

AM10

Notice of administrator's progress report



Companies House

SATURDAY



A08 *A8DH2HHS* 07/09/2019 #179
COMPANIES HOUSE

1 Company details

Company number 03772288
Company name in full Smartsensor Telemed Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Andrew
Surname Poxon

3 Administrator's address

Building name/number Leonard Curtis
Street Tower 12, 18/22 Bridge Street
Spinningfields
Post town Manchester
County/Region
Postcode M3 3BZ
Country

4 Administrator's name ^①

Full forename(s) Julien
Surname Irving

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ^②

Building name/number Leonard Curtis
Street Tower 12, 18/22 Bridge Street
Spinningfields
Post town Manchester
County/Region
Postcode M3 3BZ
Country

② Other administrator
Use this section to tell us about
another administrator

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d 1	d 4	m 0	m 2	y 2	y 0	y 1	y 9
To date	d 1	d 3	m 0	m 8	y 2	y 0	y 1	y 9

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d 0 d 6 m 0 m 9 y 2 y 0 y 1 y 9

AM10

Notice of administrator's progress report



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	Keith Turpin
Company name	Leonard Curtis
Address	Tower 12, 18/22 Bridge Street
	Spinningfields
	Manchester
Post town	
County/Region	
Postcode	M 3 3 B Z
Country	
DX	
Telephone	0161 831 9999



Checklist

We may return forms completed incorrectly or with information missing.

Please 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.
- ☐ You have signed the form.



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 we advise you to return it to the address below:

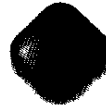
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

SMARTSENSOR TELEMED LIMITED

(IN ADMINISTRATION)

Registered Number: 03772288

Court Ref: CR-2019-MAN000073

High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD)

**Joint Administrators' first progress report in accordance
with Rule 18.3 of the Insolvency (England and Wales) Rules 2016**

**Report period
14 February 2019 to 13 August 2019**

6 September 2019

**Andrew Poxon and Julien Irving - Joint Administrators
Leonard Curtis
Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ
Tel: 0161 831 9999 Fax: 0161 831 9090
General email: recovery@leonardcurtis.co.uk
Ref: M/20/KT/SC82K/1010**

CONTENTS

1	Introduction
2	Statutory Information
3	Joint Administrators' Proposals
4	Progress of the Administration
5	Assets Still To Be Realised
6	Investigations
7	Joint Administrators' Remuneration and Disbursements
8	Joint Administrators' Expenses
9	Estimated Outcome for Creditors
10	Matters Still to be Dealt With
11	Extensions to the Administration
12	Next Report
13	Data Protection

APPENDICES

A	Summary of Joint Administrators' Approved Proposals
B	Summary of Joint Administrators' Receipts and Payments Account for the Period from 14 February 2019 to 13 August 2019
C	Summary of Joint Administrators' Time Costs for the Period from 14 February 2019 to 13 August 2019
D	Summary of Joint Administrators' Total Time Costs to 13 August 2019 incorporating a Comparison with the Joint Administrators' Approved Fees Estimate
E	Summary of Joint Administrators' Expenses for the Period from 14 February 2019 to 13 August 2019 Incorporating a Comparison with the Joint Administrators' Statement of Likely Expenses
F	Leonard Curtis Policy regarding Fees, Expenses and Disbursements
G	Estimated Outcome Statement
H	Proof of Debt Form
I	Privacy Notice

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NOT FOR PUBLICATION**

**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL MEMBERS**

1 INTRODUCTION

- 1.1 This report has been produced in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 ("the Rules") to provide creditors with an update on the progress of the Administration of Smartsensor Telemed Limited ("the Company") for the period from 14 February 2019 to 13 August 2019. This is the Joint Administrators' first progress report to creditors.

2 STATUTORY INFORMATION

- 2.1 Andrew Poxon and Julien Irving were appointed as Joint Administrators of the Company in the jurisdiction of High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD), number CR-2019-MAN000073 on 14 February 2019. The Administration appointment was made by the Directors. The Joint Administrators can confirm that there has been no change in office-holder since the date of Administration.
- 2.2 The Administration is being handled by the Manchester office of Leonard Curtis, which is situated at Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ.
- 2.3 The Company had a virtual office at Harwell Innovation Centre, Building 173, Curie Avenue, Harwell Science and Innovation Campus, Oxfordshire OX11 0QG. The business traded under its registered name.
- 2.4 The registered office address of the Company at the date of the appointment of the Joint Administrators was c/o Abacus Business Consulting, Thistledown, Wendlebury, Bicester OX25 2PE. Following the appointment, this was changed to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ. The registered number of the Company is 03772288.
- 2.5 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Joint Administrators may be exercised by all or any of the persons holding that office.
- 2.6 The Company's main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

3 JOINT ADMINISTRATORS' PROPOSALS

- 3.1 Attached at Appendix A is a summary of the Joint Administrators' approved proposals ("the Proposals") for achieving one of the three statutory purposes of Administration.
- 3.2 The Proposals were deemed approved by creditors on 24 April 2019.
- 3.3 There have been no major amendments to, or deviations from, the Proposals during the course of the Administration to date.
- 3.4 The objective of the Administration is to realise property in order to make a distribution to one or more secured or preferential creditors.

SMARTSENSOR TELEMED LIMITED – IN ADMINISTRATION

- 3.5 This objective has already been achieved as the secured creditor, James Roy Kelly as Security Trustee ("JRK") has been repaid in full from the proceeds of the sale of the Goodwill and Intellectual Property under their fixed charge.

4 PROGRESS OF THE ADMINISTRATION

- 4.1 Attached at Appendix B is the Joint Administrators' receipts and payments account for the period from 14 February 2019 to 13 August 2019.

4.2 Sale of Assets

As previously reported to creditors, the assets of the Company were sold on 8 April 2019 to Digostics Limited ('the Purchaser'), a company with a common director and shareholder to the Company.

The agreed sale consideration was £185,000.00, which was paid in full on completion.

The sale consideration was apportioned as follows:-

FIXED CHARGE ASSETS	£
Goodwill	1.00
Intellectual Property	180,000.00
 FLOATING CHARGE ASSETS	
Business Information	1.00
Fixtures, Fittings and Equipment	998.00
Stock	4,000.00
TOTAL	<u>185,000.00</u>

4.3 Cash at Bank

At the date of appointment, the Company's bank account was in credit to the sum of £21,606 19. These funds have now been received into the Joint Administrators' bank account.

4.4 VAT Refund

We previously reported that a VAT refund may be due from HM Revenue & Customs ("HMRC") to the Company. A subsequent investigation has revealed that the amount of potential refund is not economic for the Joint Administrators to pursue.

4.5 Bank Interest

Bank interest in the sum of £79.40 has been received by the Joint Administrators during the period of this report.

5 ASSETS STILL TO BE REALISED

- 5.1 There are no further assets to be realised.

SMARTSENSOR TELEMED LIMITED – IN ADMINISTRATION

6 INVESTIGATIONS

- 6.1 Following their appointment, the Joint Administrators considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate.
- 6.2 That assessment did not identify any possible further realisations. In addition, the Joint Administrators concluded that no further investigations were required. If, however, any creditor is aware of any particular matters which they consider require investigation, they should please send full details to this office at the address given at the front of this report.
- 6.3 Regardless of the above, the Joint Administrators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.

7 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Pre-Administration Costs

- 7.1 On 12 April 2019, the secured creditor consented to the following pre-Administration costs and expenses being paid as an expense of the Administration:

Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Leonard Curtis Recovery	Carried out an assessment of the financial position with a view to establishing the appropriate insolvency procedure. Providing insolvency advice to the Director and Company on the available options, liaising with the secured creditor with regards the strategy and dealing with all appointment formalities.	£4,975.00	£4,975.00	Joint Administrators	-
Knights	Preparing and executing the required appointment documentation.	£2,000.00	£2,000.00	Joint Administrators	-
	Total	£6,975.00	£6,975.00		-

These costs have now been paid and are detailed in the receipts and payments account attached at Appendix B.

Joint Administrators' Remuneration

- 7.2 On 12 April 2019, the secured creditor agreed that the basis of the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration for an amount not exceeding £64,645.00, as set out in a Fees Estimate.
- 7.3 The time charged by the Joint Administrators for the period of this report amounts to £56,840.00. This represents 147.9 hours at an average rate of £384.31 per hour. A summary of time costs incurred in the period of this report is set out at Appendix C, together with a detailed description of work undertaken in the period, attributable to each category of time costs, and an explanation of why it was necessary for that work to be performed.
- 7.4 Attached, at Appendix D, is a summary of time costs incurred in the period of this report compared with time costs as set out in the Joint Administrators' original fees estimate.

SMARTSENSOR TELEMED LIMITED – IN ADMINISTRATION

- 7.5 You will note that time costs incurred in the period of this report do not exceed the time as set out in the Fees Estimate. As demonstrated at Appendix D, costs attributable to each category of time generally fall within those anticipated
- 7.6 The area where significant variance has occurred relates to Assets, where the fee estimate has been exceeded by £3,569.50. This was due to the prolonged nature of the process of marketing the assets of the Company for sale. Further information on the work done in this category can be found in Appendix C.
- 7.7 The Administration is not yet complete and it is therefore anticipated that further time costs will be incurred in dealing with this matter. The Joint Administrators anticipate that the Fees Estimate will be exceeded but do not envisage reverting to the secured creditor for further fee approval.
- 7.8 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded from:
<https://www.r3.org.uk/what-we-do/publications/professional/fees>
- 7.9 If you would prefer this to be sent to you in hard copy please contact Keith Turpin of this office on 0161 831 9999.
- 7.10 The remuneration drawn by the Joint Administrators to 13 August 2019 totals £51,314.50 plus VAT.

8 JOINT ADMINISTRATORS' EXPENSES

- 8.1 Creditors will recall that the Joint Administrators have previously circulated a 'Statement of Likely Expenses' in this matter.

Expenses are separated into the following categories:

- (i) **Standard Expenses:** this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
- (ii) **Case Specific Expenses:** this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in a particular case. Also included within this category are costs that are directly referable to the Administration but are not paid to an independent third party (and which may include an element of allocated costs).

These are known as "Category 2 disbursements" and are subject to the approval of the creditors. On 12 April 2019, the secured creditor also approved that category 2 disbursements could be drawn by the Joint Administrators, as detailed at Appendix F.

- 8.2 A copy of the Joint Administrators' statement of likely expenses, together with comparative details of expenses incurred during the current reporting period and confirmation as to whether those amounts are paid or unpaid is set out at Appendix E.
- 8.3 You will note that, in general, the nature and value of expenses incurred to date fall within those anticipated within the original statement of expenses.
- 8.4 During the Administration, the following professional advisors have been used due to their specific expertise in the service provided:-

Name of Professional Advisor	Service Provided	Basis of Fees
Knights PLC	Legal advice	Time costs

- 8.5 Attached at Appendix F is additional information in relation to the firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade. Please be aware that the firm's charge out rates have been amended with effect from 1 August 2019.

SMARTSENSOR TELEMED LIMITED – IN ADMINISTRATION

- 8.6 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with either the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or with the permission of the court, may make a written request to the Joint Administrators for further information about remuneration or expenses set out in this report.
- 8.7 Under Rule 18.34 of the Rules, any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court, on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or the remuneration or expenses charged by the Joint Administrators are, in all the circumstances, excessive.
- 8.8 The application must be made no later than eight weeks after receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question.
- 8.9 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the Administration.

9 ESTIMATED OUTCOME FOR CREDITORS

- 9.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.

9.2 Secured Creditor

JRK has been repaid in full under their Fixed Charge following the sale of Goodwill and Intellectual Property.

9.3 Preferential Claims

No preferential claims are anticipated in the Administration and none have been received.

9.4 Prescribed Part

As the secured creditor has been repaid in full under its fixed charge, there is no requirement to set aside a prescribed part in this case.

9.5 Unsecured Non-Preferential Claims

It is considered unlikely that there will be sufficient realisations to enable a distribution to the unsecured creditors.

However, if you have not already done so, please submit details of your claim to my office. A proof of debt form is attached at Appendix H for your ease of use.

10 MATTERS STILL TO BE DEALT WITH

- 10.1 Matters still to be dealt with before conclusion of the Administration include the following:
- The Corporation Tax arising from the sale of the Goodwill and Intellectual Property will need to be paid; and
 - The unpaid remuneration and expenses will need to be defrayed.

SMARTSENSOR TELEMED LIMITED – IN ADMINISTRATION

11 EXTENSIONS TO THE ADMINISTRATION

- 11.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 11.2 We do not believe that an extension to the Administration will be necessary in this case.
- 11.3 The Joint Administrators will be discharged from liability immediately upon their appointment as Administrators ceasing to have effect.

12 NEXT REPORT

- 12.1 The Joint Administrators are required to provide a progress report which must be delivered within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

13 DATA PROTECTION

- 13.1 Finally, when submitting details of your claim in the administration, you may disclose personal data to the Joint Administrators. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679 as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. The Joint Administrators act as Data Controllers in respect of personal data they obtain in relation to this administration and are therefore responsible for complying with Data Protection Law in respect of any personal data they process. The Joint Administrators' privacy notice, which is attached to this report at Appendix I, explains how they process your personal data. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

If you wish to discuss the issues raised in this report or require any additional information, please contact this office.

Yours faithfully

For and on behalf of

SMARTSENSOR TELEMED LIMITED



**ANDREW POXON
JOINT ADMINISTRATOR**

Andrew Poxon and Julien Irving are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 8620 and 13092, respectively

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

SUMMARY OF JOINT ADMINISTRATORS' APPROVED PROPOSALS

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation. It is further proposed that Andrew Poxon and/or Julien Irving be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Andrew Poxon and/or Julien Irving be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM
14 FEBRUARY 2019 TO 13 AUGUST 2019**

	Estimated to realise £	This period £
RECEIPTS		
Assets specifically pledged		
Goodwill	1.00	1.00
Intellectual Property	180,000.00	180,000.00
Assets not specifically pledged		
Business Information	1.00	1.00
Fixtures, Fittings and Equipment	998.00	998.00
Stock	4,000.00	4,000.00
Balance at Bank	21,606.19	21,606.19
VAT Refund	N/K	-
Bank Interest	-	79.40
	<u>206,606.19</u>	<u>206,685.59</u>
PAYMENTS		
Pre-Appointment Costs		
Leonard Curtis		(4,975.00)
Legal Fees – Knights		(2,000.00)
Post-Appointment Costs		
Joint Administrators' Fees		(51,314.50)
Legal Fees – Knights		(18,000.00)
Legal Disbursements – Knights		(100.00)
Patent Renewal Fee – Novagraf UK		(1,779.74)
Patent Renewal Fee – Standley Law Group LLP		(129.00)
Storage Charges – Store & Secure		(243.50)
Category 1 Disbursements		(340.95)
Insurance		(705.00)
Virtual Office Fees		(34.35)
Bank Charges		(97.50)
Post Redirection		(211.00)
		<u>(79,930.54)</u>
DISTRIBUTIONS		
Amounts Paid to Debenture Holder		(102,875.30)
BALANCE		<u>23,879.75</u>

APPENDIX C

**SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 14 FEBRUARY 2019 TO 13 AUGUST 2019**

	Total		Average	
	Units	Cost £	Hourly Rate £	
Statutory & Review	146	6,111.00	418.56	
Receipts & Payments	120	3,583.00	298.58	
Insurance, Bonding and Pensions	20	676.00	338.00	
Assets	510	21,092.00	413.57	
Liabilities	108	4,668.50	432.27	
Debenture Holder	47	2,055.50	437.34	
General Administration	78	3,161.50	405.32	
Appointment	104	2,490.00	239.42	
Post Appointment Creds Mtngs	243	8,665.00	356.58	
Investigations	103	4,337.50	421.12	
Total	1,479	56,840.00		
Average Hourly Rate (£)		384.31		
All Units are 6 minutes				

DESCRIPTION OF TIME SPENT BY CATEGORY

Statutory and Review

This category of activity encompassed work undertaken for both statutory and case management purposes. Whilst this work did not directly result in any monetary value for creditors, it ensured that the case was managed efficiently and resourced appropriately, which was of benefit to all creditors. The work carried out under this category comprised the following:

- Case management reviews. These were carried out periodically throughout the period of this report. In the early stages of the case this involved weekly team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters had been dealt with appropriately;
- The team was required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This resulted in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years;
- Review and confirmation of billing;
- Preparation and update of Estimated Outcome Statement; and
- Preparation of handover form to the case progression team.

Receipts and Payments

This category of work did not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts was essential to ensure that bank interest was maximised where possible, estate expenses were properly managed and kept to a minimum and amounts payable to creditors were identified and distributed promptly.

- Opening of case bank account;
- Preparation of receipts and payments accounts for inclusion in the Joint Administrators' initial report to creditors;
- Timely completion of all VAT returns; and
- Managing estate expenses.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Arrangement of directors and officers insurance requirements;
- Calculation and request of Joint Administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond was calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors; and
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond was reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice;
- Completion and submission of statutory notifications under the Pensions Act 2004. This included liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pension legislation.

SMARTSENSOR TELEMED LIMITED – IN ADMINISTRATION

Assets

Time was incurred during the period of this report on the following:-

- Agreeing strategy for realisation of Company assets;
- Marketing of assets for sale;
- Approached ten leading pharmaceutical companies who had previously expressed an interest in the intellectual property;
- Establishing a data room;
- Requesting signed non-disclosure agreements from interested parties;
- Reviewing and progressing offers received;
- Acceptance of an offer from the Purchaser;
- Instruction of and liaising with Knights to completion;
- Reviewing a deed of assignment to the Purchaser;
- Liaising with the Company's banker re pre-appointment bank accounts; and
- Reviewing the position with regards to the potential VAT refund.

Liabilities

This category of time included both statutory and non-statutory matters.

Statutory

- Processing of claims from the Company's creditors;
- Processing of claims from the Company's employees;
- Preparation, review and submission of pre-appointment tax and VAT returns;; and
- Reviewing capital gains treatment of sale of the intellectual property.

Non-statutory

- Dealing with enquiries from the Company's creditors; and
- Dealing with enquiries from the Company's employees.

Debenture Holder

Time was spent in the period of this report on the following:-

- Review of validity of debenture holder's security;
- Regular updates to the secured creditor on the progress of the sale of the intellectual property; and
- Repayment of loan to secured creditor.

General Administration

This category of work did not result in a direct financial benefit for creditors; however it was necessary for these tasks to be completed in order to ensure the smooth and efficient progression of the administration:

- General planning matters;
- Setting up and maintaining the Joint Administrators' records;
- Requesting collection of company records; and
- Dealing with general correspondence and communicating with directors and shareholders.

Appointment

There are certain tasks which the Joint Administrators have a statutory obligation to undertake during the administration process. Other tasks were completed in order to ensure the administration was progressed to the benefit of all creditors and stakeholders. Actions completed were both statutory and non-statutory and include the following:

- Statutory notifications to creditors and other interested parties following the Joint Administrators' appointment;
- Preparation of case plan;
- Formulation of case strategy, including recording of any strategic decisions;
- Reviewing appointment, initial and directors' checklists; and
- Preparation and submission of initial letter to creditors.

Post Appointment Creditors' Decisions

Agreeing and reporting on our proposals and fee basis is a statutory requirement. Work completed during the period of this report included the following:

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the Administration;
- Preparation of Fees Estimate and Statement of Expenses in accordance with the Rules; and
- Convening a meeting by correspondence to agree Fees Estimate with appropriate body of creditors; and
- Reporting on outcome of voting.

Investigations

Work completed during the period of this report included the following:

- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Company Directors Disqualification Act 1986.

APPENDIX D

**SUMMARY OF JOINT ADMINISTRATORS' TOTAL TIME COSTS TO 13 AUGUST 2019
INCORPORATING A COMPARISON WITH THE JOINT ADMINISTRATORS' APPROVED FEES ESTIMATE**

	FEES ESTIMATE			INCURRED TO 13 AUGUST 2019			VARIANCE
	Total			Total			
	Units	Cost £	Average hourly rate £	Units	Cost £	Average hourly rate £	
	No			No			
Statutory and review	250	8,124.00	324.96	146	6,111.00	418.56	2,013.00
Receipts and payments	85	2,700.00	317.65	120	3,583.00	298.58	(883.00)
Insurance, bonding and pensions	42	1,459.00	347.38	20	676.00	338.00	783.00
Assets	440	17,522.50	398.24	510	21,092.00	413.57	(3,569.50)
Liabilities	361	12,010.00	332.69	108	4,668.50	432.27	7,341.00
Debenture Holder	58	2,169.50	374.05	47	2,055.50	437.34	114.00
General Administration	141	4,199.50	297.84	78	3,161.50	405.32	1,038.00
Appointment	104	2,490.00	239.42	104	2,490.00	239.42	-
Planning & Strategy	34	1,246.00	366.47	-	-	-	1,246.00
Post Appointment Creditors Meeting	210	7,790.00	370.95	243	8,665.00	356.58	(875.00)
Investigations	140	4,935.00	352.50	103	4,337.50	421.12	597.50
	1,865	64,645.00	346.62	1,479	56,840.00	384.31	7,805.00

**SUMMARY OF JOINT ADMINISTRATORS' EXPENSES
FROM 14 FEBRUARY 2019 TO 13 AUGUST 2019
INCORPORATING A COMPARISON OF THE JOINT ADMINISTRATORS'
STATEMENT OF LIKELY EXPENSES**

Standard Expenses

Type	Charged by	Description	Estimated Amount £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
AML Checks (CAT1)	Business Tax Centre	Electronic client verification	15.00	15.00	15.00	-
Bond Fee (CAT1)	AUA Insolvency Services	Insurance bond	260.00	125.00	125.00	-
Document Hosting (CAT1)	Pelstar	Hosting of documents for creditors	56.00	28.00	28.00	-
Software Licence Fee (CAT1)	Pelstar	Case management system licence fee	87.00	87.00	87.00	-
Statutory Advertising (CAT1)	Courts Advertising	Advertising	85.95	85.95	85.95	-
Storage Costs	Auctus	Storage of books and records	150.00	-	-	-
Post redirection	Post Office	Redirection of post	204.00	211.00	211.00	-
		Total standard expenses	857.95	551.95	551.95	-

SMARTSENSOR TELEMED LIMITED – IN ADMINISTRATION**Case Specific Expenses**

Type	Charged by	Description	Estimated Amount £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Legal Fees	Knights PLC	Costs of appointed solicitors	18,000.00	18,000.00	18,000.00	-
Accountancy Fees		Assistance with Statement of Affairs	1,500.00	-	-	-
Accountancy Fees		Tax advice	1,500.00	-	-	-
Staff Mileage	LC Employees	Category 2 disbursement requiring specific creditor / committee approval	50.00	-	-	-
Corporation Tax (estimate)	HMRC	Tax due to HMRC following sale of assets	16,000.00	-	-	-
Patent Renewal Fee	Novagraf UK	Renewal of Company Patents	1,779.74	1,779.74	1,779.74	-
Patent Renewal Fee	Standley Law Group LLP	Renewal of Company Patents	129.00	129.00	129.00	-
Storage Charges	Store & Secure	Storage of Company assets	243.50	243.50	243.50	-
Professional Fees	Livewire Business Services	Provision of information and bookkeeping, six months Xero subscription and completion of VAT returns	1,000.00	158.40	-	158.40
Professional Fees		Pension Scheme Advice	250.00	-	-	-
Virtual Office Fees	Oxford Innovation	Virtual Office Fees	41.22	34.35	34.35	-
IT Support (CAT1)	NK Support	Managed Server	520.78	520.78	520.78	-
Insurance	Close Brothers Premium Finance	Insurance of directors and officers	605.00	705.00	705.00	-
Bank Charges	AIB	CHAPS Fee	100.00	97.50	97.50	-
		Total case specific expenses	41,719.24	21,668.27	21,509.87	158.40

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard	Complex	1 Aug 2019 onwards	Standard	Complex
	£	£		£	£
Director	450	562	Director	525	656
Senior Manager	410	512	Senior Manager	445	556
Manager 1	365	456	Manager 1	395	494
Manager 2	320	400	Manager 2	345	431
Administrator 1	260	325	Administrator 1	280	350
Administrator 2	230	287	Administrator 2	250	313
Administrator 3	210	262	Administrator 3	230	288
Administrator 4	150	187	Administrator 4	165	206
Support	0	0	Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses, standard expenses and case specific expenses. These are explained in more detail below.

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

SMARTSENSOR TELEMED LIMITED – IN ADMINISTRATION

Type	Description	Amount																								
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search																								
Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders. Cost per upload, plus VAT.	<table> <tr> <th>Type</th><th>First 100</th><th>Every addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td>£10 p.a. or £25 for life of case</td><td></td></tr> </table>	Type	First 100	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
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BKY	£10.00	£1.00																								
IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£85.95 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:
- | | |
|--|---|
| Internal photocopying | 10p per copy |
| General stationery, postage, telephone etc | £100 per 100 creditors/ members or part thereof |
| Storage of office files (6 years) | £81.25 per box |
| Business mileage | 45p per mile |

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

APPENDIX G

ESTIMATED OUTCOME STATEMENT

	Secured £'000	Preferential £'000	Unsecured £'000
Amount estimated available to class of creditor	160	Nil	Nil
Amount due to creditor	(102)	Nil	(16)
Estimated dividend rate (as a %)	100%	Nil	Nil

Proof of Debt – General Form
Relevant date: 14 February 2019

Please e-mail completed form to:

claims.manchester@leonardcurtis.co.uk quoting ref: SC82K/RS/PROOF

Name of Company in Administration:

Smartsensor Telemed Limited

Company registered number:

03772288

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

SMARTSENSOR TELEMED LIMITED – IN ADMINISTRATION

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

8. Details of any document by reference to which the debt relates

9. Signature of creditor (or person authorised to act on the creditor's behalf)

10. Date of signing:

11. Address of person signing (if different from 2 above)

12. Name in BLOCK LETTERS

13. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.
3. **Please e-mail completed form to:**

claims.manchester@leonardcurtis.co.uk quoting ref: SC82K/RS/PROOF

PRIVACY NOTICE

Information we collect and hold about you

By requesting details of your claim in this insolvency, we may collect Personal Data from you, particularly if you are a consumer creditor, a sole trader or are lodging a claim in your personal capacity.

Personal Data is information relating to a living individual. Whenever Personal Data is processed, collected, recorded, stored or disposed of it must be done within the terms of the General Data Protection Regulation ("the GDPR"). Examples of Personal Data include but may not be limited to your name, address, telephone number and email contact details

If you do not provide us with the information we require, this may adversely affect our ability to deal with your claim, but we would ask you not to submit more Personal Data than we request from you

Legal justification for processing your Personal Data

The processing of your Personal Data by us is necessary to enable us to comply with legal obligations under the Insolvency Act 1986 and associated legislation which we are subject to as Insolvency Practitioners.

How we use your information

All information you supply to us is required to enable us to comply with our duties under the Insolvency Act 1986 and associated legislation. It will be used to enable us to assess the extent of the insolvent entity's liabilities, to allow you to vote on any decision procedures, to enable us to communicate with you, to process your claim and to pay any dividends which may be due to you from the insolvent estate

Who we share your information with

We may be required to share some of your Personal Data with other creditors. The data which will be shared with other creditors will be limited to that specifically required to be disclosed under insolvency legislation

We may share some of your information with our Data Processors. Data Processors include solicitors, accountants and employment law specialists who assist us with our duties where required. We will only share your information with our Data Processors if we require their specialist advice. All of our Data Processors are subject to written contracts with us to ensure that your Personal Data is processed only in accordance with the GDPR.

How long will we hold your Personal Data for?

We will need to hold your Personal Data for a period of time after the insolvency has been concluded. This is to enable us to deal with any queries which might arise. Our Records Management Policy requires us to destroy our physical files 6 years after closure of the case. Electronic data files will be removed from our Case Management System 6 years after conclusion of the case but may be held on our server for a longer period of time but with restricted access

Your rights in respect of your Personal Data

You have the right to request access to your Personal Data and to require it to be corrected or erased. You also have the right to request a restriction in the way we process your Personal Data or to object to its processing. You should be aware however that we may not be able to comply with your request if this would affect our ability to comply with our legal obligations.

You have the right to Data Portability. This is a right to have the Personal Data we hold about you to be provided to you in a commonly used and machine-readable format so that you can transfer that Data to another organisation in a way that is not too onerous to upload the Data.

Your right to complain

You have the right to be confident that we are handling your Personal Data responsibly and in line with good practice. If you have a concern about the way we are handling your Personal Data you should contact our Privacy Manager in the first instance.

If you are unable to resolve your concerns with us, you have the right to complain to the Information Commissioners' Office. The Information Commissioner can be contacted at Wycliffe House, Water Lane, Wilmslow, Cheshire SK6 5AF or on 0303 123 1113.

Contacting us

If you have any questions relating to the processing of your Personal Data, please write to our Privacy Manager at Leonard Curtis, 5th Floor, Grove House, 248A Marylebone Road, London NW1 6BB Alternatively our Privacy Manager can be contacted by telephone on 0207 535 7000 or by email: privacy@leonardcurtis.co.uk.

Data Controller: LEONARD CURTIS