

The Insolvency Act 1986

**Administrator's progress report**

Name of Company Ad-Air Group Plc	Company number 3828522
In the High Court of Justice, Chancery Division, Companies Court	Court case number 8718 of 2008

We Stephen Cork and Joanne Milner of Smith &amp; Williamson Limited of

25 Moorgate, London, EC2R 6AY

Joint Administrators of the above company attach a progress report for the period

from

to

13 April 2009

12 October 2009

Signed

Joint Administrator

Dated

2/11/09

**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

Smith &amp; Williamson Limited

25 Moorgate, London

EC2R 6AY

Tel 020 7131 4000

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



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COMPANIES HOUSE

WEDNESDAY

**JOINT ADMINISTRATORS' PROGRESS REPORT PURSUANT TO RULE  
2.47**

**OF THE INSOLVENCY RULES 1986**

**AD-AIR GROUP PLC  
AD-AIR GLOBAL LIMITED  
AD-AIR UK LIMITED  
("THE COMPANIES")  
(ALL IN ADMINISTRATION)**

*2 November 2009*

**Smith & Williamson Limited**

Prospect House  
25 Moorgate  
London EC2R 6AY

Tel: +44 (0) 20 7131 4000  
Fax: +44 (0) 20 7131 4001

## 1. Introduction

You will recall that Stephen Cork and I were appointed Joint Administrators of the Companies pursuant to an out of court application made by the directors on 13 October 2008 ("the Administration").

As the 12 month anniversary has recently passed, I am pleased to provide creditors with the following progress report for the 6 month period ending 12 October 2009, as required by Rule 2.47 of the Insolvency Rules 1986. I will provide a summary of the proposals, the steps taken during the Administration and the proposed outcome.

As the Administration were not able to be completed within 12 months, I have extended the Administration for a further 6 months as set out in my proposals, and in accordance with Paragraph 76(2)(b) of Schedule B1 of the *Insolvency Act 1986*.

In my last progress report, I advised that it will be more beneficial for the Companies to be dissolved following the completion of the Administration, rather than convert to creditors' voluntary liquidations, as initially envisaged in the formal Administration proposals. This is due to there being no substantial matters which would require conversion to Liquidations. It is still the belief of the Joint Administrators that this is the most appropriate course of action.

## 2. Statutory Details

The statutory details of each of the Companies are as follows:

<b>Company name, including trading and former names</b>	Ad-Air Group Plc
<b>Company number</b>	3828522
<b>Registered office address</b>	Prospect House 2 Athenaeum Road London N20 9YU
<b>Court Details</b>	Royal Court of Justice, Chancery Division, Companies Court
<b>Court Number</b>	8718 of 2008
<b>Appointees</b>	Stephen Cork & Joanne Milner Smith & Williamson Limited 25 Moorgate London EC2R 6AY
<b>Appointor</b>	Directors
<b>Changes in office holder</b>	Resignation – Timothy Whyte (original resignation prior to Administration)
<b>Details of any extensions to initial period of appointment</b>	Administration extended to 13 April 2009.

<b>Company name, including trading and former names</b>	Ad-Air Global Limited
<b>Company number</b>	3828381
<b>Registered office address</b>	Prospect House 2 Athenaeum Road London N20 9YU
<b>Court Details</b>	Royal Court of Justice, Chancery Division, Companies Court
<b>Court Number</b>	8720 of 2008
<b>Appointees</b>	Stephen Cork & Joanne Milner Smith & Williamson Limited 25 Moorgate London EC2R 6AY
<b>Appointor</b>	Directors
<b>Changes in office holder</b>	None
<b>Details of any extensions to initial period of appointment</b>	Administration extended to 13 April 2009.

<b>Company name, including trading and former names</b>	Ad-Air UK Limited
<b>Company number</b>	3828144
<b>Registered office address</b>	Prospect House 2 Athenaeum Road London N20 9YU
<b>Court Details</b>	Royal Court of Justice, Chancery Division, Companies Court
<b>Court Number</b>	8719 of 2008
<b>Appointees</b>	Stephen Cork & Joanne Milner Smith & Williamson Limited 25 Moorgate London EC2R 6AY
<b>Appointor</b>	Directors
<b>Changes in office holder</b>	None
<b>Details of any extensions to initial period of appointment</b>	Administration extended to 13 April 2009.

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### **3. Summary of Administrators' Proposals**

I summarise below the proposals previously approved by creditors on 18 December 2008:

- 1) The Joint Administrators will continue to manage the Company's affairs in accordance with the statutory purpose.
  - 2) The Joint Administrators' fees be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, and the sale of the business assets for the benefit of the Administration, and that remuneration is to be drawn at the discretion of the Joint Administrators, as and when funds allow.
  - 3) The Joint Administrators consult with any duly appointed creditors' committee as to any proposed course of action or investigation into prior transactions. If no creditors' committee is formed then the Joint Administrators will take whatever actions are believed to be appropriate in the best interests of the Company's creditors.
  - 4) In the event that there are funds to distribute to non-preferential (unsecured) creditors, the Joint Administrators will seek for the Administration to be converted into creditors' voluntary liquidations at an appropriate time within the first 12 months in accordance with Paragraph 83 of Schedule B1. Creditors are advised that, pursuant to paragraph 83(7) of Schedule B1, in the absence of any alternate nominations, the Joint Administrators shall become the Liquidators for the purpose of winding up the affairs of the Company. Creditors are informed that they may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.
  - 5) The Joint Administrators' liability, in respect of any of actions as Joint Administrators, shall be discharged, in accordance with Paragraph 98 of Schedule B1, immediately upon the appointment ceasing to have effect.
  - 6) In the event that the Administrators deem it necessary, they will seek for the Administration to be extended by six months in accordance with Paragraph 76 of Schedule B1, to allow the Joint Administrators to attend to any remaining statutory tasks.
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#### **4. Receipts and Payments**

At the end of the first 12 month period, the Administrators hold funds of £2,904.89. These funds are held in Ad-Air Group Plc. Attached at Appendix I are a summary of the receipts and payments in the Administration.

##### **Receipts**

Since the date of my last Report to Creditors dated 5 May 2009 there have been no recoveries made in the Administration.

Further to my last report dated 5 May 2009 the purchaser of the business assets, Prime Position Media Limited (formerly Icatching Media Limited) ("the Purchaser"), has now entered Liquidation. The Administrators are entitled to lodge a claim with the Liquidator for 5% of the gross turnover from the date of sale to the date of liquidation. To date, no figures have been provided from the Liquidators of the Purchaser and as such a claim against the Purchaser has not been lodged. It remains unlikely of a significant recovery from these outstanding monies.

##### **Payments**

Since my last report, the major expenditure incurred has been on the fees and expenses incurred in administering the Companies.

#### **5. Creditors' Claims**

##### **Secured Creditor**

Mr Michael Sofaer has a fixed and floating charge over the assets of the Companies. The directors have disclosed that the total value of the debt owing to Mr Sofaer across the Companies is £353,023. In our previous report, we stated that the effect of the charge across each of the Companies would need to be reviewed in the event that there are funds available for distribution. As it appears there will be no funds available, the Administrators have not undertaken this review.

##### **Non-Preferential (Unsecured) Creditors**

A dividend is not expected to be paid to non-preferential (unsecured) creditors of the Companies. As such, I have not adjudicated upon creditors' claims.

The directors' Statement of Affairs disclosed total unsecured creditors across the Companies of £5,736,854.

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## 6. Investigations

To date we have complied with our statutory obligations in respect of investigating the conduct of the directors. A final report in this regard was submitted to The Secretary of State for Trade and Industry in April 2009. The findings of our investigations are confidential between the Secretary of State for Trade and Industry and the Joint Administrators.

## 7. Administrators' Analysis of Time Costs

You will recall that creditors resolved that the Joint Administrators' fees be fixed by reference to the time properly spent by the Joint Administrators and their staff in attending to matters arising in the Administration.

Please find enclosed Appendix II to this report which is an analysis of that time, prepared in accordance with the requirements of Statement of Insolvency Practice 9 ("SIP 9").

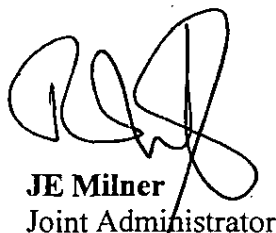
To date, time costs have been incurred of 195.40 chargeable hours. Of this time, 10.15 hours were charged at director level, 137.70 hours were charged at the associate director / manager level, 19.10 hours were charged at other senior professionals level and 28.45 hours at general administrative level.

Thus a total of 195.40 hours, to a value of £48,819.25 have been expended on the Administration to date at an average rate of £249.84 per hour. To the date of this report, £39,234.25 of these fees have been drawn by the Joint Administrators.

## 8. Conclusion

The Joint Administrators will continue to liaise with appointed liquidator of the Purchaser to establish the likelihood of a dividend being paid to the Companies. In the event that a dividend is unlikely, the Joint Administrators will look to dissolve the Administration, upon which a final report will be provided to creditors.

Should any creditors have a query regarding the contents of this report or the Administration to date, please contact Mr Peter Derbyshire of this office.



**JE Milner**  
Joint Administrator

Directors acting as insolvency practitioners contract without personal liability.

Stephen Cork is licensed to act as an insolvency practitioner by the Insolvency Practitioners Association.

Joanne Milner is licensed to act as an insolvency practitioner by the Institute of Chartered Accountants of England & Wales

The business, affairs and property of the above Company are being managed by the Administrator who contracts as agent of the Company and without personal liability.

Appendix I

**Ad-Air Group Plc, Ad-Air Global Limited and Ad-Air UK Limited  
(all in Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
To 12 October 2009**

<b>RECEIPTS</b>	<b>Total (£)</b>
Commercial Records FCR	100.00
Intangible Assets FCR	200.00
Goodwill FCR	39,500.00
WIP FCR	100.00
Sale of Shares FCR	100.00
Bank Interest FCR	215.09
Furniture & Equipment FLT	10,000.00
Cash at Bank FLT	207.18
Bank Interest FLT	17.62
	<b>50,439.89</b>
 <b>PAYMENTS</b>	
Administrators' Fees FCR	30,698.75
Pre-Appointment Fees FCR	6,507.50
Ad-Air UK Ltd Liq Fees	1,509.00
Ad-Air UK Ltd Bond	20.00
Ad-Air UK Ltd Co Search	1.00
Ad-Air Global Ltd Liq Fees	519.00
Ad-Air Global Ltd Bond	20.00
Ad-Air Global Ltd Co Search	1.00
Specific Bond FLT	528.00
Agents/Valuers Fees FLT	500.00
Legal Fees FLT	5,000.00
Legal Expenses FLT	70.00
Company Search FLT	6.00
Storage Costs FLT	112.14
Statutory Advertising FLT	1,315.94
	<b>46,808.33</b>
 <b>Balance Held</b>	<b>3,631.56</b>
 Made up as follows:	
Cash at Bank	2,904.89
VAT Receivable	726.67



Appendix II

Ad-Air Group Plc, Ad-Air Global Limited and Ad-Air UK Limited  
(all in Administration)

Breakdown of time spent by Smith & Williamson Limited  
for the period 13 October 2008 to 12 October 2009

Hours							Average hourly rate £
Classification of work function	Director	Associate Director/ Manager	Other Senior Professionals	Assistants & support staff	Total hours	Time cost £	
Administration & Planning	2.15	55.50	12.85	14.70	85.20	20,081.75	235.70
Investigations	0.00	12.50	0.00	0.00	12.50	3,125.00	250.00
Realisation of Assets	0.00	15.70	0.75	0.00	16.45	5,031.25	305.85
Creditors	0.00	54.00	0.00	13.75	67.75	15,521.25	229.10
Pre Appointment	8.00	0.00	5.50	0.00	13.50	5,060.00	374.81
Totals	10.15	137.70	19.10	28.45	195.40	48,819.25	249.84