

The Insolvency Act 1986

Administrator's progress report

2.24B

| | |
|---|-----------------------------------|
| Name of Company Aardvark Engineering Consultancy Limited | Company number 05468199 |
| In the High Court of Justice [full name of court] | Court case number 7525 of 2012 |

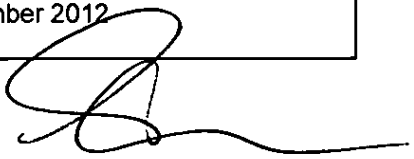
(a) Insert full name(s) and address(es) of administrator(s)

We (a) Malcolm Peter Fillmore and Ms Ranjit Bajon of Atherton Bailey, Arundel House, 1 Amberley Court, Whitworth Road, Crawley, RH11 7XL

administrators of the above company attach a progress report for the period

(b) Insert dates

| | |
|-------------------------------|-------------------------|
| from (a) 26 September 2012 | to (b) 25 March 2013 |
|-------------------------------|-------------------------|

Signed 
Joint Administrator - M P Fillmore

Dated 10 May 2013

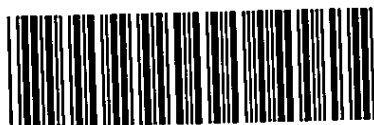
Contact Details:

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 searches of the public record.

| | |
|---|-------------|
| Atherton Bailey Arundel House, 1 Amberley Court Whitworth Road, Crawley RH11 7XL | |
| Tel 01293 410333 | |
| 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

SATURDAY



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COMPANIES HOUSE

**JOINT ADMINISTRATORS' PROGRESS REPORT
FOR THE PERIOD 26 SEPTEMBER 2012 TO 25 MARCH 2013**

AARDVARK ENGINEERING CONSULTANCY LIMITED – IN ADMINISTRATION

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APPENDICES

Appendix 1 - Statutory Information

Appendix 2 & 2a - Summary of Administrators time costs for the period of the report as well as an accumulative summary

Appendix 3 - Receipts and payments Account for the period of the report as well as an accumulative summary

AARDVARK ENGINEERING CONSULTANCY LIMITED (in Administration) ("The Company")
Annex Hangar 1, Shoreham Airport, Shoreham-By-Sea, West Sussex, BN43 5FF

ADMINISTRATORS' PROGRESS REPORT FOR THE PERIOD 26 SEPTEMBER 2012 TO 25 MARCH 2013
(Rule 2 47 and 2 112(2) of the Insolvency Rules 1986)

1. Introduction and Statutory Information

- 1 1 On 26 September 2012, Malcolm Fillmore and Ms Ranjit Bajon of Atherton Bailey LLP were appointed Joint Administrators of the Company. This is our formal report on the progress of this Administration since our appointment.
- 1 2 The Company traded as an electronic design consultant from a small rented workshop at Shoreham Airport. The Company issued proceedings against a long standing customer, Tew Engineering Limited ("Tew") for an unpaid claim of £26,000. However, the High Court ordered for the Company to deliver up design related documents to Tew and also made an interim costs award against the Company of £6,000 and for the principal action being set down for hearing at a later date. The outcome including the failure to recover the debt left the Company insolvent forcing it into Administration.
- 1 3 Attached as Appendix 1 are certain formal and statutory details which we are required to disclose and which include details relating to our costs as Administrators, further details of which are given in Appendix 2. Appendix 3 is a summary of our receipts and payments for the six month period to 25 March 2013 as well as to the date of this report.

2. Progress of the Administration

- 2 1 The Purpose of the Administration was to achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration).
- 2 2 On 17 April 2013, a sale of the business and assets was finalised to Pathway Contracts Limited, a company owned and directed by Paul Silsby. The assets were sold for a total sum of £4,998 based on a valuation carried out by agents John M Peyto & Co Ltd. It was agreed that the consideration of £5,000 is to be paid over a period of one year. Additional consideration was agreed at 50% of any value or net profits realised from the exploitation from the Proteus Screen in excess of £4,690 over a period of 36 months.
- 2 3 The Company has one outstanding debtor, Tew Engineering Limited ("Tew"), which is listed as owing the Company approximately £26,000 in relation to electronic control units for destination boards at St Pancras which were designed and installed by the Company. Problems with the units arose after installation and the relationship between the Company directors and Tew deteriorated because of their refusal to pay the additional costs incurred by the Company in seeking to help Tew find a solution. The Company ultimately lodged a County Court claim against Tew. However, Tew applied to the High Court, Technology & Construction Division for delivery up of the designs and drawings and sought injunctive relief to enforce this on an urgent basis so they could contract with an alternative supplier and at a hearing in the High Court of Justice on 30 August 2012, the Judge made an interim costs award against the Company of £6,000 with the principal action being set down for hearing. The High Court proceedings have since been stayed due to the Administration. It is still considered that approximately £26,000 is owed to the Company by Tew and an assignment of the debt to a third party is currently being negotiated.
- 2 4 No trading took place post-Administration.
- 2 5 As required by SIP2, I have invited creditors to provide the Administrators with information they may have on any concern regarding the way in which the company's business has been conducted, or on potential recoveries for the Administration estate. We have also considered the conduct of those who have been directors of the company (whether formally appointed as directors or not) at any time within the three years preceding the date of the Administration. We would advise you that no further investigations or actions are to be continued with, however if there are any matters you have not yet drawn to our attention, please could you do so as soon as possible.
- 2 7 The company has no secured or preferential creditors.

2 8 Unsecured Creditors' were listed in the Statement of Affairs at £73,289 and claims of £49,587 have been received to date. At this stage, it is unclear whether there is likely to be a distribution to unsecured creditors

3. Assets remaining to be realised

3 1 As at the date of this report, the sale consideration and assignment of the Tew claim remain to be realised

4. Extension to the Initial Period of Administration

4 1 The initial period of an Administration is 12 months, with a right to extend by a further six months by consent of the creditors. Any extension beyond 18 months requires approval of the Court

4 2 As the objective of the Administration cannot be met within one year of the date of the Administration, we would propose to extend the Administration to 18 months in order to allow for the consideration under the sale agreement to be realised. This report supports the Administrators' request to the Creditors for an extension to the period of the Administration to 25 March 2014

5. The Exit Route

5 1 There are a number of possible exit routes from Administration. These include

5 1 1 Distributing the funds to creditors in accordance with their statutory priority and then seeking to dissolve the Company. If funds are to be paid to unsecured creditors, this requires the sanction of the Court

5 1 2 Putting the Company into Creditors' Voluntary Liquidation. In this event, the Administrators would act as liquidators in accordance with our proposals

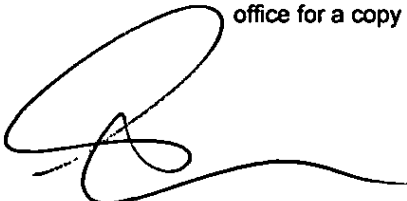
5 1 3 Proposing a Company Voluntary Arrangement (CVA)

5 2 At this stage, no decision has been taken as to the appropriate exit route

5 3 The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon our appointment as Administrators ceasing to have effect

6 Joint Administrators' Costs and Remuneration

6 1 The total "time costs" recorded both since our appointment and for the period under review are summarised on Appendices 2 and 2a in the format prescribed by R3 (The Association of Business Recovery Professionals). Creditors should note that these are the time costs shown on our internal accounting records and are not necessarily the amounts actually charged and recovered as remuneration. A Creditor's guide to Administrator's Fees can be located in SIP 9 (Statement of Insolvency Practice) which can be accessed through the website of the Insolvency Practitioners Association, www.insolvency-practitioners.org.uk. Alternatively please contact this office for a copy to be sent to you by post



Malcolm Fillmore
Joint Administrator of Aardvark Engineering Consultancy Limited
Dated 10 May 2013

STATUTORY INFORMATION AND DISCLOSURES

Details of Relevant Court.

High Court of Justice
Court reference No 7525 of 2012

Company Details:

Registered Office Arundel House, Amberley Court, Whitworth Road, Crawley, RH11 7XL
Registered Number 05468199
Any former name in 12 months prior to Administration N/A

Administration Details:

Malcolm Peter Fillmore and Ms Ranjit Bajon of Atherton Bailey LLP, Arundel House, Amberley Court, Whitworth Road, Crawley RH11 7XL were appointed on 26 September 2012
The appointment was made by the Company
The Administrators act jointly and severally in all matters relating to the administration
There have been no changes in the office holders since Administration

Administrators' Remuneration

At the creditors meeting held on 4 December 2012 to approve the Administrators' Proposals, it was agreed that the Administrators remuneration would be on a time cost basis. The current hourly rates of staff and partners involved in this case are as follows: Partners £295, Senior Professional Staff £110 - £240, Assistants and Support Staff £85 - £100. Time charged by partners and staff are in units of six minutes or less.

The creditors also approved Category 2 disbursements as being 25p per letter, 15p per photocopy and 45p per mile plus 5p for additional persons travelling in the same car. Company searches at the rate of £1 per search and Checks in relation to money laundering regulations, at the rate of £1 per enquiry. Reports to creditors published on the Atherton Bailey website £10 per report.

The Category 2 disbursements incurred (irrespective of whether payment has been made during the period) by the Administrators for the period of the Report are as follows:

- Letters and photocopying £95.44

No Administrators' remuneration has been drawn in the period in accordance with the resolution passed by creditors. Details of the Category 2 disbursements drawn in the period are shown on the attached receipts and payments account. Creditors also approved pre-administration costs of £2,688.50 plus VAT at the creditors meeting held on 4 December 2012.

A Creditor's Guide to Administrator's Fees, known as SIP 9 (*Statement of Insolvency Practice 9*), can be accessed through the website of the Insolvency Practitioners Association, www.insolvency-practitioners.org.uk. Alternatively please contact this office for a copy to be sent to you by post.

Creditors are advised that within 21 days of receipt of a progress report you may request the Administrators to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. Any request must be in writing, and made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of all unsecured creditors (including himself) or the permission of the court. Explanation of the rights to challenge the administrators' remuneration and expenses are set out in SIP 9.

TIME & CHARGEOUT SUMMARIES

**Aardvark Engineering Consultancy Ltd
Administration**

| HOURS | | | | | | | |
|------------------------------------|----------|---------|------------------------------|-------------------------------|-------------|----------------|--------------------------|
| Classification Of Work Function | Partner | Manager | Other Senior Professional | Assistants & Support Staff | Total Hours | Time Cost £ | Average Hourly Rate £ |
| Administration & Planning | 6 77 | 0 00 | 0 15 | 34 00 | 40 92 | 7,251 47 | 177 23 |
| Investigations | 0 00 | 0 00 | 0 00 | 1 53 | 1 53 | 237 66 | 155 00 |
| Realisation of Assets | 1 52 | 0 00 | 0 00 | 7 57 | 9 08 | 1,620 27 | 178 38 |
| Creditors | 2 08 | 0 00 | 0 00 | 1 83 | 3 92 | 898 81 | 229 47 |
| Litigation | 0 25 | 0 00 | 0 00 | 0 00 | 0 25 | 73 75 | 295 00 |
| Rec & Pay | 0 00 | 0 00 | 0 00 | 1 78 | 1 78 | 183 25 | 102 78 |
| Trading | 0 00 | 0 00 | 0 00 | 0 00 | 0 00 | 0 00 | 0 00 |
| Total Fees Claimed £ | 3,131 93 | 0 00 | 36 00 | 7,097 28 | | 10,265 21 | |
| Total Hours | 10 62 | 0 00 | 0 15 | 46 72 | 57 48 | | |
| Average Rate | 295 00 | 0 00 | 240 00 | 151 92 | | | |

TIME & CHARGEOUT SUMMARIES

Aardvark Engineering Consultancy Ltd

From 26 Sep 2012 to 25 Mar 2013

Administration

HOURS

| Classification Of work Function | Partner | Manager | Other Senior Professional | Assistants & Support Staff | Total Hours | Time Cost £ | Average Hourly Rate £ |
|---------------------------------|----------|---------|---------------------------|----------------------------|-------------|-------------|-----------------------|
| Administration & Planning | 6 47 | 0 00 | 0 15 | 33 02 | 39 63 | 7,013 81 | 176 97 |
| Investigations | 0 00 | 0 00 | 0 00 | 1 53 | 1 53 | 237 66 | 155 00 |
| Realisation of Assets | 1 52 | 0 00 | 0 00 | 6 08 | 7 60 | 1,390 34 | 182 94 |
| Creditors | 2 08 | 0 00 | 0 00 | 1 63 | 3 72 | 867 81 | 233 48 |
| Litigation | 0 25 | 0 00 | 0 00 | 0 00 | 0 25 | 73 75 | 295 00 |
| Rec & Pay | 0 00 | 0 00 | 0 00 | 1 68 | 1 68 | 174 25 | 103 54 |
| Trading | 0 00 | 0 00 | 0 00 | 0 00 | 0 00 | 0 00 | 0 00 |
| Total Fees Claimed £ | 3,043 43 | 0 00 | 36 00 | 6,678 19 | | 9,757 62 | |
| Total Hours | 10 32 | 0 00 | 0 15 | 43 95 | 54 42 | | |
| Average Rate | 295 00 | 0 00 | 240 00 | 151 95 | | | |

APPENDIX 3

Aardvark Engineering Consultancy Limited [In Administration]

| Administrators' Receipts and Payments Account For the period 26 September 2012 to 10 May 2013 | | £ |
|--|---|--------------|
| | As per director's Statement of Affairs | |
| RECEIPTS | | |
| Sale of Business and Assets | 3,694.00 | 0.00 |
| | | <u>0.00</u> |
| PAYMENTS | | |
| None | | 0.00 |
| | | <u>0.00</u> |
| Secured Creditor | | N/A |
| DISTRIBUTIONS | | |
| None | | 0.00 |
| | | <u>£0.00</u> |
| Balance in insolvent estate account as at 10 May 2013 (Interest bearing account) | | |
| | | <u>£0.00</u> |

For the Period from 26 September 2012
to 25 March 2013

£

0.00

£0.00

Balance as at 25 March 2013

£0.00