

AM23

Notice of move from administration to dissolution



Companies House

WEDNESDAY



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25/07/2018
COMPANIES HOUSE

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use

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 Court details

Court name High Court of Justice, Newcastle upon Tyne District
Registry

Court number 0 3 0 7 2 0 1 6

3 Administrator's name

Full forename(s) Ian William
Surname Kings

4 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

AM23

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5 Administrator's name ①

Full forename(s)

Paul William

Surname

Ellison

① Other administrator

Use this section to tell us about another administrator.

6 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.

7 Final progress report☒ I have attached a copy of the final progress report**8 Sign and date**Administrator's
signature

Signature

X  X

Signature date

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**Joint Administrators' Final Progress Report relating to
Smith Electric Vehicles Europe Limited ("the Company") – In Administration**

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

STATUTORY INFORMATION

Company name:	Smith Electric Vehicles Europe Limited												
Court name and reference	High Court of Justice, Newcastle upon Tyne District Registry 0307 of 2016												
Company number:	07472318												
Trading address:	The Future Technology Centre, Barmston Court, Nissan Way, Sunderland, SR5 3NY												
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												
Principal trading activity:	Electric motor vehicles												
Joint Administrators' names:	Ian William Kings and Paul William Ellison												
Joint Administrators' address:	<table><tbody><tr><td>KRE (North East) Limited</td><td>KRE Corporate Recovery LLP</td></tr><tr><td>The Axis Building</td><td>1st Floor Hedrich House</td></tr><tr><td>Maingate</td><td>14-16 Cross Street</td></tr><tr><td>Team Valley Trading Estate</td><td>Reading</td></tr><tr><td>Gateshead</td><td>RG1 1SN</td></tr><tr><td>NE11 0NQ</td><td></td></tr></tbody></table>	KRE (North East) Limited	KRE Corporate Recovery LLP	The Axis Building	1 st Floor Hedrich House	Maingate	14-16 Cross Street	Team Valley Trading Estate	Reading	Gateshead	RG1 1SN	NE11 0NQ	
KRE (North East) Limited	KRE Corporate Recovery LLP												
The Axis Building	1 st Floor Hedrich House												
Maingate	14-16 Cross Street												
Team Valley Trading Estate	Reading												
Gateshead	RG1 1SN												
NE11 0NQ													
Date of appointment	26 July 2016												
Appointment made by:	QFCH												
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.												

SUMMARY OF THE ADMINISTRATORS' PROPOSALS

The following proposals were deemed approved 8 business days after they were delivered to creditors, namely 10 October 2016;

- (a) We continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we:
 - (i) continue to try to gain access to the Company's former trading premises in order to secure any assets belonging to the Company;
 - (ii) sell the Company's assets at such time(s) on such terms as we consider appropriate;
 - (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
 - (iv) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) the Administration of the Company will end by filing notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered.
- (c) the Administration of the Company will end by giving notice to the Court, creditors and Registrar of Companies that the objective of the Administration has been achieved.

STEPS TAKEN DURING THE ADMINISTRATION

The Joint Administrators had several assets to try and recover and realise: Plant and machinery and Intellectual Property. The Intellectual Property was secured at an early stage of the administration. This has been sold to Smith Electric Vehicle Corp.

The plant and machinery was held in premises subject to a lease with Smith Technologies Limited. On appointment, the landlord denied the Administrators access to the property and then issued a Notice of Tort. As the cost of removal and storage of the assets was greater than the value of the assets they were left in situ. The landlord has now disposed of the assets.

Funds held in the Company's bank account were realised.

There will be a small distribution to the secured creditors but there is no prospect of a distribution to unsecured 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.

OUTCOME OF ADMINISTRATION

The purpose of the administration was to realise property in order to make a distribution to one or more secured or preferential creditors.

This was achieved as a small distribution was made to the secured creditor. The administration will now be finalised

and the Company will move to dissolution.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 26 July 2016 to 23 July 2018 is attached at Appendix 1.

ASSETS

Intellectual Property

Whatever right and title the Company had in the Intellectual Property was sold to Smith Electric Vehicles Corp for total consideration of £14,932.93.

Ross Cooney, a former employee of the Company, assisted in the recovery of the Intellectual Property and fees of £5,000.00 were paid in respect of the same.

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.

DIVIDENDS

A dividend will not be declared to non-preferential unsecured creditors as the funds realised have been used to make payments to secured creditors, and to meet the expenses of the Administration.

As previously advised, the Company gave a floating charge to Smith Electric Vehicles Corp on 09 January 2014 and the prescribed part provisions applied.

After taking into account the costs of the Administration the Company's net property was £nil, such that there was no

prescribed part available to distribute 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 23 July 2018 amount to £17,546.00, representing 76.4 hours work at a blended charge out rate of £229.66 per hour, of which £1,115.00 was charged in the period since 25 January 2018, at a blended charge out rate of £144.81 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 £12,500.00 to 23 July 2018 of which £3,500.00 was drawn in the period since 25 January 2018.

A detailed schedule of my time costs incurred to date and since 25 January 2018 compared with my original fees estimate is attached as Appendix 2.

As at 23 July 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 expenses of £3,658.10 in the period since 25 January 2018. In the whole of the Administration I have incurred total expenses of £12,018.20, compared to my estimated expenses of £7,734.60 in my proposals. My

expenses exceeded my estimate because of the complex nature of the failed asset and books and records recovery.)

I have drawn £12,018.20 to 23 July 2018, of which £3,658.10 was drawn in the period since 25 January 2018.

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

Type of expense	Amount incurred/ accrued in the reporting period £
Legal Fees	3,433.10
Specific bond	225.00
Total	3,658.10

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Womble Bond Dickinson	Solicitors	Time costs

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

Womble Bond Dickinson have advised us on a number of issues including recovery of assets and appointment matters.

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 Administrators' 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 Administrators' 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.

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.

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 as approved in the proposals is now complete and our files will be closed. If creditors have any queries regarding the conduct of the Administration, or this report, or if they want hard copies of any of the documents made available on-line, they should contact Paul Kings on 0191 404 6836, or by email at paul.kings@krecre.co.uk.



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

The affairs, business and property of the Company are being managed by the Joint Administrators, Ian William Kings and Paul William Ellison.

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

Appendix 1 – Joint Administrators' Summary of Receipts and Payments

For the period from 26 January 2018 to 23 July 2018

Smith Electric Vehicles Europe Limited
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 26/01/2018 To 23/07/2018 £	From 26/07/2016 To 23/07/2018 £
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		0.00	10,585.27
		<u>0.00</u>	<u>25,518.20</u>
PAYMENTS			
Agents/Valuers Fees		0.00	5,000.00
Specific Bond		225.00	225.00
Office Holders Fees		3,500.00	12,500.00
Legal Fees (1)		3,433.10	6,608.60
Statutory Advertising		0.00	84.60
Bank Charges		0.00	100.00
Smith Electric Vehicles Corp	(30,000,000.00)	1,000.00	1,000.00
Trade & Expense Creditors	(500,000.00)	0.00	0.00
Ordinary Shareholders	(1.00)	0.00	0.00
		<u>8,158.10</u>	<u>25,518.20</u>
Net Receipts/(Payments)		<u>(8,158.10)</u>	<u>0.00</u>
MADE UP AS FOLLOWS			
Bank 1 Current		(5,716.68)	0.00
VAT Receivable / (Payable)		(2,441.42)	0.00
		<u>(8,158.10)</u>	<u>0.00</u>

Appendix 2 – Joint Administrators' Time Cost Analysis

For the period from 26 January 2018 to 23 July 2018

Time Entry - SIP9 Time & Cost Summary

NE108 - Smith Electric Vehicles Europe Limited
Project Code: POST
From: 26/01/2018 To: 23/07/2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.00	1.00	0.00	0.40	1.40	170.00	121.43
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	6.00	0.00	0.00	6.00	900.00	150.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.30	0.00	0.00	0.30	45.00	150.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	0.00	7.30	0.00	0.40	7.70	1,115.00	144.81
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
To: 23/07/2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	26.00	8.50	0.00	0.40	34.90	9,835.00	253.15
Case Specific Matters	0.00	1.00	0.00	0.00	1.00	150.00	150.00
Creditors	0.00	18.70	0.00	0.00	18.70	2,805.00	150.00
Investigations	0.40	3.00	0.00	0.00	3.40	566.00	166.47
Realisation of Assets	17.50	0.70	0.00	0.00	18.20	5,180.00	284.62
Trading	0.00	0.00	0.00	0.20	0.20	10.00	50.00
Total Hours	43.90	31.90	0.00	0.60	76.40	17,546.00	229.66
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.

Notice about final dividend position

**Smith Electric Vehicles Europe Limited – In Administration
In the High Court of Justice, Newcastle upon Tyne District Registry Number 0307 of 2016**

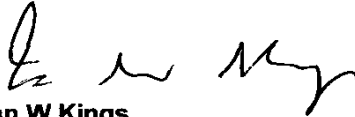
Company registered number: 07472318

Notice is given under rule 14.36 of The Insolvency (England and Wales) Rules 2016, by Ian William Kings and Paul William Ellison, the Joint Administrators to the creditors of Smith Electric Vehicles Europe Limited, that no dividend will be declared to unsecured creditors

A dividend will not be declared to non-preferential unsecured creditors as the funds realised have been used to make payments to secured creditors, and to meet the expenses of the Administration.

Creditors requiring further information regarding the above, should either contact me at The Axis Building, Maingate, Team Valley Trading Estate, Gateshead, NE11 0NQ, or contact Paul Kings by telephone on 0191 404 6836, or by email at paul.kings@krecl.co.uk.

DATED THIS 23RD DAY OF JULY 2018

A handwritten signature in black ink, appearing to read 'Ian W Kings', is written above the printed name.

**Ian W Kings
Joint Administrator
KRE (North East) Limited**

AM23

Notice of move from administration to dissolution



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