

# AM10

## Notice of administrator's progress report



23/1

Companies House

TUESDAY



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A27

24/07/2018

#22

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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**6** Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
To date	<sup>d</sup> 2	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

**7** Progress report

☒ I attach a copy of the progress report

**8** Sign and date

Administrator's  
signature

Signature

X

*E. M. Ky*

X

Signature date

<sup>d</sup>  
2

<sup>d</sup>  
3

<sup>m</sup>  
0

<sup>m</sup>  
7

<sup>y</sup>  
2

<sup>y</sup>  
0

<sup>y</sup>  
1

<sup>y</sup>  
8

# 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 **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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

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

### **ADMINISTRATORS' PROGRESS REPORT TO CREDITORS**

**For the six months ending 25 January 2018**

#### **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 <sup>st</sup> 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 the Administrators addressed concerns and dealt with claims of any creditors and made arrangements regarding the distribution to the secured creditors.

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 July 2017 to 25 January 2018 is attached at Appendix 1.

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

## **ASSETS**

No assets have been realised during the period.

## **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 January 2018 amount to £16,431.00, representing 68.7 hours work at a blended charge out rate of £239.17 per hour, of which £1,590.00 was charged in the period since 25 July 2017, at a blended charge out rate of £189.29 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 drawn £9,000.00 to 25 January 2018 of which £9,000.00 was drawn in the period since 25 July 2017.

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

As at 25 January 2018 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 July 2017.

I have drawn £8,360.10 to 25 January 2018, of which £Nil was drawn in the period since 25 July 2017.

I have not incurred any further expenses in the period since my last progress report.

## **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.

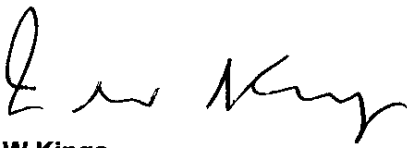
To comply with the Provision of Services Regulations, some general information about KRE (North East) Limited can be found at <http://www.krecr.co.uk/creditors/>.

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. In this clause, we refer to these laws as "Data Protection Law". In providing our services, we act as an independent controller and are, therefore, responsible for complying with Data Protection Law in respect of any personal data we process in providing our services to the Company. Our privacy statement can be accessed at <http://www.krecr.co.uk/privacy-policy-north-east/>, which explains how we process personal data.

## **SUMMARY**

The Administration will remain open until the following matters have been finalised: payment of dividend to secured creditors. 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@krecre.co.uk](mailto:paul.kings@krecre.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 July 2017 to 25 January 2018**

**Smith Electric Vehicles Europe Limited**  
**(In Administration)**

**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 26/07/2017 To 25/01/2018 £	From 26/07/2016 To 25/01/2018 £
<b>RECEIPTS</b>			
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		0.00	10,585.27
		<u>0.00</u>	<u>25,518.20</u>
<b>PAYMENTS</b>			
Agents/Valuers Fees		0.00	5,000.00
Office Holders Fees		9,000.00	9,000.00
Legal Fees (1)		0.00	3,175.50
Statutory Advertising		0.00	84.60
Bank Charges		0.00	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>9,000.00</u>	<u>17,360.10</u>
Net Receipts/(Payments)		<u>(9,000.00)</u>	<u>8,158.10</u>
<b>MADE UP AS FOLLOWS</b>			
Bank 1 Current		(10,800.00)	5,716.68
VAT Receivable / (Payable)		1,800.00	2,441.42
		<u>(9,000.00)</u>	<u>8,158.10</u>

**Appendix 2 – Joint Administrators' Time Cost Analysis**

**For the period from 26 July 2017 to 25 January 2018**

# Time Entry - SIP9 Time & Cost Summary

NE108 - Smith Electric Vehicles Europe Limited  
 Project Code: POST  
 From: 26/07/2017 To: 25/01/2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	2.50	0.50	0.00	0.00	3.00	800.00	266.67
Case Specific Matters	0.00	1.00	0.00	0.00	1.00	150.00	150.00
Creditors	0.00	4.20	0.00	0.00	4.20	630.00	150.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.20	0.20	10.00	50.00
<b>Total Hours</b>	<b>2.50</b>	<b>5.70</b>	<b>0.00</b>	<b>0.20</b>	<b>8.40</b>	<b>1,590.00</b>	<b>189.29</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

# Time Entry - SIP9 Time & Cost Summary

NE108 - Smith Electric Vehicles Europe Limited  
Project Code: POST  
To: 25/01/2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	26.00	7.50	0.00	0.00	33.50	8,665.00	258.66
Case Specific Matters	0.00	1.00	0.00	0.00	1.00	150.00	150.00
Creditors	0.00	12.70	0.00	0.00	12.70	1,905.00	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	0.20	0.20	10.00	50.00
<b>Total Hours</b>	<b>43.90</b>	<b>24.60</b>	<b>0.00</b>	<b>0.20</b>	<b>68.70</b>	<b>16,431.00</b>	<b>239.17</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

## **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.