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### 1 Company details

Company number 0 0 6 3 0 4 7 3

Company name in full Caparo Industries Plc

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) David Matthew

Surname Hammond

### 3 Administrator's address

Building name/number Pricewaterhousecoopers LLP

Street One Chamberlain Square

Post town Birmingham

County/Region Midlands

Postcode B 3 3 A X

Country

### 4 Administrator's name ①

Full forename(s) Toby Scott

Surname Underwood

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Pricewaterhousecoopers LLP

Street Central Square, 29 Wellington Street

Post town Leeds

County/Region West Yorkshire

Postcode L S 1 4 D L

Country

#### 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	<sup>d</sup> 1	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	
To date	<sup>d</sup> 1	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1	

### 7 Progress report

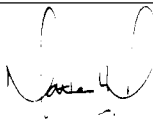
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 1

<sup>d</sup> 2

<sup>m</sup> 0

<sup>m</sup> 5

<sup>y</sup> 2

<sup>y</sup> 0

<sup>y</sup> 2

<sup>y</sup> 1

**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	George Edmond
Company name	PricewaterhouseCoopers LLP
Address	Central Square, 29 Wellington Street
Post town	Leeds
County/Region	West Yorkshire
Postcode	L S 1 4 D L
Country	
DX	
Telephone	07483935575

**Checklist**

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- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

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DX 33050 Cardiff.

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# Joint administrators' progress report from 19 April 2020 to 18 April 2021

**Caparo Industries Plc**  
(in administration)

High Court of Justice, Chancery Division,  
Birmingham District Registry  
Case no. 8398 of 2015

12 May 2021

# Table of contents

<b>Abbreviations and definitions</b>	<b>3</b>
<b>Key messages</b>	<b>5</b>
<b>Progress of the administration</b>	<b>7</b>
<b>Appendix A: Receipts and payments</b>	<b>10</b>
<b>Appendix B: Expenses</b>	<b>12</b>
<b>Appendix C: Remuneration update</b>	<b>14</b>
<b>Appendix D: Other information</b>	<b>23</b>

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

<b>Company</b>	Caparo Industries Plc
<b>Administrators</b>	David Matthew Hammond and Toby Scott Underwood
<b>Group</b>	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
<b>CPT</b>	Caparo Precision Tubes Limited
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>Firm</b>	PricewaterhouseCoopers LLP
<b>Sch.B1 IA86</b>	Schedule B1 to the Insolvency Act 1986
<b>IA86</b>	Insolvency Act 1986
<b>HMRC</b>	HM Revenue & Customs
<b>Secured creditors</b>	Creditors with security in respect of their debt, in accordance with section 248 IA86
<b>Preferential creditors</b>	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
<b>Secured Lenders</b>	Barclays Bank Plc and Royal Bank of Scotland Plc
<b>SIP</b>	Statement of Insolvency Practice (issued by regulatory authorities, setting out principles and key compliance standards with which insolvency practitioners are required to comply)
<b>ARMS</b>	Atlantic Risk Management Services
<b>Pension Scheme</b>	Caparo 1988 Pension Scheme
<b>IDF</b>	Invoice discounting facility
<b>Unsecured creditors</b>	Creditors who are neither secured nor preferential

This report has been prepared by David Matthew Hammond and Toby Scott Underwood as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at [www.pwc.co.uk/caparo-cip](http://www.pwc.co.uk/caparo-cip). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

## Why we've sent you this report

I'm writing to update you on the progress of the administration of Caparo Industries Plc in the 12 months since our last report dated 18 May 2020.

You can still view our earlier reports on our website at <https://www.pwc.co.uk/caparo>. Please get in touch with Clare Davison at [clare.n.davison@pwc.com](mailto:clare.n.davison@pwc.com) if you need the password to access the reports.

## How much creditors may receive

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

<b>Secured creditors</b>		
- Secured Lenders	100p/£	100p/£
- Pension Scheme	100p/£	100p/£
- Caparo Group Limited	Uncertain	Uncertain
<b>Preferential creditors</b>	100p/£	100p/£
<b>Unsecured creditors</b>	0p/£	0p/£

*\*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.*

The Secured Lenders and the Pension Scheme (for part of its claim) have security across the Group's assets. The other Secured Creditor is Caparo Group Ltd, which has security relating to the Company's shares in Caparo India Ltd.

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 reduced the amount the Group owed the Secured Lenders.

As previously reported, 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 (secured) amounts were repaid in full.

The level of Preferential Creditors 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. Preferential Creditor claims totalling £18,116 were paid in full in October 2017.

The position for Unsecured Creditors remains as previously reported: based on the current estimates of realisations and costs in the Company and across the Group, we expect that there will be no distribution to Unsecured Creditors. However, our investigations are ongoing, and could result in outcomes that would improve the funds available for the Company's creditors. To allow this investigation work to continue, we sought the Court's agreement to extend the administration for another 12 months until 18 October 2021, and the court approved this request on 2 October 2020. It is likely a further court extension will be requested to enable the investigation to be concluded.



## **What you need to do**

This report is for your information and you don't need to do anything. However, should you wish to submit a claim, a claim form can be downloaded from our website at [www.pwc.co.uk/claimform](#) or you can get one by emailing Clare Davison at [clare.n.davison@pwc.com](mailto:clare.n.davison@pwc.com).

## 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 earlier reports and proposals, available on our website.

The administrations of the other 15 companies in the Group have ended. Five of those companies went into Creditors' Voluntary Liquidation (Caparo Steel Products on 25 April 2017; Caparo Atlas Fastenings Limited and Material Measurements Limited on 26 April 2017; Caparo Precision Tubes Limited on 28 April 2017, and Caparo Engineering Limited on 26 October 2018) and these companies remain in liquidation. The other companies exited via a dissolution route.

## Asset realisations

- **VAT refund**

In this period we have received £385 by way of a VAT refund. The Company is in a VAT group with a number of other Companies within the group. A VAT reconciliation exercise will be undertaken shortly.

- **Interest**

During this period minimal interest sums have been realised. All realisations in this period relate to interest being held in a solicitors client account in the sum of £226 and is detailed below. No further interest sums have been realised in this period.

- **Legal fees and expenses**

During this period additional funds were realised in respect of monies held in a solicitors client account relating to legal fees, expenses and interest. We outline the interest position above, however, £190 was realised by way of capital funds held in the solicitors client account and is shown in the receipts and payments table in Appendix A.

## Investigations and actions

In line with our statutory duties to investigate the financial position of the Company and any claims it may have, during the period covered by this report we have continued our investigations into the activities of the Group prior to our appointment. This is the main area of continuing work in the administration. Our work on this matter has continued during the period, including further substantive work, undertaken both by the administrators and their legal advisors and has comprised a combination of review of company records and other documents, and interviews with a number of individuals. The administrators' work on this matter continues but, due to the confidential nature of this work, we are unable to provide further details at this time.

As part of this work, we have external legal advisors who are advising the Administrators on this matter. Their costs are recognised as an expense of the administration, and included within Professional and Legal Fees and Expenses in our schedule of expenses in Appendix B.

## Tax and VAT

During the period of this report, our specialist tax and VAT teams have continued to prepare and submit returns to HMRC under our statutory duties for this Company.

## Statutory

As most of the insolvent estates have reached the position where realisations (apart from investigations and intercompany dividends) have now been completed and the relevant expenses been settled, we undertook a further marshalling exercise to ensure that the amounts due to the secured creditors were paid as far as possible from the companies which owed the money, rather than by guarantor companies. This marshalling exercise resulted in the Company making a payment to CPT in respect of the Company's secured debt which had been met by CPT. A further marshalling exercise may be needed in due course if further realisations are achieved in any of the open insolvent estates.

The court had previously granted extensions to the administration which were due to expire on 18 October 2020. Due to the need to continue with the investigation work, the Court has ordered a further extension of 12 months to the period of the Administration, which is now due to expire on 18 October 2021.

The Court had previously ordered that progress reports to creditors could be submitted on an annual basis. Accordingly, there was no progress report for the period ending 18 October 2020 and this report period is for 12 months.

## What remains to be done

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

- Investigations - ongoing enquiries and consideration of next steps following the review of activities prior to our appointment;
- A final marshalling exercise, if required;
- VAT compliance: Completing the relevant returns and deregistering this Company prior to closure of the administration;
- Statutory and compliance: Dealing with other compliance matters such as progress reports, a possible extension from court, final account and correspondence with creditors; and
- Distributions: If it becomes apparent that a dividend will be available to Unsecured Creditors, agreeing and paying an unsecured distribution.

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

## Connected party transactions

In accordance with Statement of Insolvency Practice 13, we are required to disclose any known connected party transactions that occurred in the period following our appointment or any proposed connected party transactions. We can confirm that there are no such transactions requiring disclosure.

## Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administration from 19 April 2020 to 18 April 2021.

## 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, disbursements and other related matters in this case.

## 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/Files/Technical/Insolvency/creditors-guides/creditors-guide-administrators-fees-final.pdf>

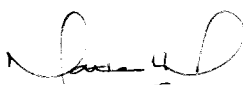
You can also get a copy free of charge by emailing Clare Davison at [clare.n.davison@pwc.com](mailto:clare.n.davison@pwc.com).

## Next steps

We continue to investigate whether there are further recoveries to be made or actions to be brought. We think it is likely that a further extension to the current extension period of 18 October 2021 will be required in order to complete the investigation work and bring matters to a conclusion. During the next 12 month period we shall be working with our legal advisers to prepare the relevant paperwork to support the extension application.

If you've got any questions, please get in touch with Clare Davison at [clare.n.davison@pwc.com](mailto:clare.n.davison@pwc.com).

Yours faithfully  
For and on behalf of the Company



David Matthew Hammond  
Joint administrator

*David Matthew Hammond and Toby Scott Underwood have been appointed as Joint Liquidators of Caparo Industries Plc to manage its affairs, business and property as its agents and without personal liability. David Matthew Hammond and Toby Scott Underwood are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

*The Joint Liquidators 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 Liquidators may act as Data Controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. Further details are available in the privacy statement on the [PwC.co.uk](http://PwC.co.uk) website or by contacting the Joint Liquidators.*

# **Receipts and Payments Account as at 18 April 2021**

As per  
Directors'  
Statement of  
Affairs

Assets subject to a fixed charge	Notes	19/10/2015 to 18/04/2020	19/04/2020 to 18/04/2021	Total to 18/04/2021
<b>£ Receipts</b>		<b>£</b>	<b>£</b>	<b>£</b>
3,000,000 Land and property		1,679,589	-	1,679,589
300,000 Shares		2,400,000	-	2,400,000
Motor vehicles		19,838	-	19,838
Interest		28,334	-	28,334
<b>Total receipts</b>		<b>4,161,288</b>	<b>-</b>	<b>4,161,288</b>
73,000				
<b>Payments</b>				
Professional and legal fees		(27,055)	-	(27,055)
Bank charges		(55,384)	-	(55,384)
<b>Total payments</b>		<b>(82,439)</b>	<b>-</b>	<b>(82,439)</b>
<b>Distributions</b>				
Secured creditor		(708,885)	-	(708,885)
<b>Total payments</b>		<b>(708,885)</b>	<b>-</b>	<b>(708,885)</b>
<b>Cash in hand</b>		<b>3,369,964</b>	<b>-</b>	<b>3,369,964</b>
<b>Assets subject to a floating charge</b>				
<b>Receipts</b>				
Other asset realisations		169,990	-	169,990
Sundry Debts and Refunds		-	385	385
Legal fees & expenses - investigations		-	190	190
Third party funds		252,761	-	252,761
Group Company funding		(914)	-	(914)
Interest		44,184	228	44,410
<b>Total receipts</b>		<b>466,021</b>	<b>801</b>	<b>466,822</b>
<b>Payments</b>				
Professional fees and expenses	2	(1,160,262)	(703,728)	(1,863,988)
IT hosting costs		(88,029)	-	(88,029)
Agents' fees and expenses		(38,398)	(81,938)	(118,336)
Statutory advertising		(3)	-	(3)
Pre-appointee fees & expenses		(27,088)	-	(27,088)
Office holders' fees and expenses	3	(1,709,752)	-	(1,709,752)
Bank charges		(23,766)	-	(23,766)
Preferential distributions				
(100p in the £ paid October 2017)		(18,116)	-	(18,116)
Corporation tax		(2,487)	(8,064)	(10,551)
Taxation costs		(2,629)	-	(2,629)
Electronic data storage		(37)	-	(37)
Insurance		(5,642)	-	(5,642)
Net trading position	4	257,587	-	257,587
<b>Total payments</b>		<b>(2,816,643)</b>	<b>(791,728)</b>	<b>(3,608,371)</b>
<b>Net Receipts/(Payment)</b>		<b>(2,350,622)</b>	<b>(790,927)</b>	<b>(3,141,549)</b>
<b>VAT control account</b>		<b>(110,797)</b>	<b>26,748</b>	<b>(84,049)</b>
<b>Bank balance*</b>		<b>908,545</b>	<b>(764,179)</b>	<b>144,365</b>
*funds held in interest bearing account (rounded to the nearest £)				
<b>Made up as follows:</b>				
Barclays Bank Plc				21,708.18
Barclays Bank Plc - Group life insurance scheme				122,656.80

- 1) This amount is a balance of funds which may be payable to other Group companies under marshalling, as identified in the interim marshalling exercise. A final marshalling exercise will be undertaken in due course to take account of any further realisations across the Group; at this stage this balance may be paid to other Group companies or released to the administration estate.
- 2) At present all professional and legal fees and expenses are shown within this category, with the vast majority of these costs in the current period arising from our investigation work, which remains confidential. When we are in a position to provide more detail on this work, we will provide further descriptions on what this expenditure represents.
- 3) All administrators' fees paid to date are shown as a floating charge payment; we will reallocate some of the fees as a fixed charge expense in due course.
- 4) A breakdown of the net trading account is provided in our previous reports. Please refer back to these for an in depth analysis.
- 5) Amounts shown include VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties. A full VAT reconciliation will be undertaken during the next period.
- 6) No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report.
- 7) We consider all payments made during the period to be proportionate in the context of the administration.

Expenses are defined in Statement of Insolvency Practice 9 as any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate. Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

**1** These are payments to persons providing the service to which the expense relates who are not an associate of the office holder.

**2** These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

The following disbursements arose in the period of this report.

<b>1</b>	Courier fees	<b>7.29</b>
	Professional fees	<b>150.56</b>
	Land Registration fees	<b>66.00</b>
	<b>Total in the period</b>	<b>223.85</b>
	<b>Brought forward</b>	<b>102,507.00</b>
	<b>Total</b>	<b>102,730.85</b>

Our expenses policy allows for all properly incurred disbursements to be recharged to the administration but only once the appropriate approval has been received. Approval for the administrators to charge for bulk photocopying and staff mileage has previously been approved by the creditors. Approval will be sought for any other category 2 expenses prior to their payment from the appropriate creditors.

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

Professional and legal fees and expenses	1,160,262	900,726	2,060,988	500,000	2,560,988	182,874	(2,378,114)
IT hosting costs	88,029	-	88,029	-	88,029	-	(88,029)
Total trading expenses	(3,785)	-	(3,785)	-	(3,785)	2,181,541	2,177,756
Agents fees and expenses	36,398	81,938	118,336	-	148,336	-	(148,336)
Office holders' fees	4,033,051	498,606	4,531,657	567,503	5,099,160	1,680,757	(3,418,403)
Office holders' disbursements	102,507	224	102,731	750	103,481	49,250	(54,231)
Pre administration costs	27,088	-	27,088	-	27,088.06	31,876	4,788
Corporation tax	2,487	6,064	8,551	1,000	9,551	-	(9,551)
Taxation costs	2,629	-	2,629	1,000	3,629	-	(3,629)
Electronic data storage	37	-	37	-	37	-	(37)
Insurance	5,642	-	5,642	-	5,642	-	(5,642)
Statutory advertising	3	-	3	73	76	67	(9)
Bank charges	79,120	-	79,120	100	79,220	33,639	(45,581)
<b>Total expenses (excluding VAT)</b>	<b>5,533,469</b>	<b>1,487,558</b>	<b>7,021,026</b>	<b>1,070,426</b>	<b>8,121,452</b>	<b>4,160,004</b>	<b>(3,969,018)</b>

**Note:**

- 1) Total expenses incurred to 18 April 2020 in relation to Professional and legal fees and expenses was corrected from the prior period and now reflects the true position.
- 2) The full estimated amount of legal fees and expenses are dependent upon the development of any investigation and any litigation that may arise as a result.

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.

The trading costs incurred by the Company have been recharged to the Group companies who benefited, together with premiums to recover some of the costs where possible. As a result, the net trading expenses are significantly less than the original estimates.

We confirm that we do not consider any of the parties to whom expenses have been paid in the current reporting period to be associates. All transactions are on a purely commercial basis and parties have been chosen based on their expertise in accordance with the needs of the administration.



Our fees were approved on a time cost basis by the Secured Creditors at the meeting by correspondence on 22 March 2016. To 18 April 2021, we have drawn fees of £1,622,815.25 in line with the approval given. No fees have been drawn in this period.

In previous reports, we have reported the time cost analysis by reference to calendar month periods. The period covered in the last report was 1 April 2019 to 31 March 2020. For completeness we now report time costs up to the end of this period. Within the time/cost analysis below, we have included time costs incurred in the previous period between 1 April 2020 and 18 April 2020 which were not previously reported. The period for which time costs are therefore reported in this report is 1 April 2020 to 18 April 2021. In future reports, time costs will be reported for the total 12 month reporting period.

Our time costs for the reporting period 1 April 2020 to 18 April 2021 total £521,015. Of this, 923.40 hours representing costs of £520,092 were incurred in the current reporting period, i.e. between 19 April 2020 and 18 April 2021. The total time costs incurred from 19 October 2015 to 18 April 2021 is £4,033,051.

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 which were predicted to be £1,680,758. 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, but we continue to liaise with the majority Unsecured Creditor in this regard and anticipate requesting further fees in due course.

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 relating to investigatory work as set out earlier in this report which have been addressed in the Administration and which could not have been envisaged at the time of preparing our initial estimate. Incurring this additional time has been necessary in order to investigate a better return to creditors.

The table below demonstrates all time incurred to date with reference to each individual category of work together with our future estimated costs.

Category of Work	Current Period 01/04/20 to 18/04/2021			Cumulative 19/10/15 to 18/04/2021		Estimated Future		Initial Fees Estimate (£)	Variance (£)
	Hours incurred	Time costs incurred (£)	Average hourly	Hours incurred	Time costs incurred (£)	Time Cost (£)	Total Time Costs (£)		
<b>Asset realisations</b>									
Sale of business	-	-	-	182	78,425	-	78,425	51,449	(26,976)
Property	-	-	-	110	40,114	1,400	41,514	52,779	11,265
Other	2	600	375	2	600	600	1,200	-	-
Debtors	-	-	-	167	52,211	-	52,211	3,871	(48,340)
<b>Asset realisations - Total</b>	<b>2</b>	<b>600</b>	<b>375</b>	<b>461</b>	<b>171,350</b>	<b>2,000</b>	<b>173,350</b>	<b>108,099</b>	<b>(64,051)</b>
Creditors	3	1,184	455	321	101,942	1,740	103,682	18,429	(85,253)
Employees and pensions	4	2,197	505	207	66,917	-	66,917	59,150	(7,767)
<b>Trading</b>									
Trading management	-	-	-	746	306,837	-	306,837	274,662	(32,175)
Accounting and treasury	-	-	-	824	223,162	-	223,162	134,836	(88,326)
Retention of title	-	-	-	102	39,618	-	39,618	8,013	(31,605)
<b>Trading - Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,672</b>	<b>569,617</b>	<b>-</b>	<b>569,617</b>	<b>417,511</b>	<b>(152,106)</b>
Investigations	766	369,549	482	5,807	2,268,811	366,260	2,635,071	566,306	(2,068,765)
Statutory and compliance (1)	132	78,588	583	2,102	828,521	50,000	878,521	318,255	(560,266)
Tax and VAT	28	22,225	748	569	244,751	30,000	274,751	77,506	(197,245)
Project management, strategy and administration (2)	105	46,642	444	943	302,125	50,000	352,125	115,502	(236,623)
<b>Total hours and fees estimate</b>	<b>1,048</b>	<b>521,015</b>	<b>497</b>	<b>12,082</b>	<b>4,033,051</b>	<b>500,000</b>	<b>5,098,738</b>	<b>1,680,758</b>	<b>(3,372,076)</b>

(1) This includes costs relating to distributions and costs associated with reporting to the Appointor/Committee

(2) This includes accounting and treasury costs and distributions

\*Time less than an hour will show as zero hours in the table. Time costs are shown correctly.

The table below represents all time costs incurred in this period only, showing an analysis of the work undertaken in the period by each respective grade. This provides a more detailed indication as to how time costs were incurred in the period. In future reporting periods we will provide time costs in a similar manner to provide a more transparent overview for creditors.

Category of work	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/ Other	Hours (hrs)	Total Cost (£)
Accounting and Treasury			0.70	1.45	12.30	3.00	17.45	6,101
Assets					1.60		1.60	600
Creditors				2.00	0.60		2.60	1,184
Distributions			0.50				0.50	258
Employees and Pensions		0.75	3.60				4.35	2,197
Investigations	19.20	111.20	91.50	270.55	215.65	57.70	766.05	369,549
Reporting to Appointor/Committee			0.80		2.90		3.70	1,599
Statutory and Compliance	63.90		5.20	11.50	51.35		131.95	76,989
Strategy and Planning			5.65	78.65	5.85		90.15	40,284
Tax and VAT			7.75	10.40	11.60		29.75	22,255
<b>Totals for the period:</b> <b>01/04/2020 to 18/04/2021</b>	<b>83.10</b>	<b>111.95</b>	<b>115.70</b>	<b>374.80</b>	<b>301.85</b>	<b>60.70</b>	<b>1048.10</b>	<b>521,015</b>
<b>Brought forward from prior period</b>							<b>11,042.00</b>	<b>4,033,051</b>
<b>Grand Total</b>							<b>12090.10</b>	<b>4,554,066</b>

## Our hours and average rates

The tables above show both the current time costs in our original format in prior reports and also, a more detailed overview broken down by grade for the current period. We have displayed time costs in two different formats in order to provide creditors with a closer insight as to how time has been incurred in the period. In future periods time costs will be presented in this format.

## Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administrations. 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 administrations (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. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administrations. We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour. The specialist charge-out rates were effective as of the 01 September 2020 therefore, the rates below demonstrate the maximum hourly rate charged per grade.

Partner	1,315	1,520
Director	1,390	1,465
Senior Manager	1,230	1,290
Manager	770	775
Senior Associate	570	575
Associate	305	305
Offshore Professionals	250	250
Support staff	140	250

Partner	955	1,600
Director	720	1,465
Senior Manager	585	1,355
Manager	475	815
Senior Associate	390	605
Associate	245	325
Offshore Professionals	245	245
Support staff	125	230

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

## Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report.

## Our work in the period

The following table provides details of the work we have done in the period. It provides a brief summary for each category rather than an exhaustive list of all possible tasks.

<b>Assets</b>	Insurance	Reviewing insurance policies	To ensure that appropriate insurance cover is in place at appropriate levels	Mitigate the risk of any potential losses to creditors from damage to assets or from possible claims
		Detailed discussions with insurer regarding insurance requirements		
		Termination of insurance policies	To protect the estate from possible claims (such as public liability claims)	Realisations from pre-administration policies
<b>Creditors</b>	Creditor enquiries		So that recoveries can be made from pre-insolvency policies	
		Updating website with reports and information for creditors	To comply with regulatory requirements or statute	Required by IA86 or IR16 or a regulator requirement
		Receiving and following up creditor enquiries via telephone, email and post	Respond to queries from various stakeholders	
		Reviewing and preparing correspondence to creditors and their representatives		
		Receiving and filing proofs of debt		
		Dealing with confirmation of debt forms and liaising with credit insurers		
	Secured Creditors	Preparing reports to Secured creditor	Stakeholder management	Required by IA86 or IR16 or a regulator requirement
		Responding to Secured Creditors' queries	Dealing with specific reporting requirements as necessary	The Administrators have a duty to act in the best interests of creditors as a whole and maintain proper records
		Preparing time costs reports for Pension Scheme		
	Shareholder enquiries	Responding to any shareholder queries	Stakeholder management	Required as a regulator requirement
<b>Investigations</b>	Conducting investigations	Reviewing specific transactions and liaising with directors regarding certain transactions	Duty to take custody of the Company's books and records	Required by IA86 / IR16 or regulatory requirement
			To comply with regulatory requirements or statute	
	Asset recoveries	Identifying potential asset recoveries Instructing and liaising with solicitors regarding recovery actions	To maximise realisations for the benefit of creditors as a whole	To maximise realisations for the benefit of creditors as a whole

		Holding internal meetings to discuss status of any litigation		
		Attending to negotiations and settlement matters		
<b>Statutory and compliance</b>	Case reviews	Conducting case reviews	Ensures case progression and compliance with statutory requirements	Required by IA86 / IR16 or regulatory requirement
	Progress reports and extensions	Preparing and issuing the periodic progress reports to creditors and the Registrar for the period 2019-2020 in accordance with the terms of a Court order  Making an application to the court for the extension of the Administration and filing relevant notices	To keep creditors informed.  To comply with regulatory requirements or statute	Required by IA86 / IR16 or regulatory requirement
	Books and records	Dealing with records in storage  Sending case files to storage	To maintain proper records	Required by IA86 / IR16 or regulatory requirement
	Other statutory and compliance	Filing of documents  Updating checklists and diary management system  Reconciling the estimated outcome position across the Group  Apportion our fees between fixed and floating charges  Preparing fee budgets & monitoring cost  Holding team meetings not relating to trading and discussions regarding status of administration	Statutory duty to maintain proper records	Required by IA86 / IR16 or regulatory requirement
<b>Tax &amp; VAT</b>	Tax	Carrying out tax review and subsequent enquiries  Preparing tax computations Liaising with HMRC  Submitting corporation tax returns	In compliance with duties as proper officers for tax	Governance  To ensure tax accounting is accurate for the benefit of creditors as a whole
	VAT	Carrying out VAT review and subsequent enquiries  Preparing and submitting VAT returns  Preparing and submitting bad debt relief  Liaising with HMRC	In compliance with duties as proper officers for tax	Governance  To ensure tax accounting is accurate for the benefit of creditors as a whole
<b>Administration</b>	Strategy and planning	Preparing and updating estimated outcome statement	To resolve outstanding matters in line with the purpose of administration	The Administrators are required by statute to perform their functions as quickly and efficiently as possible

Accounting and treasury	Dealing with receipts, payments and journals not relating to trading	To pay administration expenses	Statutory duties to: - manage affairs, business and property of the company - settle expenses in the prescribed order of priority - keep proper books and records
	Carrying out bank reconciliations and managing investment of funds	Maintain the accounts and records of the insolvent estate	
	Corresponding with bank regarding specific transfers		

## Our future work

We still need to do the following work to achieve the purposes of the administrations.

Assets	Property	Dealing with ad hoc property enquiries as and when they arise and other ongoing matters related to asset realisation	To maximise recovery for creditors	To maximise recovery for creditors
Estimated future time costs: £1,400				
Creditors	Creditor enquiries	Updating website with reports and information for creditors	To comply with regulatory requirements or statute	Required by IA86 or IR16 or a regulator requirement
Estimated future time costs: £1,740		Receiving and following up creditor enquiries via telephone, email and post	Respond to queries from various stakeholders	
		Reviewing and preparing correspondence to creditors and their representatives		
		Receiving and filing proofs of debt		
		Dealing with confirmation of debt forms and liaising with credit insurers		
	Shareholder enquiries	Responding to any shareholder queries	Stakeholder management	Required as a regulator requirement
Investigations	Conducting investigations	Continuing to undertake investigatory work as outlined earlier in this report.	To comply with regulatory requirements or statute	Required by IA86 / IR16 or regulatory requirement
Estimated future time costs: £366,260	Asset recoveries	Identifying potential asset recoveries	To maximise realisations for the benefit of creditors as a whole	To maximise realisations for the benefit of creditors as a whole
		Instructing and liaising with solicitors regarding recovery actions		

<b>Statutory and compliance</b>  <b>Estimated future time costs: £50,000</b>		Holding internal meetings to discuss status of any litigation		
		Attending to negotiations and settlement matters		
	Case reviews	Conducting case reviews after the first month, then every six months	To comply with regulatory requirements or statute	Required by IA86 / IR16 or regulatory requirement
	Progress reports and extensions	Preparing and issuing periodic progress reports to creditors and the Registrar	To comply with regulatory requirements or statute	Required by IA86 / IR16 or regulatory requirement
		Making applications to creditors or court for the extension of the Administration and filing relevant notices		
	Books and records	Dealing with records in storage	To maintain proper records	Required by IA86 / IR16 or regulatory requirement
		Sending case files to storage		
	Other statutory and compliance	Filing of documents	Statutory duty to maintain proper records	Required by IA86 / IR16 or regulatory requirement
		Updating checklists and diary management system		
		Reconciling the estimated outcome position across the Group		
<b>Tax &amp; VAT</b>  <b>Estimated future time costs: £30,000</b>		Marshalling Group debt and cross guarantee position		
		Apportion our fees between fixed and floating charges		
		Preparing fee budgets & monitoring cost		
		Holding team meetings not relating to trading and discussions regarding status of administration		
	Tax	Preparing tax computations	In compliance with duties as proper officers for tax	Governance
		Liaising with HMRC		To ensure tax accounting is accurate for the benefit of creditors as a whole
		Obtaining tax clearance		
		Submitting corporation tax returns		
	VAT	Preparing and submitting VAT returns	In compliance with duties as proper officers for tax	Governance
		Preparing and submitting bad debt relief		To ensure tax accounting is accurate for the benefit of creditors as a whole

<b>Administration</b>  <b>Estimated future time costs: £50,000</b>		Liaising with HMRC		
		De-registration		
	Strategy and planning	Preparing and updating estimated outcome statement	To resolve outstanding matters in line with the purpose of administration	The Administrators are required by statute to perform their functions as quickly and efficiently as possible
	Accounting and treasury	Opening and closing bank accounts	To pay administration expenses	Statutory duties to: - manage affairs, business and property of the company - settle expenses in the prescribed order of priority - keep proper books and records
		Dealing with receipts, payments and journals not relating to trading	Maintain the accounts and records of the insolvent estate	
		Carrying out bank reconciliations and managing investment of funds		
		Corresponding with bank regarding specific transfers		
	Closure procedures	Withdrawing undertakings not relating to trading and obtaining clearances from third parties	To comply with regulatory requirements or statute	Required by IA86 / IR16 or regulatory requirement
		Completing checklists and diary management system		
		Closing down internal systems		
		Finalise and close Administration		
		Discharge from liability		

## 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 or be perceived to give rise to a conflict of interest.

## Details of subcontracted work

We have not subcontracted out any work during the period covered by this report.



## Legal and other professional firms

We've instructed the following professionals on this case:

<b>Legal services, including:</b> - Drafting and filing court application to extend period of administration - Advice in relation to property matters	DLA Piper UK LLP	- Industry knowledge and insolvency expertise - Knowledge of the Company	Time costs and disbursements
<b>Legal services, including:</b> - Advice in relation to investigations work - Counsel advice	Taylor Wessing LLP	- Industry knowledge and insolvency expertise - Knowledge of the Company	Time costs and disbursements
<b>Historic rates recovery</b>	CAPA	- Industry knowledge and insolvency expertise	Percentage of realisations
<b>Insurance broker</b> - Reviewing insurance requirements - Arranging insurance cover - Dealing with insurance claims	JLT Speciality Limited	Industry knowledge	Commission on premiums
<b>Business valuation services</b>	Smith & Williamson	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.

**Court details for the administration:** High Court of Justice, Chancery Division, Birmingham District Registry

Case no. 8398 of 2015

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**Company's registered name:** Caparo Industries plc

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**Trading name:** n/a

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**Registered number:** 00630473

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**Registered address:** 8<sup>th</sup> Floor Central Square, 29 Wellington Street, Leeds LS1 4DL

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**Date of the joint administrators' appointment:** 19 October 2015

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**Joint administrators' names, addresses and contact details:** David Matthew Hammond of PricewaterhouseCoopers LLP, One Chamberlain Square, Birmingham, B3 3AX and Toby Scott Underwood, 8<sup>th</sup> Floor Central Square, 29 Wellington Street, Leeds LS1 4DL  
Telephone number 0113 289 4000

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**Extensions to the initial period of appointment:** 12 months to 18 October 2017 approved by creditors  
24 months to 18 October 2019 approved by the Court  
12 months to 18 October 2020 approved by the Court  
12 Months to 18 October 2021 approved by the Court