

Britishvolt administrators chase money owed from its defunct buyer

Administrators of the collapsed battery start-up Britishvolt say they have lodged claims for money owed by its now wound-up buyer, Recharge Production UK.

EY says that former employees of the once vaunted electric vehicle battery firm have been paid £236,000 owed in wages and the tax office is due to be paid £3.03m it is due. But despite Recharge defaulting on the £8.6m deal to buy certain parts of the business, the administrators say they have not cancelled the business sale agreement with the would-be buyer which had touted plans to revive the Northumberland gigafactory ambitions.

A High Court judge ordered the winding up of Recharge earlier this year following legal action by former Britishvolt chief governance officer Tom Cowling in respect of unpaid wages. The move put paid to the troubled suitor after months of speculation over its future.

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Recharge still owes £2.176m of the agreed price and EY says it has lodged a claim with liquidators for the amount owed plus interest and costs associated with pursuing the payment. It is uncertain as to whether there will be any return to creditors of Recharge.

EY said: "In addition to lodging a claim with the liquidators,

we have also sent formal demands to the two parties who provided limited guarantees in respect of the amounts still due under the terms of the business sale agreement. It is uncertain if either of these parties have the financial resources to satisfy the demand. We have commenced negotiations with the guarantors to seek payment of the amounts due. A further update in respect of this matter will be provided in future reports to creditors.

“Whilst the recovery of any further sums relating to the £2.176m outstanding deferred consideration element of the original sale to the buyer are uncertain, the joint administrators have taken steps to separately realise the interest the company retained in Power by Britishvolt Properties Limited (PropCo) which has successfully been achieved via a sale of the company’s intercompany loan balance due from PropCo, as discussed below.”

EY went on to say that PropCo, which owned the land on which the gigafactory was to be built, owed Britishvolt £46m. Lender Katch Fund Solutions held security over the land, which was subject to a buyback clause from Northumberland County Council. A deal was subsequently done with receiver of the land which led to US investor Blackstone and its data centre subsidiary QTS paying Northumberland County Council, which had a buyback option on the site, £110m to create a job creation fund for the county.

QTS wants to develop the 235-acre site to create a data centre campus, saying its plans would create hundreds of jobs.