

AM10

Notice of administrator's progress report



Companies House

THURSDAY



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21/09/2017

#389

COMPANIES HOUSE

1 Company details

Company number 07042086
Company name in full CATERHAM SPORTS LIMITED

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

2 Administrator's name

Full forename(s) FINBARR THOMAS
Surname O'CONNELL

3 Administrator's address

Building name/number 25
Street MOORGATE
Post town LONDON
County/Region
Postcode EK2R 6AY
Country ENGLAND

4 Administrator's name ①

Full forename(s) HENRY ANTHONY
Surname SHINNERS

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

5 Administrator's address ②

Building name/number 25
Street MOORGATE
Post town LONDON
County/Region
Postcode EC2R 6AY
Country ENGLAND

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

^d0^d1^m03^y20^y17

To date

^d3^d1^m08^y20^y17

7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's
signature

Signature

X

Alford

X

Signature date

^d2^d0^m09^y20^y17

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. ❶
 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

❶ 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) **Mark Christopher**

Surname **Ford**

3 Insolvency practitioner's address

Building name/number **25 Moorgate**

Street **London**

Post town **EC2R 6AY**

County/Region

Postcode

Country

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 **EMMA C' BRYAN**

Company name **SMITH & WILLIAMSON**

Address **25 MOORGATE**

Post town **LONDON**

County/Region

Postcode **E C 2 R 6 A Y**

Country **ENGLAND**

DX

Telephone **02071318420**



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



Caterham Sports Limited (in administration)

Joint administrators' progress report for the period from 1 March
2017 to 31 August 2017

20 September 2017



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1. Glossary

Abbreviation	Description
the Company	Caterham Sports Limited
the administrators/joint administrators	Finbarr Thomas O'Connell, Henry Anthony Shinnars and Mark Christopher Ford
1MRT	1Malaysia Racing Team SDN BHD (In Administration)
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
ETR	Estimated to realise
HMRC	HM Revenue & Customs
EXIM	Export-Import Bank of Malaysia Berhad
QFCH	Qualifying Floating Charge Holder - a secured creditor who has the power to appoint an administrator - in this case, EXIM
RPS	Redundancy Payments Service
S&WEBC	Smith & Williamson Employee Benefits Consultancy, a division of Smith & Williamson Financial Services Limited
S&WFS	Smith & Williamson Financial Services Limited
FCA	Financial Conduct Authority

2. Introduction

This report provides an update on the progress in the administration of the Company for the six month period ended 31 August 2017. It should be read in conjunction with any previous reports. By way of reminder, we, Finbarr Thomas O'Connell and Henry Anthony Shinnars, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed joint administrators of the Company on 17 October 2014. Mark Christopher Ford was appointed as joint administrator on 22 February 2016 following the retirement of Anthony Cliff Spicer, as detailed in our previous reports.

Statutory information in respect of the Company and the administration is set out at Appendix I.

3. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period from 1 March 2017 to 31 August 2017. This account includes cumulative figures for the period from 17 October 2014 to 31 August 2017.

The receipts and payments account would usually include a comparison with the director's SOA values. However, as previously reported, a SOA has not been received from the sole remaining director, Constantin Cojocar. In the absence of a SOA we have compared the receipts and payments against an estimate of the Company's financial position as at 30 September 2014 based on the books and records available to us.

No receipts of any significance have been received during this period.

The cash balance held as at 31 August 2017 was £77,191.46.

3.1 Assets still to be realised

3.1.1 Debtors

Following a review of the Company's books and records, the administrators are of the opinion that further debtor balances are due from intercompany loans. We are continuing to liaise with our legal advisors with regard to the pursuit of the payment of these funds.

3.2 Legal claims

As administrators of the Company and 1MRT, we have now received a detailed report from our legal advisors in respect of potential legal actions.

As previously advised, the administrators will require additional funding to complete the necessary investigations and for the considerable further legal costs. We anticipate that we will have a greater idea of the prospect of recoveries to report in our next progress report.

3.3 Claim in 1MRT

Aside from the potential realisations from legal claims and debtors, the main asset to realise in the administration is a distribution from the administration of 1MRT. At present, the timing and quantum of this distribution is uncertain although a first distribution in the next six month is likely.

4. Administrators' remuneration

The creditors' committee approved that the basis of the administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration at a meeting held on 2 March 2015.

The administrators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
17 October 2014 to 16 April 2015	3,434.90	1,723,777.50	501.84	Nil
17 April 2015 to 31 August 2015	513.85	209,811.50	408.31	1,253,110.83
1 September 2015 to 16 September 2015	98.25	46,077.96	468.99	Nil
17 September 2015 to 16 March 2016	526.80	231,296.89	439.06	Nil
17 March 2016 to 31 August 2016	173.25	76,601.50	442.14	561,756.07
*1 September 2016 to 28 February 2017	95.25	44,116.05	463.16	40,000.00
1 March 2017 to 31 August 2017	84.25	41,806.00	496.21	Nil
Total	4,926.55	2,373,487.40	481.77	1,854,866.90

*The report for the period ended 28 February 2017 reported different time costs for the period however the breakdown of time in the Appendices was correct. This report now reflects the true position.

Attached as Appendix III, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the administrators and their staff in attending to matters arising in the administration. Details of work carried out in the period are also included in the body of this report.

Also attached as Appendix IV, is a cumulative time analysis for the period from 17 October 2014 to 31 August 2017 which provides details of the administrators' time costs since appointment. A total of £1,845,866.90 has been drawn on account of these costs.

As previously reported, on 6 May 2015, in response to a request of the creditors' committee, the administrators, S&WFS and S&WCF agreed to discount their fees by 2.5% from 17 October 2014 to 10 May 2015 and 5% from 11 May 2015.

As detailed in the last report, the joint administrators anticipate the total future costs to be in the region of £390,000 depending on the outcome of their investigations and any resulting legal actions. Legal fees will similarly depend on whether legal action is commenced and what actions are defended at trial. The joint administrators estimate that legal fees will be in the range of £200,000 to £2,000,000. This estimate includes actions for both the Company and 1MRT as the investigation work and legal advice is heavily linked to both administrations. Any fees that become due will be paid by litigation funding and will be apportioned across the two administration estates accordingly.

An explanation of these costs can be found in the 'Outstanding matters' section at section 8 of this report.

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and investigating the former officers of the company as required by the Company Directors' Disqualification Act 1986.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by the ICAEW, is available free on request or can be downloaded from their website as follows:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

It should be noted that, whilst this statement makes reference to the need to provide creditors with a fees and costs estimate in the event that fees are being drawn on a time costs basis, this requirement only applies to appointments on or after 1 October 2015. Prior to this date, there was no statutory obligation to produce fees and costs estimates.

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix V.

4.1 S&WFS & S&WCRF

S&WFS and S&WCF, companies associated with Smith & Williamson LLP, have assisted with the Company's pension affairs and the marketing and negotiations to sell the CaterhamF1 Team.

Payments to parties in which administrators or their firm have an interest must be disclosed to, and approved by, creditors, or, in this case, the creditors' committee.

S&WFS and S&WCF's time cost rates were included in the administrators' proposals and provided to the creditors' committee. The creditors' committee has approved these rates and that they are paid by reference to these time costs.

Since our last report, S&WFS has not charged any time.

Details of S&WFS' current charge out rates are included at Appendix V.

Since our last report, S&WCF has not charged any time.

Details of S&WCF's current charge out rates are included at Appendix V.

5. Administration expenses

5.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

5.2 Professional advisers

On this assignment we have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Mishcon de Reya LLP / Legal advisors	Hourly rate and disbursements	1,124.00	Nil	29,090.33
Wyles Hardy & Co Limited / Auction of assets and advice*	10% commission on sales and hourly rates for other assistance and disbursements	Nil	Nil	382,282.67

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

*Wyles Hardy & Co Limited has incurred £303,298 of disbursements. This includes a significant quantum of portage costs in relation to the 6,750 auction lots and crowdfunding fulfilment.

5.3 Administrators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Storage costs	1,199.52	1,199.52	Nil
Third party mailing assistance	170.00	Nil	1,771.18
Total	1,369.52	1,199.52	1,771.18

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

5.4 Category 2 disbursements (see Disbursements on page 20)

No Category 2 disbursements have been incurred and/or paid in the current period:

5.5 Policies regarding use of third parties and disbursement recovery

Appendix V provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

6. Estimated outcome for creditors

The estimated outcome for each class of creditors is set out below.

6.1 Secured creditors

As detailed in our previous report, the secured creditor, EXIM, has been paid in full.

6.2 Prescribed Part

The Company granted a floating charge to EXIM on 12 July 2013. Accordingly, we are required to create a Prescribed Part fund out of the Company's net floating charge property for unsecured creditors.

Based on present information, without significant successful legal action, it is unlikely that there will be sufficient net property to allow a dividend to unsecured creditors from the Prescribed Part. However, should there be a successful outcome to the legal proceedings being considered by the joint administrators and the creditors' committee, resulting in a Prescribed Part distribution, this can be made by the joint administrators in the administration, following the changes made by the Small Business, Enterprise and Employment Act 2015 which took effect from 26 May 2015.

6.3 Preferential creditors

We set out below a summary of preferential claims received:

Preferential creditor	Claims received £
Department for Business, Energy and Industrial Strategy (DBEIS)	25,490.73

The claim from DBEIS is in respect of compensatory awards to fifty former employees of the Company. The funds were awarded following an employee tribunal brought by the former employees for unfair dismissal.

In the event that there are sufficient floating charge realisations over and above the costs of the administration, we anticipate that preferential claims will be paid in full.

6.4 Unsecured creditors

We have received claims totalling £23,000,066.09 from 336 creditors. Total claims as per the books and records were £10,981,844.

We have not yet adjudicated these claims. Dividend prospects for unsecured creditors remain dependant on the outcome of potential legal proceedings.

7. Creditors' committee

By way of reminder, the creditors' committee was constituted on 22 December 2014 and is comprised of five members.

The purpose of the creditors' committee is to represent the interests of the creditors as a whole, not just the interests of the individual members. It may also serve to assist the administrators generally and act as a sounding board to obtain views with regard to matters pertaining to the administration.

The creditors' committee is responsible for fixing the basis of the administrators' remuneration and to review the adequacy of the administrators' security, including bonding, for the proper performance of their functions.

Members are also permitted to be paid as an expense of the administration any reasonable travelling expenses directly incurred either by attending meetings or otherwise on committee business.

Full details on creditors' committees can be found in the Statement of Insolvency Practice 15:
<http://www.icaew.com/~media/Files/Technical/Insolvency/regulations-and-standards/sips/england/sip-15-e-w-reporting-and-providing-information-on-their-functions-to-committees-in-formal-insolvencies.ashx>

8. Outstanding matters

The joint administrators anticipate that their future time costs in respect of the outstanding matters to be in the region of £170,000 excluding legal fees (on the basis that significant legal actions are not pursued), or up to £490,000 should further investigation, forensic accounting, accounts reconstruction and legal action be required and the majority of these further costs will be paid out of litigation funding monies or out of the proceeds from potential legal actions.

The remaining actions to be concluded in the administration are as follows:

8.1 Collection of outstanding debts and settling the remaining asset ownership disputes

As detailed in 3.1.1, the administrators will continue to review the Company's books and records to assess any balances due, and to ascertain whether these are recoverable. This will include consideration of the recoverability of any such debts and may include investigation of the debtor's financial affairs.

Future costs in this regard are expected to be in the range of £40,000 to £100,000, plus legal costs depending on whether our claims are resisted or not. However, given the poor accounting records and the nature of any dispute, this level of future costs could be up to £300,000. As detailed in section 4 of this report, legal fees in this regard could be up to £2,000,000 over the administration of the Company and 1MRT.

8.2 Various investigation matters and related claims for the recovery of funds

The joint administrators are continuing to review possible actions.

As detailed in our previous reports, a summary of the proposed legal actions have been put to the creditors' committee and a cost estimate provided. Further administrators' costs are estimated to be at least £100,000 but could rise to £300,000 depending on what additional investigation and accounting work is required. Legal costs will vary depending on what legal actions are commenced but, should the matter progress to a full trial, the legal costs could reach £500,000. The majority of these future costs will be paid out of litigation funding monies or out of the proceeds from potential legal actions.

8.3 Statutory matters, conclusion of the administration, including preparing and issuing of the final report

The joint administrators will, at the appropriate time, obtain tax clearance and if there are sufficient funds, declare a first and final dividend to creditors.

Further costs relating to statutory and procedural matters are estimated to be £15,000 for every six months going forward. The joint administrators' time costs in this regard would be £30,000 if the administration is concluded within the next twelve months, or, if legal action(s) were required, £90,000 if concluded in thirty six months' time.

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising.

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and reporting on the former officers of the company as required by the Company Directors' Disqualification Act 1986.

9. Ending the administration

The period of the administration was extended by court until 13 April 2018.

The administrators will be discharged from liability under P98(3) of Sch B1 immediately upon their appointment as administrators ceasing to have effect.

Authorisation for discharge from liability was granted by the creditors' committee on 6 May 2015.

10. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the administrators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Finbarr Thomas O'Connell, Henry Anthony Shinnors or Mark Ford in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

11. Next report

We are required to provide a further report on the progress of the administration within one month of the end of the next six month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report.

A handwritten signature in black ink, reading 'Finbarr O'Connell'. The signature is fluid and cursive, with the first name 'Finbarr' and the last name 'O'Connell' clearly distinguishable.

Finbarr Thomas O'Connell, Henry Anthony Shinnars and Mark Christopher Ford

Joint Administrators

Date: 20 September 2017

I Statutory information

Relevant Court	High Court of Justice
Court Reference	7424 of 2014
Trading Name(s)	Caterham Sports Limited Also known as Caterham Formula 1 Racing Team
Trading Addresses	Leafield Technical Centre, Langley, Oxfordshire, OX29 9EF
Former Name(s)	1Malaysia Racing Team (UK) Limited
Registered Office	25 Moorgate, London, EC2R 6AY (Formerly Leafield Technical Centre, Langley, Oxfordshire, OX29 9EF)
Registered Number	07042086
Joint Administrators	<i>Finbarr Thomas O'Connell, Henry Anthony Shinnars and Mark Christopher Ford</i> , all of 25 Moorgate, London, EC2R 6AY (IP No(s) 7931, 9280 and 9521) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally.
Contact details	25 Moorgate, London, EC2R 6AY, emma.obryan@smithandwilliamson.com , 020 7131 8420
Date of Appointment	17 October 2014
Appointor	EXIM
Extension to period of administration	The period of the administration was initially extended by the consent of creditors to 16 October 2016. Following a court hearing, the period of administration has been further extended to 13 April 2018.

II Receipts and payments account

Receipts and payments account to 31 August 2017

Caterham Sports Limited (In Administration) Joint Administrators' Trading Account

Statement of Affairs £	From 01/03/2017 To 31/08/2017 £	From 17/10/2014 To 31/08/2017 £
POST APPOINTMENT SALES		
Crowdfunding	NIL	237,200.24
Bank Interest Gross Re: Trading	2.53	632.44
Sales - Sponsorship	NIL	2,000.00
Customer Overpayment	NIL	56.93
Driver Income	NIL	515,298.55
Customer Postage	NIL	9,182.40
	<u>2.53</u>	<u>764,370.56</u>
PURCHASES		
Purchases Abu Dhabi	NIL	96,390.42
Ransom Payments	NIL	22,624.85
	<u>NIL</u>	<u>(119,015.27)</u>
OTHER DIRECT COSTS		
Consultancy Fee	NIL	22,170.95
Consultancy Expenses	NIL	95,057.11
Bank Charges Re: Trading	NIL	530.90
	<u>NIL</u>	<u>(117,758.96)</u>
TRADING EXPENDITURE		
Travel & Accommodation	NIL	92,271.19
Carriage	NIL	1,348.40
Insurance	NIL	25,000.00
Professional Fees	NIL	5,250.00
Legal Fees Trading	NIL	14,851.50
Hire of Equipment	NIL	37,500.00
Repairs & Maintenance	NIL	300.00
Sundry Expenses	NIL	500.00
Administrators Fees Trading	NIL	35,172.02
Track Costs	NIL	57,211.31
Ransom Payment - Racing Costs	NIL	28,534.70
Crowdcube Fee	NIL	20,319.71
Stripe Fee	NIL	11,060.28
Catering Costs	NIL	30,168.00
Security	NIL	3,989.94
Agents Expenses	NIL	111,311.37
Agents Fees	NIL	42,769.05
	<u>NIL</u>	<u>(517,557.47)</u>
TRADING SURPLUS/(DEFICIT)	<u>2.53</u>	<u>10,038.86</u>

Caterham Sports Limited (In Administration)
Joint Administrators' Summary of Receipts & Payments

	From 01/03/2017 To 31/08/2017 £	From 17/10/2014 To 31/08/2017 £
PROPERTY & LAND		
Interest received from Solicitors FCR	NIL	15.83
Compensation for late completion FCR	NIL	20,000.00
Sale of Property FCR	NIL	5,250,000.00
	NIL	5,270,015.83
GENERAL FIXED CHARGE		
Bank Interest Gross FCR	NIL	1,387.05
Bank Charges FCR	NIL	(87.45)
	NIL	1,299.60
PROPERTY & LAND		
Joint Administrators Fees FCR	NIL	203,614.75
Property Maintenance & Clearance FCR	NIL	46,253.11
Security FCR	NIL	68,039.90
Interest on Loan Principal Borrowing F	NIL	4,244.66
Agent/Valuers Fees FCR	NIL	88,375.00
Property Expenses FCR	NIL	302,786.78
Property Related Insurance FCR	NIL	23,749.47
Agency Expenses FCR	NIL	3,201.70
Legal Fees FCR	NIL	35,999.00
Legal Expenses FCR	NIL	784.74
	NIL	(777,049.11)
DISTRIBUTIONS		
Fixed Charge Creditor	NIL	4,446,738.21
	NIL	(4,446,738.21)
GENERAL FIXED CHARGE		
Irrecoverable VAT FCR	NIL	11,859.94
Professional Fees FCR	NIL	5,000.00
	NIL	(16,859.94)
ASSET REALISATIONS		
Plant & Machinery	NIL	2,641,971.87
Inventories	NIL	434,100.00
Funds Returned by Sherriff	NIL	339.00
Book Debts	NIL	187.62
Misc. Cash Sales	NIL	409.18
Catalogue Sales	NIL	1,815.00
Foreign Exchange Gains/Losses	NIL	113.17
Pre Appointment VAT Refund	NIL	27,106.08
Pre Appointment Insurance Refund	NIL	151.02
Cash at Bank	NIL	54,325.61
Rent	NIL	20,508.55
Stock	NIL	158,995.28
Bank Interest Gross	7.84	4,338.69
Petty Cash	NIL	714.91
Trading Surplus/(Deficit)	2.53	10,038.86
Rates Refund	NIL	10,496.36
Service Charge	NIL	19,257.57
Sale of Motor Vehicles	NIL	5,995.99
	10.37	3,390,864.76

COST OF REALISATIONS		
Payments Against Liens	NIL	218,330.71
Creditors' Meeting Costs	NIL	916.67
Dispute Claim	NIL	195,000.00
Agent/Valuer's Pre Appointment Fees	NIL	40,000.00
Interest in vehicles	NIL	250.00
Petitioners Expenses	NIL	866.13
Petitioners Costs	NIL	4,691.00
Interest on Loan Principal Borrowing F	NIL	21,053.94
Joint Administrators' Pre App't Fees	NIL	22,818.75
Administrators' Fees	NIL	1,616,080.13
Administrators' Expenses	NIL	31,516.56
Committee Expenses	NIL	614.08
Professional Fees	NIL	18,885.87
Transport, Storage and Maintenance	NIL	97,359.51
Agents/Valuers Fees	NIL	247,127.47
Agents/Valuers Expenses	NIL	234,365.29
Legal Fees	NIL	481,890.46
Legal Expenses	NIL	52,733.13
Payroll Services	NIL	2,185.77
Storage Costs	1,199.52	5,216.40
Ransom Payment Re: Insurance	NIL	479.93
Statutory Advertising	NIL	892.40
IT Services	NIL	24,036.65
Insurance of Assets	NIL	11,779.27
Bank Charges	NIL	185.35
Professional Expenses	NIL	66.00
Utility costs	NIL	15,000.00
	(1,199.52)	(3,344,341.47)
PREFERENTIAL CREDITORS		
Employees Wage Arrears	NIL	NIL
	NIL	NIL
UNSECURED CREDITORS		
Trade & Expense Creditors	NIL	NIL
HMRC	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
Ordinary Shareholders	NIL	NIL
	NIL	NIL
	(1,189.15)	77,191.46
REPRESENTED BY		
VAT Receivable FLT		51.15
Clients Deposit FCR - NIB 20.5.16		30,668.17
Clients Deposit Re: Kickstart Caterham		10,029.04
Clients Deposit A/c (Int Bear) FLT		36,433.28
VAT Payable Trading		9.82
		77,191.46

Notes and further information required by SIP 7

The basis of the administrators' remuneration was approved by the creditors' committee on 2 March 2015, and amended on 6 May 2015.

- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.
- Information concerning our remuneration and disbursements incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- The floating charge bank account and the Kickstart Caterham bank account are interest bearing.
- There are no foreign currency holdings that we are aware of.
- Wyles Hardy applies a Buyers' Premium on all auction sales. This is paid by the buyer to Wyles Hardy directly. For their own reporting purposes Wyles Hardy also charge the Company this Buyers' Premium and the Company recharges the Buyers' Premium to Wyles Hardy under self-billing arrangements. This is a cash and VAT neutral arrangement whereby creditors and HMRC are not impacted by the Buyers' Premium. This charging to the Company and recharging back to Wyles Hardy of the Buyers' Premium is not reflected in the receipts and payments.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

III Time analysis for the period

From 1 March 2017 to 31 August 2017

Caterham Sports Limited (In Administration)
Breakdown of time spent by Smith & Williamson LLP employees
for the period 1 March 2017 to 31 August 2017

Classification of work function	Hours				Total hours	Time cost £	Average hourly rate £
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff			
Administration and planning							
Statutory returns, reports & meetings	0.00	0.75	2.40	8.85	12.00	3,623.75	301.98
Cashiering general, including bonding	0.00	0.00	0.00	3.45	3.45	862.50	250.00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	0.00	0.00	0.00	6.35	6.35	1,340.00	211.02
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.25	0.00	0.00	1.45	1.70	531.00	312.35
Filing, file and information management	0.00	0.00	0.00	1.00	1.00	205.00	205.00
Director/manager review, approval and signing	31.00	0.00	0.50	0.20	31.70	19,637.00	619.46
Investigations							
Investigation of legal claims	8.00	0.00	0.00	0.35	8.35	5,087.50	609.28
Director/manager review, approval and signing	0.10	0.00	0.00	0.00	0.10	62.50	625.00
Other	15.10	0.00	0.00	0.00	15.10	9,437.50	625.00
Realisation of assets							
Sale of business-post completion matters	0.00	0.00	0.00	0.35	0.35	99.75	285.00
Creditors							
Employees & pension (other) (incl Jobcentre/CSA etc)	0.00	0.00	0.00	0.35	0.35	87.50	250.00
Unsecured creditors	0.00	0.00	0.15	1.25	1.40	370.00	264.29
Creditors committee	0.00	0.00	0.00	0.75	0.75	187.50	250.00
Corporate Tax							
Corporate Tax	0.00	0.00	0.90	0.75	1.65	274.50	166.36
Total	54.45	0.75	3.95	25.10	84.25	£41,806.00	£496.21

Explanation of major work activities undertaken

A description of work undertaken in the period is as follows:

Administration and planning

This section of the analysis encompasses the cost of the administrators and their staff in complying with their statutory obligations and internal compliance requirements. This work includes the following:

- Dealing with routine correspondence and phone calls
- Maintaining physical case files and electronic case details on IPS (electronic case management software)
- Preparation and sending of the joint administrators' reports
- General case planning and administration
- Ensuring statutory lodgement and tax lodgement obligations are met
- Maintaining and managing the administrators' cash book and bank accounts
- Cashiering duties such as bank reconciliations and paying invoices
- Filing and file management of routine correspondence

Investigations

This section is in relation to the investigation of the Company's assets and the conduct of the directors. This covers both statutory requirements of the administrators and independent investigation carried out in order to realise further assets for the creditors by way of challenging third parties as to the beneficial ownership of certain assets or by way of commencing legal action.

Understandably as our investigations are ongoing the details must remain confidential. Some general work that has been carried out includes the following:

- Investigation of legal claims including consideration of the Company's incomplete accounting records
- Investigation of the financial position of parties against whom legal action is being considered
- Meetings, telephone call and correspondence with solicitors

Realisation of assets

This section is in relation to the realisation of the Company's assets. The work includes the following work carried out by the administrators' case team:

- Investigating assets that are overseas

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Dealing with creditor and employee correspondence via email, telephone and letter
- Organising and holding creditors' committee meetings and providing updates to the members

Corporate Tax & VAT

- Investigating and recovering possible tax assets in the UK, Europe, India and Australia
- Preparation of the Corporation Tax returns

IV Cumulative time analysis

From 17 October 2014 to 31 August 2017

Caterham Sports Limited (In Administration)
Breakdown of time spent by Smith & Williamson LLP employees
for the period 14 October 2014 to 31 August 2017

Classification of work function	Hours					Total hours	Time cost £	Average hourly rate £
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	16.90	40.00	39.65	156.45	3.85	256.85	92,443.50	359.91
Initial post-appointment notification letters, including creditors	0.00	5.55	3.50	12.25	7.00	28.30	6,256.25	291.74
Cashflowing general, including bonding	0.00	9.85	8.80	76.65	56.70	152.00	41,401.75	272.38
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	2.90	52.35	24.90	111.50	0.00	191.65	69,544.75	362.87
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	6.00	6.30	4.00	22.10	0.00	38.40	14,170.75	369.03
Protection of company records (incl electronic)	0.00	3.15	0.00	0.00	0.00	3.15	1,653.75	525.00
Insurance & general asset protection	0.00	2.55	3.50	0.35	0.00	6.40	2,821.00	440.78
Travelling	22.75	35.00	11.30	17.75	0.00	86.80	40,226.00	463.43
Filing, file and information management	0.00	2.00	4.40	19.45	9.25	35.10	8,386.00	238.97
Agents and advisers, general	0.00	13.70	5.05	3.65	0.00	22.40	10,223.75	456.42
Filing - Administration and planning	0.00	0.00	0.00	0.80	4.00	4.80	648.00	135.00
Director/manager review, approval and signing	52.00	1.30	10.75	1.00	7.00	72.05	39,202.50	544.10
Other	23.25	14.10	2.80	12.25	0.75	53.15	26,087.75	490.83
Investigations								
Directors' correspondence & conduct questionnaires	0.00	0.00	0.00	1.35	0.00	1.35	358.50	265.56
Creditor & shareholder complaints	2.00	0.00	0.00	0.00	0.00	2.00	1,250.00	625.00
Statutory books and accounting records review	0.00	19.70	2.75	0.00	0.00	22.45	11,442.50	509.69
Investigation of legal claims	551.50	42.05	7.50	30.45	0.00	631.50	378,005.05	598.56
SIP2 and SIP4 obligations (inc CDDAB6 forms)	0.00	10.75	3.50	24.25	0.00	38.50	13,106.25	340.42
Asset tracing (e.g. Land Registry and Company Searches)	0.00	13.85	0.00	0.50	0.00	14.35	7,396.25	515.42
Enquiries of advisers	0.00	4.55	4.00	0.50	0.00	9.05	4,113.75	454.56
Filing - Investigations	0.00	1.65	0.00	0.00	0.00	1.65	866.25	525.00
Director/manager review, approval and signing	1.40	0.00	0.00	0.00	0.00	1.40	875.00	625.00
Other	15.10	2.95	1.35	2.50	0.00	21.90	12,144.25	554.53
Realisation of assets								
Fixed charge Property (land and buildings)	171.80	126.45	2.00	37.60	0.00	337.85	183,967.25	544.52
Fixed charge other (e.g. chattel mortgages)	85.25	1.20	0.00	0.00	0.00	86.45	53,911.25	623.61
Debtors not financed (includes reassigned debtors)	1.00	4.30	0.00	5.35	0.00	10.65	4,241.00	398.22
Stock	0.00	28.50	0.00	0.00	0.75	29.25	15,195.00	519.49
Other chattel assets	5.70	36.50	2.50	0.00	0.00	44.70	23,680.00	529.75
Financed assets (only if equity/otherwise creditors, incl HP and leasing)	0.20	3.95	0.00	0.00	0.00	4.15	2,198.75	529.82
Sale of business as a whole, including liaison with legal advisers agents etc	529.00	16.20	0.10	0.00	0.00	545.30	339,159.50	621.97
Cash at Bank	0.25	0.00	0.00	1.50	0.00	1.75	576.25	329.29
Liaising with agents (general)	0.00	0.75	1.50	9.75	0.00	12.00	3,521.25	293.44
Sale of business-post completion matters	0.00	3.15	0.00	0.35	0.00	3.50	1,753.50	501.00
Director/manager review, approval and signing	4.60	0.00	0.00	0.00	0.00	4.60	2,875.00	625.00
Other	12.00	21.50	0.70	6.00	0.00	40.20	20,683.50	514.51
Trading								
Trading on decision and day 1-3 operations	6.00	2.45	9.50	15.00	0.00	32.95	12,511.25	379.70
Sales and customers	0.00	16.35	24.50	4.75	0.00	45.60	17,295.00	379.28
Purchasing/suppliers (not landlord)	0.70	132.15	8.00	15.80	0.00	156.65	77,164.25	492.59
Accounting	0.00	6.05	0.00	4.00	0.00	10.05	4,176.25	415.55
Insurances	0.00	0.00	11.00	2.35	0.00	13.35	4,987.50	373.60
Staff and payroll (inc PAYE/NIC for trading period)	0.00	0.55	1.00	0.00	0.00	1.55	688.75	444.35
Premises issues (inc landlord and site clearance)	0.00	13.15	14.45	4.50	0.00	32.10	12,422.75	387.00
Health & Safety	0.00	0.00	0.25	0.00	0.00	0.25	73.75	295.00
Security	0.00	0.00	0.00	0.35	0.00	0.35	87.50	250.00
Director/manager review, approval and signing	2.25	0.00	0.00	0.00	0.00	2.25	1,406.25	625.00
Other	1.15	55.25	13.80	51.20	6.00	127.40	51,326.00	402.87
Creditors								
Fixed charge creditors	19.75	38.00	0.00	0.85	0.00	58.60	32,557.25	555.58
Floating charge creditors	0.25	2.75	0.00	0.00	0.00	3.00	1,600.00	533.33
HP & lease creditors	14.60	4.20	10.85	6.80	0.00	36.45	16,330.00	448.01
RPO and ERA claims & tribunals	0.75	0.00	17.75	1.00	0.00	19.50	7,878.75	404.04
Employees & pension (other) (incl Jobcentre/CSA etc)	84.90	24.15	36.45	26.10	0.00	171.60	85,512.25	498.32
Grown (not RPO etc)	0.00	0.00	2.25	0.00	0.00	2.25	420.00	186.67
Unsecured creditors	19.30	33.30	24.10	61.90	3.25	141.85	56,470.25	398.10
Creditors' committee	12.35	61.15	44.00	29.75	0.00	147.25	64,920.00	440.68
ROT Claims	7.20	22.80	40.15	57.60	0.00	127.75	45,200.25	353.82
SWWFS Employee Benefits Consultancy	8.80	0.00	33.45	0.00	0.35	42.60	8,801.50	206.61
Director/manager review, approval and signing	0.30	0.00	0.00	0.00	0.00	0.30	187.50	625.00
Other	0.00	2.65	0.00	0.25	0.00	2.90	1,453.75	501.29
AML/Compliance								
AML - If done post appointment	0.00	0.00	5.55	4.00	0.00	9.55	3,073.00	321.76
Corporate Tax								
Corporate Tax	109.90	2.00	79.10	41.75	0.00	232.75	73,071.35	313.95
Corporate Finance								
Corporate Finance	549.25	0.00	40.50	0.00	0.00	589.75	334,715.00	567.55
Forensics								
Forensics	0.50	0.00	3.00	98.85	0.00	102.35	22,760.50	222.47
Total	2,341.55	940.80	564.20	981.10	98.90	4,926.55	2,373,487.40	£481.77

Caterham Sports Limited (In Administration)
Breakdown of time spent by Smith & Williamson Financial Services employees
for the period 14 October 2014 to 31 August 2017

Classification of work function	Hours				Total hours	Time cost £	Average hourly rate £
	Partner / Director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Smith & Williamson Financial Services							
SWFS Employee Benefits Consultancy	9.10	56.05	2.60	0.00	67.75	13,069.50	192.91
Total	9.10	56.05	2.60	0.00	67.75	£13,069.50	£192.91

V Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers including S&WFS
 - Disbursement recovery
- Smith & Williamson LLP's and S&WFS' current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

S&WFS

S&WEBC is a pensions consultancy firm which specialises in providing advice to Insolvency Practitioners on their appointment in relation to all aspects of pensions. It is a division of S&WFS, a company associated with Smith & Williamson LLP.

S&WEBC may be engaged to deal with the Company's pension affairs. Payments to parties in which the administrators or their firm have an interest must be disclosed to, and approved by, creditors. Fees for their services are accrued on a time costs basis. Consequently, details of the charge out rates for S&WEBC are provided to creditors.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the administrators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2017

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2017	London office £/hr	Regional offices £/hr
Partner / Director	545-625	350-450
Associate Director	490-525	295-310
Managers	395-00	190-390
Other professional staff	200-395	120-180
Support & secretarial staff	100-250	60-135

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office £/hr			Regional offices £/hr		
	From 1/7/14	From 1/7/15	From 1/7/16	From 1/7/14	From 1/7/15	From 1/7/16
Partner / Director (from 1 January 2016)	625	625	560-625	350	350	450
Associate Director	525	525	525	295-325	295-325	295-325
Managers	295-400	295-400	315-400	310	310	295
Other professional staff	250-310	250-310	250-310	235	235	144-235
Support & secretarial staff	100	100	100	90	90	72-162

Corporate Finance	Per hour
Charge out rates from 1 July 2014	£
Director	625
Administrator	80

Corporate Tax & VAT	London office
Charge out rates from 1 July 2015	£/hr
Partner	570-505
Associate Director	375
Managers	320-200
Other professional staff	90-165
Support & secretarial staff	60

Forensic	London office
Charge out rates from 1 July 2015	£/hr
Partner	700
Managers	400
Other professional staff	330
Support & secretarial staff	80-95

S&WFS Employee Benefits Consultancy	Per hour
Charge out rates from 1 July 2017	£
Director	245-349
Associate Director	204-244
Manager	139-195
Administrator	88-170

S&WFS Employee Benefits Consultancy	From 1/7/15	From 1/7/16
Charge out rates	£/hr	£/hr
Director	260-415	225-420
Associate Director	190-250	200-240
Manager	185-195	185-195
Administrator	50-170	70-145

www.smithandwilliamson.com

Principal offices: London, Belfast, Birmingham, Bristol, Dublin, Glasgow, Guildford, Manchester, Salisbury and Southampton.

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