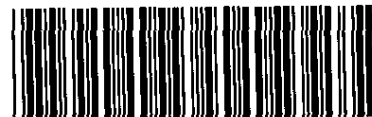


AM10

Notice of administrator's progress report

THURSDAY



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A32

18/05/2017

#3

COMPANIES HOUSE

1 Company details

Company number 0 5 7 5 5 8 5 0

Company name in full Caparo Vehicle Technologies Limited

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

2 Administrator's name

Full forename(s) Anthony Steven

Surname Barrell

3 Administrator's address

Building name/number PricewaterhouseCoopers LLP

Street Cornwall Court

19 Cornwall Street

Post town

County/Region Birmingham

Postcode B 3 2 D T

Country United Kingdom

4 Administrator's name ①

Full forename(s) David Matthew

Surname Hammond

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

5 Administrator's address ②

Building name/number PricewaterhouseCoopers LLP

Street Cornwall Court

19 Cornwall Street

Post town

County/Region Birmingham

Postcode B 3 2 D T

Country United Kingdom

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

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d 1 d 9	m 1 m 0	y 2 y 0 y 1 y 6	
To date	d 1 d 8	m 0 m 4	y 2 y 0 y 1 y 7	

7 Progress report

<input checked="" type="checkbox"/> I attach a copy of the progress report	
--	--

8 Sign and date

Administrator's signature	Signature X <i>P. J. Howell</i> X			
Signature date	d 1 d 6	m 0 m 5	y 2 y 0 y 1 y 7	

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 **Bryony Ball**

Company name **PricewaterhouseCoopers LLP**

Address **7 More London Riverside**

Post town **London**

County/Region **United Kingdom**

Postcode

	S	E	1		2	R	T
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Country **United Kingdom**

DX

Telephone **020 7213 3731**

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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
 Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
 Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
 You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
 Please complete in typescript or in bold black capitals.
 All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- Administrator
- Administrative receiver
- Receiver
- Manager
- Nominee
- Supervisor
- Liquidator
- Provisional liquidator

① You can use this continuation page with the following forms:
 - VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
 - CVA1, CVA3, CVA4
 - AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
 - REC1, REC2, REC3
 - LIQ2, LIQ3, LIQ05, LIQ13, LIQ14,
 - WU07, WU15
 - COM1, COM2, COM3, COM4
 - NDISC

2 Insolvency practitioner's name

Full forename(s) Stephen Arthur
 Surname Cave

3 Insolvency practitioner's address

Building name/number PricewaterhouseCoopers LLP
 Street Waterfront Plaza
 8 Laganbank Road
 Post town
 County/Region Belfast
 Postcode B T 1 3 L R
 Country United Kingdom

Joint Administrators' progress
report from 19 October 2016 to 18
April 2017

***Caparo Vehicle Technologies
Limited (in Administration)***

High Court of Justice, Chancery Division, Birmingham
District Registry

16 May 2017

Case no. 8391 of 2015

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used during this report:

Abbreviation or definition	Meaning
Company	Caparo Vehicle Technologies Limited
Administrators	David Matthew Hammond, Anthony Steven Barrell and Stephen Arthur Cave
Firm	PricewaterhouseCoopers LLP
Group	Caparo Industries Plc, Caparo Engineering Ltd, BACo Realisations Ltd (formerly Bridge Aluminium Ltd), Material Measurements Ltd, GW 957 Ltd, Caparo Steel Products Ltd, Caparo Precision Strip Ltd, Caparo Precision Tubes Ltd, Caparo Vehicle Products Ltd, Caparo Vehicle Technologies Ltd, Caparo Modular Systems Ltd, Caparo Atlas Fastenings Ltd, Caparo Tube Components Ltd, Caparo Tube Components 2 Ltd, Caparo Accles & Pollock Ltd and Caparo Advanced Composites Ltd
Plc	Caparo Industries Plc – in Administration
CPS	Caparo Precision Strip Ltd – in Administration
IR16	Insolvency Rules 2016
IA86	Insolvency (England and Wales) Act 1986
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
HMRC	Her Majesty's Revenue & Customs
Prescribed Part	The amount set aside for Unsecured Creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Secured Creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
Secured Lenders	Barclays Bank Plc and Royal Bank of Scotland Plc
Pension Scheme	Caparo 1988 Pension Scheme
Preferential Creditors	Generally, creditors with claims for: 1. unpaid wages for the whole or any part of the four months before 19 October 2015; 2. accrued holiday pay for any period before 19 October 2015; and 3. unpaid pension contributions in certain circumstances.
BEIS	Department for Business, Energy and Industrial Strategy (formerly Department for Business, Innovation and Skills)

RPS	Redundancy Payments Service, an executive agency sponsored by BEIS which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
SIP	Statement of Insolvency Practice (issued by regulatory authorities, setting out principles and key compliance standards with which insolvency practitioners are required to comply)
Unsecured Creditors	Creditors who are neither secured nor preferential
RoT	Retention of title over goods supplied to the Company but not paid for before the Administrators' appointment
IDF	Invoice discounting facility
ARMS	Atlantic Risk Management Services
TSA	Transitional Services Agreement

Key messages

Why we've sent you this report

I'm writing to update you on the progress of the Administration of the Company in the six months since 19 October 2016.

The Administrators are planning to pay a Prescribed Part distribution to Unsecured Creditors. It is not expected that this will happen until 2018, once all claims have been agreed. The Administrators are therefore preparing to apply to Court for permission to extend the term of Administration of the Company, which is otherwise due to end in October 2017.

How much creditors may receive

The following table summarises the possible outcome for creditors* based on what we currently know.

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
Secured Creditors		
- Secured Lenders	100 p/£	100 p/£
- Pension Scheme**	100 p/£	100 p/£
Preferential Creditors	100 p/£	100 p/£
Unsecured Creditors	Not more than 1p/£	Uncertain

**Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt trading.*

*** This is only in respect to the Pension Scheme's reducible amount (which the Pension Scheme calculated to be £3.2m) secured across the Group and not in respect of its fixed charges over two Group properties (one held by Plc and one held by CPS). The Pension Scheme appointed Harris Lamb as Fixed Charge Receivers over the two properties on 21 October 2016.*

The Secured Lenders and the Pension Scheme have security across the Group's assets. Prior to the Administration, the Group entered into an IDF with the Secured Lenders. The relevant debts were being collected by the Secured Lenders' agent, ARMS, (as opposed to the Administrators) and subsequently by the respective purchasers and then by the Administrators (detailed below). The net funds received have reduced the amount the Group owes the Secured Lenders.

Following a successful period of trading and various sales of the businesses and assets across the Group, the Secured Lenders and the Pension Scheme's reducible amount were repaid in full.

The level of Preferential Creditors has significantly reduced as a result of the going concern sale of the business and the payment of arrears of wages and salaries as part of the trading costs. Based on current estimates, we anticipate that Preferential Creditors will be paid in full.

As previously reported, we anticipate that there will be a distribution to the Unsecured Creditors.

Whilst we expect there to be a dividend payable to Unsecured Creditors, we are unable to calculate the precise outcome at present. This will depend on a number of key factors, including:

1. The level of Unsecured Creditor claims that are admitted to participate in the dividend;
2. The level of future realisations, both in the Company and across the Group; and

3. The extent to which the Secured Creditors suffer shortfalls at an individual entity level across the Group and need to be paid from a surplus in the Company under the terms of guarantees it provided.

What you need to do

This report is for your information and you don't need to do anything in relation to it. However if you wish to submit a claim in the Administration and haven't already done so, please complete and return the statement of claim form on our website at www.pwc.co.uk/caparo-cvttl.

Progress of the Administration

Background

Creditors will recall that the Group was a diversified industrial group with headquarters in the Midlands and London. If you wish to review further information on the background of the Group and the Company, please see our first progress report and proposals, available on our website.

The Administrations of 9 of the 16 companies in the Group have ended. One of these companies, Caparo Steel Products Limited, went into Creditors' Voluntary Liquidation on 25 April 2017, with two further companies (Caparo Atlas Fastenings Limited and Material Measurements Limited) going into Creditors' Voluntary Liquidation on 26 April 2017. A fourth company, Caparo Precision Tubes Limited, went into Creditors' Voluntary Liquidation on 28 April 2017. The other five (Caparo Advanced Composites Limited, Caparo Modular Systems Limited, Caparo Tube Components 2 Limited, Caparo Vehicle Products Limited and GW 957 Limited) are due to be dissolved in July 2017.

Asset realisations

Book debts

The Group's pre-Administration book debts were charged to the Secured Lenders via the IDF, which has been repaid in full. A number of reconciliations of the Group's numerous bank accounts and ledgers have been completed to correctly allocate book debt recoveries between: pre appointment sales, post appointment sales and those relating to sales made by the purchasers of Group businesses.

In addition we are continuing to calculate and agreed commissions (success based collection fee for the purchaser) on book debts which were agreed as part of the sale of business process.

Trading

Our trading outcome to 18 April 2017 is set out in the receipts and payments account in Appendix A. The total estimated trading costs include a number of provisions which are still to be finalised, including Head Office costs. Once the Head Office trading costs are finalised, they will be recharged to the Group companies on an appropriate basis. It was imperative that the Head Office function was run in order to operate the Group systems, Group payroll and other central functions. Continuing to trade the Head Office was critical to optimising the outcome for creditors of the Company and of the other companies in the Group for a variety of reasons, including:

- It significantly enhanced book debt realisations, by providing continuity of trade and mitigating the risk of non-payment from customers;
- It secured going concern premia for other asset classes, particularly plant and machinery and property; and
- Through the payment of arrears of wages, as part of our trading costs, and the achievement of a going concern sale, we have significantly reduced preferential creditor claims.

Our net trading outcome should be considered in this context.

The key trading activities completed during the period were generally managed on a Group wide basis due to the way the Group operated. In the main, these involved liaising with multiple suppliers to agree the final trading positions in relation to motor vehicles, mobile phones, utilities, non-domestic rates and general trading suppliers.

To comply with our requirements as Data Controllers, in the previous period, we identified relevant Group occupational health records and secured a long-term solution for storage and access.

We now consider that we have extinguished the majority of our trading liabilities.

What remains to be done

There remain a number of matters which we continue to work on. These include:

- Trading: settling any remaining trading accounts with suppliers and utility providers;
- Tax and VAT compliance: Completing the relevant returns and deregistering;
- Distributions: Agreeing creditor claims and paying Preferential and Unsecured Creditor dividends;
- Investigations: On going enquiries and consideration of next steps following the review of activities prior to our appointment; and
- Statutory and compliance: Dealing with other compliance matters for the Administration such as progress reports and correspondence with creditors.

Further information in relation to the outstanding matters to be dealt with in the Administration is set out in Appendix C.

Statutory

As well as circulating our first and second progress reports, for the periods up to 18 April and 18 October 2016 respectively, we also sought consent from the appropriate body of creditors to a 12 month extension to the period of the Administration to 18 October 2017, which was approved.

In line with our statutory duties, we have undertaken investigations on activities of the Group prior to our appointment. Due to the confidential nature of this work, further detail has not been discussed in this report.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments from 19 October 2016 to 18 April 2017.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as an Administration expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our remuneration which covers our fees and other related matters.

Pre-Administration costs

As previously reported, costs incurred before our appointment with a view to the Company going into Administration were approved for payment by the secured, preferential and unsecured creditors. The costs attributable to the Company total £11k for our costs and £2k for legal costs and have been drawn in full.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

http://www.icaew.com/~media/corporate/files/technical/insolvency/creditors%20guides/2015/guide_to_administrators_fees_oct_2015.ashx

You can also get a copy free of charge by telephoning our creditor helpline on 020 7213 3362.

Next steps

We intend to seek approval from the Court for a further 12 month extension to the period of the Administration to enable sufficient time for the above listed matters ("What remains to be done") to be finalised.

If you've got any questions, please get in touch by telephoning our creditor helpline on 020 7213 3362.

Yours faithfully
For and on behalf of the Company



AS Barrell
Joint Administrator

David Matthew Hammond, Anthony Steven Barrell and Stephen Arthur Cave were appointed as Joint Administrators of Caparo Vehicle Technologies Limited on 19 October 2015 to manage its affairs, business and property as its agents and without personal liability. David Matthew Hammond and Anthony Steven Barrell are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Stephen Cave is licensed to act as an Insolvency Practitioner in the United Kingdom. The licence is granted in Ireland by the Chartered Accountants Regulatory Board.

*The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>*

The Joint Administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Administration.

Appendix A: Receipts and payments

As per Directors' Statement of Affairs		Receipts and payments account			
£		Notes	19/10/15 to 18/10/16 £	19/10/16 to 18/04/17 £	19/10/15 to 18/04/17 £
257,000	Assets subject to a fixed charge				
	Receipts				
	Plant & Machinery		55,008	-	55,008
	Goodwill		1	-	1
	Total receipts		55,009	-	55,009
	Payments				
	Agents fees and expenses		-	19,365	19,365
	Professional and legal fees		-	10,658	10,658
	Total payments		-	30,023	30,023
	Distributions				
	Secured creditor distribution		752,590	-	752,590
	Total payments		752,590	-	752,590
	Cash in hand	2	(697,581)	(30,023)	(727,604)
	Assets subject to a floating charge				
584,000	Receipts				
	Plant & Machinery		511,376	-	511,376
	Motor Vehicles		40,001	-	40,001
	Stock		178,234	-	178,234
	Book debts		800,507	3,273	803,780
	Third party funds		609	-	609
	Net trading position	1	1,021,075	55,387	1,076,462
	Total receipts		2,551,802	58,660	2,610,462
	Payments				
	Pre-appointment fees & expenses		10,674	-	10,674
	Office holders' fees		674,507	63,076	737,583
	Professional and legal fees		97,336	(65,610)	31,726
	Statutory advertising		207	-	207
	Total payments		782,724	(2,534)	780,190
	Cash in hand	2	1,769,078	61,194	1,830,272
	Trading receipts and payments account				
	Receipts				
	Sales		1,691,001	-	1,691,001
	Other receipts		1,388,939	(607,161)	781,778
	Interest		2,698	227	2,925
	VAT		(76,519)	(5,504)	(82,023)
	Total receipts		3,006,119	(612,438)	2,393,681
	Payments				
	Wages and salaries		362,781	13,408	376,189
	PAYE / NI and other employee costs		76,845	(1)	76,844
	Trading costs		906,291	(117,052)	789,239
	Utilities & Rates		60,589	-	60,589
	Insurance		7,085	2,100	9,185
	ROT / Duress		571,453	(566,280)	5,173
	Total payments		1,985,044	(667,825)	1,317,219
	Net trading position		1,021,075	55,387	1,076,462

Notes to receipts and payments account

1) The Company has achieved a net trading income position to date. Our commitment to trading this estate, in addition to maximising trading sales, has significantly enhanced other realisations, by providing continuity of trade and mitigating the risk of non-payment from customers.

2) Funds held in interest bearing accounts.

An exercise to apportion our fees between fixed and floating charges is yet to be finalised. The fees taken in this company in isolation are subject to change.

Where a receipt or payment in the period appears in brackets this reflects a reallocation of that income or cost to another of the Group companies.

Secured creditor distributions have, to date, been paid from only a number of Group companies. Owing to the cross guarantees in favour of the secured lenders and pension scheme, an exercise to correctly allocate these distributions across all Group companies will be completed in due course. This will also impact the overall cash position and any amounts available for distribution.

Appendix B: Expenses

What is an expense?

Expenses are defined in SIP9 as amounts properly payable by us as Administrators from the estate and includes our fees, but excludes distributions to creditors. These include disbursements, which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. They fall into two categories: Category 1 and Category 2.

Disbursement	SIP9 definition
Category 1	Payments to independent third parties where there is specific expenditure directly referable to the appointment in question.
Category 2	Costs that are directly referable to the appointment in question but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by the office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis.

Our Firm's disbursement policy allows for all properly incurred expenses to be recharged to the case. We don't need approval from creditors to draw Category 1 disbursements as these have all been provided by third parties, but we do need approval to draw Category 2 disbursements as these are for services provided by our Firm. The policies for payment of Category 2 disbursements have been approved as follows:

Photocopying	At 12 pence per sheet copied, only charged for circulars to creditors and other bulk copying.
Mileage	At a maximum of 71 pence per mile (engine size up to 2,000cc) or 93 pence per mile (engine size over 2,000cc)

Our expenses statement and estimate

The following table shows expenses incurred to date and an estimate of further expenses we consider will be (or are likely to be) incurred.

The estimate excludes any future tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend on the position at the end of the tax accounting period.

<i>Nature of expenses</i>	<i>Total expenses incurred (£)</i>	<i>Estimated future expenses (£)</i>	<i>Total estimated expenses (£)</i>	<i>Initial estimate (£)</i>	<i>Variance (£)</i>
Trading expenses					
Wages & salaries	406,584	-	406,584	359,880	(46,704)
PAYE / NI and other employee costs	110,369	-	110,369	175,291	64,922
Trading cost	808,402	-	808,402	823,532	15,130
Utilities & Rates	60,630	-	60,630	35,297	(25,333)
Insurance	10,493	10,695	21,188	104,737	83,549
Rent	6,908	-	6,908	39,000	32,092
ROT / Duress payments	5,173	-	5,173	449,000	443,827
Other operating expenses	-	-	-	574	574
Total Trading Expense	1,408,559	10,695	1,419,254	1,987,311	568,057
Other expenses					
Agents' fees and disbursements	20,052	-	20,052	-	(20,052)
Professional and legal fees and expenses	42,384	5,000	47,384	70,877	23,493
Office holders' costs	1,021,629	65,772	1,087,401	1,005,603	(81,798)
Office holders' disbursements	7,910	-	7,910	7,116	(794)
Pre-administration costs	10,674	-	10,674	12,562	1,888
Statutory advertising	207	-	207	80	(127)
Total other expenses	1,102,856	70,772	1,173,628	1,096,238	(77,390)
Total expenses (Excluding VAT)	2,511,415	81,467	2,592,882	3,083,549	490,667

Note: If trade or other expenses incurred to date appear lower than previously reported, this reflects an agreed reduction to what we previously expected or thought had been incurred based upon what we knew at that time.

Where the total incurred expense in a particular category has exceeded the initial estimate, this reflects a need to incur additional cost in order to ensure returns to creditors are maximised.

Agents' fees and disbursements relates to commissions (success based collection fee for the purchaser) on book debts which were agreed as part of the sale of business process. The recovery of those debts and the associated costs of their recovery were not envisaged at the time the initial estimates were prepared.

Appendix C: Remuneration update

Our fees were approved on a time cost basis by the Secured, Preferential and Unsecured Creditors at the meeting by correspondence on 22 March 2016. To 18 April 2017, we have drawn fees in line with the approval given, as shown on the receipts and payments account at Appendix A.

The time cost charges incurred in the period from 1 October 2016 to 31 March 2017 are shown below and do not necessarily reflect how much we will eventually draw as fees for this period.

We set out later in this Appendix details of our work to date, anticipated future work, subcontracted work (if any) and payments to associates.

The total time costs of the Administration have exceeded the level of time costs set out in the fees estimate. The fees estimate acts as a cap on the amount we can draw as remuneration without seeking further approval from the relevant body of creditors. Approval to draw time costs in excess of the level set out in the fees estimate has not been sought at this stage, however we continue to liaise with the majority Unsecured Creditor in this regard.

Our time costs are higher than initially estimated because we and our staff have had to spend more time attending to a number of complex matters which have been addressed in the Administration which could not have been envisaged at the time of preparing our initial estimate. Incurring this additional time has been necessary in order to ensure a return to creditors.

Our hours and average rates

Category of Work	Period 01/10/16 to 31/03/17			Cumulative 19/10/15 to 31/03/17		Estimated Future		Initial Fees Estimate (£)	Variance (£)
	Hours incurred	Time costs incurred (£)	Average hourly rate (£/hour)	Hours incurred	Time costs incurred (£)	Time Cost (£)	Total Time Costs (£)		
Asset realisations									
Sale of Business	1	114	448	150	64,570	910	65,480	60,418	(5,062)
Property	-	-	-	88	34,961	910	35,871	19,496	(16,375)
Debtors	26	8,810	334	164	58,632	480	59,112	31,649	(27,463)
Chattel Assets	1	136	600	20	8,879	-	8,879	8,106	(773)
Asset realisations - Total	28	9,060	337	422	167,042	2,300	169,342	119,669	(49,673)
Creditors	12	4,298	366	236	58,170	17,570	75,740	101,629	25,889
Employees and Pensions	3	1,039	390	152	49,986	5,094	55,080	43,243	(11,837)
Trading									
Trading management	2	585	297	802	317,253	-	317,253	322,984	5,731
Accounting and treasury	10	2,740	268	537	153,781	-	153,781	128,300	(25,481)
Retention of Title	-	-	-	94	30,236	-	30,236	34,032	3,796
Trading - Total	12	3,325	273	1,433	501,270	-	501,270	485,316	(15,954)
Investigations	-	-	-	19	7,161	-	7,161	10,917	3,756
Statutory and compliance	57	17,922	312	310	109,038	12,119	121,157	104,147	(17,010)
Tax and VAT	10	4,339	435	48	21,469	9,664	31,133	41,313	10,180
Project management, strategy and Administration	64	20,909	328	307	107,493	19,025	126,518	99,370	(27,148)
Total hours and fees estimate	186	60,892	330	2,927	1,021,629	65,772	1,087,401	1,005,604	(81,797)

Note: Hours and costs have been rounded to the nearest whole number.

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the Administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex, or important matters of exceptional responsibility, are handled by our senior staff or us.

All of our staff who work on the Administration (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time basis and isn't included in the hourly rates charged by partners or other staff members. Time is charged in three minute units. We don't charge general or overhead costs.

We set out below the charge-out rates per hour for the grades of our staff who already or who are likely to work on the Administration.

Grade	Rate per hour	Rate per hour
	Up to 30 June 2016 (£)	From 1 July 2016 (£)
Partner	590 – 825	600 – 840
Director	490 – 725	500 – 740
Senior manager	425 – 550	435 – 560
Manager	340 – 470	345 – 480
Senior associate	185 – 390	190 – 400
Associate	165 – 245	170 – 250
Support staff	87 – 123	89 – 125

Specialist departments within our firm, such as Tax, VAT, Property and Pensions are also used where their expert advice and services are required. Such specialist rates do vary but the figures below provide an indication of the maximum rate per hour.

Grade	Specialist maximum	Specialist maximum
	rate per hour	rate per hour
	Up to 30 June 2016 (£)	From 1 July 2016 (£)
Partner	1,190	1,250
Director	1,115	1,175
Senior manager	1,110	1,170
Manager	665	700
Senior associate	490	515
Associate	240	255
Support staff	140	150

In common with all professional firms, our scale rates may rise from time to time over the period of the Administration (for example to cover annual inflationary cost increases). Any material amendments to these rates will be advised to creditors in our next statutory report.

Our work in the period and work we propose to undertake

The following table provides details of the work we propose to do (indicated by →), have already done (✓) or which is in progress (□). It provides a brief summary for each category rather than an exhaustive list of all possible tasks.

Category of work	General description	Work included	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Assets	Sale of business	<ul style="list-style-type: none"> • Preparing an information memorandum ✓ • Liaising with purchasers and solicitors ✓ • Holding internal meetings to discuss/review offers received ✓ • Negotiation of offers with different parties and completion of sale ✓ 	<ul style="list-style-type: none"> • To achieve a better realisation for creditors than if the Company had gone into liquidation (without first being in Administration) 	<ul style="list-style-type: none"> • To maximise realisations for the benefit of creditors as a whole
Property		<ul style="list-style-type: none"> • Carrying out title searches and securing relevant property records ✓ • Securing possession of property ✓ • Liaising with valuers, agents and landlords ✓ 	<ul style="list-style-type: none"> • To identify property assets, details of ownership and charges • To protect property assets • Ensure best value achieved and maintain property value • To mitigate potential unsecured claims 	<ul style="list-style-type: none"> • To maximise realisations for the benefit of creditors as a whole • Minimise possible unsecured claims
Intangible assets		<ul style="list-style-type: none"> • Carrying out tasks associated with realising such assets ✓ 	<ul style="list-style-type: none"> • To understand the asset(s) and associated values • To ensure an appropriate realisation strategy is effected 	<ul style="list-style-type: none"> • Maximise recoveries from intangible assets for the benefit of creditors as a whole
Insurance		<ul style="list-style-type: none"> • Identifying potential issues requiring attention of insurance specialists ✓ • Reviewing insurance policies ✓ • Detailed discussions with insurer regarding initial and ongoing insurance requirements □ • Realising any value within policies ✓ 	<ul style="list-style-type: none"> • To ensure that appropriate insurance cover is in place at appropriate levels • To protect the estate from possible claims (such as public liability claims) • So that recoveries can be made from pre-insolvency policies 	<ul style="list-style-type: none"> • Mitigate the risk of any potential losses to creditors from damage to assets or from possible claims • Realisations from pre-Administration policies
Stock		<ul style="list-style-type: none"> • Conducting stock takes ✓ • Reviewing stock values ✓ • Liaising with purchasers ✓ 	<ul style="list-style-type: none"> • To identify what stock and work in progress is held and the associated estimated to realise values of these • Seek possible purchasers to acquire stock 	<ul style="list-style-type: none"> • Ensuring that stock recoveries are maximised for a proportional cost, for the benefit of creditors as a whole

Category of work	General description	Work included	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
	Other chattel assets	<ul style="list-style-type: none"> Liaising with interested parties ✓ Reviewing asset listings ✓ 	<ul style="list-style-type: none"> To allow office holder to understand the value of the assets and ensure an appropriate realisation strategy is used 	<ul style="list-style-type: none"> Maximise recoveries from chattel assets for the benefit of creditors as a whole
	Retention of time claims	<ul style="list-style-type: none"> Arranging for the competition of retention of title claim forms ✓ Maintaining retention of title file ✓ Meeting claimants on site to identify goods ✓ Adjudicating retention of the title claims ✓ Corresponding with claimants regarding outcome of adjudication ✓ Negotiating potential settlements and making payments to satisfy valid claims ✓ 	<ul style="list-style-type: none"> To ensure that possible third party assets are identified and set aside To check validity of title claims In order to make settlements with suppliers where stock used 	<ul style="list-style-type: none"> Maximise stock recoveries whilst minimising unsecured claims, for the benefit of creditors as a whole
	Book debts	<ul style="list-style-type: none"> Reviewing and assessing debtors ledgers <input type="checkbox"/> Liaising with debt collectors and solicitors <input type="checkbox"/> Liaising with all former Caparo credit managers on collecting book debts <input type="checkbox"/> Chasing letters / legal letters sent out to all outstanding customers ✓ Finalising the transfer of the IDF accounts to the Administrators ✓ Reconciling the book debt transfers between pre-appointment, post-appointment trading sales and those post sale of the businesses ✓ Agreeing the commissions owed to the purchasers of the businesses, in line with the sale of business agreements <input type="checkbox"/> Dealing with ad-hoc queries and reconciliations <input type="checkbox"/> 	<ul style="list-style-type: none"> Ensure best value achieved To ensure an appropriate realisation strategy is effected Ensure proper allocation and recording of receipts 	<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors as a whole
	Third party assets	<ul style="list-style-type: none"> Reviewing leasing documents ✓ Liaising with owners/lessors ✓ Carrying out tasks associated with assigning / disclaiming leases ✓ 	<ul style="list-style-type: none"> To enable third party owners to collect their assets and reduce their exposure for unpaid liabilities 	<ul style="list-style-type: none"> Mitigates potential claims against the Company as unsecured amounts or Administration expenses

Category of work General description	Work included	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Creditors	<ul style="list-style-type: none"> • Creditor enquiries • Setting up a dedicated website for delivery of initial and ongoing communications and reports ✓ • Updating website with reports and information for creditors <input type="checkbox"/> • Receiving and following up creditor enquiries via telephone, email and post <input type="checkbox"/> • Reviewing and preparing correspondence to creditors and their representatives <input type="checkbox"/> • Receiving and filing proofs of debt <input type="checkbox"/> • Dealing with confirmation of debt forms and liaising with credit insurers <input type="checkbox"/> 	<ul style="list-style-type: none"> • To comply with regulatory requirements or statute • Respond to queries from various stakeholders 	<ul style="list-style-type: none"> • Required by IA86 or IR16 or a regulator requirement
Secured Creditors	<ul style="list-style-type: none"> • Notifying Secured Creditors of appointment ✓ • Preparing reports to Secured creditor <input type="checkbox"/> • Responding to Secured Creditors' queries <input type="checkbox"/> • Making distributions in accordance with security entitlements ✓ • Preparing time costs reports for Pension Scheme <input type="checkbox"/> 	<ul style="list-style-type: none"> • Stakeholder management • Dealing with specific reporting requirements as necessary 	<ul style="list-style-type: none"> • Required by IA86 or IR16 or a regulator requirement • The Administrators have a duty to act in the best interests of creditors as a whole and maintain proper records
Preferential claims	<ul style="list-style-type: none"> • Corresponding with employees regarding dividend prospects → • Preparing, issuing and receiving employee preferential claim agreement forms → • Corresponding with the RPS regarding proof of debt → • Calculating dividend rate and preparing dividend file → • Advertising dividend notice → • Preparing and paying distribution → • Ensuring PAYE/NIC is deducted and remitted to HMRC → 	<ul style="list-style-type: none"> • To facilitate the agreement of claims and distribution to preferential creditors in an expeditious manner • To maintain the Company's books and records 	<ul style="list-style-type: none"> • Required by IA86 or IR16 or a regulator requirement • The Administrators have a duty to act in the best interests of creditors as a whole and maintain proper records
Unsecured claims	<ul style="list-style-type: none"> • Dealing with proofs of debt for dividend purposes ✓ 	<ul style="list-style-type: none"> • To facilitate the agreement of claims and distribution to unsecured 	<ul style="list-style-type: none"> • Required by IA86 or IR16 or a regulator requirement

Category of work	General description	Work included	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
		<ul style="list-style-type: none"> • Preparing correspondence to potential creditors inviting lodgement of proof of debt <input type="checkbox"/> • Receiving proofs of debt and maintaining register <input type="checkbox"/> • Adjudicating claims, including requesting further information from claimants → • Preparing correspondence to claimant advising outcome of adjudication and advising of intention to declare dividend → • Advertising intention to declare dividend → • Calculating dividend rate and preparing dividend file → • Preparing correspondence to creditors announcing declaration of dividend → • Preparing and paying distribution → 	<ul style="list-style-type: none"> creditors [from the prescribed part] in an expeditious manner • To maintain the Company's books and records 	<ul style="list-style-type: none"> • The Administrators have a duty to act in the best interests of creditors as a whole and maintain proper records
	Shareholder enquiries	<ul style="list-style-type: none"> • Responding to any shareholder queries <input type="checkbox"/> 	<ul style="list-style-type: none"> • Stakeholder management 	<ul style="list-style-type: none"> • Required as a regulator requirement
Employees and pensions	Communications with employees	<ul style="list-style-type: none"> • Drafting, issuing and delivering initial communications and announcements ✓ • Preparing letters to employees advising of their entitlements and options available ✓ • Appointing employee representatives and holding regular meetings ✓ • Receiving and following up employee enquiries via telephone, post and email <input type="checkbox"/> 	<ul style="list-style-type: none"> • In order to consult with employees appropriately and provide information as may be required 	<ul style="list-style-type: none"> • To mitigate possible claims against the insolvent estate • In line with regulatory requirements
	Payroll	<ul style="list-style-type: none"> • Reviewing employee files and Company's books and records ✓ • Reviewing awards and payroll structure ✓ • Calculating and paying periodic payroll ✓ • Deducting and paying over PAYE/NIC to HMRC and other deductions to relevant agencies and third parties ✓ 	<ul style="list-style-type: none"> • Assess employee numbers and remuneration packages • To allow accurate reporting and payment of payroll 	<ul style="list-style-type: none"> • Regulatory requirements and duty to maintain proper books and records

Category of work	General description	Work included	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Redundancy related work		<ul style="list-style-type: none"> Commencing / continuing a consultation process ✓ Selecting and making redundancies ✓ Liaising with the RPS and external agencies <input type="checkbox"/> 	<ul style="list-style-type: none"> In order to allow a fair and proper process to take place 	<ul style="list-style-type: none"> Consultation in line with legal and regulatory requirements
Pensions		<ul style="list-style-type: none"> Reviewing insurance policies ✓ Issuing statutory notices ✓ Dealing with general pension scheme issues and the Pension Protection Fund <input type="checkbox"/> Calculating contributions and requesting payments to the relevant scheme or policy <input type="checkbox"/> 	<ul style="list-style-type: none"> Required as a regulatory requirement 	<ul style="list-style-type: none"> Required as a regulatory requirement
Trading	Trading management	<ul style="list-style-type: none"> Implementing post Administration controls and procedures ✓ Liaising with suppliers ✓ Liaising with management and staff ✓ Liaising with utilities providers ✓ Entering into post Administration undertakings ✓ Attending on site ✓ Authorising purchase orders and other commitments ✓ Maintaining purchase order registry ✓ Preparing and authorising receipt and payment vouchers <input type="checkbox"/> Reviewing Company's budgets and financial statements ✓ Preparing budgets and financial reports ✓ Holding meetings to discuss trading position ✓ Liaising with suppliers to finalise trading positions <input type="checkbox"/> Finalising trading costs and discharging our liabilities <input type="checkbox"/> Completing novation agreements to transfer contracts to purchaser <input type="checkbox"/> 	<ul style="list-style-type: none"> To enable the business to continue to trade To help protect value and achieve a greater outcome via a going concern sale 	<ul style="list-style-type: none"> Continued trading has resulted in reduced employee and supplier claims and maintained / enhanced value of the business

Category of work	General description	Work included	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
	Processing receipts and payments	<ul style="list-style-type: none"> Entering receipts and payments into accounting system. <input type="checkbox"/> 	<ul style="list-style-type: none"> To pay trading Administration expenses Maintain the accounts and records of the insolvent estate 	<ul style="list-style-type: none"> Statutory duties to: <ul style="list-style-type: none"> manage the affairs, business and property of the Company settle expenses in the prescribed order of priority keep proper books and records
Investigations	Conducting investigations	<ul style="list-style-type: none"> Collecting Company books and records where related to investigatory work ✓ Reviewing books and records ✓ Preparing comparative financial statements and deficiency statement ✓ Reviewing specific transactions and liaising with directors regarding certain transactions ✓ Preparing investigation file and lodging findings with BEIS ✓ 	<ul style="list-style-type: none"> Duty to take custody of the Company's books and records To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement
	Asset recoveries	<ul style="list-style-type: none"> Identifying potential asset recoveries <input type="checkbox"/> Instructing and liaising with solicitors regarding recovery actions <input type="checkbox"/> Holding internal meetings to discuss status of any litigation → Attending to negotiations and settlement matters → 	<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors as a whole 	<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors as a whole
Statutory and compliance	Initial letters and notifications	<ul style="list-style-type: none"> Preparing and issuing all necessary initial letters and notices regarding the Administration and our appointment ✓ 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement
	Remuneration report	<ul style="list-style-type: none"> Preparing and circulating to creditors a report giving details of the work we expect to carry out during the case, our fees estimate and the expenses that are likely to be incurred ✓ 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement
	Case reviews	<ul style="list-style-type: none"> Conducting case reviews after the first month, then every six months <input type="checkbox"/> 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement

Category of work	General description	Work included	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Proposals and initial meeting of creditors	<ul style="list-style-type: none"> Drafting and reviewing a statement of proposals to creditors including statutory information. ✓ Circulating notice of the proposals to creditors, members and the Registrar of Companies. ✓ Issuing notice of deemed approved proposals ✓ 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement 	
Progress reports and extensions	<ul style="list-style-type: none"> Preparing and issuing periodic progress reports to creditors and the Registrar <input type="checkbox"/> Making applications to creditors or court for the extension of the Administration and filing relevant notices <input type="checkbox"/> 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement 	
Other meetings / resolutions	<ul style="list-style-type: none"> Preparing documents and information for the purpose of obtaining approval to fees, Category 2 disbursements and other matters in the Administration ✓ Convening meetings for resolutions to be considered / issuing resolutions to be considered by correspondence ✓ 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement 	
Books and records	<ul style="list-style-type: none"> Dealing with records in storage <input type="checkbox"/> Sending case files to storage <input type="checkbox"/> 	<ul style="list-style-type: none"> To maintain proper records 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement 	
Other statutory and compliance	<ul style="list-style-type: none"> Filing of documents <input type="checkbox"/> Updating checklists and diary management system <input type="checkbox"/> 	<ul style="list-style-type: none"> Statutory duty to maintain proper records 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement 	
Tax & VAT	<ul style="list-style-type: none"> Gathering information for the initial tax review ✓ Carrying out tax review and subsequent enquiries ✓ Preparing tax computations <input type="checkbox"/> Liaising with HMRC <input type="checkbox"/> Obtaining tax clearance <input type="checkbox"/> Submitting corporation tax returns <input type="checkbox"/> 	<ul style="list-style-type: none"> In compliance with duties as proper officers for tax 	<ul style="list-style-type: none"> Governance To ensure tax accounting is accurate for the benefit of creditors as a whole 	

Category of work	General description	Work included	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
VAT		<ul style="list-style-type: none"> • Gathering information for the initial VAT review ✓ • Initial notification as proper officer for tax ✓ • Carrying out VAT review and subsequent enquiries ✓ • Preparing and submitting VAT returns <input type="checkbox"/> • Preparing and submitting bad debt relief <input type="checkbox"/> • Liaising with HMRC <input type="checkbox"/> • De-registration → 	<ul style="list-style-type: none"> • In compliance with duties as proper officers for tax 	<ul style="list-style-type: none"> • Governance • To ensure tax accounting is accurate for the benefit of creditors as a whole
Administration	Strategy and planning	<ul style="list-style-type: none"> • Completing tasks relating to job acceptance ✓ • Preparing and updating estimated outcome statement <input type="checkbox"/> • Preparing fee budgets & monitoring cost <input type="checkbox"/> • Holding team meetings not relating to trading and discussions regarding status of Administration <input type="checkbox"/> 	<ul style="list-style-type: none"> • To resolve outstanding matters in line with the purpose of Administration 	<ul style="list-style-type: none"> • The Administrators are required by statute to perform their functions as quickly and efficiently as possible
Accounting and treasury		<ul style="list-style-type: none"> • Opening and closing bank accounts <input type="checkbox"/> • Dealing with receipts, payments and journals not relating to trading <input type="checkbox"/> • Carrying out bank reconciliations and managing investment of funds <input type="checkbox"/> • Corresponding with bank regarding specific transfers <input type="checkbox"/> 	<ul style="list-style-type: none"> • To pay Administration expenses • Maintain the accounts and records of the insolvent estate 	<ul style="list-style-type: none"> • Statutory duties to: <ul style="list-style-type: none"> ◦ manage the affairs, business and property of the Company ◦ settle expenses in the prescribed order of priority ◦ keep proper books and records
Closure procedures		<ul style="list-style-type: none"> • Withdrawing undertakings not relating to trading and obtaining clearances from third parties <input type="checkbox"/> • Completing checklists and diary management system → • Closing down internal systems → • Finalise and close Administration → • Discharge from liability → 	<ul style="list-style-type: none"> • To comply with regulatory requirements of statute 	<ul style="list-style-type: none"> • Required by IA86 / IR16 or regulatory requirement

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the Administration where the relationship could give rise to a conflict of interest.

Payments to associates

We have not made any payments to associates in the period covered by this report.

Professionals and subcontractors

Below is a list of professionals and subcontractors we used across the Group.

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services, including: <ul style="list-style-type: none">• Review of Company's security position• Assisting with sale of Company's assets• Legal advice to the Administrators	DLA Piper UK LLP	<ul style="list-style-type: none">• Industry knowledge and insolvency expertise• Knowledge of the Company	Time costs and disbursements
Legal services to send out 7 day legal letters to debtors who haven't paid	Browne Jacobson LLP	<ul style="list-style-type: none">• Industry knowledge	£10 per legal letter sent
Property agents and accounts receivable audit <ul style="list-style-type: none">• Council tax review• Receivables review	Consultiam Property Limited trading as CAPA	Industry knowledge	Percentage of realisations
Utilities management <ul style="list-style-type: none">• Meter readings• Liaising with utility providers• Arranging utility supplies• Site security• Records management	GMS Property Support Services Ltd trading as GMS Group	Industry knowledge	Fixed fee
Insurance broker <ul style="list-style-type: none">• Reviewing insurance requirements• Arranging insurance cover• Dealing with insurance claims	JLT Speciality Limited	Industry knowledge	Commission on premiums
Valuation of chattel assets	Hilco Valuation Services	Industry knowledge	Fixed fee
Property valuation services	Lambert Smith Hampton	Industry knowledge	Fixed fee
Vehicle valuation services	Wyles Hardy & Co	Industry knowledge	Fixed fee

As appropriate, we require all third party professionals to submit time costs analyses and narrative in support of invoices rendered.

As noted earlier in this report, the Group (including the Company) had entered into an IDF facility with the Secured Lenders. The IDF debt collection was being managed by ARMS. Following the sale of certain Group businesses to a company ultimately owned by the Gupta family, the purchaser also assisted ARMS in the collection of the IDF debts. With the Secured Lenders repaid in full, the IDF accounts have been released back to the Group, and any fees payable in connection with the collection of the IDF debts are being discharged from funds received.

Appendix D: Other information

Court details for the Administration:	High Court of Justice, Chancery Division, Birmingham District Registry Case no. 8391 of 2015
Company's registered name:	Caparo Vehicle Technologies Limited
Trading name:	Caparo Vehicle Technologies Limited and Caparo AP Braking
Registered number:	05755850
Registered address:	7 More London Riverside, London SE1 2RT
Date of the Administrators' appointment:	19 October 2015
Administrators' names and addresses:	Anthony Steven Barrell and David Matthew Hammond each of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT and Stephen Arthur Cave of PricewaterhouseCoopers LLP, Waterfront Plaza, 8 Laganbank Road, Belfast, BT1 3LR
Extension to the initial period of appointment:	12 months to 18 October 2017
Appointor's / applicant's name and address:	The directors of the Company, Caparo House, 103 Baker Street, London W1U 6LN
Split of the joint administrators' responsibilities:	In relation to paragraph 100(2) Sch.B1 IA86, any act required or authorised under any enactment to be done by an administrator may be done by any or all of the Administrators acting jointly or alone.