

AM10

Notice of administrator's progress report



Companies House

TUESDAY



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10/10/2017

#71

COMPANIES HOUSE

1 Company details

Company number 0 7 4 7 2 3 1 8

Company name in full Smith Electric Vehicles Europe Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Ian William

Surname Kings

3 Administrator's address

Building name/number The Axis Building

Street Maingate

Post town Team Valley Trading Estate

County/Region Gateshead

Postcode N E 1 1 0 N Q

Country

4 Administrator's name ①

Full forename(s) Paul William

Surname Ellison

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 1st Floor Hedrich House

Street

Post town 14-16 Cross Street

County/Region Reading

Postcode R G 1 1 S N

Country

② Other administrator

Use this section to tell us about
another administrator

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Period of progress report

From date	d	2	d	6	m	0	m	1	y	2	y	0	y	1	y	7
To date	d	2	d	5	m	0	m	7	y	2	y	0	y	1	y	7

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	2	m	1	m	0	y	2	y	0	y	1	y	7
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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	Paul Kings
Company name	KRE (North East) Limited
Address	The Axis Building Maingate
Post town	Team Valley Trading Estate
County/Region	Gateshead
Postcode	N E 1 1 0 N Q
Country	
DX	
Telephone	0191 404 6836



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

Smith Electric Vehicles Europe Limited ("the Company") – In Administration

ADMINISTRATORS' PROGRESS REPORT TO CREDITORS

For the six months ending 25 July 2017

EXECUTIVE SUMMARY

During the period cash previously held in the Company's bank account was recovered.

It is anticipated that there will be a distribution to the secured creditors only in this matter.

STATUTORY INFORMATION

Company name:	Smith Electric Vehicles Europe Limited	
Formerly known as:	Not Applicable	
Court name and reference:	High Court of Justice, Newcastle upon Tyne District Registry 0307 of 2016	
Registered office:	The Axis Building, Maingate, Team Valley Trading Estate, Gateshead, NE11 0NQ	
Former registered office:	The Future Technology Centre, Barmston Court, Nissan Way, Sunderland, SR5 3NY	
Registered number:	07472318	
Joint Administrators' names:	Ian William Kings and Paul William Ellison	
Joint Administrators' address:	KRE (North East) Limited The Axis Building Maingate Team Valley Trading Estate Gateshead NE11 0NQ	KRE Corporate Recovery LLP 1 st Floor Hedrich House 14-16 Cross Street Reading RG1 1SN
Joint Administrators' date of appointment:	26 July 2016	
Actions of Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.	

On 17 July 2017, the secured (and preferential) creditors agreed to extend the Administration of the Company for a period of 12 months, such that the Administration will now automatically end on 25 July 2018.

ADMINISTRATORS' ACTIONS SINCE LAST PROGRESS REPORT

During the period cash held in the Company's bank account was realised. There have also been further discussions with the secured creditor for a number of reasons including the Company's accounting records

There is certain work that I am required by the insolvency legislation to undertake work in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is contained in Appendix 3.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 26 January 2017 to 25 July 2017 is attached at Appendix 1.

The balance of funds are held in an interest bearing estate bank account.

ASSETS

Cash at bank

There was a balance of £10,585.27 in the Company's business current account

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following charges: Debenture dated 09 January 2014 in favour of Smith Electric Vehicles Corp granting fixed and floating charges over the Company's assets

Crown Creditors

The Administrators' estimated financial position indicated £Nil owed to HMRC. HMRC's provisional claim of £38.00 has been received.

Non-preferential unsecured Creditors

The Administrators' estimated financial position indicated 1 non-preferential unsecured creditor with an estimated total liability of £500,000.00. I have received claims totalling £897,045.00 from creditors. There are other potential creditors who have not yet lodged their claims.

DIVIDEND PROSPECTS

Secured creditors

It is anticipated that a small distribution will be made to the secured creditor.

Preferential creditors

There are no preferential creditors.

Floating charge creditors

There is no prospect of a return to floating charge creditors.

Non-preferential unsecured creditors

As previously advised, the Company gave a floating charge to Smith Electric Vehicles Corp on 09 January 2014 and the prescribed part provisions will apply. On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs of the Administration to date, the net property of the Company is £Nil, and I estimate that the prescribed part of the net property for unsecured creditors is £Nil. However, these estimates do not take into account the future costs of the Administration, which will reduce the amount of the Company's net property.

Since the Company's net property is less than £10,000, the insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. I am of the view that the costs of distribution would be disproportionate and so will not be making a distribution of the prescribed part of the net property to unsecured creditors.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. Sadly, I had very little information to review as the Company's books and records were not delivered up by the director.

There were no matters that justified further investigation in the circumstances of this appointment.

Within three months of my appointment as Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

PRE-ADMINISTRATION COSTS

Pre-appointment costs of £7,140.00 plus VAT were paid by Smith Electric Vehicle Corp

ADMINISTRATORS' REMUNERATION

My remuneration was approved on a time cost basis based on a fees estimate of £30,870.00. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the

secured creditors My total time costs to 25 July 2017 amount to £14,016.00, representing 54.80 hours' work at a blended charge out rate of £255.77 per hour, of which £2,415.00 was charged in the period since 25 January 2017, at a blended charge out rate of £265.38 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £227.32 in my fees estimate. There is a difference in the blended rate charged, compared with the estimated blended rate due to more experienced staff dealing with more complex matters.

I have not been able to draw any remuneration in this matter.

A detailed schedule of my time costs incurred to date and since 25 January 2017 compared with my original fees estimate is attached as Appendix 2.

As at 25 July 2017 I do not anticipate that the total time costs I will incur in this matter in respect of the categories of work for which I am being remunerated on a time cost basis will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the secured creditors.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Administrators' Fees' also published by R3, together with an explanatory note which shows KRE (North East) Limited's fee policy are available at the link <http://www.krecr.co.uk/creditors/>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2017 version.

ADMINISTRATORS' EXPENSES

I have incurred total expenses of £8,510.10 since my appointment as Administrator of which £Nil was incurred in the period since 25 January 2017

I have drawn £8,510.10 to 25 July 2017, of which £100.00 was drawn in the period since 25 January 2017

I have incurred the following expenses in the period since my last progress report:

Type of expense	Amount incurred/ accrued in the reporting period £
Bank charges	100.00
Total	100.00

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about KRE (North East) Limited can be found at <http://www.krecr.co.uk/creditors/>.

SUMMARY

The Administration will remain open until all matters have been finalised. I estimate that this will take approximately 6 months, and once these matters have been finalised the Administration will cease and my files will be closed.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Paul Kings by email at paul.kings@krecr.co.uk, or by phone on 0191 404 6836



Ian W Kings
Joint Administrator
KRE (North East) Limited

*Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales
Directors and staff acting as Administrative Receivers and Administrators act as agents of the company over which they are appointed and contract without personal liability
The affairs, business and property of the Company are being managed by the Joint Administrators, Ian William Kings and Paul William Ellison*

Appendix 1 – Joint Administrators' Summary of Receipts and Payments

For the period from 26 January 2017 to 25 July 2017

Smith Electric Vehicles Europe Limited
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 26/01/2017 To 25/07/2017 £	From 26/07/2016 To 25/07/2017 £
RECEIPTS			
Intellectual Property	Uncertain	0.00	14,932.93
Plant & Machinery	Uncertain	0.00	0.00
Book Debts	1.00	0.00	0.00
Cash at Bank		10,585.27	10,585.27
		<u>10,585.27</u>	<u>25,518.20</u>
PAYMENTS			
Agents/Valuers Fees		0.00	5,000.00
Legal Fees (1)		0.00	3,175.50
Statutory Advertising		0.00	84.60
Bank Charges		100.00	100.00
Smith Electric Vehicles Corp	(30,000,000.00)	0.00	0.00
Trade & Expense Creditors	(500,000.00)	0.00	0.00
Ordinary Shareholders	(1.00)	0.00	0.00
		<u>100.00</u>	<u>8,360.10</u>
Net Receipts/(Payments)		<u>10,485.27</u>	<u>17,158.10</u>
MADE UP AS FOLLOWS			
Bank 1 Current		10,485.27	16,516.68
VAT Receivable / (Payable)		0.00	641.42
		<u>10,485.27</u>	<u>17,158.10</u>

Appendix 2 – Joint Administrators' Time Cost Analysis

For the period from 26 January 2017 to 25 July 2017

Time Entry - SIP9 Time & Cost Summary

NE108 - Smith Electric Vehicles Europe Limited
Project Code POST
From 26/01/2017 To 25/07/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	7.00	0.40	0.00	0.00	7.40	2,080.00	282.43
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	1.20	0.00	0.00	1.20	180.00	150.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.50	0.00	0.00	0.00	0.50	145.00	290.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	7.50	1.60	0.00	0.00	9.10	2,415.00	265.38
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary

NE108 - Smith Electric Vehicles Europe Limited
Project Code: POST
From 26/07/2016 To 25/07/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	23.50	1.50	0.00	0.00	25.00	7,040.00	281.60
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	8.50	0.00	0.00	8.50	1,275.00	150.00
Investigations	0.40	3.00	0.00	0.00	3.40	566.00	166.47
Realisation of Assets	17.50	0.40	0.00	0.00	17.90	5,135.00	286.87
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	41.40	13.40	0.00	0.00	54.80	14,016.00	255.77
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Appendix 3 – Routine work undertaken by the Joint Administrators

1. Administration

- Dealing with all routine correspondence and emails relating to the case
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case
- Overseeing and controlling the work done on the case by case administrators
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns
- Preparing and filing Corporation Tax returns.

2. Creditors

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.