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The Insolvency Act 1986

Administrator's progress report

Name of Company A1 Grand Prix Operations Limited

Company number 03915200

In the High Court <small>(full name of court)</small>
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Court case number 14056 of 2009

(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)
 Timothy Bramston
 Griffins
 Tavistock House South
 Tavistock Square
 London
 WC1H 9LG

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From (b) 06 April 2012

To (b) 05 October 2012

Signed


 Joint / Administrator(s)

Dated

15 October 2012

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

Timothy Bramston Griffins Tavistock House South Tavistock Square London WC1H 9LG	020 7554 9600 DX Exchange
DX Number	

The contact information that you give will be visible to searchers of the

TUESDAY



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 COMPANIES HOUSE

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When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

**A1 Grand Prix Operations Limited
(in Administration)**

**Administrator's Progress
Report to Creditors**
for the period ending 05 October 2012

**In the High Court of Justice
No. 14068 of 2009**

15 October 2012

Pursuant to paragraph 69 of Schedule B1 of the Insolvency Act 1986, the Administrator acts as an agent of the Company and without personal liability



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1. Statutory Information

Registered Office Griffins
Tavistock House South
Tavistock Square
London
WC1H 9LG

Company Number 03915200

Administrator Mr T J Bramston

Date of Appointment 06 October 2009

2. Introduction

- 2 1 Further to my appointment as Administrator of A1 Grand Prix Operations Limited ("the Company"), this report provides an update on the progress of the Administration and should be read in conjunction with my previous reports
- 2 2 The Report has been prepared in accordance with the requirements of Rule 2 47(3B) of the Insolvency Rules 1986 in support of my application to extend the Administration

3. Receipts and Payments Account

- 3 1 The Receipts and Payments account for the period 06 April 2012 to 05 October 2012 is at Appendix A
- 3 2 The Company has accrued a small amount of interest on the funds held in its Administration account of £0 70
- 3 3 The Company has not received or made any payments in the period covered by this report

4. Realisation of Assets

- 4 1 Further to my last report, I have since engaged in formal discussion with Delivered on Time Limited ("DOT") at which it was decided that the sale

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process would be conducted by DOT due to their industry related contacts. This would be in accordance with the terms of their security and with my consent and cooperation. However, I was subsequently requested by DOT to conduct the sale through the Administration with DOT providing the necessary consent and assistance that would enable me to realise the assets subject to their security. DOT would continue to market the assets for the aforementioned reasons. This decision was taken by DOT as potential purchasers had expressed a preference in entering into contractual relation for the sale with the Administrator directly.

- 4.2 I have now received two credible offers that are at advanced stages in the sale process with both parties having submitted signed contracts for the sale of the assets with a view to finalise the sale. As the advanced stage bidders have both submitted offers that are similar in quantum, my position has been to complete with whichever of the two parties manage to resolve their own internal and jurisdiction compliance matters, and make a payment for the agreed sale price. Both bidders are aware of my adopted position as this has been communicated to them.
- 4.3 As I have continually received assurances from the bidders that they are at the final stages in finalising their own internal affairs and are looking to complete in the immediate future, I have refrained from seeking a further application for an extension of the Administration. Unfortunately, the progression by either bidder has been a lot slower than was anticipated.
- 4.4 It is my intention to complete the sale whilst the Company is still in Administration and then allow the Administration to end with either the Company reverting back to compulsory liquidation and then convening the final meeting of creditors to conclude the Liquidation, or exiting the Administration by dissolution pursuant to Paragraph 84(1) as there will be insufficient funds from the sale proceeds that would enable me to make a distribution to creditors.

5. Creditors

- 5.1 The total creditors' claims received to date are £101,865,299.93
- 5.2 As advised in my previous reports, it is not anticipated that there will be sufficient funds to allow for a distribution to unsecured creditors due to the current offers being proposed.



6. Office Holder's Remuneration and Expenses

- 6 1 As previously advised, a Creditors' Committee was appointed on 30 October 2010 and they approved my remuneration during my time as Liquidator in reference to time properly given by myself and my staff in attending to matters arising in the winding up
- 6 2 For my time in office as Administrator, the Creditors' Committee authorised me to draw my remuneration in reference to time properly given by myself and my staff in attending to the matters arising in the Administration up to £100,000 00 without further approval
- 6 3 For my time in office as Liquidator the time recorded by myself and my staff totals £105,092 08, which represents 428 67 hours at an average charge out rate of £245 16 per hour
- 6 4 For my current appointment as Administrator the time recorded by myself and my staff totals £378,052, which represents 1,376 hours at an average charge out rate of £275 per hour
- 6 5 The Time Costs Analysis that provides details of the activity costs, incurred by staff grade to date, together with details of current charge out rates for my appointment as Administrator can be found at Appendix B to the Report
- 6 6 I have not drawn any fees for either appointment due to there being insufficient funds and disbursements have been borne by Griffins or paid by our agents
- 6 7 My firm have incurred significant costs in ensuring that the asset position of the Company is maintained and as a result had taken on the responsibility of remitting the outstanding storage charges for the assets that are currently held at Dunsfold, on behalf of the Company and have paid £60,114 Other substantial costs incurred and paid by my firm include the costs for formal Mediation which amounted to £3,000, obtaining specialist legal advice costing £7,050 and actual third party expenses incurred by my agents with a total amount of £85,265
- 6 8 As previously advised, a further payment of £10,000 was made to GoIndustry DoveBid ("GoI") by way of discharging some of their accrued outstanding actual disbursements I had taken this decision to part pay their costs by way of a goodwill gesture and also to affirm their continued support and assistance in this matter The costs in terms of actual disbursements incurred by GoI currently stand at circa £148,000 In addition to these costs, the current insurance costs for the assets stands at circa £116,290.



7. Administration Extension

- 7.1 Whilst it is appreciated that the Administration has already benefited from 3 previous extensions, it was not my intention to request a further extension. This has now become necessary due to the unanticipated slow progression of the sale process. This has now led me to seek an emergency application for a further extension.
- 7.2 I can now advise that the Court has granted my application to extend the Administration for a further 6 months. The Administration is now due to expire on 05 April 2013.

Yours faithfully



for TJ Bramston
Administrator

15 October 2012



Appendix A

**A1 Grand Prix Operations Limited
(in Administration)**

**Receipts and Payments Account for the period
06 April 2012 to 05 October 2012**

Pursuant to paragraph 69 of Schedule B1 of the Insolvency Act 1986, the Administrator acts as an agent of the Company and without personal liability



**A1 Grand Prix Operations Limited
(In Administration)
Administrator's Abstract of Receipts & Payments**

Statement of Affairs	From 06/04/2012 To 05/10/2012	From 06/10/2009 To 05/10/2012
COSTS OF REALISATION		
Postage & Stationery	NIL	4 95
	NIL	(4 95)
ASSET REALISATIONS		
Uncertain Flight Palletts	NIL	NIL
Uncertain Flight Cases & Garrage Cabinets	NIL	NIL
Uncertain 25 Motor Racing Vehicles	NIL	NIL
Uncertain 7 Ferrari Engines	NIL	NIL
Uncertain Jigs & Chassis Moulds	NIL	NIL
Other Assets	NIL	355 00
13,387 63 Handover from Liquidator	NIL	13,387 63
Lola Spares	NIL	25,000 00
Uncertain Ferrari 599 & Maserati Quadroporte	NIL	NIL
Uncertain Wind Tunnel Model	NIL	NIL
Bank Interest Gross	0 70	8 18
Bank Interest Net of Tax	0 01	0 01
Office Furniture	NIL	10,500 00
	0 71	49,250 82
COST OF REALISATIONS		
(3,600 00) Specific Bond	NIL	1,704 00
Formal Mediation Fees	NIL	3,000 00
Sundry Expenses	NIL	199 80
Agents/Valuers Fees (1)	NIL	8,829 35
Agents Disbursements	NIL	45,855 00
Legal Fees - Liquidation Expenses	NIL	13,806 46
Corporation Tax	NIL	0 05
VAT	NIL	2,689 20
Stationery & Postage	NIL	900 55
Courier	NIL	144 44
Storage Costs	NIL	56,820 19
Statutory Advertising	NIL	450 03
Registration of Hazardous Waste	NIL	30 00
Bank Charges	NIL	23 00
	NIL	(134,452 07)
9,787.63	0.71	(85,206.20)
REPRESENTED BY		
Bank 1 - Current		56 88
No 2 Account		(9,562 65)
ISA IB		0 01
Office		(75,700 44)
		(85,206.20)

Appendix B

**A1 Grand Prix Operations Limited
(in Administration)**

Time Analysis for the period as Administrator from 06 October 2009 to 05 October 2012 together with details of charge out rates provided in accordance with the Statement of Insolvency Practice (SIP) 9

Pursuant to paragraph 69 of Schedule B1 of the Insolvency Act 1986, the Administrator acts as an agent of the Company and without personal liability



Time Entry - SIP9 Time & Cost Summary

A1GRA02 - A1 Grand Prix Operations Limited
 Project Code POST
 From 06/10/2009 To 05/10/2012

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	126.67	15.75	0.83	293.67	436.92	130,846.58	299.48
Creditors	1.42	4.83	0.00	180.92	187.17	42,278.22	225.89
Investigations	11.58	1.08	4.92	4.42	22.00	7,752.92	352.41
Legal & Litigation	75.17	0.17	0.00	280.17	355.50	102,925.24	289.53
Realisations of Assets	3.42	13.25	0.00	357.92	374.58	94,247.82	251.61
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	218.25	35.08	5.75	1,117.08	1,376.17	378,051.78	274.71
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

GRIFFINS POLICY ON CHARGEOUT RATES AND DISBURSEMENTS

SCHEDULE OF STANDARD CHARGEOUT RATES IN RESPECT OF GRIFFINS PARTNERS AND STAFF AS AT 1 OCTOBER 2011.

In accordance with Statement of Insolvency Practice 9 "Remuneration of Insolvency Office Holders" the following hourly charge-out rates will be applied when fixing the Officeholders Remuneration

Grade of staff	Hourly Rate
Partners	£495 - £545
Managers	£300 - £395
Senior Investigators	£325 - £380
Administrators/Investigators	£200 - £300
Junior Administrators/Junior Investigators	£145 - £190
Support Staff	£70 - £180

The above rates are reviewed annually on 1 October

It is not our policy to charge for support staff (secretarial, filing, reception) unless such staff are working on an individual matter for more than 7 hours in which case the rate for an Administrator may be applied

Time is charged in minimum units of 5 minutes for all staff

DISBURSEMENTS

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at

DEFINITIONS

Practice guidance¹ classifies expenses into two broad categories.

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external suppliers' invoice or published tariff of charges,
- *Category 2 expenses* Griffins' policy is not to charge for Category 2 disbursements

CHARGING POLICY

- *Category 1 expenses (approval not required)* – all such items are re-charged to the case as they are incurred

¹ Statement of Insolvency Practice 9 (England and Wales)