

The Insolvency Act 1986

Administrator's progress report

Name of Company

Caterham Sports Limited

Company number

07042086

In the
High Court of Justice

(full name of court)

Court case number
7424 of 2014

(a) Insert full

I/We (a)

Finbarr Thomas O'Connell

Smith & Williamson LLP

25 Moorgate

London

EC2R 6AY

Henry Anthony Shinnars

Smith & Williamson LLP

25 Moorgate

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Anthony Cliff Spicer

Smith & Williamson LLP

25 Moorgate

London

EC2R 6AY

name(s) and
address(es) of
administrator(s)

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

From

To

(b) Insert date

(b) 17 April 2015

(b) 16 September 2015

Signed

Joint / Administrator(s)

Dated

5 October 2015

Contact Details

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

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

Finbarr Thomas O'Connell

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25 Moorgate

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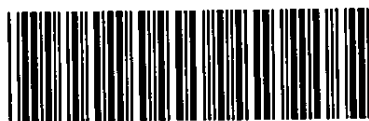
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Caterham Sports Limited (in administration)

Joint administrators' progress report for
the period from 17 April 2015 to 16
September 2015

16 September 2015

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1. Glossary

Abbreviation	Description
the Company	Caterham Sports Limited (formerly 1Malaysia Racing Team (UK) Ltd - changed Dec 2013)
the administrators/joint administrators	Finbarr Thomas O'Connell, Henry Anthony Shinnars and Anthony Cliff Spicer
the Bank	Export-Import Bank of Malaysia Berhad ("EXIM")
the Property	Leaffield Technical Centre, Langley, Oxfordshire, OX29 9EF
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
IR86	Insolvency Rules 1986 If preceded by R this denotes a rule number
SOA	Statement of Affairs
ETR	Estimated to realise
CVL	Creditors' Voluntary Liquidation
HMRC	HM Revenue & Customs
QFCH	Qualifying Floating Charge Holder - a secured creditor who has the power to appoint an administrator
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
S&WCF	Smith & Williamson Corporate Finance Limited
1MRT	1Malaysia Racing Team Sdn Bhd
CaterhamF1	The Caterham Formula One team as consisting of the Company and 1MRT
CDDA	Company Directors Disqualification Act 1986
DBIS	Department for Business Innovation & Skills

Note The IA86 and IR86 have been subject to a number of significant amendments since their original issue, including a number of substantial and important changes in April 2010. References to IA86 and IR86 in this report are to the legislation as it applies to this case.

2. Introduction

This report provides an update on the progress in the administration of the Company for the period 17 April 2015 to 16 September 2015. It should be read in conjunction with any previous reports. By way of reminder, we, Finbarr Thomas O'Connell, Henry Anthony Shinnars and Anthony Cliff Spicer, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed administrators of the Company on 17 October 2014.

The timing of this report is to enable an application to the creditors for an extension of the duration of the administration beyond the automatic termination date of 16 October 2015.

Please refer to section 12 of the report for further details on the extension process.

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

3. Executive Summary

- We were appointed administrators of the Company on 17 October 2014 under P 14 Sch B1 of the IA86 by the QFCH.
- The objective of the administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up. We still consider that this objective will be achieved.
- CaterhamF1 participated in the Abu Dhabi grand prix, funded by a crowdfunding appeal, driver income and the assistance of key race partners, in order to increase awareness and interest in a possible sale of CaterhamF1.
- Following discussions with EXIM and certain other key creditors, the administrators decided to showcase the Team at the 2014 Abu Dhabi grand prix. The administrators' agents had advised them that if the Team could be sold as a going concern, including the Property, the asset valuations would increase by a multiple of, at least, two which would have resulted in many million pounds more of realisations for the benefit of the creditors. The administrators decided to continue with this strategy as long as there were seriously interested, financially sound, parties pursuing a purchase of the CaterhamF1 Team. Although this strategy did significantly increase the level of interest, a sale of CaterhamF1 as a going concern was not possible.
- Participating at the Abu Dhabi grand prix did secure up to \$1,608,000 of Formula One participation money which would otherwise have been lost as a "no show" penalty. The administrators of 1MRT are currently considering a number of competing interests in the total Formula One participation funds now being held by 1MRT's solicitors of \$3,658,778. As well as 1MRT, a number of its creditors, under differing agreements or documentation, have claimed all or some of these funds. If these funds remain with 1MRT then a proportion of them will be paid to the Company either as a major supplier of services with regard to the Abu Dhabi grand prix and/or by way of dividend as a substantial creditor of 1MRT.
- The principal assets of the Company were its Property, the plant and equipment, the Formula One racing cars and intellectual property. The Company's physical assets have been sold via a series of online auctions and private treaty sales and contracts have been exchanged for the sale of the Property subject to completion on or before 15 October 2015.
- Realisations from the online auctions and private treaty sales are in excess of initial estimates and exceed £2,500,000. These sales constituted 6,750 lots and involved a very time-consuming and costly exercise.

Caterham Sports Limited
(in administration)

- There were competing claims to the ownership of the racing cars and intellectual property between the Company and 1MRT. The administrators have considered the position and, having obtained legal and Counsel's opinion, determined that, in summary, assets manufactured by the Company and delivered to 1MRT before the 2014 season shall be deemed to belong to 1MRT. Items purchased but not manufactured by the Company or manufactured in 2014 are deemed to belong to the Company
- The administrators have received a number of competing claims to assets initially considered to belong to the Company. These include the Formula One income mentioned above, former racing cars and equipment, intellectual property, hospitality trailers and various components. The administrators and their lawyers are working through these competing claims
- The administrators are seeking an extension to the administration to allow for sufficient time to complete their investigations into the affairs of the company and to bring legal proceedings for the recovery of funds for the benefit of creditors
- It is not possible to comment in any detail on anticipated returns to unsecured creditors, however, the investigations that the administrators are currently undertaking and the subsequent legal proceedings are expected to produce funds to allow a distribution to the floating charge holder and hopefully to the preferential and unsecured creditors.
- A creditors' committee has been appointed and has met on four occasions with the joint administrators since the start of the administration

4. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period from 17 April 2015 to 16 September 2015. This account includes cumulative figures for the period from 17 October 2014 to 16 September 2015

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 statement of affairs we have compared the receipts and payments against an estimate of the Company's financial positions as at 30 September 2014 based on the books and records available to us.

We comment on the most significant receipts and payments below

4.1. Trading receipts and payments

As detailed in our previous report, we raised monies via crowdfunding to allow the CaterhamF1 Team to race in the Abu Dhabi grand prix. The first page of appendix II details the income and expenditure associated with CaterhamF1's participation at this race

4.2. Asset realisations

As previously reported, Wyles Hardy & Co has assisted the administrators with the valuation and sale of the Company's plant & machinery, computer equipment, memorabilia, stock and other assets

Sales proceeds have been received in excess of £2,750,000 since the beginning of the administration and £1,395,000 in the period

Caterham Sports Limited
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4.3. Assets still to be realised

4.3.1. Freehold premises

The Company owns the Property although it is subject to a fixed charge granted to EXIM. The administrators have jointly instructed BNP Paribas and Carter Jonas to market and sell the Property, in accordance with the wishes of EXIM

Contracts have been exchanged for the sale of the Property with an anticipated completion date of 15 October 2015. Details regarding the sale are confidential until after the date of completion

4.3.2. Debtors

We are continuing to correspond with the debtors but again reiterate that these claims are not straightforward and are likely to be resisted. Our solicitors are advising us in respect of possible actions available to the administrators.

We have recently resisted the efforts of one debtor company to strike itself off at the Registrar of Companies

4.3.3 Legal claims

We continue to liaise with the committee as to the progress made in our investigation of the Company's affairs. The administrators are presenting to the committee a paper on the merits, possible value and costs of these legal claims shortly as a basis to discuss the proposed litigation strategy

These claims are for material sums and will require considerable additional legal work and possibly forensic accounting. The administrators may require additional funding to complete the necessary investigations and for the considerable further legal costs. We have already met with several litigation funders and anticipate agreeing funding arrangements and instigating legal action in the near future.

The administrators' solicitors are continuing to liaise with the insurer with regard to the Directors' and Officers' insurance policy in relation to certain of these claims

4.3.4. Disputed assets

We have received new evidence in relation to our anticipated legal proceedings regarding the disputed proceeds of £407,000 (net of VAT and sale costs) from the sale of certain assets. We remain in open correspondence with solicitors acting for the disputed claimant with regard to these assets

5. Investigations

Under the CDDA we have a duty to make a submission to the Secretary of State for Business, Innovation and Skills on the conduct of all those persons who were directors at the date the Company entered administration or who held office at any time during the three years immediately preceding the administration

We have complied with our duty in this regard and submitted an interim return as our investigations are ongoing. As all submissions are strictly confidential we are unable to disclose their content

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Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting, during creditors' committee meetings and as a response to our request to complete an investigation questionnaire.

As detailed above, the administrators anticipate instigating legal action against various parties following the outcome of these investigations.

6. Creditors' Committee

By way of reminder, the constitution of the creditors' committee is as follows:

- Ian Barry Dearing of Steele & Son representing Pankl Drivetrain Systems
- Anthony Indaimo of Withers LLP representing Renault
- Christopher Harding of Pricewaterhousecoopers representing Excel Technical Consulting
- Alistair Rew of Redbull Racing representing Redbull Racing
- Ruban Ghandinesen of Caterham Cars Limited representing Caterham Cars Limited

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 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>

7. Pre-administration costs

On 2 March 2015 the following amounts in respect of pre-administration costs were approved by the creditors' committee:

Recipient	Brief description of services provided	Amount paid in period/to date £	Amount unpaid £
Smith & Williamson LLP	Advice to the Company	22,818.75	0.00
Mishcon de Reya Solicitors	Legal advice	10,286.00	0.00
Wyles Hardy & Co	Agent and valuation advice	40,000.00	0.00
Total		73,104.75	0.00

8. Administrators' remuneration

On 2 March 2015 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.

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
Total	3,948 75	1,933,589 00	489 67	1,253,110 83

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 appendix

Also attached as Appendix IV, is a cumulative time analysis for the period from 17 October 2014 to 31 August 2015 which provides details of the administrators' time costs since appointment. A total of £1,253,110 83 has been drawn on account of these costs

In response to a request of the 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

On 6 May 2015 remuneration the committee approved the basis of the administrators, S&WFS and S&WCF be fixed by reference to time properly given by them and their staff in attending to matters arising in the administration, less a discount of 2 5% from 17 October 2014 to 10 May 2015 and 5% from 11 May 2015

8.1. S&WFS and S&WCF

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.

S&WFS' time costs for the reporting period 17 April 2015 to 31 August 2015 are £1,802 25. This represents 9 6 hours at an average rate of £187 73 per hour. In the period covered by this report no fees have been drawn in relation to these costs

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

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

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

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These time costs are to be recovered as administrators' fees and are included in the time analysis at Appendix IV. Further narrative detail of the work done by our colleagues in S&WFS and S&WCF are included in Appendix IV.

9. Administration expenses

9.1. Subcontractors

We have utilised the services of the following subcontractors during the current period

Provider/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Phil Thompson (Professional and accountancy services)	Fixed hourly rate	951 93	951 93	0 00
Merrill Corporation Limited (provider of DataSite services)	Fixed price per page of data	53 06	53 06	0 00

9.2. 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 to date £	Costs paid in current period £	Total costs outstanding at period end £
Mishcon de Reya LLP Legal advisors	Hourly rate and disbursements	507,878 35	92,940 50	211,754 93
Wyles Hardy & Co Ltd (auction of assets and advice)	10 %Commission on sales and hourly rates for other assistance and disbursements	465,048 32*	215,842 70	0 00

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

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

9.3. 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 £
Laundry	0 00	8 89	0 00
Postage	55 25	1863 40	0 00
Bonding	0 00	140 00	0 00
Company and other searches	109 00	290 36	3 00
Travel and subsidence	338 16	16,261 10	0 00
Land registry searches	0 00	24 00	0 00
Conferencing facilities	0 00	985 22	0 00
Miscellaneous	0 00	568 45	0 00
Phone costs	0 00	31 00	0 00
Couriers	65 50	199 70	0 00
IT	112 99	112 99	0 00
Fish food	384 20	172 95	211 25
Third party mailing assistance	2047 78	0 00	2047 78
Total	3112 88	20,658 06	2262 03

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

9.4. Category 2 disbursements

The following Category 2 disbursements have been incurred and/or paid in the current period

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Business mileage @ HMRC rates	0 00	176 59	0 00
Total	0 00	176 59	0 00

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

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Approval to recover the Category 2 disbursements shown above was given by the creditors' committee

9.5. Other expenses

Other expenses (i.e. those not detailed in the preceding sections) paid during the period covered by this report are shown in the receipts and payments summary at Appendix II. Detailed below are those expenses which we consider to be significant in the context of this case. Also detailed below are expenses incurred but not paid in the current period.

Supplier/Service provider	Nature of expense incurred	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Willis Limited	Insurance premiums	0.00	5,300	25,357.00

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

9.6. 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.

10. Estimated outcome for creditors

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

10.1. Secured creditors

EXIM holds a fixed and floating charge over the Company's assets. At the date of the administration, the indebtedness was estimated at £5,504,302, to which interest and charges may be added.

The administrators have admitted this claim in full and a payment, representing a partial repayment, is expected to be made to EXIM following the sale of the Property.

10.2. 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, we are unable to estimate the value of the Company's net floating charge property as it is dependent upon the success of future legal proceedings. An update will be provided in our next report to creditors.

Caterham Sports Limited
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10.3. Preferential creditors

We set out below a summary of preferential claims received

Preferential creditor	Claims received £
DBIS	24,173 13
—	—
Total	24,173 13

In the event that there are sufficient floating charge realisations beyond the costs of the administration we anticipate that preferential claims will be paid in full

10.4. Unsecured creditors

We have received claims totalling £15,437,842 from 321 creditors. We have not yet adjudicated these claims. Dividend prospects for unsecured creditors will depend on the outcome of the proposed future legal proceedings. However, the investigations that the administrators are currently undertaking and subsequent legal proceedings may well produce funds to allow a distribution to the unsecured creditors.

11. Outstanding matters

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

- Collection of outstanding debts
- Completion of the sale of the Property and remaining chattel assets
- Settling the various asset ownership disputes
- Concluding our investigations
- Bringing any legal action considered appropriate following the investigations performed by the administrators
- Closure of the administration, including preparing and issuing the final report

12. Extending the administration

The first twelve months of the administration end on 16 October 2015, whereby the administration concludes automatically, unless an application is made either to the Court or the creditors for an extension. The administrators' Proposals also allowed for the administration to be converted to a creditors' voluntary liquidation ("CVL") without further reference to creditors or the court.

After consideration by the joint administrators and their legal advisors, it has been decided that it would be appropriate to request the consent of the creditors to extend the period of the administration for up to a further 12 months, if necessary.

Caterham Sports Limited
(in administration)

The outstanding matters can be dealt with in the continuing administration, without the need to convert to a liquidation at this time. The joint administrators may at any time during the period of extension, elect to convert to a liquidation without further recourse to creditors, notifying of any such change after the event.

Enclosed with this report is Form 2 25B, notice of business by correspondence which contains the necessary resolution to continue the administration. The administrators kindly request that this form is completed and duly returned to them at the earliest opportunity but no later than 12 noon on Monday 5 October 2015.

13. 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.

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

Further information regarding creditors' rights is available on application to the administrators.

14. 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.



Finbarr Thomas O'Connell, Henry Anthony Shinnars and Anthony Cliff Spicer

Joint Administrators

Date 16 September 2015

Caterham Sports Limited
(in administration)

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	Leaffield Technical Centre, Langley, Oxfordshire, OX29 9EF
Former Name(s)	1Malaysia Racing Team (UK) Limited
Registered Office	Leaffield Technical Centre, Langley, Oxfordshire, OX29 9EF (Formerly CaterhamF1 Team Ironside Way, Hingham, Norwich, Norfolk, NR9 4LF)
Registered Number	07042086
Joint Administrators	Finbarr Thomas O'Connell and Henry Anthony Shinnars and Anthony Cliff Spicer of 25 Moorgate, London, EC2R 6AY (IP No(s) 7931, 9280, 9071) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally.
Date of Appointment	17 October 2014
Appointor	Export-Import Bank of Malaysia Berhad
Extension to period of administration	We are seeking approval from creditors to extend the period of the administration to 16 October 2016

Caterham Sports Limited
 (in administration)

II Receipts and payments account from 17 April to 16 September 2015
**Caterham Sports Limited
 (In Administration)
 Joint Administrators' Trading Account**

Statement of Affairs	From 17/04/2015 To 16/09/2015	From 17/10/2014 To 16/09/2015
POST APPOINTMENT SALES		
Crowdfunding	NIL	237,200 24
Bank Interest Gross Re Trading	162 88	462 15
Sales - Sponsorship	NIL	2,000 00
Customer Overpayment	NIL	56 93
Driver Income	NIL	515,298 55
Customer Postage	NIL	9,182 40
Loan from Floating Charge	(203,103 20)	NIL
	<u>(202,940 32)</u>	<u>764,200 27</u>
PURCHASES		
Purchases Abu Dhabi	11,110 00	96,390 42
Ransom Payments	(201,783 20)	22,624 85
	<u>190,673 20</u>	<u>(119,015 27)</u>
OTHER DIRECT COSTS		
Consultancy Fee	NIL	22,170 95
Consultancy Expenses	258 98	95,057 11
Bank Charges Re Trading	(13 50)	528 40
	<u>(245 48)</u>	<u>(117,756 46)</u>
TRADING EXPENDITURE		
Travel & Accommodation	NIL	92,271 19
Carriage	NIL	1,348 40
Insurance	NIL	25 000 00
Professional Fees	NIL	250 00
Hire of Equipment	NIL	37,500 00
Repairs & Maintenance	NIL	300 00
Sundry Expenses	NIL	500 00
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	56,314 20	111,235 42
Agents Fees	7,845 00	42,845 00
	<u>(64,159 20)</u>	<u>(462,533 95)</u>
TRADING SURPLUS/(DEFICIT)	<u>(76,671 80)</u>	<u>64,894 59</u>

Caterham Sports Limited
(in administration)

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

Statement of Affairs	From 17/04/2015 To 16/09/2015	From 17/10/2014 To 16/09/2015
PROPERTY & LAND		
	(2,000 00)	10,001 25
	NIL	(1 25)
4,200,000 00	NIL	NIL
	NIL	(10,000 00)
(5,504,302 00)	NIL	NIL
	<u>(2,000 00)</u>	<u>NIL</u>
ADMINISTRATION FUNDING		
	(395,261 04)	NIL
	<u>(395,261 04)</u>	<u>NIL</u>
ASSET REALISATIONS		
	1,395,330 25	2,605,351 22
	1,815 00	1,815 00
	113 17	113 17
	21,130 21	21,130 21
	NIL	151 02
	NIL	2,761 89
	(2,554 40)	18,617 30
	NIL	158,995 28
	1,859 93	2,382 33
	NIL	714 91
	(76,671 80)	64,894 59
	NIL	10,496 36
	16,920 06	16,920 06
	<u>1,357,942 42</u>	<u>2,904,343 34</u>

Caterham Sports Limited
(in administration)

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

	From 17/04/2015 To 16/09/2015	From 17/10/2014 To 16/09/2015
COST OF REALISATIONS		
Security FLT	47,184 80	52 513 08
Payments against Liens	102 796 71	218,330 71
Creditors Meeting Costs	NIL	916 67
Property Maintenance	21 866 24	21,866 24
Agent/Valuer's pre appointment fees	40,000 00	40 000 00
Property Clearance Costs	7,448 53	8 698 53
Petitioners Expenses	NIL	866 13
Petitioners Costs	NIL	4 691 00
Interest on Loan Principal Borrowing	18,070 78	18,070 78
Joint Administrators Pre Appt Fees	22,818 75	22 818 75
Administrators Fees	1,253,110 83	1,253,110 83
Administrators' Expenses	21 189 65	21 189 65
Committee Expenses	614 08	614 08
Professional Fees	1 187 32	15,462 79
Transport Storage and Maintenance	11,640 51	96,167 51
Agents/Valuers Fees	62 902 79	118 904 89
Agents/Valuers Expenses	88 780 69	192 063 01
Legal Fees (1)	91 940 50	255 618 78
Legal Expenses	254 00	40 504 64
Payroll Services	NIL	2,185 77
Loan to Fixed Charge	(2,000 00)	10 001 25
Loan to Kickstart Account	(203 103 20)	NIL
Storage Costs	2,188 08	2,188 08
Ransom Payment Re Insurance	NIL	479 93
Statutory Advertising	NIL	892 40
IT Services	12 855 38	22 829 36
Other Property Expenses	103 766 12	261,992 58
Insurance of Assets	5 300 00	5 300 00
Bank Charges	73 20	172 40
	<u>1,710,885 76</u>	<u>2 688 449 84</u>
PREFERENTIAL CREDITORS		
(177 600 00) Employees Wage Arrears	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS		
(16 195,627 00) Trade & Expense Creditors	NIL	NIL
(1,098,000 00) HMRC	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS		
1 00 Ordinary Shareholders	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
(18,775,528 00)	<u>(750,204 38)</u>	<u>215,893 50</u>
REPRESENTED BY		
VAT Receivable Flt Chg		43 487 55
Clients Deposit Re Kickstart Caterha		53 655 64
Clients Deposit A/c FLT		81 147 08
VAT Payable Flt Chg		(35 468 46)
FLT Vat Control Account		61 832 74
Trading VAT Control A/c		11,229 13
VAT Payable Trading		9 82
		<u>215,893.50</u>

Caterham Sports Limited
(in administration)

Notes and further information required by SIP 7

- The basis of the administrators' remuneration was approved by the creditors' committee on 2 March 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
- All bank accounts are interest bearing
- There are no foreign currency holdings that we are aware of
- Wyles Hardy apply 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.

Caterham Sports Limited
(In administration)

III Time analysis for the period

From 17 April 2015 to 31 August 2015

Caterham Sports Limited (In Administration)
Breakdown of time spent by Smith & Williamson LLP employees and by S&WFS and S&WCF
for the period 17 April 2015 to 31 August 2015

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	0 00	11 90	10 50	53 55	1 50	77 45	24 210 00	312 59
Cashiering general, including bonding	0 00	6 50	0 00	0 00	23 15	29 65	9 251 00	312 01
Job planning - reviews and progression (inc. 6 month reviews and planning meetings, checklist & diary)	0 00	6 50	2 75	18 30	0 00	27 55	9 117 50	330 94
Post appointment taxation (VAT PAYE/NIC Corp Tax that are not trading related)	0 00	1 15	0 00	4 35	0 00	5 50	1 691 25	307 50
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	0 65	0 00	0 00	0 00	0 65	341 25	525 00
Travelling	0 00	4 00	0 00	0 00	0 00	4 00	2 100 00	525 00
Filing, file and information management	0 00	1 75	1 55	5 25	0 25	8 80	2 871 00	326 25
Agents and advisers - general	0 00	0 00	0 00	1 00	0 00	1 00	250 00	250 00
Filing - Administration and planning	0 00	0 00	0 00	0 25	4 00	4 25	477 50	112 35
Director/manager review - approval and signing	5 60	0 00	0 00	0 00	2 85	8 45	4 353 50	518 76
Other	0 00	2 20	0 00	3 20	0 00	5 40	1 955 00	361 04
Investigations								
Statutory books and accounting records review	0 00	6 65	0 00	0 00	0 00	6 65	3 491 25	525 00
Investigation of legal claims	62 25	19 30	1 00	1 00	0 00	83 55	49 688 75	594 72
SIP2 and SIP4 obligations (inc COW86 forms)	0 00	1 15	0 00	1 00	0 00	2 15	853 75	397 09
Asset tracing (e.g. Land Registry and Company Searches)	0 00	8 45	0 00	0 50	0 00	8 95	4 561 25	509 64
Enquiries of advisers	0 00	0 00	0 75	0 00	0 00	0 75	300 00	400 00
Filing Investigations	0 00	1 65	0 00	0 00	0 00	1 65	866 25	525 00
Other	0 00	2 55	0 00	2 00	0 00	4 55	1 838 75	404 12
Realisation of assets								
Fixed charge Property (land and buildings)	2 00	46 60	1 00	14 60	0 00	64 20	27 765 00	463 63
Fixed charge other (e.g. chattel mortgages)	0 00	1 20	0 00	0 00	0 00	1 20	630 00	525 00
Debtors not financed (includes reassigned debtors)	0 00	2 85	0 00	1 50	0 00	4 35	1 871 25	430 17
Stock	0 00	3 70	0 00	0 00	0 00	3 70	1 942 50	525 00
Other chattel assets	0 50	9 95	1 50	0 00	0 00	11 95	6 136 25	513 49
Sale of business as a whole - including liaison with legal advisers agents etc	4 00	0 00	0 00	0 00	0 00	4 00	2 500 00	625 00
Liaison with agents (general)	0 00	0 00	0 00	2 00	0 00	2 00	500 00	250 00
Director/manager review, approval and signing	0 25	0 00	0 00	0 00	0 00	0 25	156 25	625 00
Other	0 00	4 55	0 00	0 00	0 00	4 55	2 388 75	525 00
Trading								
Purchasing/suppliers (not landlord)	0 00	1 65	1 00	0 00	0 00	2 65	1 266 25	477 83
Insurances	0 00	0 00	2 00	0 00	0 00	2 00	800 00	400 00
Previews issues (inc landlord and site clearance)	0 00	2 15	0 00	0 00	0 00	2 15	1 128 75	525 00
Other	0 50	0 00	0 00	0 00	0 00	0 50	312 50	675 00
Creditors								
Fixed charge creditors	0 00	9 05	0 00	0 00	0 00	9 05	4 751 25	525 00
HP & lease creditors	0 00	0 20	0 00	0 00	0 00	0 20	105 00	525 00
RPO and ERA claims & tribunals	0 00	0 00	2 50	0 00	0 00	2 50	1 000 00	400 00
Employees & pension (other) (incl Jobcentre/CYA etc)	0 00	0 20	0 25	2 60	0 00	3 05	855 00	280 33
Unsecured creditors	0 00	2 65	2 00	8 60	0 50	13 75	4 403 25	320 24
Creditors committee	0 00	18 75	5 00	9 25	0 00	33 00	14 156 25	428 93
Other	0 00	0 15	0 00	0 00	0 00	0 15	79 75	525 00
Corporate Tax								
Corporate Tax	7 05	1 70	33 30	0 00	0 00	42 05	7 737 75	184 01
Forensics								
Forensics	0 00	0 00	0 00	22 50	0 00	22 50	7 425 00	330 00
Total	82 15	182 90	65 10	151 45	32 25	513 85	209,811 50	408 31

Caterham Sports Limited
(in administration)

Caterham Sports Limited
Breakdown of time spent by Smith & Williamson Financial Services employees
for the period ended 17 April 2015 to 31 August 2015

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/	Assistants & support staff			
Smith & Williamson Financial Services								
S&W'S Employee Benefits Consultancy	0 25	0 00	9 35	0 00	0 00	9 60	1 802.25	187.73
Total	0 25	0 00	9 35	0 00	0 00	9 60	1,802.25	187.73

*the amounts included in the breakdown for S&WFS are not included in the figures for the breakdown of all staff as detailed above

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
- Liaising with Willis, the insurers, to ensure adequate cover is in place
- 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.

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

- Liaising with S&W's Forensic department (our Forensic department have been assisting with the preservation and maintenance of the Company's electronic records)
- Complying with our ongoing statutory duties in accordance with the Directors' Disqualification Act 1986
- Investigation of possible legal claims including consideration of the Company's incomplete accounting records
- Meetings, telephone call and correspondence with solicitors

Realisation of assets - property, as opposed to the sale of the Team

Caterham Sports Limited
(in administration)

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

- Discussions with interested parties for the CaterhamF1 team or the Property
- Considering reasonable and likely offers
- Discussions with EXIM in relation to the Property
- Liaising with our agents to sell the assets held at the Leaffield site
- Corresponding with BNP Paribas and Carter Jonas in selling the Property
- Investigation, review and negotiations for the ownership and right to sell various assets whose ownership is disputed
- A considerable amount of time has been spent over the consideration of complex multi jurisdiction security documentation including Islamic, European and English law documentation
- Investigating assets under dispute and/or overseas

Trading

Detailed below is a breakdown of time spent in relation to trading

- Maintaining appropriate insurance
- Attending site
- Negotiating with key suppliers in relation to the ongoing costs at the Company's premises i.e. utilities, IT etc
- Ensuring that payments made and/or received in the trading period are reflected in the cash book
- Payment of suppliers
- Removal or withdrawal of undertakings

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
- Uploading and updating creditors' (including employee) information on our Insolvency Practitioners' computerised case management system
- Corresponding with the Employment Tribunals and solicitors engaged by the former employees (those dismissed in July 2014)
- Discussions with the RPO, our pensions team, the pension provider and their agents, regarding the outstanding pension contributions
- Adjudicating any reservation of title claims submitted by creditors
- Liaising with creditors in relation to third party assets i.e. subject to leasing agreements
- Taking employee related calls and responding to creditors emails in regards to the status of the business and the prospect of sale
- Dealing with numerous Retention of Title claims received from various creditors. This time included, but was not limited to, reviewing all contracts and documentation, attending site to identify goods and preparing letters and legal documents in respect of claims

Caterham Sports Limited
(in administration)

- Preparing for, calling, holding and documenting of the creditors' committee meetings
- Corresponding and speaking with EXIM, the secured creditor, and their advisors

Forensic

- Time has been incurred by S&W's Forensic team in relation to preserving, imaging and downloading the information from the Company's electronic records on to a format in which it may be searched during our investigation work
- Supporting the Restructuring team members in using the forensic software
- Strategy meetings to discuss the various investigation work
- Preservation of the Company's electronic records

Corporate Tax & VAT

- Establishing whether the Property had the option to tax
- Investigating and recovering possible tax assets in the UK, Europe, India and Australia
- Planning for the tax efficient sale of the Company's assets

Pensions

- Working with our pension department to ensure all outstanding pension contributions are claimed from The Redundancy Payments Office
- Investigating the shortfall to the pension scheme and reviewing the pension scheme
- Analysing and preparing a report to Scottish Widows in regards to the funding shortfall

Caterham Sports Limited
(in administration)

IV Cumulative time analysis

From 17 October 2014 to 31 August 2015

Caterham Sports Limited (In Administration)
Breakdown of time spent by Smith & Williamson LLP employees and by S&WFS and S&WCF
for the period ended 31 August 2015

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	16.90	36.90	30.5	72.70	2.50	159.25	61,534.00	386.40
Initial post-appointment notification letters, including creditors	0.00	5.55	1.50	9.25	5.00	21.30	7,126.25	305.85
Cushiering general, including bonding	0.00	7.75	8.80	69.90	21.15	108.20	29,800.25	275.42
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	2.55	40.20	22.40	38.85	0.00	104.00	41,521.25	399.21
Post-appointment taxation (VAT, PAYE, NIC, Corp Tax that are not trading related)	0.25	1.55	0.75	3.85	0.00	12.40	3,732.50	301.01
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	1.50	0.35	0.00	4.40	2,021.60	440.78
Traveling	22.75	35.00	11.30	16.50	0.00	85.55	33,932.25	466.77
Filing, file and information management	0.00	2.00	3.90	17.45	8.50	31.85	7,658.00	240.44
Agents and advisers, general	0.00	1.05	4.05	1.65	0.00	6.75	2,592.50	384.07
Filing, Administration and planning	0.00	0.00	0.00	0.60	4.00	4.60	586.00	127.36
Director/manager review, approval and signing	15.15	0.00	10.25	0.00	2.85	28.25	13,902.25	492.11
Other	23.25	9.45	2.80	8.60	0.50	38.60	10,452.75	503.96
Investigations								
Directors, correspondence & conduct questionnaires	0.00	0.00	0.00	1.00	0.00	1.00	250.30	250.00
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	231.25	13.80	7.50	4.00	0.00	256.55	230,651.25	662.70
SIP2 and SIP4 obligations (inc CDDA86 forms)	0.00	8.15	3.50	24.25	0.00	35.90	11,741.25	327.05
Asset tracing (e.g. Land Registry and Company Searches)	0.00	12.45	0.00	0.50	0.00	12.95	6,661.25	514.31
Enquiries of advisers	0.00	2.00	4.00	0.00	0.00	6.00	2,650.00	441.67
Filing, Investigations	0.00	1.65	0.00	0.00	0.00	1.65	866.25	525.00
Director/manager review, approval and signing	1.30	0.00	0.00	0.00	0.00	1.30	312.50	625.00
Other	0.00	1.55	0.35	2.00	0.00	4.90	1,971.75	402.40
Realisation of assets								
Fixed charge Property (land and buildings)	165.60	53.25	1.00	17.70	0.00	237.55	136,362.25	574.04
Fixed charge other (e.g. charge of mortgages)	85.25	1.20	0.00	0.00	0.00	86.45	83,911.25	423.61
Deposits not financial (e.g. de-registered domain)	3.00	4.30	0.00	3.70	0.00	11.00	3,757.50	426.00
Stock	0.00	25.05	0.00	0.00	0.00	25.05	13,671.25	525.00
Other chattel assets	5.70	1.30	7.50	0.00	0.00	14.50	21,475.00	530.25
Financial assets (only if equity, otherwise creditors, incl HP and leasing)	0.20	0.00	0.00	0.00	0.00	0.20	125.00	625.00
Sale of business as a whole, including liaison with legal advisers, agents etc	527.00	16.20	0.10	0.00	0.00	543.30	337,909.50	621.96
Smith & Williamson Corporate Finance	549.25	0.00	0.00	40.50	0.00	589.75	334,715.00	567.55
Cash at Bank	0.00	0.00	0.00	0.75	0.00	0.75	187.50	250.00
Liaison with agents (gen. mtl)	0.00	0.75	1.50	5.00	0.00	7.25	7,243.75	309.48
Sale of business, post completion matters	0.00	3.15	0.00	0.00	0.00	3.15	1,653.75	525.00
Director/manager review, approval and signing	4.30	0.00	0.00	0.00	0.00	4.30	2,687.50	625.00
Other	12.00	6.80	0.20	4.00	0.00	23.00	12,266.00	533.30
Trading								
Trading on decision and day 1-3 operations	6.00	7.45	9.50	15.00	0.00	37.95	12,511.25	329.70
Sales and customers	0.00	16.05	24.50	4.75	0.00	45.30	17,137.50	378.31
Purchasing suppliers (not lenders)	0.70	131.40	8.00	15.80	0.00	155.90	76,770.50	492.47
Accounting	0.00	6.05	0.00	4.00	0.00	10.05	4,176.25	415.55
Insurances	0.00	0.00	10.50	2.35	0.00	12.85	4,787.50	372.57
Staff and payroll (incl. PAYE, NIC for trading period)	0.00	0.55	1.00	0.00	0.00	1.55	688.75	444.35
Premises issues (incl landlord and site clearance)	0.00	13.15	14.45	1.00	0.00	31.60	10,297.75	389.17
Health & Safety	0.00	0.00	0.25	0.00	0.00	0.25	73.75	295.00
Director/manager review, approval and signing	7.25	0.00	0.00	0.00	0.00	7.25	1,406.25	675.00
Other	1.15	54.50	13.60	51.70	6.00	126.95	50,932.25	402.15
Creditors								
Fixed charge creditors	19.75	15.75	0.00	0.00	0.00	35.50	20,612.50	580.63
Floating charge creditors	0.25	2.75	0.00	0.00	0.00	3.00	1,400.00	533.33
HP & lease creditors	14.60	3.75	10.85	6.80	0.00	36.00	16,093.75	447.05
RPO and EPA claims & tribunals	0.75	0.00	16.75	0.00	0.00	17.50	7,163.75	409.64
Employees & pension (other) (incl Jobcentre/CSA etc)	84.70	23.40	29.45	16.05	0.00	153.60	79,159.00	515.76
S&WFS Employee Benefits Consultancy	6.80	0.00	33.45	0.35	0.00	40.60	6,801.50	206.61
Crown (not RPO etc)	0.00	0.00	2.25	0.00	0.00	2.25	420.00	186.67
Unsecured creditors	19.15	17.10	20.80	48.10	3.25	108.40	42,570.25	392.72
Creditors committee	6.35	35.55	13.50	27.50	0.00	82.90	34,907.50	421.08
RDT Claims	7.20	22.20	17.15	57.00	0.00	103.55	44,800.25	359.45
Director/manager review, approval and signing	0.70	0.00	0.00	0.00	0.00	0.70	187.50	625.00
Other	0.00	0.15	0.00	0.25	0.00	0.40	141.25	353.13
Case-Specific 3 AML/Compliance								
AML, if done post appointment	0.00	0.00	5.55	4.00	0.00	9.55	3,073.00	321.78
Corporate Tax								
Corporate Tax	81.90	1.70	54.50	4.15	0.00	142.25	50,372.25	310.46
Forensics								
Forensics	0.50	0.00	3.00	93.65	0.00	97.15	21,319.50	219.00
Total	2,023.05	710.15	436.15	723.65	55.75	3,948.75	1,933,589.00	489.67

**Caterham Sports Limited
(in administration)**

Pre-Appointment								
Initial meetings	0.00	0.00	4.75	3.50	0.00	8.25	2,750.00	333.33
General advisory work insolvent	16.00	5.00	0.00	0.00	0.00	21.00	12,625.00	601.19
Appointment formalities	0.00	5.65	3.50	0.00	0.00	9.15	4,321.25	472.27
Preparation of pre-appointment documents	0.00	0.00	1.00	0.00	0.00	1.00	400.00	400.00
Job planning	7.60	0.00	4.75	0.00	0.00	12.35	6,650.00	538.46
Travelling	0.00	0.00	0.00	2.50	0.00	2.50	625.00	250.00
Total	23.60	10.65	14.00	6.00	0.00	54.25	27,371.25	504.54

**Caterham Sports Limited
Breakdown of time spent by Smith & Williamson Financial Services employees
for the period ended 31 August 2015**

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Smith & Williamson Financial Services								
S&WFS Employee Benefits Consultancy	9.05	0.00	42.80	0.35	0.00	52.20	10,603.75	203.14
Total	9.05	0.00	42.80	0.35	0.00	52.20	10,603.75	203.14

Notes/reconciliation differences

The figure given for pre appointment time as detailed in the breakdown of time costs in our proposals dated 5 December 2014, was £22,818.75, consisting of 49.75 hours. Due to an update in our time records, our total pre-administration time costs are £27,371.25. The joint administrators will not be seeking the committee's approval for these additional time costs of £4,552.50 and have written this time off.

Caterham Sports Limited
(in administration)

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
 - Disbursement recovery
- Smith & Williamson LLP's S&WCF'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 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. For example, in the posting of correspondence to creditors.

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 and S&WEBC

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.

Caterham Sports Limited
(in administration)

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 and the creditors' committee at the time the basis of the administrators' remuneration was approved. Charge out rates for S&WCF's and S&WFS' were also provided to creditors at the time the basis of their fees was approved.

The rates applicable to this appointment are set out below. No changes have been made to the charge out rates since the appointment of the administrators. Details of the charge out rates are detailed below.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates from 1 July 2014	London office £/hr	Regional offices £/hr
Partner	625	350
Associate Director	525	295-325
Managers	295 - 400	310
Other professional staff	250-310	235
Support & secretarial staff	100	90

Notes

- 1 Time is recorded in units representing 3 minutes or multiples thereof.
- 2 It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
- 3 The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.

Caterham Sports Limited
 (in administration)

S&WFS Employee Benefits Consultancy	Per hour
Charge out rates from 1 July 2014	£
Director	290-415
Associate Director	190-250
Manager	185-195
Administrator	145-165

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

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

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

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

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