

The Insolvency Act 1986

**Notice of move from administration to
creditors' voluntary liquidation****2.34B**

Name of Company SMS Agencies Limited	Company number 03529845
In the High Court of Justice <small>[full name of court]</small>	Court case number 780 of 2006

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

I/We (a) Simon James Michaels and David Harry Gilbert of BDO Stoy Hayward LLP 8 Baker Street, London, W1U 3LL

(b) Insert name and address of registered office of company

having been appointed administrator(s) of (b) SMS Agencies Limited whose registered office is situated at 8 Baker Street, London, W1U 3LL

(c) Insert date of appointment

On (c) 14 February 2006 by (d) David Lake, Director

(d) Insert name of applicant / appointor

Hereby give notice that:

(e) Insert name(s) and address(es) of liquidator(s)

The provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is proposed that (e) Simon James Michaels and David Harry Gilbert of BDO Stoy Hayward 8 Baker Street, London, W1U 3LLwill be the liquidator(s) of the company (IP No(s) 8824/01 and 2376/01)

I/We attach a copy of the final progress report.

Signed

Joint/administrator(s)

Dated

19/1/07

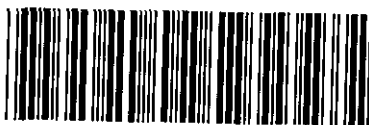
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

BDO Stoy Hayward LLP, 8 Baker Street, London,	
W1U 3LL,	
Our Ref 7/HM/1/C15	Tel 020 7486 5888
DX Number	DX Exchange

en you have completed and signed this form please send it to the Registrar of Companies at:

mpanies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



A60 31/01/2007 336
COMPANIES HOUSE

WEDNESDAY



BDO Stoy Hayward LLP
Chartered Accountants

8 Baker Street London W1U 3LL
Telephone: +44 (0)20 7486 5888
Facsimile: +44 (0)20 7935 3944
DX 9025 West End W1
Web site: www.bdo.co.uk

19 January 2007

Our Ref 7/HM/1/A6

Please ask for
Helena Mules
020 78933258

TO ALL CREDITORS

Dear Sir(s)/Madam

SMS Agencies Limited - In Administration

I now supply my final report to creditors in respect of this Administration.

I enclose, for your information, a summary of my receipts and payments to date showing a balance in hand of £711,242, together with a copy of my abstract receipts and payments account covering the period of the Administration, and report as follows:

1 Receipts

The receipts shown are largely self-explanatory, although I would comment specifically on:

a) Sale of Business and Assets

A sale of the business was completed on 14 February 2006 to The Best Connection Group Limited ("Best") for a total consideration of £1.2m. In addition, all of the company employees were transferred to the purchaser avoiding an estimated TUPE liability in excess of £1.5m.

b) Sale of Freehold Properties

The sales of the company's properties were completed as follows:

Property	Date of completion	Price
Eastgate Street, Gloucester	22 June 2006	£110,000.
Havant Road, Portsmouth	11 August 2006	£201,000.
Three Bridges Road, Crawley	due to exchange	£340,000

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The sales that have been completed were in excess of the agent's initial valuations.

c) Fortis Commercial Finance Limited ("FCF") Ledger

As at 14 February 2006, the estimated recoverable sales ledger totalled £2.11m. The Joint Administrators are pleased to report that book debts totalling £2.067m have been recovered. FCF was paid in full under the terms of its invoice discounting agreement with the company and a surplus of £430,697 has been received into the Administration.

2 Prospects for Creditors

As at the date of the Joint Administrators' appointment, the following creditors held security over the assets of the company:

a) Fortis Bank S.A./N.V. ("Fortis")

As at 14 February 2006, the sum of £2.25m was due to Fortis in relation to a term loan facility made available to SMS Agencies Holdings Limited. The facility was cross guaranteed by the company. This debt has been paid in full.

b) Fortis Commercial Finance Limited ("FCF")

As at 14 February 2006, FCF held a fixed and floating charge over the assets of the company that was secured by a debenture. This debt has now been paid in full from book debt realisations.

The Joint Administrators have not received any preferential claims, given that all employee contracts and rights were transferred to Best under the contract for the sale of the business.

The claims of the unsecured creditors of the Company are estimated at £7,170,898 and can be broken down as follows, please note that these claims are subject to adjudication and have not been admitted for dividend purposes:

HM Revenue and Customs – VAT	1,857,608
HM Revenue and Customs – PAYE	1,418,120
Trade Creditors	225,170
Northern Venture Management	3,670,000
	<u>£ 7,170,898</u>

Under the provisions of Section 176A of the Insolvency Act 1986, the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has

granted a floating charge to a creditor after 15 September 2003. The holders of the floating charge have been paid in full from fixed charge realisations and therefore all floating charge realisations, net of administration costs and after payment in full of any preferential claims, will be available to unsecured creditors. Therefore the prescribed part does not apply in this instance.

It is anticipated that there will be funds available for distribution to unsecured creditors, however, the quantum will be dependant upon the sum available for distribution and the final agreed level of claims ranking for dividend.

3 Future of the Company

At the meeting called pursuant to Paragraph 51 of Schedule B1 of the Insolvency Act 1986, held on 24 April 2006, the creditors resolved that the Joint Administrators should place the Company into Creditors' Voluntary Liquidation and that Simon Michaels and David Gilbert be appointed Joint Liquidators, to effect a distribution to unsecured creditors.

Please find attached a copy of form 2.34B which confirms that the company has now been placed into Creditors' Voluntary Liquidation.

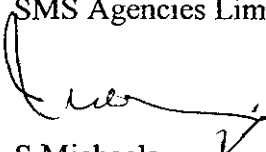
4 Administrators' Remuneration

The creditors have already approved the Administrators' remuneration on a time costs basis and to date I have drawn £186,311.20 in respect of remuneration as shown on the attached receipts and payments account. I attach a schedule which summarises the time costs accrued to date and indicates the work undertaken in that respect.

We trust this report provides you with sufficient information. Should you have any queries, please write to me at the above address.

Please note that the Joint Administrators act only as agents of the company and without personal liability.

Yours faithfully
for and on behalf of
SMS Agencies Limited



S Michaels
Joint Administrator
Authorised by the Insolvency Practitioners Association

Enc

The Insolvency Act 1986

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In the High Court of Justice <small>[full name of court]</small>	Court case number 780 of 2006

(a) Insert name(s) and
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administrator(s)~~I/We~~ (a) Simon James Michaels and David Harry Gilbert of BDO Stoy Hayward LLP 8 Baker Street, London, W1U 3LL(b) Insert name and address
of registered office of
companyhaving been appointed administrator(s) of (b) SMS Agencies Limited whose registered office is situated at 8 Baker Street, London, W1U 3LL.

(c) Insert date of appointment

On (c) 14 February 2006 by (d) David Lake, Director(d) Insert name of applicant /
appointor

Hereby give notice that:

(e) Insert name(s) and address(es)
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Signed

Joint/administrator(s)

Dated

19/1/07

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Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

SMS Agencies Limited - In Administration

Summary of Joint Administrator's receipts and payments for the period 14 February 2006 (date of appointment) to 19 January 2007

RECEIPTS	Total (£)
Book Debts	7,502.51
Goodwill	1,200,000.00
FCF Sales Ledger Surplus	430,697.47
Re-Assigned book debts	109.92
Freehold Land & Property	311,030.84
Furniture & Equipment	8,073.75
Intercompany: Big Wheelers	20,000.00
VAT Refund	85,446.23
Cash at Bank	20,358.03
Miscellaneous Receipts	15.00
Settlement with former employee	20,752.76
Bank Interest Net of Tax	710.14
Insurance Settlement	3,467.85
Utilities Refund	187.04
Rates Refund	6,964.73
	<u>2,115,316.27</u>

PAYMENTS

Utilities	46.47
Joint Administrators' remuneration	186,311.20
Joint Administrators' disbursements	2,757.73
Legal Fees & Disbursements	75,687.28
Debt Collection fees	48,718.36
Debt Collection Costs	101.00
Undertaking: Branch Exp	309.76
Undertaking: Telecom/IT	14,761.91
Undertaking: Other	3,706.80
Fixed Charge : Fortis Bank	1,000,000.00
Agents Fees	26,707.64
Stationery & Postage	93.00
Storage Costs	1,666.93
Statutory Advertising	371.59
Other Property Expenses	210.00
Insurance of Assets	3,807.25
Bank Charges	46.80
Vat Input	38,769.95
	<u>1,404,073.67</u>
Balances in Hand	711,242.60
	<u>2,115,316.27</u>

BDO Stoy Hayward LLP
8 Baker Street
London W1U 3LL

19 January 2007
S Michaels & D Gilbert
Joint Administrators

Summary of Time Charged and Rates Applicable for the Period From 28/01/2006 to 19/01/2007

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AVRT
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
B. Steps on Appointment	10.00	5,040.00	22.00	6,710.00			36.25	6,996.25	15.00	1,050.00			51.25	8,046.25	157.00
C. Planning and Strategy	11.00	5,579.00	10.50	3,202.50	6.95	492.50	90.00	17,395.00	140.15	11,797.75	14.00	1,017.00	32.00	11,750.00	367.19
D. General Administration			244.00	76,166.00			28.75	5,548.75	99.10	7,515.40			272.60	39,483.75	144.84
E. Assets Realisation/Dealt							4.25	820.25	11.25	787.50			371.85	89,230.15	239.96
F. Trading Related Matter									81.25	6,382.50			11.25	787.50	70.00
G. Employee Matters							14.50	2,798.50	82.50	6,241.00			97.00	9,039.50	84.24
H. Creditor Claims									28.50	2,237.50			65.00	13,370.00	93.19
I. Reporting			36.50	11,132.50					2.50	302.50			2.50	302.50	205.69
J. Distribution and Closure															121.00
K. Work	14.50	7,090.50	15.00	4,575.00					6.00	666.00	7.50	525.00	43.00	12,856.50	298.99
	35.50	17,709.50	328.00	101,786.00	6.95	492.50	173.75	33,558.75	466.25	36,980.15	21.50	1,542.00			

Net Total
Secretarial Expense
Other Disbursements
Billed
Grand Total

1,031.95	192,068.90
0.00	
3,172.82	
-189,440.52	
5,801.25	