

WU07

Notice of progress report in a winding-up by the court



Companies House

FRIDAY



A22 *A7HUD9WE* #68
02/11/2018
COMPANIES HOUSE

1 Company details

Company number 9 0 1 3 8 4 8

Company name in full Smith Technologies Limited

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

2 Liquidator's name

Full forename(s) Mustafa

Surname Abdulali

3 Liquidator's address

Building name/number 1 Lakeside

Street Festival Way

Post town Festival Park

County/Region Stoke on Trent

Postcode S T 1 5 R Y

Country

4 Liquidator's name ①

Full forename(s) Neil

Surname Dingley

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

5 Liquidator's address ②

Building name/number 1 Lakeside

Street Festival Way

Post town Festival Park

County/Region Stoke on Trent

Postcode S T 1 5 R Y

Country

② Other liquidator
Use this section to tell us about
another liquidator.

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6 Period of progress report

From date	^d 1	^d 9	^m 0	^m 9	^y 2	^y 0	^y 1	^y 7
To date	^d 1	^d 8	^m 0	^m 9	^y 2	^y 0	^y 1	^y 8

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 3	^d 1	^m 1	^m 0	^y 2	^y 0	^y 1	^y 8
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Smith Technologies Limited
(In Liquidation)
Joint liquidators' Summary of Receipts & Payments

Statement of Affairs		From 19/09/2017 To 18/09/2018	From 19/09/2016 To 18/09/2018
£		£	£
	ASSET REALISATIONS		
5,133.00	Furniture & Equipment	NIL	5,133.00
598,020.49	Debtors not subject to FC	NIL	28,030.92
	Funding Agreement Payment	3,000.00	3,000.00
	Bank Interest Gross	201.48	214.79
	Section 127 refund	23,515.29	186,144.83
	Section 127 refund interest	NIL	634.79
		26,716.77	223,158.33
	COST OF REALISATIONS		
	O.R. Remuneration	NIL	2,520.00
	DTI Cheque Fees	31.25	52.60
	S of State Fees	5,350.44	36,386.10
	Petitioners Deposit	NIL	(1,350.00)
	Petitioners Costs	NIL	2,270.00
	Liquidators Fees	17,464.42	70,485.75
	Liquidators Expenses	101.02	2,332.03
	Directors' refund travel expenses	NIL	217.70
	Agents/Valuers Fees (1)	NIL	1,983.30
	Tax on Bank Interest	40.30	42.96
	Statutory Advertising	NIL	75.00
	Bank Charges	66.00	154.00
		(23,053.43)	(115,169.44)
	PREFERENTIAL CREDITORS		
	Dept of Employment	NIL	30,681.07
	Employees Wage/ Holiday Arrears	NIL	21,067.29
		NIL	(51,748.36)
	UNSECURED CREDITORS		
	Trade & Expense Creditors	51,258.54	51,258.54
	Employees	1,741.46	1,741.46
		(53,000.00)	(53,000.00)
603,153.49		(49,336.66)	3,240.53
	REPRESENTED BY		
	ISA		3,240.53
			3,240.53

Mustafa Abdulali
Joint liquidator

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6. Liabilities

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- Appendix II Examples of work undertaken in a liquidation
- Appendix III Schedule of expenses incurred

This report is intended for use by those parties entitled to a copy thereof under the Insolvency (England and Wales) Rules 2016. It may contain information that is privileged, confidential or exempt from disclosure and any dissemination, distribution or copying of it and its attachments is strictly prohibited.

Any estimated outcomes for creditors are for illustration only and cannot be relied upon as guidance as to the actual outcome for creditors.

Mustafa Abdulali and Neil Dingley are authorised in the UK to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. All of our work is conducted in accordance with the Insolvency Code of Ethics. The Office Holders are Data Controllers of Personal Data, as defined by the Data Protection Act 1998, General Data Protection Regulation or other prevailing data protection legislation in the United Kingdom. Moore Stephens will act as Data Processor on the instructions of the Data Controller. For further information on how Moore Stephens complies with data protection law you can request a copy of the privacy notice from this office in writing or by telephone.

1. Statutory information

Company name:	Smith Technologies Limited
Company number:	9013848
Registered office:	1 Lakeside Festival Way Festival Park Stoke on Trent ST1 5RY
Court reference	High Court of Justice No 1259 of 2016
Date of appointment:	19 September 2016
Joint liquidators:	Mustafa Abdulali Neil Dingley
Joint liquidators' address:	Moore Stephens 1 Lakeside Festival Way Festival Park Stoke on Trent ST1 5RY

2. Progress to date

2.1. The receipts and payments account attached in Appendix I details the asset realisations during the period of this report

2.2. Asset realisations

Furniture and Equipment

As stated in my earlier report, the Official Receiver's report at the outset indicated fixtures and fittings of £35,214. The sum of £5,133 was achieved by agents James Sutherland (Auctioneers) Ltd, instructed by the Official Receiver prior to the Joint Liquidators' appointment

Book Debts

The Official Receiver's report also indicated that approximately £472,044 was outstanding to the company in book debts. This was believed to include a substantial debt owed by the ultimate parent company, Smith Electric Vehicles Corporation in America. The parent company debt is still being investigated and this aspect is included in the litigation referred to later in this report. In addition, some of the book debts appear to have been paid to a connected company and this aspect is also included in the litigation referred to below. To date, the sum of £28,030.92 has been recovered.

Section 127 refunds

My investigations into the demise of the company showed that numerous payments had been made after the date of the winding up petition. Section 127 of the Insolvency Act 1986 states that such payments made by the Company are void, unless and until they have been

ratified/validated by the Court and in these instances, no such application had been made. The sum of £186,144.83 has been received to date in respect of these payments, £23,515.29 of which was received in the reporting period. There remain outstanding payments and I continue to pursue the remainder and anticipate recovery of further payments. The bulk of the remainder has been included in the litigation referred to below.

Litigation Funding Agreement

The Joint Liquidators' investigations into the Company's affairs prior to the liquidation have identified a number of possible actions.

In order to fund any legal action required in this respect, the various heads of claim were assigned to a specialist litigation funder, who has instructed Solicitors to act for them in respect of this matter. An initial consideration of £3,000 was paid by the litigation funders, with further staged sums payable to the estate in the event of a successful recovery.

Letters before action have been issued to the various parties and pre-action correspondence has ensued. The Joint Liquidators will continue to assist the funders and their Solicitors in the legal claims as and when required.

2.3. Assets that remain to be realised

The legal action referred to in para 2.2 above, funded by a third party, continues. Full details have not been disclosed at this juncture, to ensure that further investigations and litigation are not compromised.

3. Joint liquidators' remuneration

3.1 The remuneration of the joint liquidators has been fixed by creditors as follows:

- That the remuneration of the joint liquidators be fixed as below:
- A fixed fee of £7,500 in relation to statutory compliance, administration and planning;
- 25% of the realisation of assets (including those recovered as a result of investigations), net of any mortgage, fixed charge or hire purchase, net of any legal costs and expenses relating to investigations, and gross of sales costs (on any recovery made prior to the issue of Court proceedings);
- If Court proceedings are issued, and the proceedings are settled prior to a trial, the above referenced rate of 25% of the realisation of those assets subject to Court proceedings will increase to 35%;
- If Court proceedings are issued, and the proceedings are not settled prior to a trial, the above referenced rate of 35% of the realisation of those assets subject to Court proceedings will increase to 50%; and
- A fixed fee of £5,000 in relation to distribution to creditors.

3.2. Examples of work which may be undertaken in a liquidation is attached at Appendix II

3.3 Work that has been undertaken to date includes investigation into the transactions prior to the demise of the company; liaising with the litigation funders and their Solicitors in compiling the letters before action and ongoing correspondence; following up on unpaid book debts and Section 127 refund payments; the payment of a preferential dividend and a dividend to

unsecured creditors, both dividends requiring correspondence with the creditors, investigation and agreement of claims and the delivery of the distributions

- 3.4. In addition we have dealt with all statutory matters and administrative work in relation to the liquidation and either required by legislation or necessary to perform the basic duties of a liquidator
- 3.5. During the period, asset realisations from investigations total £26,515.29 and distribution to creditors total £53,000. Total realisation throughout the entire liquidation total £223,658.75, all, to date, prior to the issue of Court proceedings. Therefore, in addition to the fixed fee, we are entitled to receive remuneration of £67,685.63. To date, throughout the liquidation, a total of £70,485.75 has been drawn in this respect in error and the sum of £3,360.14, inclusive of VAT, has been refunded following the compilation of this report, reducing fees drawn to £67,685.63.
- 3.6. £17,464.42 was drawn this period, which included the sum of £3,360.14 referred to above, refunded after this report was compiled and which will show in the next progress report.
- 3.7. Work that remains to be undertaken is indicated at para. 2.3; requiring further liaison with the funders and their Solicitors, the provision of information from our investigations; also, in the event of further success, the payment of a further dividend to unsecured creditors. Whatever the outcome, there will be further reports required and closure in due course.
- 3.8. Should you wish to receive a copy of "A Creditors' Guide to Liquidators' Fees" this is available on the Moore Stephens website <http://www.moorestephens.co.uk/corporaterecovery.aspx> or by requesting a copy from this office in writing or by telephone.

4. Joint liquidators' expenses

- 4.1. A schedule of all expenses incurred in the period is detailed in Appendix III, and some payments are also included in the receipts and payments account attached in Appendix I.
- 4.2. Costs in respect of the Liquidators' insurance bond may exceed the original estimate provided to creditors, in that the likely total sum of realisations may be higher than initially expected. It is possible that the cost of the insurance bond will increase by a further £640.

5. Creditors' rights

- 5.1. Within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question) or any unsecured creditor with the permission of the court may request in writing that the joint liquidators provide further information about their remuneration or expenses which have been itemised in the progress report.
- 5.2. Within 14 days of receipt of the request, the joint liquidators must provide all of the information asked for, except so far as they consider that:
- the time or cost of preparation of the information would be excessive, or
 - disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or

- they subject to an obligation of confidentiality in respect of the information.

The joint liquidators are also required to give reasons for not providing all of the requested information.

- 5.3. Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may, within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the joint liquidators' remuneration, the remuneration charged, or the expenses incurred by the joint liquidators as set out in the progress report are excessive.

6. Liabilities

Secured creditors

There are no secured creditors.

Preferential creditors

Claims from preferential creditors totalling £51,748.36 were received, representing employee claims.

A full and final dividend was distributed on 12 September 2017 to preferential creditors of 100p in the £.

Unsecured creditors

The initial report from the Official Receiver indicated unsecured creditors in the region of £723,456.58. Claims totalling £1,174,732.35 have actually been received, of which £224,242.41 relates to employees' unsecured claims and £734,190.22 relates to debts owed to HM Revenue and Customs, the remaining being trade creditors.

A total distribution of £53,000, representing a dividend of 4.51p in the £, was made on 8 January 2018.

The prospect of a further dividend is reliant upon the outcome of the prospective litigation. It is anticipated that there will be a further distribution to the unsecured creditors, however, at this stage we are unable to comment on the amount and timing



Mustafa Abdulali
Joint Liquidator

MOORE STEPHENS

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Festival Way
Festival Park
Stoke-on-Trent ST1 5RY

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www.moorestephens.co.uk

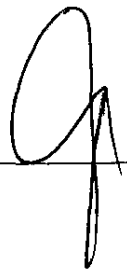
Joint liquidators' receipts and payments account

Smith Technologies Limited (In Liquidation)

	Statement of affairs £	From 19/09/2017 To 18/09/2018 £	From 19/09/2016 To 18/09/2018 £
RECEIPTS			
Furniture & Equipment	5,133.00	0.00	5,133.00
Debtors not subject to FC	598,020.49	0.00	28,030.92
Funding Agreement Payment		3,000.00	3,000.00
Bank Interest Gross		201.48	214.79
Section 127 refund		23,515.29	186,144.83
Section 127 refund interest		0.00	634.79
Petitioners Deposit		0.00	1,350.00
		<u>26,716.77</u>	<u>224,508.33</u>
PAYMENTS			
O.R. Remuneration		0.00	2,520.00
DTI Cheque Fees		31.25	52.60
S of State Fees		5,350.44	36,386.10
Petitioners Costs		0.00	2,270.00
Liquidators Fees		17,464.42	70,485.75
Liquidators Expenses		101.02	2,332.03
Directors' refund travel expenses		0.00	217.70
Agents/Valuers Fees (1)		0.00	1,983.30
Tax on Bank Interest		40.30	42.96
Statutory Advertising		0.00	75.00
Bank Charges		66.00	154.00
Dept of Employment		0.00	30,681.07
Employees Wage/ Holiday Arrears		0.00	21,067.29
Trade & Expense Creditors		51,258.54	51,258.54
Employees		1,741.46	1,741.46
		<u>76,053.43</u>	<u>221,267.80</u>
Net Receipts/(Payments)		<u>(49,336.66)</u>	<u>3,240.53</u>

MADE UP AS FOLLOWS

VAT Receivable	0.00
ISA	3,240.53
VAT Payable	0.00
	<u>3,240.53</u>


 Mustafa Abdulali
 Joint liquidator

Appendix II - Examples of work undertaken in a liquidation

Smith Technologies Limited (In Compulsory Liquidation)

Examples of the work which may be undertaken, but which is not limited to, include.

Statutory compliance, administration and planning

- Setting up and maintenance of internal hard copy files and case file on the Insolvency Practitioners System (IPS)
- Data input including basic details of case, assets, creditor names and addresses and employee names and addresses
- Obtaining specific penalty bond
- Setting up of liquidation bank account including inputting details on the IPS system
- Preparation and filing (with the Registrar of Companies) of various statutory forms including change of registered office form and notice of appointment
- Advertisement of notice of appointment and the notice to creditors to claim in The Gazette
- Notification to the Registrar of Companies of the formation of a liquidation committee (if applicable)
- Convening and holding meetings of members and creditors
- Holding meetings and reporting to the liquidation committee (if applicable)
- Obtaining approval for the basis of fees from creditors
- Initial notification to HM Revenue & Customs
- Enquiries as to any pension schemes and the auto-enrolment staging dates and subsequent notification of appointment (if applicable)
- Preparation and filing (with the Registrar of Companies, Land Registry and all persons claiming an interest in the property) of notices of disclaimer in relation to leasehold premises
- Preparation and distribution of progress reports to members and creditors
- Preparation and submission of statutory receipts and payments accounts
- Arranging of the handover with the Official Receiver
- Review of the documentation received from the Official Receiver
- General administration of case including case planning and strategy
- Completion of internal reviews including asset realisation review, 6 month review and annual reviews
- Collection, preservation and review of the Company's book and records
- Review of the Company's redirected post
- Written and verbal communications with the unsecured creditors
- Written and verbal communication with employees
- Dealing with lease and hire purchase creditors in conjunction with our agents
- Liaising with the Company's former professional advisors and bankers
- Review work pursuant to the Statement of Insolvency Practice 2
- Review of information received in relation to the affairs of the Company
- Review of directors' questionnaires
- Correspondence with compliance department in respect of on-going case issues/matters.
- Complying with money laundering regulations
- Completing bill requisitions and raising invoices against time incurred in respect of work carried out and outlays incurred
- Reconciliation of post appointment bank accounts to the liquidation records
- Maintaining time-costs and disbursement schedules on firm's PMS system (including timesheet entries)
- Dealing with pension issues
- Arrangement and review of insurance policies in relation to the Company's assets

Appendix II continued

- Preparation and submission of corporation tax returns
- Preparation and submission of VAT returns
- Chargeable gains tax calculations
- Closure formalities.

Asset realisations

- Identifying, securing and insuring the assets
- Instructing agents to value assets
- Liaising with agents regarding the realisation of assets
- Liaising with solicitors regarding the realisation of assets
- Liaising with secured creditors regarding the realisation of charged assets
- *Liaising with pre-appointment bankers regarding the closure of the Company's bank accounts*
- Dealing with retention of title claims in conjunction with our agents
- Written and verbal correspondence with debtors.
- Monitoring and collection of outstanding debtors, retentions and work in progress.
- Property, business and asset sales.
- Tax reclaims
- Review of interest rate hedging products

Investigations

- Liaising with the Company's former professional advisors and bankers.
- Review work pursuant to the Statement of Insolvency Practice 2.
- Liaising with solicitors in relation to investigations
- Forensic accounting
- Review of Company's bank statements
- Further review of the Company's book and records
- Review of directors' questionnaires
- Land Registry and Companies House searches
- Consideration of legislation relating to, but not limited to, wrongful trading, fraudulent trading, antecedent transactions, preferences, transactions at undervalue.

Distribution to creditors

- The processing and submission of the relevant forms to the Redundancy Payments Directorate.
- Processing of creditors' proof of debt forms and entering onto IPS system.
- Liaising with agents in relation to the agreement of creditor claims
- Liaising with solicitors in relation to contentious proof of debt forms
- Agreement of creditors' claims (including employees and other preferential creditors)
- Calculation and payment of dividends
- Preparation of distribution paperwork including the notice of declaration.

Breakdown of expenses

SMITH TECHNOLOGIES LIMITED (IN COMPULSORY LIQUIDATION)

Please find below a schedule of all expenses incurred in the previous 12 month period and cumulatively since appointment.

Cost Description	Undrawn costs brought forward from previous period(s) £	This period 19 Sept 2017 to 18 Sept 2018 Costs incurred Costs drawn £ £		Cumulative 19 Sept 2016 to 18 Sept 2018 Costs incurred Costs drawn £ £	
Legal fees & expenses	0.00	0.00	0.00	1,466.67	1,466.67
IT Equipment	0.00	0.00	0.00	110.00	110.00
Courier Fees	0.00	0.00	0.00	199.00	199.00
Statutory advertising	0.00	0.00	0.00	77.00	77.00
Bonding fee	0.00	0.00	0.00	210.00	210.00
Travel	0.00	0.00	0.00	85.34	85.34
Land registry fees	0.00	3.00	0.00	30.00	27.00
Storage costs	0.00	98.60	25.00	230.62	157.02
Total	0.00	101.60	25.00	2,408.63	2,332.03

Total undrawn costs to carry forward

76.60

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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 **Mustafa Abdulali**Company name **Moore Stephens**Address **1 Lakeside****Festival Way**Post town **Festival Park**County/Region **Stoke-on-Trent**Postcode **S T 1 5 R Y**

Country

DX

Telephone **01782 201120****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