


AM10

Notice of administrator's progress report



Companies House

For further information, please refer to the
guidance at www.gov.uk/companieshouse

1	Company Details
Company number	07588241
Company full name	SMF Realisations Holdings Limited (formerly Smartfocus Holdings Limited)
2	Administrator's name
Full name	Jeremy Willmont
3	Administrator's address
Full address	55 Baker Street, London, W1U 7EU
4	Administrator's name
Full name	William Matthew Tait
5	Administrator's address
Full address	55 Baker Street, London, W1U 7EU
6	Administrator's name
Full name	Graham Francis Newton
7	Administrator's address
Full address	c/o 55 Baker Street, London, W1U 7EU
8	Period of progress report
From date	07/06/2019
To date	06/12/2019
9	Progress report
<input checked="" type="checkbox"/> I attach a copy of the progress report	
10	Sign and date
Administrator's signature	 x
Date	2 January 2020

MONDAY



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06/01/2020

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record

Contact name **Sarah Forbes**
Company name **BDO LLP**
Address **55 Baker Street, London, W1U 7EU**

Telephone **02038606235**

Checklist

Companies House may return forms completed incorrectly or with information missing

Make sure you have remembered the following

- ☐ The company name and number match the information held on the public Register
- ☐ You have attached the required documents
- ☐ The form has been signed

Important information

All information on this form will appear on the public record

Where to send

You may return this form to any Companies House address, however for expediency you are advised to return it to

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

Further information

For further information, please refer to the guidance at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk



Strictly Private & Confidential

**SMF REALISATIONS HOLDINGS LIMITED
(FORMERLY SMARTFOCUS HOLDINGS
LIMITED) ("THE COMPANY")**

Progress report to the creditors for the period 7 June 2019 to
6 December 2019 pursuant to Rules 18.3 and 18.6 of the
Insolvency (England and Wales) Rules 2016

2 January 2020

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This report is intended for use by those parties entitled to a copy thereof under the Insolvency (England and Wales) Rules 2016. It may contain information that is privileged, confidential or exempt from disclosure and any dissemination, distribution or copying of it and its attachments is strictly prohibited.

Any estimated outcomes for creditors are for illustration only and cannot be relied upon as guidance as to the actual outcome for creditors.

Jeremy Willmont and William Matthew Tait are authorised in the UK to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Francis Graham Newton is authorised in the UK to act as an insolvency practitioner by the Insolvency Practitioners Association. All of our work is conducted in accordance with the Insolvency Code of Ethics.

1. Statutory information

Company name:	SMF Realisations Holdings Limited (formerly Smartfocus Holdings Limited)
Company number:	07588241
Registered office:	c/o 150 Aldersgate Street London EC1A 4AB
Court reference:	High Court of Justice No. 003868 of 2019
Date of appointment:	7 June 2019
Joint Administrators:	Jeremy Willmont William Matthew Tait Francis Graham Newton
Joint Administrators' address:	55 Baker Street London W1U 7EU

2. Progress to date

- 2.1. A detailed explanation of the background leading to the appointment of the Joint Administrators and the steps taken post appointment was included in the Joint Administrators' proposals.
- 2.2. There have been no deviations or amendments to the original proposal which was approved without modifications. There has been no application to extend the term of the administration.
- 2.3. The receipts and payments account attached in Appendix I details the asset realisations from 7 June 2019 to 6 December 2019 ("the Reporting Period").
- 2.4. At the date of appointment the business and certain assets of the Company and a further subsidiary, SMF Realisations Limited (In Administration) (formerly Smartfocus UK Limited) ("SMFUK") were sold to Newsmartfocus Limited ("NSF") under the terms of a pre-packaged sale.
- 2.5. On completion, cash consideration of €1 (£0.89) was received for 100% of the issued share capital of SF France and certain subsidiaries.
- 2.6. Full disclosure of the transaction is included in my report dated 24 July 2019 and a further copy can be provided on request.
- 2.7. Cash at bank of £8,952.93 was received from NatWest Bank plc which is in line with the expected funds. Shortly after appointment the final pre appointment VAT return was prepared and submitted and a refund of £18,745.30 was received.
- 2.8. The remaining outstanding asset realisations relate to an intercompany debt due from SMFUK and a rent deposit.

- 2.9. Matthew Tait, Graham Newton and I have also been appointed Joint Administrators of SMFUK.
- 2.10. I anticipate that SMFUK will be placed into liquidation in the next three months and anticipate that there will be a dividend payable to unsecured creditors. A full update on the administration of SMFUK will be circulated to its creditors shortly.
- 2.11. As part of the sale, for the period up to 9 February 2020, NSF is entitled to use the Rent Deposit (estimated at £71k) as a rent deposit in accordance with the terms of its purchase of assets. Once NSF is no longer entitled to use the Rent Deposit, NSF must use all reasonable endeavours to procure the transfer of the Rent Deposit, or an amount equal to the Rent Deposit to the Joint Administrators of the Company.
- 2.12. The receipts and payments account for the Reporting Period includes a suspense account of £19,940.47. This relates to legal fees paid by SMFUK on behalf of the Company. It is intended that once a dividend is calculated and payable, these fees will be repaid to SMFUK.
- 2.13. Following appointment an initial investigation was undertaken into the affairs of the Company. It would not appear that there are any further matters which require additional investigation at this time.

3. Investigations

- 3.1. An appropriate submission on the actions of the directors has been forwarded to the Disqualification Unit of the Department for Business, Energy & Industrial Strategy in accordance with the joint administrators' statutory duties. Please note that the content of this submission is of a confidential nature and so cannot be disclosed to third parties.

4. Pre-administration costs

- 4.1. Outstanding pre-administration costs were fully disclosed in my previous report. The administrators have not sought to have these costs paid and they will be written off.

5. Joint administrators' remuneration and expenses

- 5.1. The remuneration of the joint administrators has been fixed as follows:
- by reference to the time properly given by the joint administrators and their staff in attending to matters as set out in the fees estimate.
- 5.2. Authorisation for the above remuneration was obtained by a decision of the general body of creditors on 20 August 2019.
- 5.3. During the Reporting Period, time costs of £107,685.03 have been incurred over 268.04 hours at an average rate of £401.75 per hour. A detailed breakdown of the time costs of the joint administrators, together with current charge out rates and examples of work undertaken in an administration are attached in Appendix II.

- 5.4. A considerable amount of time has been incurred in dealing with the subsidiaries excluded from the sale and corresponding with our solicitors and the directors of those subsidiaries to effect the transfer of shares to the Company.
- 5.5. Time has been incurred in realising funds from the Company's pre appointment bank accounts, dealing with creditor enquiries, initial steps on appointment including reporting to creditors on the sale.
- 5.6. In addition we have dealt with all statutory matters and administrative work in relation to the administration and either required by legislation or necessary to perform the basic duties of an administrator.
- 5.7. Our Fee Estimate showed total estimated fees of £59,700. This is likely to be exceeded due to the extensive work undertaken in dealing with the subsidiaries. The directors of those companies ceased to act and it has proved not to be cost-effective to progress the transfers of shares from SF France to the Company.
- 5.8. To date, no remuneration has been drawn.
- 5.9. As detailed above, the remaining outstanding asset relates to a rent deposit and intercompany balance due from SMFUK. Once the date has passed by which NSF are not entitled to use the rent deposit, we will contact NSF and request the transfer of these funds. As detailed above, we anticipate that SMFUK will be placed into liquidation and a dividend paid to unsecured creditors within the next three months.
- 5.10. Should you wish to receive a copy of "A Creditors' Guide to Administrators' Fees" this is available on the R3 website <https://www.r3.org.uk/what-we-do/publications/professional/fees> or by requesting a copy from this office in writing or by telephone.

6. Joint administrators' expenses

- 6.1. A schedule of all of the category 1 expenses of the joint administrators incurred in the period is detailed in Appendix III.
- 6.2. As detailed in paragraph 2.12, legal fees totalling £19,940.47 (gross) were paid during the period to Marriott Harrison ("MH"). At the date of this report, MH had £3,481.56 outstanding and this was settled shortly after the Reporting Period.
- 6.3. My fees estimate provided in my previous report showed legal fees of £20,000. Total fees at the date of this report are £20,338.61 which exceed this estimate. This is due to the complex nature of the group structure and the investigations into transferring the shares to the Company from NSF.
- 6.4. A total of £392 has been paid to JLT Speciality Limited in respect of insurance premiums.

7. Creditors' rights

- 7.1. Within twenty one days of receipt of this report, a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor making the request) or any unsecured creditor with the permission of the

court may request in writing that the joint administrators provide further information about their remuneration or expenses which have been itemised in the progress report.

- 7.2. Within fourteen days of receipt of the request, the joint administrators must provide all of the information asked for, except so far as they consider that:
- the time or cost of preparation of the information would be excessive, or
 - disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - they are subject to an obligation of confidentiality in respect of the information.
- 7.3. The joint administrators are also required to give reasons for not providing all of the requested information.
- 7.4. Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may, within eight weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the joint administrators' remuneration, the remuneration charged, or the expenses incurred by the joint administrators as set out in the progress report are excessive.
- 7.5. The joint administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at:
<https://www.icaew.com/membership/regulations-standards-and-guidance/ethics/code-of-ethics-d>

8. Liabilities

Secured creditors

- 8.1. There are no secured creditors.

Preferential creditors

- 8.2. I am not aware of any preferential creditors.

Unsecured creditors

- 8.3. Based on the current information, it still appears possible that there may be a small dividend to unsecured creditors, but at this stage we cannot confirm the timing or amount as the quantum is dependent on the level of realisations from the intercompany debt due from SMFUK and the level of claims received from creditors.



Jeremy Willmont
Joint Administrator

Appendix I - Joint Administrators' receipts and payments account

SMF Realisations Holdings Limited (formerly Smartfocus Holdings Limited) (In Administration)

	Statement of affairs £	From 07/06/2019 To 06/12/2019 £
RECEIPTS		
Investment		0.89
Cash at bank	9,000.00	8,952.93
VAT repayment		18,745.30
Intercompany - UK	182,000.00	0.00
Other receivables and prepayments	71,000.00	0.00
Interest gross of tax		5.81
Suspense account - GBP		19,940.47
		<u>47,645.40</u>
PAYMENTS		
Legal fees & expenses		16,857.05
Royal Mail redirection		211.00
Insurance		392.00
Statutory advertising		402.25
		<u>17,862.30</u>
Net Receipts/(Payments)		<u>29,783.10</u>
MADE UP AS FOLLOWS		
VAT receivable		3,271.47
Bank 2 - current interest bearing		26,511.63
		<u>29,783.10</u>

APPENDIX II

BREAKDOWN OF TIME COSTS AND EXAMPLES OF WORK UNDERTAKEN IN AN ADMINISTRATION

SMF REALISATIONS HOLDINGS LIMITED (FORMERLY SMARTFOCUS HOLDINGS LIMITED) (IN ADMINISTRATION) ("THE COMPANY")

Time costs from 7 June 2019 to 6 December 2019

	Partner	Manager / Director	Assistant Manager	Senior Administrator	Administrator	Other staff	Total hours	Time cost (£)	Av. rate £/h
Steps on Appointment	10.05	28.28	-	-	3.85	-	42.18	21,543.26	510.75
Planning and Strategy	1.80	3.00	-	-	-	-	4.80	2,789.10	581.06
General Administration	2.90	38.43	49.95	0.20	31.75	1.15	124.38	39,753.41	319.61
Asset Realisation/Dealing	11.60	47.20	22.00	-	-	-	80.80	37,840.05	468.32
Creditor Claims	-	4.23	3.55	-	-	-	7.78	3,122.51	401.35
Reporting	0.60	-	5.80	-	-	-	6.40	2,207.60	344.94
Distribution	-	-	0.40	-	1.30	-	1.70	429.10	252.41
Total hours	26.95	121.14	81.70	0.20	36.90	1.15	268.04		
Total time costs £	19,933.80	56,630.08	25,282.60	42.20	5,673.75	122.60		107,685.03	401.75

Total remuneration drawn on account £Nil

The joint administrators' current charge out rates are:

Grade	Hourly rate
Partner	£665 - £783
Manager/Director	£294 - £604
Assistant Manager	£265 - £311
Senior Administrator	£247 - £311
Administrator	£93 - £263
Other staff	£93 - £108

Time is charged in three minute units or multiples thereof. Our firm's charge out costs rates are normally reviewed in July and December each year and adjusted to take account of inflation and the firm's overheads.

Examples of the work which may be undertaken, but which is not limited to, include:

Statutory compliance, administration and planning

- Setting up and maintenance of internal hard copy files and case file on the Insolvency Practitioners System (IPS)
- Data input including basic details of case, assets, creditor names and addresses and employee names and addresses
- Obtaining specific penalty bond
- Setting up of the administration bank account including inputting details on the IPS system
- Preparation and filing (with the Registrar of Companies) of various statutory forms including change of registered office form, notice of appointment and statement of affairs
- Advertisement of notice of appointment and the notice to creditors to claim in The Gazette

APPENDIX II

- Notification to the Registrar of Companies of the formation of a creditors committee (if applicable)
- Convening and holding meetings of members and creditors
- Holding meetings and reporting to the creditors' committee (if applicable)
- Letters to the directors regarding the provisions of sections 216 and 217 of the Insolvency Act 1986, enclosing directors' questionnaires
- Obtaining approval for the basis of fees from creditors
- Initial notification to HM Revenue & Customs
- Enquiries as to any pension schemes and the auto-enrolment staging dates and subsequent notification of appointment (if applicable)
- Preparation and distribution of the administrators' proposals to members and creditors
- Preparation and distribution of progress reports to members and creditors
- Preparation and submission of statutory receipts and payments accounts
- Applying for the extension of the administration (if applicable)
- General administration of case including case planning and strategy
- Completion of internal reviews including asset realisation review, 6 month review and annual reviews
- Collection, preservation and review of the Company's book and records
- Review of the Company's redirected post
- Written and verbal communications with the unsecured creditors
- Written and verbal communication with employees
- Dealing with lease and hire purchase creditors in conjunction with our agents
- Liaising with the Company's former professional advisors and bankers
- Review work pursuant to the Statement of Insolvency Practice 2
- Review of creditor questionnaire and other information received in relation to the affairs of the Company
- Review of directors' questionnaires
- Preparation of the administrators' submission on the actions of the directors to the disqualification unit of the Department for Business, energy & Industrial Strategy
- Correspondence with compliance department in respect of on-going case issues/matters.
- Complying with money laundering regulations
- Completing bill requisitions and raising invoices against time incurred in respect of work carried out and outlays incurred
- Reconciliation of post appointment bank accounts to the administration records
- Maintaining time-costs and disbursement schedules on the firm's FMS system (including timesheet entries)
- Dealing with pension issues
- Arrangement and review of insurance policies in relation to the Company's assets
- Preparation and submission of corporation tax returns
- Preparation and submission of VAT returns
- Chargeable gains tax calculations
- Closure formalities

Asset realisations

- Identifying, securing and insuring the assets
- Instructing agents to value assets
- Liaising with agents regarding the realisation of assets
- Liaising with solicitors regarding the realisation of assets
- Liaising with secured creditors regarding the realisation of charged assets

APPENDIX II

- Liaising with pre-appointment bankers regarding the closure of the Company's bank accounts
- Dealing with retention of title claims in conjunction with our agents
- Written and verbal correspondence with debtors
- Monitoring and collection of outstanding debtors, retentions and work in progress
- Property, business and asset sales
- Tax reclaims
- Review of interest rate hedging products

Investigations

- Liaising with the Company's former professional advisors and bankers
- Review work pursuant to the Statement of Insolvency Practice 2
- Liaising with solicitors in relation to investigations
- Forensic accounting
- Review of Company's bank statements
- Further review of the Company's book and records
- Review of directors' questionnaires
- Land Registry and Companies House searches
- Consideration of legislation relating to, but not limited to, wrongful trading, fraudulent trading, antecedent transactions, preferences, transactions at undervalue.

Distribution to creditors

- The processing and submission of the relevant forms to the Redundancy Payments Directorate
- Processing of creditors' proof of debt forms and entering onto IPS system
- Liaising with agents in relation to the agreement of creditor claims
- Liaising with solicitors in relation to contentious proof of debt forms
- Agreement of creditors' claims (including employees and other preferential creditors)
- Calculation and payment of dividends
- Preparation of distribution paperwork including the notice of declaration

BREAKDOWN OF EXPENSES

SMF REALISATIONS HOLDINGS LIMITED (FORMERLY SMARTFOCUS HOLDINGS LIMITED) (IN ADMINISTRATION) ("THE COMPANY")

For the period of: 07/06/2019 to 06/12/2019:

Cost description	Cost incurred £	Cost drawn £
Royal Mail redirection	211.00	211.00
Insurance	392.00	392.00
Statutory advertising	402.25	402.25
Total	1,005.25	1,005.25
Total undrawn costs carried forward		nil