

AM23

Notice of move from administration to dissolution



Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number

Company name in full

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name

Court number

3 Administrator's name

Full forename(s)

Surname

4 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

AM23

Notice of move from administration to dissolution

5		Administrator's name ①	
Full forename(s)			
Surname			
		① Other administrator Use this section to tell us about another administrator.	
6		Administrator's address ②	
Building name/number			
Street			
Post town			
County/Region			
Postcode			
Country			
		② Other administrator Use this section to tell us about another administrator.	
7		Final progress report	
		<input type="checkbox"/> I have attached a copy of the final progress report	
8		Sign and date	
Administrator's signature	Signature X  X		
Signature date	d d m m y y y y		

**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

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Joint Administrators' final progress
report from 19 April 2017 to 11
October 2017

***BACo Realisations Limited
(in Administration)***

High Court of Justice, Chancery Division, Birmingham
District Registry

Case no. 8390 of 2015

11 October 2017

Contents

Abbreviations and definitions	2
Key messages	4
Progress of the Administration	5
Appendix A: Summary of our proposals	8
Appendix B: Receipts and payments	10
Appendix C: Expenses	12
Appendix D: Remuneration update	14
Appendix E: Other information	25

Abbreviations and definitions

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

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

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

Key messages

I'm pleased to let you know that our work in the Administration of the Company is now complete and so, I set out below our final report.

You can still view our earlier reports on our website at www.pwc.co.uk/caparo-bal.

As explained below, the secured and preferential creditors were paid in full, and there was no distribution to Unsecured Creditors. As all matters have now been finalised we have brought the Administration to a close at the earliest opportunity.

We will now file notice of move from Administration to dissolution. The Company will be dissolved three months after the notice has been registered by the Registrar of Companies.

How much creditors received

The following table summarises the outcome for creditors*.

Class of creditor	Actual (p in £)	Previous estimate (p in £)
Secured Creditors		
- Secured Lenders	100 p/£	100 p/£
- Pension Scheme*	100 p/£	100 p/£
Preferential Creditors	100 p/£	100 p/£
Unsecured Creditors	0 p/£	uncertain

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

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

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

The level of Preferential Creditors was 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. Since our last report, the claims of the Preferential Creditors were paid in full.

Whilst there was a very small Prescribed Part, the costs of distributing it were greater than the size of the Prescribed Part itself. Following our application to Court, an Order was granted by the High Court of Justice on 5 September 2017 permitting the Administrators to dis-apply the requirement to distribute the Prescribed Part. Accordingly, no distribution was made to Unsecured Creditors.

What you need to do

This report is for your information and you don't need to do anything in relation to it.

Progress of the Administration

Background

The Group was a diversified industrial group with headquarters in the Midlands and London. The Group:

- Had a turnover of c.£276m;
- Employed approximately 1,700 employees;
- Comprised 24 individual business units;
- Was located primarily within the Midlands, with some business units located elsewhere across England and Wales; and
- Held investments in the UK, Poland, USA and India.

The Group was affected by the low commodity prices, exchange rates and business confidence in the UK steel industry, which impacted results and funding requirements. This was exacerbated by the fact that the Group utilised an asset based lending facility reducing the available funding from debtors to meet creditor payments.

Discussions between the Group and its key stakeholders to implement a turnaround plan failed and as a result the directors sought relevant advice and concluded that they could no longer avoid an insolvency process. Administrators were appointed over the 16 companies in the Group on 19 October 2015.

Steps taken immediately upon appointment

In order to protect and control the businesses of the Group, immediately following our appointment, we deployed specialist staff to the principal local offices and secured funding to continue to trade the business units in the hope of completing a going concern sale of the business and assets for the benefit of the creditors as a whole.

Trading was initially funded through a Group overdraft facility put in place immediately following our appointment, with funding for arrears of wages owing at appointment being advanced by the Group's Secured Lenders.

Sale of the business and asset realisations

The Company was made up of a business with c.£12m turnover and 123 employees. It was based in Wednesbury, West Midlands and occupied a freehold property owned by a Group company, GW 957 Limited. The Company was an aluminium gravity die cast foundry that specialised in high cast integrity products for the automotive and commercial vehicle markets. Product specialities included turbochargers, brakes, steerings and compressors. The main assets of the Company were plant and machinery and stock.

Following a period of negotiation with a number of parties, certain of the business and assets of the Company were sold to a company ultimately owned by the Gupta family on 10 December for £247k. The sale resulted in all 123 employees transferring to the purchaser.

Book debts

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

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

To the extent there was a bad debt relief claim in relation to the remaining debtors, this has been reclaimed from HMRC.

Trading

Our final trading outcome is set out in the receipts and payments account in Appendix B. It was imperative that the Head Office function was maintained in order to operate the Group's systems, payroll and other central functions. This was critical to optimising the outcome for creditors of the Company and of the other companies in the Group for a variety of reasons, including:

- It secured going concern premia for other asset classes, particularly book debts, plant and machinery and property; and
- Through the payment of arrears of wages, as part of our trading costs, and the achievement of a going concern sale, we have significantly reduced preferential creditor claims.

Our net trading outcome should be considered in this context.

Approval of our proposals

On 11 December 2015, we sent to creditors our proposals for achieving the purpose of administration.

We said in our proposals that we thought the Company does not have enough assets to pay a dividend to Unsecured Creditors other than from the Prescribed Part.

This meant that we did not have to hold a creditors' meeting to approval our proposals and they would be treated as approved if creditors did not request a meeting in the required manner. As creditors did not request a meeting, our proposals were treated as approved on 23 December 2015.

As previously mentioned, an Order was granted by the High Court of Justice on 5 September 2017 permitting the Administrators to dis-apply the requirement to distribute the Prescribed Part.

We attach a summary of our proposals at Appendix A.

Statutory

As well as circulating our proposals and six monthly progress reports, we also obtained consent from the appropriate body of creditors to a 12 month extension to the period of the Administration to 18 October 2017.

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

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and SIP No.2.

We fulfilled our duties as proper officers for tax during the Administration and filed VAT and corporation tax returns for all relevant accounting periods and accounted for PAYE/NI.

Our receipts and payments account

We set out in Appendix B an account of our receipts and payments from 19 April 2017 to 11 October 2017.

Our expenses

We set out in Appendix C a statement of the expenses we've incurred during the Administration.

Our fees

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

Pre-Administration costs

As previously reported, costs incurred before our appointment with a view to the Company going into Administration were approved for payment by the Secured Creditors. The costs attributable to the Company total £3k for our costs and £1k for legal costs and have been drawn in full.

Creditors' rights

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

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

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

Next steps

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

Yours faithfully

For and on behalf of the Company



AS Barrell
Joint Administrator

David Matthew Hammond and Anthony Steven Barrell were appointed as Joint Administrators of BACo Realisations Limited (formerly Bridge Aluminium Limited) on 19 October 2015 to manage its affairs, business and property as its agents and without personal liability. David Matthew Hammond and Anthony Steven Barrell are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

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

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

Appendix A: Summary of our proposals

The Administrators make the following proposals for achieving the purpose of administration.

- i) The Administrators will continue to manage and finance the Company's business, affairs and property in such manner as they consider expedient with a view to achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals.
- iii) If appropriate, the Administrators will adjudicate the claims of unsecured creditors with a view to distributing a dividend from the Prescribed Part, with the costs of so doing being met as a cost of the Administration as part of the Administrators' remuneration from the Prescribed Part.
- iv) In the event that there are sufficient funds to enable a distribution to unsecured creditors other than by virtue of the prescribed part, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator, with the costs of so doing being met as a cost of the Administration as part of the Administrators' remuneration.
- v) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue one of the following options as being the most cost effective and practical in the present circumstances: -
If there are insufficient funds to allow a distribution to be made to non-preferential unsecured creditors:
 - (a) Once the Administrators have sufficiently concluded all work within the Administration, they will file a notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved approximately three months later.

If there are sufficient funds to allow a distribution to non-preferential unsecured creditors other than by virtue of the Prescribed Part then either:

- (b) At an appropriate time, the Administrators will place the Company into creditors' voluntary liquidation. In these circumstances, it is proposed that Anthony Steven Barrell and David Matthew Hammond be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7) Sch.B1 IA86 and Rule 2.117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the proposals are approved, or
 - (c) At an appropriate time, the Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch.B1 IA86, following registration of which the Company will be dissolved three months later. If permission is not granted the Administrators will place the Company into creditors' voluntary liquidation or otherwise act in accordance with any order of the court.
- vi) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 in respect of any action of theirs as Administrators at a time resolved by the secured creditors, or if a distribution has been or may be made to any preferential creditors, at a time resolved by the secured and preferential creditors, or in any case at a time determined by the court.
- vii) It is proposed that a proportion of the unpaid pre-Administration costs detailed at Appendix B be approved for payment as expenses of the Administration. In the circumstances of this case it will be for the secured creditors, or if a distribution has been or may be made to any preferential creditors, for the secured

and preferential creditors to approve the payment of the unpaid pre-Administration costs as expenses of the Administration.

- viii) It is proposed that the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No.9) be charged in accordance with the Administrators' firm's policy. As the Administrators have stated that they think that the Company has insufficient property to enable a distribution to be made to non-preferential unsecured creditors other than possibly by virtue of the prescribed part, it will be for the secured creditors or if a distribution has been or may be made to any preferential creditors, for the secured and preferential creditors, to determine the basis of the Administrators' remuneration. In any event, the basis of the Administrators' remuneration and Category 2 disbursements are to be fixed no later than 18 months after the date of the Administrators' appointment.

Note: References to the Insolvency Rules 1986 ("IR86") are from the original proposals put forward. IR16 has since replaced IR86 but the relevant Rule numbers have not been updated for the purposes of supplying a summary of the Administrators' proposals

Appendix B: Receipts and payments

As per Directors'
Statement of
Affairs

£	Assets subject to a fixed charge	Notes	19/10/15 to 18/04/17 £	19/04/17 to 11/10/17 £	19/10/15 to 11/10/17 £
	Receipts				
	Total receipts		-	-	-
	Payments				
	Total payments		-	-	-
	Cash in Hand		-	-	-
	Assets subject to a floating charge				
£	Receipts		19/10/15 to 18/04/17 £	19/04/17 to 11/10/17 £	19/10/15 to 11/10/17 £
84,000	Plant and Equipment		205,780	-	205,780
	Book Debts		373,806	(2,717)	371,090
409,000	Stock		41,694	-	41,694
	Goodwill		2	-	2
	Other Asset Realisations		2,500	-	2,500
	VAT - Bad Debt Relief			38,730	38,730
	Net Trading position	1	135,441	(43,280)	92,162
	Total receipts		759,224	(7,266)	751,957
	Payments				
	Professional and legal fees		43,474	2,255	45,730
	Agents fees and expenses		90,284	-	90,284
	Pre-appointment fees & expenses		3,359	-	3,359
	Office holders' fees		414,545	26,654	441,200
	Office holders' disbursements		10,972	-	10,972
	Statutory advertising		137	-	137
	Total payments		562,771	28,910	591,681
	Distributions				
	Secured Creditors		-	159,909	159,909
	Preferential Creditors		-	368	368
	Total Distributions		-	160,276	160,276
	Cash in hand	2	196,452	(196,452)	0
	Total cash in hand		196,452	(196,452)	0.00
	Trading receipts and payments account				
		Notes	19/10/15 to 18/04/17 £	19/04/17 to 11/10/17 £	19/10/15 to 11/10/17 £
	Receipts				
	Sales		1,686,263	(8,808)	1,677,455
	Group Company funding	3	(13,716)	-	(13,716)
	Other receipts		15,935	-	15,935
	VAT		(42,514)	75,783	33,269
	Interest		79	49	128
	Total receipts		1,646,047	67,025	1,713,071
	Payments				
	Wages and salaries		359,710	31,558	391,268
	PAYE / NI and other employee costs		134,388	34,807	169,195
	Insurance		36,351	11,957	48,308
	Rent		1,517	42	1,560
	Trading costs		787,029	12,044	799,073
	Utilities & Rates		141,578	19,896	161,474
	ROT / Duress		5,460	-	5,460
	Taxation		44,572	-	44,572
	Total payments		1,510,605	110,305	1,620,910
	Net trading position		135,441	(43,280)	92,162

Notes to receipts and payments account

1) Our commitment to trading this estate, in addition to maximizing trading sales, has significantly enhanced book debt realisations which may not have been possible in a closure scenario by providing continuity of trade and mitigating the risk of non-payment from customers.

2) Funds were previously held in interest bearing accounts.

3) Trading of the Group was primarily financed through a Group overdraft facility put in place immediately following our appointment. Whilst the overdraft facility was for the Group as a whole, the facility was practically only available to Plc, who provided funding, if required, to other Group companies.

We have operated a mixture of Sterling and Euro accounts on this case to provide a natural hedge against exchange rate movements during our trading period. As such, some movements in the trading costs for this entity in the current period are as a result of the more notable exchange rate movements during the past six months.

Where a payment in the trading account in the period appears in brackets this reflects a reallocation of that cost to another of the Group companies.

In addition, some key Group-wide suppliers have been paid out of the overdraft facility of Plc, and as such, a recharging exercise was undertaken to properly reflect costs incurred by the Company.

Appendix C: Expenses

What is an expense?

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

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

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

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

Our expenses statement and estimate

The following table shows expenses incurred.

<i>Nature of expenses</i>	<i>Total expenses incurred to 11 October 2017 (£)</i>	<i>Initial estimate (£)</i>	<i>Variance (£)</i>
Trading expenses			
Wages & salaries	391,268	469,715	78,447
PAYE / NI and other employee costs	169,195	175,544	6,349
Trading cost	799,073	1,141,573	342,500
Utilities & Rates	161,474	339,518	178,044
Insurance	48,308	99,154	50,846
Rent	1,560	9,209	7,649
ROT / Duress payments	5,460	5,406	(54)
Taxation	44,572	38,938	(5,634)
Bank charges	-	270	270
Total Trading Expense	1,620,910	2,279,327	658,417
Other expenses			
Agents' fees and expenses	90,284	-	(90,284)
Professional and legal fees and expenses	45,730	12,342	(33,388)
Office holders' time costs	484,660	492,715	8,055
Office holders' disbursements	10,972	11,863	891
Pre-administration costs	3,359	3,952	593
Statutory advertising	137	-	(137)
Total other expenses	635,142	520,872	(114,270)
Total expenses (Excluding VAT)	2,256,052	2,800,199	544,147

Notes:

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

Agents' fees and expenses – The potential commissions (success based collection fee for the purchaser) on book debts were still to be agreed at the time the initial estimate was issued

Officeholders' time costs – Actual fees drawn by the Administrators totalled £441,200

Appendix D: Remuneration update

Our fees were approved on a time cost basis by the Secured Creditors at the meeting by correspondence on 22 March 2016. We have drawn fees in line with the approval given, as shown on the receipts and payments account at Appendix B.

The time cost charges incurred in the period from 1 April 2017 to 15 September 2017, together with an estimate of our time costs for the period 16 September 2017 to 11 October 2017, are shown below and do not necessarily reflect how much we will eventually draw as fees for this period.

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

Our hours and average rates

Category of Work	Period 01/04/17 to 15/09/17			Cumulative 19/10/15 to 15/09/17		Initial Fees Estimate (£)	Variance (£)	Estimated Time Cost (£) 16/09/17 to 11/10/17	Estimated Total Time Costs (£) 19/10/15 to 11/10/17
	Hours incurred	Time costs incurred (£)	Average hourly rate (£/hour)	Hours incurred	Time costs incurred (£)				
Asset realisations	5	1,592	318	150	65,205	53,532	(11,673)	270	65,475
Creditors	17	4,841	285	64	13,671	5,821	(7,850)	11	13,682
Employees and Pensions	-	-	-	131	41,058	43,913	2,855	-	41,058
Trading	-	-	-	201	80,944	101,183	20,239	5	80,949
Trading management	-	-	-	174	49,661	48,924	(737)	-	49,661
Accounting and treasury	-	-	-	61	21,168	25,667	4,499	-	21,168
Retention of Title	1	33	33	436	151,773	175,774	24,001	5	151,778
Trading - Total	1	33	33	4	1,085	6,667	5,582	-	1,085
Investigations	-	-	-	41	15,389	37.5	4,632	93,815	4,632
Statutory and compliance	23	9,482	412	156	61,847	57,485	(4,362)	642	62,489
Tax and VAT	13	4,434	341	155	53,141	72,307	19,166	2,137	55,278
Project management, strategy and Administration	100	35,771	358	1,340	476,963	492,715	15,752	7,697	484,660
Total hours and fees estimate									

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

Our time charging policy and hourly rates

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

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

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

Grade	Rate per hour	Rate per hour
	Up to 30 June 2017 (£)	From 1 July 2017 (£)
Partner	600 – 840	620 – 865
Director	500 – 740	525 – 760
Senior manager	435 – 560	450 – 575
Manager	345 – 480	355 – 495

Senior associate	190 – 400	196 – 412
Associate	170 – 250	175 – 258
Support staff	89 - 125	92 – 129

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

Grade	Specialist maximum rate per hour Up to 30 June 2017 (£)	Specialist maximum rate per hour From 1 July 2017 (£)
Partner	1,250	1,315
Director	1,175	1,210
Senior manager	1,170	1,230
Manager	700	735
Senior associate	515	545
Associate	255	270
Support staff	150	160

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

Our work in the period and work we propose to undertake

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

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was necessary</i>	<i>What, if any, financial benefit the work provided to creditors OR whether it was required by statute</i>
Assets	Sale of business	<ul style="list-style-type: none"> Preparing an information memorandum Liaising with purchasers and solicitors Holding internal meetings to discuss/review offers received Negotiation of offers with different parties and completion of sale 	<ul style="list-style-type: none"> To achieve a better realisation for creditors than if the Company had gone into liquidation (without first being in administration) 	<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors as a whole
	Property	<ul style="list-style-type: none"> Carrying out title searches and securing relevant property records Securing possession of property Liaising with valuers, agents and landlords 	<ul style="list-style-type: none"> To identify property assets, details of ownership and charges To protect property assets Ensure best value achieved and maintain property value To mitigate potential unsecured claims 	<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors as a whole Minimise possible unsecured claims
	Stock	<ul style="list-style-type: none"> Conducting stock takes Reviewing stock values Liaising with purchasers 	<ul style="list-style-type: none"> To identify what stock and work in progress is held and the associated estimated to realise values of these Seek possible purchasers to acquire stock 	<ul style="list-style-type: none"> Ensuring that stock recoveries are maximised for a proportional cost, for the benefit of creditors as a whole
	Other chattel assets	<ul style="list-style-type: none"> Liaising with valuers and interested parties Reviewing asset listings 	<ul style="list-style-type: none"> To allow office holder to understand the value of the assets and ensure an appropriate realisation strategy is used 	<ul style="list-style-type: none"> Maximise recoveries from chattel assets for the benefit of creditors as a whole
	Retention of title claims	<ul style="list-style-type: none"> Arranging for the completion of retention of title claim forms Maintaining retention of title file Meeting claimants on site to identify goods Adjudicating retention of title claims Corresponding with claimants regarding outcome of adjudication 	<ul style="list-style-type: none"> To ensure that possible third party assets are identified and set aside To check validity of retention of title claims In order to make settlements with suppliers where stock used 	<ul style="list-style-type: none"> Maximise stock recoveries whilst minimising unsecured claims, for the benefit of creditors as a whole

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was necessary</i>	<i>What, if any, financial benefit the work provided to creditors OR whether it was required by statute</i>
		<ul style="list-style-type: none"> Negotiating potential settlements and making payments to satisfy valid claims 		
	Intangible assets	<ul style="list-style-type: none"> Carrying out tasks associated with realising such assets 	<ul style="list-style-type: none"> To understand the asset(s) and associated values To ensure an appropriate realisation strategy is effected 	<ul style="list-style-type: none"> Maximise recoveries from intangible assets for the benefit of creditors as a whole
	Insurance	<ul style="list-style-type: none"> Identifying potential issues requiring attention of insurance specialists Reviewing insurance policies Detailed discussions with insurer regarding initial and ongoing insurance requirements Realising any value within policies 	<ul style="list-style-type: none"> To ensure that appropriate insurance cover is in place at appropriate levels To protect the estate from possible claims (such as public liability claims) So that recoveries can be made from pre-insolvency policies 	<ul style="list-style-type: none"> Mitigate the risk of any potential losses to creditors from damage to assets or from possible claims Realisations from pre-Administration policies
	Book debts	<ul style="list-style-type: none"> Reviewing and assessing debtor ledgers Liaising with debt collectors and solicitors Liaising with all former Caparo credit managers on collecting book debts Chasing letters / legal letters sent out to all outstanding customers Finalising the transfer of the IDF accounts to the Administrators Reconciling the book debt transfers between pre-appointment, post-appointment trading sales and those post sale of the businesses Agreeing the commissions owed to the purchasers of the businesses, in line with the sale of business agreements Dealing with ad-hoc queries and reconciliations 	<ul style="list-style-type: none"> Ensure best value achieved and maintain property value To ensure an appropriate realisation strategy is effected Assess likelihood of debtor recoveries 	<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors as a whole
	Third party assets	<ul style="list-style-type: none"> Reviewing leasing documents Liaising with owners/lessors Carrying out tasks associated with assigning / disclaiming leases 	<ul style="list-style-type: none"> To enable third party owners to collect their assets and reduce their exposure for unpaid liabilities 	<ul style="list-style-type: none"> Mitigates potential claims against the Company as unsecured amounts or Administration expenses

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

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was necessary</i>	<i>What, if any, financial benefit the work provided to creditors OR whether it was required by statute</i>
Employees and pensions	Communications with employees	<ul style="list-style-type: none"> Drafting, issuing and delivering initial communications and announcements Preparing letters to employees advising of their entitlements and options available Appointing employee representatives and holding regular meetings Receiving and following up employee enquiries via telephone, post and email 	<ul style="list-style-type: none"> In order to consult with employees appropriately and provide information as may be required 	<ul style="list-style-type: none"> To mitigate possible claims against the insolvent estate In line with regulatory requirements
	Payroll	<ul style="list-style-type: none"> Reviewing employee files and Company's books and records Reviewing awards and payroll structure Calculating and paying periodic payroll Deducting and paying over PAYE/NIC to HMRC and other deductions to relevant agencies and third parties 	<ul style="list-style-type: none"> Assess employee numbers and remuneration packages To allow accurate reporting and payment of payroll 	<ul style="list-style-type: none"> Regulatory requirements and duty to maintain proper books and records
	Redundancy related work	<ul style="list-style-type: none"> Commencing / continuing a consultation process Selecting and making redundancies Liaising with the RPS and external agencies 	<ul style="list-style-type: none"> In order to allow a fair and proper process to take place 	<ul style="list-style-type: none"> Consultation in line with legal and regulatory requirements
	Pensions	<ul style="list-style-type: none"> Reviewing insurance policies Issuing statutory notices Dealing with general pension scheme issues and the Pension Protection Fund Calculating contributions and requesting payments to the relevant scheme or policy 	<ul style="list-style-type: none"> Required as a regulatory requirement 	<ul style="list-style-type: none"> Required as a regulatory requirement
Trading	Trading management	<ul style="list-style-type: none"> Implementing post Administration controls and procedures Liaising with suppliers Liaising with management and staff Liaising with utilities providers Entering into post Administration undertakings 	<ul style="list-style-type: none"> To enable the business to continue to trade To help protect value and achieve a greater outcome via a going concern sale 	<ul style="list-style-type: none"> Continued trading has resulted in reduced employee and supplier claims and maintained / enhanced value of the business

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was necessary</i>	<i>What, if any, financial benefit the work provided to creditors OR whether it was required by statute</i>
		<ul style="list-style-type: none"> • Attending on site • Authorising purchase orders and other commitments • Maintaining purchase order registry • Preparing and authorising receipt and payment vouchers • Reviewing Company's budgets and financial statements • Preparing budgets and financial reports • Holding meetings to discuss trading position • Liaising with suppliers to finalise trading positions • Finalising trading costs and discharging our liabilities • Completing novation agreements to transfer contracts to purchaser 		
	Processing receipts and payments	<ul style="list-style-type: none"> • Entering receipts and payments into accounting system 	<ul style="list-style-type: none"> • To pay trading Administration expenses • Maintain the accounts and records of the insolvent estate 	<ul style="list-style-type: none"> • Statutory duties to: <ul style="list-style-type: none"> ○ manage the affairs, business and property of the company ○ settle expenses in the prescribed order of priority ○ keep proper books and records
Investigations	Conducting investigations	<ul style="list-style-type: none"> • Collecting Company books and records where related to investigatory work • Reviewing books and records • Preparing comparative financial statements and deficiency statement • Reviewing specific transactions and liaising with directors regarding certain transactions • Preparing investigation file and lodging findings with BEIS 	<ul style="list-style-type: none"> • Duty to take custody of the Company's books and records • To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> • Required by IA86 / IR16 or regulatory requirement

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was necessary</i>	<i>What, if any, financial benefit the work provided to creditors OR whether it was required by statute</i>
	Asset recoveries	<ul style="list-style-type: none"> Identifying potential asset recoveries Instructing and liaising with solicitors regarding recovery actions Holding internal meetings to discuss status of any litigation Attending to negotiations and settlement matters 	<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors as a whole 	<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors as a whole
Statutory and compliance	Initial letters and notifications	<ul style="list-style-type: none"> Preparing and issuing all necessary initial letters and notices regarding the Administration and our appointment 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement
	Remuneration report	<ul style="list-style-type: none"> Preparing and circulating to creditors a report giving details of the work we expect to carry out during the case, our fees estimate and the expenses that are likely to be incurred 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement
	Case reviews	<ul style="list-style-type: none"> Conducting case reviews after the first month, then every six months 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement
	Proposals and initial meeting of creditors	<ul style="list-style-type: none"> Drafting and reviewing a statement of proposals to creditors including statutory information. Circulating notice of the proposals to creditors, members and the Registrar of Companies. Issuing notice of deemed approved proposals 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement
	Progress reports and extensions	<ul style="list-style-type: none"> Preparing and issuing periodic progress reports to creditors and the Registrar Making applications to creditors or court for the extension of the Administration and filing relevant notices 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement
	Other meetings / resolutions	<ul style="list-style-type: none"> Preparing documents and information for the purpose of obtaining approval to fees, Category 2 disbursements and other matters in the Administration 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was necessary</i>	<i>What, if any, financial benefit the work provided to creditors OR whether it was required by statute</i>
		<ul style="list-style-type: none"> Convening meetings for resolutions to be considered / issuing resolutions to be considered by correspondence 		
	Books and records	<ul style="list-style-type: none"> Collecting Company books and records where not related to investigatory work Dealing with records in storage Sending case files to storage 	<ul style="list-style-type: none"> To maintain proper records 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement
	Other statutory and compliance	<ul style="list-style-type: none"> Filing of documents Updating checklists and diary management system 	<ul style="list-style-type: none"> Statutory duty to maintain proper records 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement
Tax & VAT	Tax	<ul style="list-style-type: none"> Gathering information for the initial tax review Carrying out tax review and subsequent enquiries Preparing tax computations Liaising with HMRC Obtaining tax clearance Submitting corporation tax returns 	<ul style="list-style-type: none"> In compliance with duties as proper officers for tax 	<ul style="list-style-type: none"> Governance To ensure tax accounting is accurate for the benefit of creditors as a whole
	VAT	<ul style="list-style-type: none"> Gathering information for the initial VAT review Initial notification as proper officer for tax Carrying out VAT review and subsequent enquiries Preparing and submitting VAT returns Preparing and submitting bad debt relief Liaising with HMRC De-registration 	<ul style="list-style-type: none"> In compliance with duties as proper officers for tax 	<ul style="list-style-type: none"> Governance To ensure tax accounting is accurate for the benefit of creditors as a whole
Administration	Strategy and planning	<ul style="list-style-type: none"> Completing tasks relating to job acceptance Preparing and updating estimated outcome statement Preparing fee budgets & monitoring cost 	<ul style="list-style-type: none"> To resolve outstanding matters in line with the purpose of Administration 	<ul style="list-style-type: none"> The Administrators are required by statute to perform their functions as quickly and efficiently as possible

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>	<i>Why the work was necessary</i>	<i>What, if any, financial benefit the work provided to creditors OR whether it was required by statute</i>
		<ul style="list-style-type: none"> Holding team meetings not relating to trading and discussions regarding status of Administration 		
	Accounting and treasury	<ul style="list-style-type: none"> Opening and closing bank accounts Dealing with receipts, payments and journals not relating to trading Carrying out bank reconciliations and managing investment of funds Corresponding with bank regarding specific transfers 	<ul style="list-style-type: none"> To pay Administration expenses Maintain the accounts and records of the insolvent estate 	<ul style="list-style-type: none"> Statutory duties to: <ul style="list-style-type: none"> manage the affairs, business and property of the company settle expenses in the prescribed order of priority keep proper books and records
	Closure procedures	<ul style="list-style-type: none"> Withdrawing undertakings not relating to trading and obtaining clearances from third parties Completing checklists and diary management system Closing down internal systems Finalise and close Administration 	<ul style="list-style-type: none"> To comply with regulatory requirements or statute 	<ul style="list-style-type: none"> Required by IA86 / IR16 or regulatory requirement

Our relationships

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

Payments to associates

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

Professionals and subcontractors

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

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

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

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

Appendix E: Other information

Court details for the Administration:	High Court of Justice, Chancery Division, Birmingham District Registry Case no. 8390 of 2015
Company's registered name:	BACo Realisations Limited
Trading name:	Caparo Bridge, Bridge Foundry or CAB
Registered number:	04687227
Registered address:	7 More London Riverside, London SE1 2RT
Date of the Administrators' appointment:	19 October 2015
Administrators' names and addresses:	Anthony Steven Barrell and David Matthew Hammond of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT
Extension to the initial period of appointment:	12 months to 18 October 2017
Appointor's / applicant's name and address:	The directors of the Company, Caparo House, 103 Baker Street, London W1U 6LN
Split of the joint administrators' responsibilities:	In relation to paragraph 100(2) Sch.B1 IA86, any act required or authorised under any enactment to be done by an administrator may be done by any or all of the Administrators acting jointly or alone.
