunds

A total of £1,434 has been received in the period in respect of sundry refunds due to the Company

2.5 Liabilities

2.5.1 Secured creditors

Hargreaves Surface Mining Limited

As previously reported, HSML purchased the secured debt of the Company from Becap on 1 March 2013 and hold a first ranking fixed and floating charge over the Company’s assets. At the date of appointment, HSML were owed £13,123,343

During the period the Joint Liquidators have not made any further distributions to HSML under their security

Total distributions to date are £9,929,800

Euler Hermes (UK) Limited

As previously reported, Euler Hermes had a second ranking fixed and floating charge over the Company’s assets. As there will be insufficient funds to enable a distribution to Euler Hermes under their security, they have agreed to release their security. Therefore, the amount owed to Euler Hermes will rank as an unsecured claim in the liquidation



2.5.2 Preferential creditors

As previously reported, 237 employees transferred to HSML as part of the sale of business and assets and therefore the Joint Liquidators do not currently anticipate any preferential claims in the liquidation

2.5.3 Unsecured creditors

The Directors’ statement of affairs estimated that unsecured creditors totalled £98,053,959, which comprises mainly of the amounts due to the bond providers, a large intercompany balance owed to ATH Resources and the outstanding restoration liabilities

The Insolvency Act 1986 (Prescribed Part) Order 2003 is applicable in this case as HSML’s security post dates 15 September 2003. The Prescribed Part is calculated as a percentage of the Company’s net property. The Company’s net property is the net amount available to the floating charge holder(s) after the payment of costs and preferential creditors and is currently estimated to be approximately £10,302,557.

In this instance, it is estimated that a maximum Prescribed Part fund of £600,000 (before the costs of agreeing creditor claims and making the distribution) will be available for the benefit of unsecured creditors.

Accordingly, the Joint Liquidators will be writing to all known creditors in due course to request details of any claim that they have against the Company.

2.6 Expenses for the period

The receipts and payments for the period are set out in the attached Receipts and Payments Account (see Appendix 2).

The office holders’ time costs for the period of this report are also attached (see Appendix 3).

The statutory provisions relating to remuneration are set out in Rule 4.127 of the Insolvency Rules 1986. A creditors’ guide to fees can be found at

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Nov20111.pdf

If you are unable to access this guide and would like a copy, please contact Kevin Flatley on 0113 231 3155.

For the period from 15 May 2014 to 14 May 2015 we have incurred time costs of £146,381, representing 492 hours at an average rate of £297 per hour. This includes the Tax, VAT, Employee, Health and Safety and Pensions advice from KPMG LLP in-house specialists.

A detailed breakdown of the charge out rates for the duration of the Liquidation is included in Appendix 2 to this Report. Please note the Joint Liquidators’ charge out rates



Aardvark TMC Limited – in Liquidation (the ‘Company’)
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13 July 2015

have been fixed for the duration of the liquidation at the rates applicable at the date of the liquidation and are not subject to any increases in the general charge out rates of KPMG LLP

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of the charge out rates

Creditors voted in favour of the following resolutions in relation to the Joint Liquidators’ remuneration, by creditor resolution

- “That the remuneration of the Joint Liquidators be drawn on the basis of time properly spent by the Joint Liquidators and their staff in attending to matters arising in the liquidation at KPMG LLP standard charge-out rates for the nature of this work”, and
- “That the Joint Liquidators be able to draw category 2 disbursements, which are to be charged in accordance with KPMG LLP disbursements policy as attached”

For the avoidance of doubt, creditors voted not to form a liquidation committee

The Joint Liquidators have not drawn any fees or disbursements during the period

Expenses for this period total £179,760 including amounts not yet paid (see Appendix 4 for details)

Additional information about the expenses charged the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 4.49E Insolvency Rules 1986 and to challenge the Joint Liquidator’s remuneration and expenses under Rule 4.131 Insolvency Rules 1986 are included in Section 8 should creditors wish to do so



3 Comments on the Appendices

3.1 Appendix 1: Statutory Information

3.2 Appendix 2: Receipts & payments account for the period

Receipts

Please see Section 2.4 for comments on the receipts during the period

Payments

3.2.1 Legal fees and disbursements

During the period, a total of £28,104 has been paid in legal fees, and £419 in legal disbursements

Dentons has provided legal advice to the Company in respect of the following matters

- issues relating to the disclaimer of land, leases, licences and agreements of the Company,
- employee personal injury claims,
- the assignment of the Company’s licences and permits, where applicable, and
- general ongoing advice in the Liquidation

During the period, Dentons has been paid £14,860 in respect of their time costs

In addition, CMS has provided legal advice to the Company in respect of Scottish property law and any other matters in the liquidation specific to Scotland

During the period, CMS has been paid £13,244 in respect of their time costs and £419 in respect of their disbursements

3.2.2 Agents’ fees

As previously reported, the Joint Liquidators instructed a specialist surveyor to assist with potential realisations in respect of rates refunds relating to the Company’s former properties

Fees of £2,000 have been paid in the period in respect of the refund detailed at Section 2.4.2

3.2.3 Storage costs

Storage costs of £523 have been paid in the period in respect of the statutory storage of Company and Liquidators books and records



3 2 4 Re-direction of mail

An amount of £240 has been paid in respect of the re-direction of Company mail to the officeholders’ address

3.3 Analysis of office holders’ time costs

3 3 1 Checklists and reviews

The Joint Liquidators have incurred time costs of £5,083 (18 hours) in dealing with ongoing case reviews and statutory checklists

3 3 2 Post appointment corporation tax

Time costs of £52,024 (149 hours) have been incurred in dealing with post appointment corporation tax matters relating to the Company together with bringing the Company’s pre-appointment tax returns up to date. This has included discussions with our in house specialists and sector experts

3 3 3 General creditor correspondence

The Joint Liquidators have incurred time costs of £31,575 (130 hours) in dealing with general creditor correspondence regarding the liquidation and creditors’ claims

3 3 4 Statutory reports

The Joint Liquidators have incurred time costs of £22,085 (79 hours) in preparing and circulating their statutory reports to creditors

3.4 Expenses for the period

Expenses for the period are summarised in Appendix 4 which includes the time costs as analysed in Appendix 3



4 Appendix 1

4.1 Statutory Information

Appointment	
For period	15 May 2014 to 14 May 2015
Company name	Aardvark TMC Limited
Nature of business	Open cast coal mining
Date of appointment	15 May 2013
Office holder details	<p>Mark Granville Firmin of KPMG LLP, 1 The Embankment, Neville Street, Leeds, LS1 4DW was appointed on 15 May 2013 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales</p> <p>Brian Green of KPMG LLP, St James’s Square, Manchester, M2 6DS was appointed on 15 May 2013 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales</p> <p>Howard Smith of KPMG LLP, 1 The Embankment, Neville Street, Leeds, LS1 4DW was appointed on 15 May 2013 and is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association</p>
Registered number	03374330
Date of incorporation	21 May 1997
Previous name	Aranstyle Limited
Present registered office	KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW
Previous registered office	Aardvark House Sidings Court Doncaster South Yorkshire DN4 5NU



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Subsidiaries	None														
Shareholding	<p>The authorised share capital of the Company is 100,000 ordinary shares of 1p each, of which 100,000 ordinary 1p shares have been issued. In addition 20,000 1p B shares have been issued. These are held as follows</p> <table><tr><td><u>Name</u></td><td><u>Shareholding</u></td></tr><tr><td>ATH Resources plc</td><td>100,000 ordinary 1p shares</td></tr><tr><td>Jane Elizabeth Allchurch</td><td>2,499 B shares</td></tr><tr><td>Alchemy Partners Nominees Limited</td><td>14,900 B shares</td></tr><tr><td>Lynn Port</td><td>200 B shares</td></tr><tr><td>Karen Elizabeth Hodgson</td><td>735 B shares</td></tr><tr><td>Elizabeth Mary Tod</td><td>1,666 B shares</td></tr></table>	<u>Name</u>	<u>Shareholding</u>	ATH Resources plc	100,000 ordinary 1p shares	Jane Elizabeth Allchurch	2,499 B shares	Alchemy Partners Nominees Limited	14,900 B shares	Lynn Port	200 B shares	Karen Elizabeth Hodgson	735 B shares	Elizabeth Mary Tod	1,666 B shares
<u>Name</u>	<u>Shareholding</u>														
ATH Resources plc	100,000 ordinary 1p shares														
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Alchemy Partners Nominees Limited	14,900 B shares														
Lynn Port	200 B shares														
Karen Elizabeth Hodgson	735 B shares														
Elizabeth Mary Tod	1,666 B shares														
Directors	<p>The following directors are in office, or have held office in the three years prior to the appointment of the Liquidators</p> <p>Alistair Black David Kenneth Lancashire Peter Morgan Derek Ivor Pollock Andrew Paul Weatherstone James David Wilson David Charles Port (resigned 19 December 2012) John Keith Hodgson (deceased) Brian Jackson (resigned 9 September 2011) Steven Beaumont (resigned 30 September 2010) Thomas John Allchurch (resigned 28 July 2010) Michael Thomas Winton Tod (resigned 28 July 2010)</p>														
Company Secretary	<p>Andrew Paul Weatherstone Steven Beaumont (resigned 30 September 2010)</p>														
Application of EC Regulations	<p>EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations</p>														



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5 Appendix 2

5.1 Office holders’ receipts and payments account

Aardvark TMC Limited - in Liquidation			
Joint Administrators' abstract of receipts & payments			
Statement of affairs (£)		From 15/05/2014 To 14/05/2015 (£)	From 15/05/2013 To 14/05/2015 (£)
FIXED CHARGE ASSETS			
750,000 00	Freehold land & buildings	NIL	615,800 00
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1 00	Goodwill	NIL	1 00
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FIXED CHARGE CREDITORS			
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HP/LEASING			
7,803,825 00	Mobile plant	NIL	NIL
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ASSET REALISATIONS			
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	Pre-appointment disbursements	NIL	(42,602 52)
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(26,641,136 00) Intercompany loans	NIL	NIL
(557,727 00) Accruals	NIL	NIL
(3,968,428 00) HMRC	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
(1,000 00) Ordinary shareholders	NIL	NIL
	NIL	NIL
(96,136,655 54)	63,942 77	2,722,859 34
REPRESENTED BY		
VAT receivable	5,737 34	133,225 18
Current account	58,461 23	2,707,853 64
Fixed charge VAT payable		(87,640 00)
VAT payable	NIL	(142 73)
Floating ch VAT control		(30,436 75)
	63,942 77	2,722,859 34



6 Appendix 3

6.1 Analysis of office holders’ time costs for the period 15 May 2014 to 14 May 2015

SIP 9 - Time costs analysis (15/05/2014 to 14/05/2015)

	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support		
Administration & planning						
Cashiering						
General (Cashiering)	1 80	0 10	7 20	9 10	2,506 50	275 44
Reconciliations (& IPS accounting reviews)		0 40	2 10	2 50	692 00	276 80
General						
Books and records			7 40	7 40	1,159 00	156 62
Fees and WIP		0 40		0 40	146 00	365 00
Statutory and compliance						
Checklist & reviews	1 00	2 50	14 20	17 70	5,082 50	287 15
Pre-appointment checks	6 00			6 00	2,910 00	485 00
Reports to debenture holders			6 70	6 70	1,675 00	250 00
Statutory receipts and payments accounts			0 30	0 30	75 00	250 00
Strategy documents	2 00	2 20	0 40	4 60	2,050 00	445 65
Tax						
Post appointment corporation tax	4 90	72 20	71 75	148 85	52,023 50	349 50
Post appointment VAT	0 50	2 20	17 10	19 80	4,462 50	225 38
Creditors						
Creditors and claims						
General correspondence		8 30	121 20	129 50	31,575 00	243 82
Legal claims	6 90		2 40	9 30	3,650 50	392 53
Pre-appointment VAT / PAYE / CT	0 20		1 00	1 20	282 00	235 00
Secured creditors	3 70			3 70	1 794 50	485 00
Statutory reports	3 10	25 90	49 60	78 60	22,085 00	280 98



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KPMG LLP
13 July 2015

SIP 9 - Time costs analysis (15/05/2014 to 14/05/2015)

	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total	
Employees						
Correspondence		0 90	2 20		3 10	955 00
Pensions reviews			0 50		0 50	92 50
Investigation						
Directors						
Correspondence with directors			0 30		0 30	55 50
D form drafting and submission	0 20				0 20	97 00
Investigations						
Mail redirection			0 60		0 60	111 00
Realisation of assets						
Asset Realisation						
Cash and investments	0 20	0 60	3 80		4 60	1,317 00
Debtors			1 20		1 20	222 00
Freehold property		6 70	2 20		8 90	2,995 50
Leasehold property	1 10	0 50	7 50		9 10	2,591 00
Open cover insurance			10 70		10 70	2,675 00
Other assets	3 70	3 10	0 55		7 35	3,063 50
Sale of business			0 20		0 20	37 00
Total in period	35 30	126 00	331 10	0 00	492 40	146,381 00

Brought forward time (appointment date to SIP 9 period start date)	1,465 35	449,304 25
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	492 40	146,381 00
Carry forward time (appointment date to SIP 9 period end date)	1,957 75	595,685 25



6.2 Joint Liquidators’ charge out rates

Set out below are the relevant hourly charge out rates for the grades of our staff actually or likely to be involved on this liquidation. Time is charged by reference to actual work carried out on the liquidation, using a minimum time unit of six minutes.

All staff who have worked on the liquidation, including cashiers and secretarial staff, have charged time directly to the liquidation and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the liquidation but is reflected in the general level of charge out rates.

Grade	Hourly rate from 1 October 2012 £/hr
Partner	565
Associate Partner	485
Director	485
Senior Manager	450
Manager	365
Senior Administrator	250
Administrator	185
Support	115

6.3 Office Holders’ Disbursements

No disbursements were incurred in the period of this report. A total of £1,581.64 has been drawn to date.

Where funds permit the officeholder will look to recover both category 1 and category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Any disbursements paid from the estate are disclosed within the attached summary of disbursements.



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The only Category 2 disbursements that KPMG Restructuring currently charges is mileage, this is calculated as follows:

Mileage claims fall into three categories

Use of privately-owned vehicle or car cash alternative – 45p per mile

Use of company car – 60p per mile

Use of partner’s car – 60p per mile

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate



7 Appendix 4

7.1 Schedule of expenses for the period 15 May 2014 to 14 May 2015

Schedule of expenses for the period 15 May 2014 to 14 May 2015			
Account	Amount paid in the period	Amount accrued, not yet paid in the period	Total
Legal fees	28,104	1,641	29,745
Legal disbursements	419	452	871
Agents fees	2,000	-	2,000
Storage costs	523	-	523
Re-direction of mail	240	-	240
Liquidators' fees	-	146,381	146,381
Liquidators' disbursements	-	-	-
Total	31,286	148,474	179,760

Creditors are reminded that the basis on which fees have been reported was been agreed by the majority of creditors, as detailed in Section 2.6

However to determine if the quantum of the fees to be taken is reasonable the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with rule 4.49E Insolvency Rules 1986. This request must be made within 21 days receipt of the report. The full text of that rule can be provided on request.

In addition creditors are reminded that the quantum can be challenged by unsecured creditor(s) with at least 10% in value excluding that creditors claim by making an application to court in accordance with rule 4.131 Insolvency Rules 1986. The full text of this rule can also be provided on request.



7.2 Extract from the Insolvency Rules 1986

Insolvency Rules 1986

4.49E Creditors’ and members’ request for further information

- (1) If-
- (a) within the period mentioned in paragraph (2)-
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) members of the company in a members’ voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (b) with the permission of the court upon an application made within that period mentioned in paragraph (2)-
 - (i) any unsecured creditor, or
 - (ii) any member of the company in a members’ voluntary winding up, makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108
- (2) The period referred to in paragraph 1(a) and (b) is –
- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
 - (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft in any other case
- (3) The liquidator complies with this paragraph by either –
- (a) providing all of the information asked for, or

(b) so far as the liquidator considers that –

- (i) the time or cost of preparation of the information would be excessive, or
- (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
- (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

(4) Any creditor, and any member of the company in a members’ voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of –

- (a) the giving by the liquidator of reasons for not providing all the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

(5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4 148C(2) by such further period as the court thinks just

(6) This Rule does not apply where the liquidator is the official receiver

4.131 Creditors’ claim that remuneration is [or other expenses are] excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that-

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator’s remuneration under Rule 4 127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of application under subparagraph (b), inappropriate



(1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case failing within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question (“the relevant report”)

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had opportunity to attend the court for a hearing, of which he has been given at least 5 business days’ notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

(3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well-founded, it must make one or more of the following orders –

(a) an order reducing the amount of remuneration which the liquidator was entitled to charge,

(b) an order fixing the basis of remuneration at a reduced rate or amount,

(c) an order changing the basis of remuneration,

(d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,

(e) an order that the liquidator or the liquidator’s personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under subparagraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the liquidation