

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

05608303

Name of Company

Airport Advertising (UK) Limited

I / We

Michael Chamberlain, Resolution House, 12 Mill Hill, Leeds, LS1 5DQ

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 06/04/2016 to 05/04/2017

Signed M Chamberlain

Date 5/6/17

Chamberlain & Co
Resolution House
12 Mill Hill
Leeds
LS1 5DQ

Ref: 10133/SA/DR



A68GJN1

A12

12/06/2017

#200

COMPANIES HOUSE

Airport Advertising (UK) Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

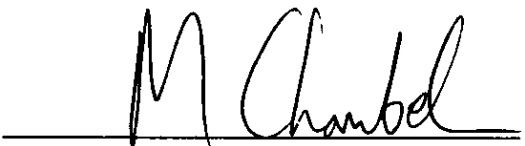
Statement of Affairs		From 06/04/2016 To 05/04/2017
	SECURED ASSETS	
1.00	Rent Deposit Deed	NIL
		NIL
	SECURED CREDITORS	
(3,533,974.80)	The Ten Group PTY Limited	NIL
		NIL
	ASSET REALISATIONS	
	Rent deposit deed	89,168.95
	Landlord costs	50.00
750.00	Chattel Assets	750.00
1.00	Chattel Assets - Manchester Airport	NIL
13,500.00	Book Debts	NIL
	Refunds	159.60
516,278.00	Cash at Bank	571,790.95
	Rates Refund	837.45
1.00	Hive Down of Tax Losses	NIL
1.00	Contract Claim Against ManchesterAir	NIL
	Bank Interest Gross	232.35
		662,989.30
	COST OF REALISATIONS	
	Specific Bond	1,360.00
	Preparation of S. of A.	7,000.00
	Liquidator's Remuneration	9,000.00
	Legal Fees	24,612.21
	Irrecoverable VAT	13.40
	Book Debt Collection Costs	650.00
	Storage Costs	44.98
	Statutory Advertising	201.00
	Rents Payable	25,708.75
	Insurance of Assets	219.50
	Company Formation Fee	50.00
		(68,859.84)
	PREFERENTIAL CREDITORS	
NIL	Employees - Holiday Pay	NIL
		NIL
	UNSECURED CREDITORS	
(1,317,036.45)	Trade & Expense	NIL
(1.00)	Manchester Airport - Disputed Invoices	NIL
(589,000.00)	HM Revenue & Customs - VAT	NIL
(20,805.71)	Associated Creditors	NIL
		NIL
	DISTRIBUTIONS	
(15,344,601.00)	Ordinary Shareholders	NIL
		NIL
(20,274,886.96)		594,129.46

REPRESENTED BY

Current A/c
Office

594,142.86
(13.40)

594,129.46



Michael Chamberlain
Liquidator

**AIRPORT ADVERTISING (UK) LIMITED
(IN LIQUIDATION)**

**Progress Report
pursuant to Section 104A of the Insolvency Act 1986**

**Chamberlain & Co
5 June 2017**

AIRPORT ADVERTISING (UK) LIMITED IN LIQUIDATION PROGRESS REPORT ON THE OUTCOME OF THE LIQUIDATION

INTRODUCTION

Michael Chamberlain was appointed Liquidator of Airport Advertising (UK) Limited ("the Company") on 6 April 2016 by the Company's members and creditors pursuant to Section 100 of the Insolvency Act 1986 ("The Act").

Michael Chamberlain is authorised to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales.

The EC Regulation on Insolvency Proceedings 2000 will apply in this matter and these proceedings will be the main proceedings as defined by Article 3 of the EC Regulation. The Company's registered office and centre of main interests are in the United Kingdom.

In accordance with Rule 4.49C of the Insolvency Rules 1986 ("The Rules"), I now set out my progress report on the conduct of the Liquidation.

RECEIPTS AND PAYMENTS ACCOUNT

An abstract of the Liquidator's receipts and payments for the period 6 April 2016 to 5 April 2017 is attached at Appendix 2.

All transactions are shown net of VAT.

ASSET REALISATION

Cash at Bank

The director's statement of affairs indicated that the Company's cash at bank was estimated to realise £516,278. I subsequently received £560,958.57 which represented the balance held in the Company's account with Barclays Bank plc on 20 April 2016. I also received £10,466.18 on 20 April 2016 which represented the balance held at National Westminster Bank plc ("Natwest"). Included in the balance received from Natwest was an amount which should have been paid to an associated company amounting to £4,467.50 and this was subsequently refunded. A further balance of £7,058.50 was also received from Natwest on 3 June 2016 including £2,224.80 which also should have been paid to the associated company and this subsequently been refunded. The total realisations from cash at bank therefore amounted to £571,790.95.

Book Debts

The director's statement of affairs indicated that the Company's debtors with a book value of £171,000 were estimated to realise £13,500. To date no recoveries have been received from debtors and the collection process is ongoing.

Rent Deposit Deed

The Company traded from Third Floor, Clover House, 147/149 Farringdon Road, London. The lease on the property was due to expire in February 2017 and the landlord held a rent deposit believed to be in excess of £100,000. Prior to my appointment the Company had instructed agents to market the lease in order that it may be assigned and the rent deposit recovered. On 20 June 2016 the lease was assigned to a third party and net funds of

£44,795.25 were received on 29 July 2016. The breakdown of the costs incurred and deducted from the rent deposit were as follows:

	£
Rent Deposit Deed	89,168.95
Refund of Landlord Costs	50.00
Agent Fees	(7,956.00)
Legal Fees	(3,355.00)
Rent Arrears/Service Charge	(25,708.75)
VAT	(7,403.95)
	<u>44,795.25</u>

Chattel Assets

The director's statement affairs indicated that the Company's chattel assets were estimated to realise £750. The assets were valued by Mark Hodgson of Michael Steel & Co who advised that the assets had an in site value of £750 and ex situ value of £400.

In order to protect the tax losses of the Company which may have been of a benefit to any interested purchaser in the assets of the Company, the Company's chattel assets, stock, intellectual property, contracts and goodwill were hived down to a wholly owned subsidiary, Starburst Media Limited ("Starburst") on 5 April 2016, leaving an inter-company balance owing to the Company.

The shares in Starburst were sold to Eye Airports Limited for £1 plus deferred consideration representing 50% of any corporation tax saved in the first 12 months after the sale and 25% of any corporation tax saved in the following 12 months. I have received the inter-company balance of £750 relating to the chattel assets from Eye Airports Limited. To date the accounts for the first 12 months of trading have not been submitted by Eye Airports Limited and the amount of deferred consideration will be calculated once the accounts have been completed.

Sundry Assets

A rates refund of £837.45 was received from Westminster City Council on 4 October 2016 and £159.60 was received from Raworths LLP on 6 February 2017 which represented monies held by them in their client account.

Gross interest of £232.35 has been earned on funds held on deposit during the period of my administration.

INVESTIGATIONS

I can confirm that I have complied with my obligations in relation to my investigations into the affairs of the Company and have submitted my report in accordance with the requirements of the Company Directors Disqualification Act 1986. The contents of this report are confidential.

My investigations to date have not identified any further potential assets that may have been realised for the benefit of creditors.

REMUNERATION

As agreed at the meetings of members and creditors, I have drawn a fee of £7,000.00 plus VAT on account for assisting the director in preparing the statement of affairs and

convening the meetings of members and creditors necessary to place the Company into liquidation.

It was proposed and agreed at a meeting of creditors held on 6 April 2016 that the Liquidator would be remunerated on a time cost basis in accordance with Rule 4.127 (2) (B) of the Insolvency Rules 1986 at the higher complex rates.

In accordance with the revised Statement of Insolvency Practice 9 which came into force on 1 December 2015, summaries of time costs incurred for the period 6 April 2016 to 5 April 2017 and 3 May 2016 to 5 April 2017, the period since my last report, are appended to this report. These costs were approximately £13,626 at an average hourly rate of £189. In common with all professional firms our scale rates increase from time to time over the period of administration of each insolvency case. I have drawn £9,000 on account of my remuneration of which all has been drawn since my last report. A schedule of my firm's chargeout rates and charging policy is attached at Appendix 3.

My disbursements total £1,875.48 which have been drawn and comprise the following:

Disbursement	Payee	Amount (£)
Specific Bond	Marsh Limited	1,360.00
Insurance of Assets	Marsh Limited	219.50
Storage Costs	Viking	44.98
Company Formation Fee	Xephyr Limited	50.00
Statutory advertising – London Gazette	TMP Reynell	201.00

All disbursements have been recharged to the liquidation at cost.

I should advise you that in accordance with Rule 4.131 of The Rules, creditors have the right to request that the liquidator provides further information about his remuneration and expenses incurred during the administration of the liquidation. The request must be made in writing, within 21 days of receipt of this report, and can be made by a secured creditor or an unsecured creditor with the concurrence of at least 10% in value of unsecured creditors or with the permission of the court. Furthermore, creditors have the right to challenge the liquidator's remuneration and expenses by application to the court within 8 weeks of receiving this report.

OTHER PAYMENTS

I have paid the sum of £2,700 plus VAT to Parisi Solicitors Limited for ("Parisi") in respect of their advice provided regarding the assignment of the Company's lease. The basis of the fee arrangement being on an hourly basis.

I instructed Michael Steel & Co ("Steel") to provide a valuation of the Company's chattel assets. The costs of Steel are estimated to be £350 and will be settled at a later date. The basis of the fee arrangement being on an hourly basis.

I have paid the sum of £650 plus VAT to Eye Airports Limited in respect of assistance in book debt collection and IT issues following my appointment.

I consider Parisi and Steel to be firms of repute with the appropriate expertise in their respective fields. My experience of working with these firms indicates that their internal delegation results in charges which are cost-effective for this kind of work.

All other payments have been made in accordance with the rules and regulations generally as to the payment of costs and expenses of winding up.

PRESCRIBED PART

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to Section 176A of The Act. The prescribed part applies to floating charges created on or after 15 September 2003.

The floating charge of Ten Group PTY Limited ("Ten") is dated after the 15 September 2003. They have given a direct guarantee to Manchester Airport Group for the performance of the contract. If the guarantee is called upon Ten will have a claim against the Company. For the purposes of the Statement of Affairs, this was estimated at £1.1m. This represents approximately a £300,000 per month claim over the remaining 7 months of the contract (£2.1m), less the £1m, held in escrow against any such claim. Hence, once their guarantee liability is agreed, this secured liability will crystallise and Ten will recover the majority of realisations under its floating charge less costs and the prescribed part. Until it is known whether the guarantee is called upon it is not known whether there will be a distribution to non-preferential creditors, under Section 176A of the Insolvency Act 1986.

CREDITORS' CLAIMS

No claims have been received from preferential creditors.

I have received 6 non-preferential claims totalling £1,982,784. Claims from preferential and non-preferential creditors have not been admitted to rank for dividend purposes as the claim from Ten under its floating charge is currently unknown.

OTHER MATTERS

I should inform creditors that the liquidator is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. A copy of the code is available at <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>.

I shall report to you further once I am in a position to conclude my administration of this liquidation, or if earlier, the next anniversary. If in the meantime you require any further information please do not hesitate to contact me.



M Chamberlain
Liquidator

APPENDIX 1

The liquidator appends below the following additional information required under Rule 4.49C of the Insolvency Rules 1986:

Statutory Information

Company Name: Airport Advertising (UK) Limited

Company Number: 05608303

Registered Office: c/o Chamberlain & Co, Resolution House, 12 Mill Hill,
Leeds, LS1 5DQ previously The Adhouse, 52 East
Parade, Harrogate, HG1 5LT

Liquidator: Michael Chamberlain

Liquidator's Address: Resolution House
12 Mill Hill
Leeds
LS1 5DQ

Date of Appointment: 6 April 2016

Airport Advertising (UK) Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

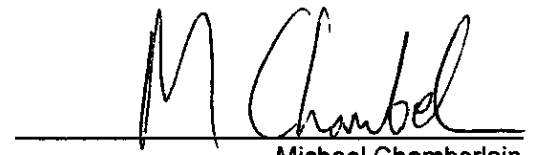
Statement of Affairs		From 06/04/2016 To 05/04/2017	
	SECURED ASSETS		
1.00	Rent Deposit Deed		<u>NIL</u>
			NIL
	SECURED CREDITORS		
(3,533,974.80)	The Ten Group PTY Limited		<u>NIL</u>
			NIL
	ASSET REALISATIONS		
	Rent deposit deed	89,168.95	
	Landlord costs	50.00	
750.00	Chattel Assets	750.00	
1.00	Chattel Assets - Manchester Airport	NIL	
13,500.00	Book Debts	NIL	
	Refunds	159.60	
516,278.00	Cash at Bank	571,790.95	
	Rates Refund	837.45	
1.00	Hive Down of Tax Losses	NIL	
1.00	Contract Claim Against ManchesterAir	NIL	
	Bank Interest Gross	232.35	
		<u>662,989.30</u>	
	COST OF REALISATIONS		
	Specific Bond	1,360.00	
	Preparation of S. of A.	7,000.00	
	Liquidator's Remuneration	9,000.00	
	Legal Fees	24,612.21	
	Irrecoverable VAT	13.40	
	Book Debt Collection Costs	650.00	
	Storage Costs	44.98	
	Statutory Advertising	201.00	
	Rents Payable	25,708.75	
	Insurance of Assets	219.50	
	Company Formation Fee	50.00	
		<u>(68,859.84)</u>	
	PREFERENTIAL CREDITORS		
NIL	Employees - Holiday Pay		<u>NIL</u>
			NIL
	UNSECURED CREDITORS		
(1,317,036.45)	Trade & Expense		NIL
(1.00)	Manchester Airport - Disputed Invoices		NIL
(589,000.00)	HM Revenue & Customs - VAT		NIL
(20,805.71)	Associated Creditors		<u>NIL</u>
			NIL
	DISTRIBUTIONS		
(15,344,601.00)	Ordinary Shareholders		<u>NIL</u>
			NIL
<u>(20,274,886.96)</u>			<u><u>594,129.46</u></u>

REPRESENTED BY

Current A/c
Office

594,142.86
(13.40)

594,129.46



Michael Chamberlain
Liquidator

Chamberlain & Co

TIME & CHARGEOUT SUMMARIES

Airport Advertising (UK) Ltd (CVL) Airport

16/04/2016 to 05/04/2017

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0.00	21.40	0.00	5.60	27.00	4,463.00	165.30
Investigations	0.00	12.10	0.00	6.00	18.10	3,037.50	167.82
Realisation of Assets	0.00	15.70	0.00	0.00	15.70	3,539.50	225.45
Trading	0.00	0.10	0.00	0.00	0.10	25.50	255.00
Creditors	0.30	10.80	0.00	0.00	11.10	2,561.00	230.72
Total Time Cost	93.00	12,943.50	0.00	590.00		13,626.50	
Total Hours	0.30	60.10	0.00	11.60	72.00		
Average Rate	310.00	215.37	0.00	50.86			

Total Fees Claimed	9,000.00
---------------------------	-----------------

Chamberlain & Co

TIME & CHARGEOUT SUMMARIES

Airport Advertising (UK) Ltd (CVL) Airport

13/05/2016 to 05/04/2017

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0.00	15.60	0.00	4.60	20.20	3,252.00	160.99
Investigations	0.00	11.50	0.00	6.00	17.50	2,896.50	165.51
Realisation of Assets	0.00	13.50	0.00	0.00	13.50	3,042.50	225.37
Trading	0.00	0.10	0.00	0.00	0.10	25.50	255.00
Creditors	0.20	10.00	0.00	0.00	10.20	2,342.00	229.61
Total Time Cost	62.00	10,956.50	0.00	540.00		11,558.50	
Total Hours	0.20	50.70	0.00	10.60	61.50		
Average Rate	310.00	216.10	0.00	50.94			

Total Fees Claimed	9,000.00
---------------------------	-----------------

Statement of Liquidator's Remuneration Pursuant to Statement of Insolvency Practice No.9

Charging and Disbursement Policy

Liquidator's charging policy for fees

The Insolvency Rules 1986 provide that the Liquidator's remuneration may be fixed on the basis of time properly spent by the Liquidator and his staff in attending to matters arising in the Liquidation.

The Liquidator has engaged managers and other staff to work on the Liquidation. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by cashiers dealing with the company's bank accounts and statutory compliance diaries, and other support services and filing clerks. Work carried out by all staff is subject to the overall supervision of the Liquidator.

All time spent by staff working directly on case-related matters is charged to a time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The basis of charging is in six minutes units. The hourly rate for each category of staff over the duration of the liquidation is shown below:

	£ per hour Standard rates	£ per hour Standard rates
Grade	01/09/15	01/09/16
Directors	295-345	295-345
Managers	205-255	205-255
Other Senior Professionals	105-180	105-185
Assistants and Support Staff	30-100	30-100

A copy of the R3 (Association of Business Recovery Professionals) creditors' guide to Liquidator's fees may be obtained by contacting David Render at the above address or at www.r3.org.uk.

Liquidator's charging policy for disbursements

Statement of Insolvency Practice No.9 divides disbursements into two categories:

Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is my firm's policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. I am prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 disbursements are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No.9 provides that such disbursements are subject to approval as if they were remuneration. It is not my firm's current policy to charge Category 2 disbursements. However were this to change, I would seek approval for Category 2 disbursements before they are drawn in line with the Statement.