

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

4298037

Name of Company

Aardvark TFC Limited

I / We

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

Brian Green, 1 St Peters Square, Manchester, M2 3AE

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 23/01/2015 to 14/10/2015

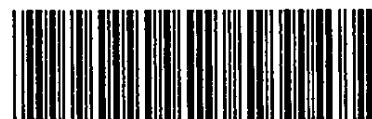
Signed Howard Smith

Date 19 October 2015

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Ref AEC03E0123/SPC/RI/SR

THURSDAY



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COMPANIES HOUSE

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

Statement of Affairs		From 23/01/2015 To 14/10/2015
	FLOATING CHARGE CREDITORS	
(2,993,543 00)	Hargreaves Surface Mining Limited	NIL
(28,135,000 00)	Euler Hermes (UK)	NIL
		NIL
	DISTRIBUTIONS	
(1 00)	Ordinary shareholders	NIL
		NIL
(31,128,544 00)		NIL
	REPRESENTED BY	
		NIL

Note



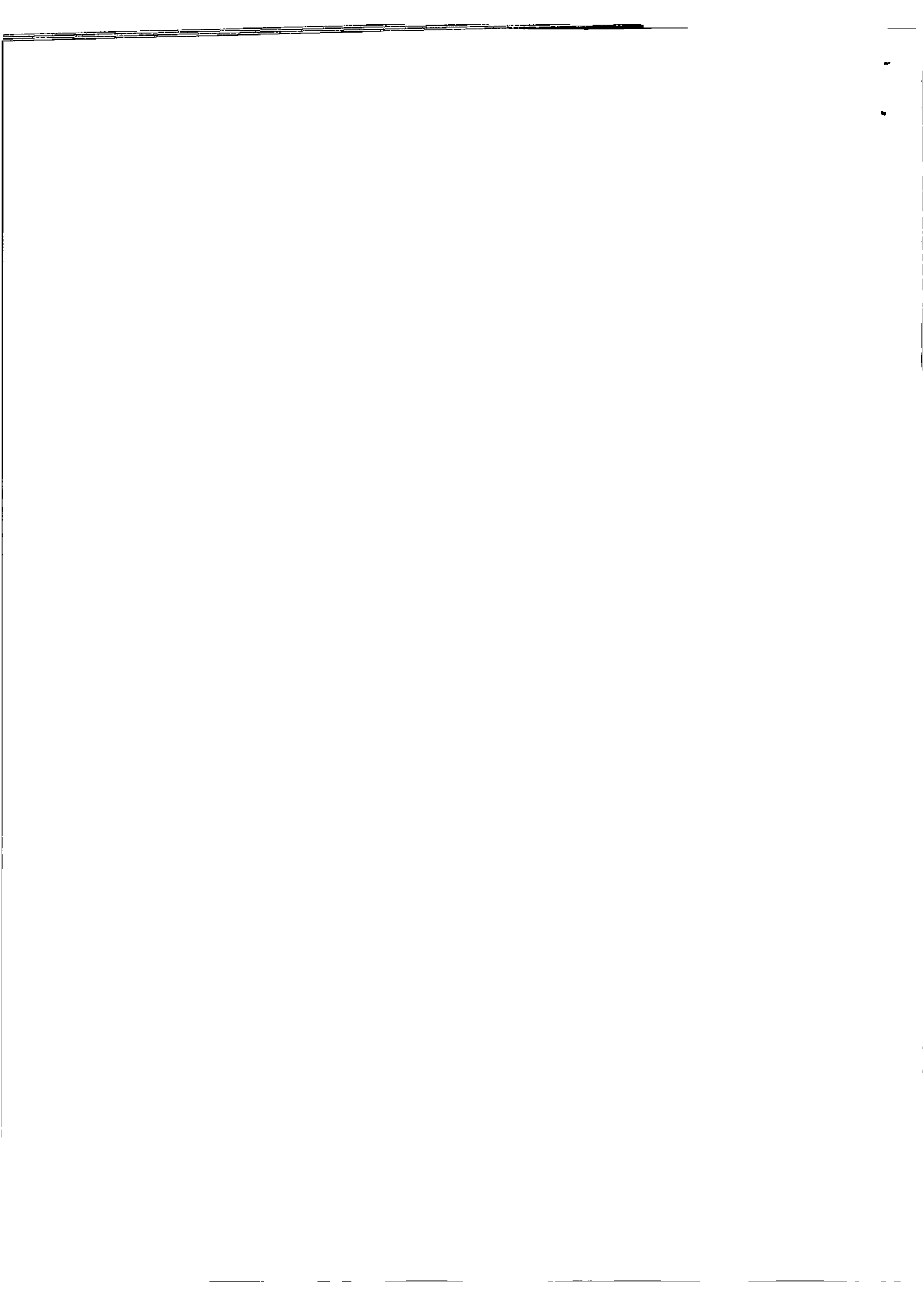
**Aardvark TFC Limited - in
Liquidation ("the Company")**

**Final Report
for the period 23 January
2015 to 14 October 2015.**

KPMG LLP

14 October 2015

This report contains 12 pages





*Aardvark TFC Limited - in Liquidation ("the Company")
For the period 23 January 2015 to 14 October 2015
KPMG LLP
14 October 2015*

About this report

This first and final report ("Report") has been prepared by Howard Smith and Brian Green, the Joint Liquidators of Aardvark TFC Limited, solely to comply with their statutory duty to report to members and creditors under the Insolvency Act 1986 (as amended) and the Insolvency Rules 1986 (as amended) to provide members and creditors with an update on the outcome of the liquidation of the estate, and for no other purpose

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 Aardvark TFC Limited

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 106 of the Insolvency Act 1986 (as amended) does so at their own risk

To the fullest extent permitted by law, the Liquidators do not assume any responsibility and will not accept any liability in respect of this Report to any such person

Howard Smith is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association

Brian Green is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales

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



Aardvark TFC Limited - in Liquidation ("the Company")

For the period 23 January 2015 to 14 October 2015

KPMG LLP

14 October 2015

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1 **Executive Summary**

- Howard Smith and Brian Green ("the Joint Liquidators") were appointed as Joint Liquidators of Aardvark TFC Limited ("the Company") on 23 January 2015
- This final report covers the Period from 23 January 2015 to 14 October 2015 ("the Period") and was made available to members and creditors at final meetings held on 14 October 2015
- The Company was a wholly owned subsidiary of Aardvark TMC Limited, part of the ATH Group ("The Group") Following the Group's inability to secure funding the decision was made to enter into a formal insolvency procedure (Section 2.1 Background)
- At the time of appointment the Company owned no assets therefore there have been no realisations or distributions in the Liquidation. With no assets available to the Liquidation, funds of £7,500 plus VAT were made available to KPMG LLP by Aardvark TMC Limited, as a contribution towards the costs associated with carrying out the Liquidation.
- Accompanying this final report is all the relevant statutory and supporting information included by way of Appendices
- Any additional information regarding office holders' remuneration and/or other expenses charged for the period is available from the office holder upon request by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with rule 4.49 (E) Insolvency Rules 1986 (as amended). This request must be made within 21 days of receipt of this report. The full text of this rule can be provided upon request.
- The final meetings of members and creditors was held on 14 October 2015 to bring the Liquidation to a formal conclusion. No objections to the Liquidators' release were received and, the Company will be dissolved approximately three months from the date this report is filed at Companies House.



Howard Smith
Joint Liquidator

2 Progress of the Liquidation

2.1 Background

The Company was incorporated on 3 December 2001 and is a wholly owned subsidiary of Aardvark TMC Limited. Both companies are part of the ATH group (the "Group"), one of the largest surface coal mining operations in the United Kingdom. The Company acts as an intermediate parent in the Group.

From 2010 onwards, the Group faced severe financial difficulties which culminated in the appointment of administrators on 5 December 2012. After an accelerated sales and marketing process of the Group, the secured debt was sold to Hargreaves Surface Mining Limited ("HSML").

Working with HSML and taking the advice of KPMG, the Group explored a number of restructuring options. Given the lack of support from its primary lender (HSML) the Group was also forced to instigate the voluntary liquidation of a related company, Aardvark TMC Limited on 15 May 2013, to facilitate the purchase of the trade and assets by HSML.

Following the liquidation of the remaining Group companies in August 2013, Aardvark TFC was the only remaining member of the Group which was not subject to any formal insolvency process.

At this point, the Company had one investment in a French mining company, Société des Ressources Minières Du Massif Central. In July 2014, that company was dissolved, leaving the Company with no further investments or other assets.

Subsequently, the Company instructed KPMG LLP to convene the necessary meetings of members and creditors to place the Company into creditors' voluntary liquidation.

Howard Smith and Brian Green were appointed as Joint Liquidators of the Company on 23 January 2015.

2.2 Matters now concluded

The Company has not traded for the past four years and has no assets or employees. At the date of appointment, the Company had four creditors, all of which had contingent claims.

In light of the above, there have been no realisations or distributions in the Liquidation.

As all matters have now been concluded, the final meeting of members and creditors were held on 14 October 2015, in accordance with Section 106 of Insolvency Act 1986 (as amended).

Please note that the release of the Joint Liquidators was automatic, as no creditor proposed a resolution against this action

A final receipts and payments account to 14 October 2015 was made available at the final meetings and will now be lodged at Companies House, after which the Company will be dissolved

3 Expenses for the period

3.1 Receipts and payments

There have been no receipts or payments during the course of the Liquidation

3.2 Joint Liquidators' remuneration

The Joint Liquidators' time costs for the Period are set out in Appendix 3.

The total time costs incurred since appointment are £38,179, representing 139 hours at an average hourly rate of £275

At the first meeting of creditors it was approved that the remuneration of the Joint Liquidators be fixed on the basis of time properly spent by the Joint Liquidators and their staff in attending to matters arising in the Liquidation

With no asset realisations available to the Liquidation from which the costs of carrying out the Liquidation could be discharged, as part of the restructuring of the wider Group's affairs, funds of £7,500 plus VAT were made available to KPMG LLP by Aardvark TMC Limited to enable the payment of the Liquidators' fees in this case

As was disclosed and approved at the meeting of creditors, the Joint Liquidators have drawn fees of £4,000 plus VAT against time costs incurred in preparing for the initial meetings of members and creditors, and preparing the Statement of Affairs. The Joint Liquidators have also drawn further fees of £3,500 plus VAT against time costs incurred in carrying out the Liquidation, as detailed above and in Appendix 2. These payments do not appear in the Joint Liquidators' receipts and payments account as they were settled from the funds made available to KPMG LLP by Aardvark TMC Limited.

3.2.1 Other information

Creditors are advised that under Rule 4.131 of IR86 any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (or with the permission of the court) who thinks that the remuneration and or expenses that have been incurred by the liquidator are excessive or inappropriate in all circumstances, may apply to the court for one or more of the following orders

Creditors are advised that under Rule 4.131 of IR86 any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (or with the permission of the court) who thinks that the remuneration and or expenses that

have been incurred by the liquidator are excessive or inappropriate in all circumstances, may apply to the court for one or more of the following orders

- (a) an order reducing the amount of remuneration which the liquidator is 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

A creditors' guide to fees can be found at

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Nov2011.pdf

However, if you are unable to access this guide and would like a copy, please contact Rebekah Ingham on 0161 2464423

3.3 Statement of expenses

Expenses for the period total £45,679, of which £38,179 relates to accrued Liquidators' time costs (Appendix 4)

4 Investigations

During the Period the Joint Liquidators have finalised their investigations and reported on the affairs of the Company and the conduct of the directors in accordance with the Statement of Insolvency Practice 2. The Joint Liquidators have not identified anything that would lead to realisations in the Liquidation.

A report has been submitted to the Insolvency Service, which forms part of the Department for Business, Innovation and Skills. The contents of this report are however confidential and no further details can be disclosed to creditors.

5 Estimated outcome for creditors

5.1 Secured Creditors

The Company had provided unlimited guarantees in respect of the borrowings of fellow group companies. Hargreaves Surface Mining Limited ("HSML") purchased this secured debt on 1 March 2013.

As part of certain Group companies' obligations to restore land once coal mining activities had ceased, bonds were taken out to cover the costs of restoration should these companies not have sufficient funds to do so. The Company is party to the granting of this security. Euler Hermes (UK) Limited has a fixed and floating charge over the Company's assets dated 9 March 2012 in respect of its position as security agent to the bond providers in the amount of £28.1 million. All of the Company's secured creditors have claims based on works to be completed by Aardvark TMC Limited.

There are no funds available to enable a distribution to secured creditors.

5.2 Preferential Creditors

The Company has not traded for the past four years and had no employees. Therefore, no preferential claims have been received.

5.3 Unsecured Creditors

At the date of appointment, the Company had four creditors, all of which had contingent claims.

Given that the Company has no assets there was no prospect of a dividend return to unsecured creditors.

5.3.1 Prescribed part

Pursuant to the Insolvency Act 1986, an element of a Company's net property called the Prescribed Part is ring fenced for the benefit of the Company's unsecured creditors. The Company's net property is the net amount available after the payment of administration costs and preferential creditors.

As the Company does not have any assets, no funds were available to unsecured creditors in respect of the Prescribed Part.

6 Relocation of meeting

Contained within the IR86, Rule 4.60 requires the Joint Liquidators to have regard to the convenience of creditors when convening any general meeting. From previous experience, creditors seldom attend such meetings and final meetings were therefore convened in KPMG's Manchester office in order to minimise costs.

Appendix 1: Statutory information

Appointment	
For Period	23 January 2015 to 14 October 2015
Company name	Aardvark TFC Limited
Liquidation	The liquidators were appointed on 23 January 2015 by members and creditors.
Office holders details	<p>Howard Smith was appointed on 23 January 2015 and is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association</p> <p>Brian Green was appointed on 23 January 2015 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales</p>
Registered number	4298037
Previous registered office	Aardvark House, Sidings Court, Doncaster, South Yorkshire DN5 5NU
Present registered office	C/o KPMG LLP, One The Embankment, Leeds, LS1 4DW

Appendix 2: Office holders' receipts and payments account for the Period

Aardvark TFC Limited - in Liquidation			
Joint Administrators' abstract of receipts & payments			
Statement of affairs (£)		From 23/01/2015 To 14/10/2015 (£)	From 23/01/2015 To 14/10/2015 (£)
	FLOATING CHARGE CREDITORS		
(2,993,543 00)	Hargreaves Surface Mining Limited	NIL	NIL
(28,135,000 00)	Euler Hermes (UK)	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(31,128,544 00)		NIL	NIL

Note With no assets available to the Liquidation from which the costs of carrying out the Liquidation could be discharged, as part of the restructuring of the Wider Group's affairs funds of £7,500 were made available to KPMG LLP by a related company, Aardvark TMC Limited

As was disclosed and approved at the meeting of creditors, the Joint Liquidators have drawn fees of £4,000 plus VAT against time costs incurred in preparing for the initial meetings of members and creditors, and preparing the Statement of Affairs. The Joint Liquidators have also drawn further fees of £3,500 plus VAT against time costs incurred in carrying out the Liquidation, as detailed above and in Appendix 3 These fees do not appear in the Joint Liquidators' receipts and payments account as they were settled from the funds made available to KPMG LLP by Aardvark TMC Limited

Appendix 3: Analysis of office holders' time costs for the Period

SIP9 - Time costs analysis (23/01/2015 to 14/10/2015)							
	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Bankrupt/Director/Member							
Notification of appointment			3 00		3 00	615 00	205 00
Statutory reports			3 50		3 50	717 50	205 00
Cashiering							
General (Cashiering)	0 10				0 10	59 50	595 00
General							
Books and records			3 00		3 00	615 00	205 00
Fees and WIP		0 10	5 50	0 50	6 10	1,238 50	203 03
Statutory and compliance							
Appointment and related formalities		1 60	5 00		6 60	1,801 00	272 88
Bonding and bordereau			0 60		0 60	123 00	205 00
Checklist & reviews	0 50	5 40	10 20		16.10	4,679 50	290 65
Closure and related formalities		0 50	9 50		10 00	2,527 50	252 75
S98 Meeting preparation		1 90			1.90	921 50	485 00
Statutory advertising			0 50		0 50	102 50	205 00
Strategy documents	1 50	3 10	3 50		8 10	3,263 50	402 90
Tax							
Initial reviews - CT and VAT	1 00	1 80			2 80	1,408 00	502 86
Post appointment corporation tax	1 50	3 10	26 70		31.30	9,707 00	310 13
Post appointment VAT		1 20	0 75		1 95	671 75	344 49
Creditors							
Creditors and claims							
General correspondence			1 20		1 20	246 00	205 00
Statutory reports		2 00	16 20		18 20	4,291 00	235 77
Employees							
Pensions reviews		0 20	2 50		2.70	593 50	219 81

SIP 9 - Time costs analysis (23/01/2015 to 14/10/2015)

	Hours				Total	Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support			
Investigation							
Directors							
Correspondence with directors			2 00		2 00	410 00	205 00
D form drafting and submission		0 30	4 50		4.80	1,068 00	222 50
Directors' questionnaire / checklist			0 70		0.70	143 50	205 00
Investigations							
Correspondence re investigations			13 10		13.10	2,685 50	205 00
Review of pre-appt transactions		0 60			0 60	291 00	485 00
Total in period	4 60	21 80	111.95	0 50	138 85	38,179 25	274 97
Brought forward time (appointment date to SIP 9 period start date)					0 00	0 00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)					138 85	38,179 25	
Carry forward time (appointment date to SIP 9 period end date)					138 85	38,179 25	

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 the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Pre-Liquidation costs

Pre-Liquidation costs (23/11/2014 to 22/01/2015)							
	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Pre-liquidation checks		4 20	4 00	3 80	12 00	3,332 00	277 67
S98 Meeting preparation		9 40	45 20		54 60	13,825 00	253 21
Statement of Affairs preparation		0 50	2 00		2 50	652 50	261 00
Total	0 00	14 10	51 20	3 80	69.10	17,809 50	257 74

Summary of hourly rates

Charge-out rates (£)	
Grade	From 01 Oct 2014 £/hr
Partner	595
Director	535
Senior Manager	485
Manager	405
Senior Administrator	280
Administrator	205
Support	125



Aardvark TFC Limited - in Liquidation ("the Company")

For the period 23 January 2015 to 14 October 2015

KPMG LLP

14 October 2015

Office holders' disbursements for the Period.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Sundry	NIL	223 04	NIL	NIL	223 04
Total	NIL	223 04	NIL	NIL	223 04

Appendix 4: Schedule of expenses for the Period

	Paid	Accrued	Total for period
	£	£	£
S98 meeting/Statement of affairs	4,000.00	-	4,000.00
Office holders' remuneration	3,500.00	38,179.25	41,679.25
Total	7,500.00	38,179.25	45,679.25

Creditors are reminded that the basis upon which office holder's remuneration has been drawn, has been agreed. The quantum is supported by an analysis of time costs available for review at Appendix 3. Any additional information regarding office holders' remuneration and / or other expenses charged for the period is available from the office holder upon request by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with rule 2.48A IA86. This request must be made within 21 days of receipt of the report. In addition creditors are reminded that the quantum can be challenged by any unsecured creditor or any unsecured creditor(s) with at least 10% in value (including that creditor's claim) of the unsecured debt by making an application to Court in accordance with rule 2.109 IA86 within eight weeks of receipt of this report. The full text of these rules can be provided upon request.