

**Administrator's progress report**

Name of Company

Manganese Bronze Holdings Plc

Company Number

00061050

In the

High Court of Justice, Chancery Division, Companies Court

(full name of court)

Court case number

8125 of 2012

(a) Insert full name(s) and address(es) of administrator(s)

We (a) David Matthew Hammond of PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF10 3PW, Anthony Steven Barrell of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP and Michael John Andrew Jervis of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT

(b) Insert dates

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

from

to

(b) 30 April 2013

(b) 30 October 2013

Signed

Joint Administrator

Dated

05.11.13.

**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

Sarah Corbett

Benson House, 33 Wellington Street, Leeds, LS1 4JP

Tel 0113 289 4014

DX Number

DX Exchange

THURSDAY



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07/11/2013

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COMPANIES HOUSE

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Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



**Manganese Bronze Holdings plc –  
formerly in administration now in creditors’  
voluntary liquidation  
High Court of Justice, Chancery Division,  
Companies Court  
Case No. 8125 of 2012**

**COVT (Realisations) Limited (formerly LTI  
Limited) – formerly in administration now in  
creditors’ voluntary liquidation  
High Court of Justice, Chancery Division,  
Companies Court  
Case No. 8128 of 2012**

**Former Joint Administrators’ final progress  
report**

**5 November 2013**

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Direct dial: 013 289 4014.*

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### Abbreviations used in this report

Matthew Hammond, Anthony Barrell, Mike Jervis and Ian Green		- "the Former Joint Administrators" or "the Joint Administrators" or "the Liquidators"
COVT (Realisations) Limited (formerly LTI Limited) Manganese Bronze Holdings plc	}	- "the Companies"
The administration of the Companies		- "the Administrations"
COVT (Realisations) Limited (formerly LTI Limited)		- "COVT"
Manganese Bronze Holdings plc		- "MBH"
COVTS (Realisations) Limited (formerly Manganese Bronze Services Limited)		- "COVTS"
COVTP (Realisations) Limited (formerly Manganese Bronze Property Services Limited)		- "COVP"
The Companies COVTS COVTP	} together	- "the Group"
Shanghai LTI Automobile Components Company Limited		"SLTI"
HSBC Plc		"HSBC" or "the Bank"
Geely Opco UK Limited Geely International (Hong Kong) Limited Geely Propco UK Limited	} together	- "the Buyers" or "Geely"
Insolvency Rules 1986		- "IR86"
Insolvency Act 1986		- "IA86"
Schedule B1 to the Insolvency Act 1986		- "Sch. B1 IA86"
The Administrators proposals dated 30 November 2012		- "the Proposals"

COVT (Realisations) Limited (formerly LTI Limited) and Manganese Bronze Holdings plc – both in creditors' voluntary liquidation  
Former Joint Administrators' final progress report

# **1. Former Joint Administrators' final progress report**

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## **Introduction**

We advise that the Administrations of the Companies came to an end on 30 October 2013 and the Companies moved into creditors' voluntary liquidation on the same date.

We previously reported on 24 May 2013 and are pleased to provide our final progress report on the Administrations of the Companies pursuant to Rules 2.47 and 2.110 IR86 for the period 30 April 2013 to 30 October 2013.

We are required to provide certain statutory information pursuant to Rule 2.47(1) IR86, which is shown in Section 2 to this report. We are also required to provide a summary of our Proposals, which is shown at Section 3.

Details of the steps taken during the Administrations, assets still to be realised and the move to creditors' voluntary liquidation are set out below.

## **Steps taken during the Administrations**

### **Initial steps**

As at the date of our appointment, the position as regards the Companies was as follows:

- COVT traded as the London Taxi Company and was the leading manufacturer of purpose built taxis in the UK, recognised for providing the UK with the iconic 'black cab' design. It produced approximately 1,600 vehicles per annum (2009-12), which could be seen operating in large numbers on the streets of London, together with many other cities in Britain and around the world. COVT operated from its main manufacturing and head office site in Coventry and through its dealership network.
- MBH was incorporated in 1899 and was an AIM listed company. It is the 100% shareholder of COVT. In 2007 it entered into a joint venture with Geely Automobile Holdings Limited that created SLTI, with the objective of producing a purpose-built taxi manufacturing facility in Shanghai, China. MBH's main assets consisted of its shareholdings and its interest in the joint venture company SLTI. MBH recharged central costs via management charges to the remainder of the Group.
- A culmination of several issues led to the Companies being placed into administration, including ongoing losses, supply chain issues, warranty costs and the discovery of accounting errors. In October 2012 the discovery of a steering fault resulted in the recall of around 400 vehicles and a voluntary suspension of sales, which had an immediate and detrimental impact on the Companies' cash flows. MBH's shares were suspended. The Directors were unable to secure sufficient funding to continue to trade and, consequently, the Companies were placed into administration.

As stated in our previous report, our immediate priority was to secure funding in order to explore the options available to the Companies. The Companies' operations were initially put on hold pending discussions with key stakeholders. We restructured the business to cut costs and regretfully, due to the Companies' financial position and recall issues, we had to make a number of staff redundancies.

### **Trading**

As stated in our previous report, there was a voluntary suspension on vehicle sales while the steering box recall remained.

A sufficient number of staff across the dealerships, head office and production network were retained to address the operational, technical and financial circumstances that faced the business.

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The retained COVT staff based in Coventry, focused on dealing with issues relating to the fixing of the steering fault alongside other key functions required to maintain the operations of the business. The remaining staff, based across the dealerships in the UK continued to service taxis and were key to delivering the steering box fix for recalled vehicles.

Following our appointment we reviewed options to repair the steering box problem, working closely with The Mayor of London, Transport for London, the Licensed Taxi Drivers' Association, other drivers' organisations and the Vehicle Certification Agency. In order to maximise realisations for the creditors it was essential that a solution to the steering box problem was found prior to the sale of the business. A fix was sourced and work was commenced in November 2012.

A receipts and payments account for trading activities in the period is shown at Section 4. As no new vehicles could be supplied during the administration, trading sales were limited to the sale of after market parts to retail and wholesale customers made by the dealership network. Therefore, whilst COVT did not realise a trading profit, it was necessary to trade the business in order to fix the steering box problem, to protect the goodwill of the business and maximise realisations across the Group.

### **Sale of business and assets**

We actively marketed the business and assets of the Companies and the wider Group. We dealt with approaches from over 70 potential purchasers. The sale of the business and assets was completed on a going concern basis on 31 January 2013 to Geely realising some £8,604,098. The sale included plant and machinery, stock and work in progress, intellectual property, customer contracts, goodwill, the website and website materials, the benefit of the Unipart agreement, claims, the database and books and records and the vehicle stock.

In addition to preserving the business, all employees retained by the Companies at the date of the sale were transferred to Geely, retaining jobs and reducing the level of any preferential claims.

Under the terms of the contract, £2 million of the sales proceeds has been retained and is being held in escrow. These monies only become payable if and when certain conditions are met. We anticipate that this matter will be resolved towards the end of the year and the monies will be released thereafter.

In addition to the sale price, £166,327 has been received from Geely under the terms of the sale contract relating to the reimbursement of purchases. Under the terms of the sales contract, Geely also took responsibility for the outstanding retention of title claims and has agreed settlements directly with the suppliers concerned.

Shares held by MBH were also sold as part of the sale to Geely realising £1. Although the directors statement of affairs valued the investment in SLTI at £2.3million (net of monies due to Geely of some £5million, relating to the joint venture), SLTI was heavily loss making and the shares in the joint venture had no real value for any third party. It was therefore transferred to Geely for a nominal amount as part of the overall deal. In addition, the freehold and leasehold properties held by COVTP were sold to Geely realising some £2,500,000. MBH is the major creditor of COVT.

Through the sale of the business and assets of COVT as a going concern, we have been able to achieve objective (b) of the statutory purpose of administration, being; a better outcome for the creditors as a whole than would be likely if the company was wound up (without being in administration).

### **Remaining assets**

#### **Book debts**

The director's statement of affairs for COVT recorded a book value for the trade debts of £2,970,558 but certain of these debts are uncollectable. To 30 October 2013, we have collected £833,522. These debts have been excluded from the sale to Geely and we are continuing to pursue outstanding book debts with the assistance of our legal advisors.

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We have collected £139,804 in respect of MBH debtors, it is not currently anticipated that there will be any further realisations from this source in MBH.

### **Inter-group claims**

MBH has claims in the liquidations of COVTP and COVT. We anticipate that dividends will be received on these claims but these are uncertain in terms of timing and quantum.

### **Final receipts and payments account**

An account of the final receipts and payments in the Administrations are set out in Section 4 to this report.

### **Expenses statement**

A statement of the expenses we have incurred in the period to 30 October 2013 is included at Section 5.

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

Our accrued and unpaid expenses will be met from funds held by the liquidators in accordance with Paragraph 99 of Sch. B1 IA86 in priority to distributions to creditors.

### **Administrators' remuneration**

Our remuneration was approved on a time cost basis by the creditors committee in respect of COVT and the general body of creditors in respect of MBH. We have drawn remuneration totalling £1,670,616 in relation to COVT and £100,000 in respect of MBH in accordance with the resolutions passed. Our accrued and unpaid remuneration will be met from funds held by the liquidators in accordance with Paragraph 99 of Sch. B1 IA86 in priority to distributions to creditors.

The time cost charges incurred in the period covered by this report are £162,901 in respect of COVT bringing our total costs to £1,919,441 and £52,209 in respect of MBH bringing our total costs to £292,306. In accordance with the requirements of Statement of Insolvency Practice No.9, a full analysis of our final time costs and Category 2 disbursements for the period to 30 October 2013 are provided in Section 6.

Details of the main tasks undertaken in the period covered by this report are provided at Section 6.

Set out at Section 6 are the relevant maximum charge-out rates per hour worked for the grades of our staff actually or likely to be involved on these assignments. Time is charged by reference to actual work carried out on each assignment. There has been no allocation of any general costs or overhead costs.

Specialist departments within our firm such as Tax, VAT, Property and Pensions may charge a small number of hours if and when we required their expert advice. Such specialists' rates do vary but the figures below provide an indication of the maximum rate per hour.

All staff who worked on these assignments (including cashiers, support and secretarial staff) charged time directly to the assignments and are included within any analysis of time charged. Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time. Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time chargeable is three minutes (i.e. 0.5 units).

## 1. Former Joint Administrators' final progress report

### Creditors' rights

An explanatory note giving creditors a statement of their rights in relation to our remuneration and expenses, and their rights to request further information, can be found online at:

<http://www.pwc.co.uk/mbh>

A copy may also be obtained free of charge by telephoning Sarah Corbett, on 0113 289 4014.

**Summary of legal and other professional firms instructed in the period 30 April 2013 to 30 October 2013**

Service provided	Name of firm / organisation	Reason selected	Basis of fees	Company and fees paid
Legal advice - including preparation of the statutory documentation required in affecting the appointment and legal advice regarding matters in the administration.	Wragge & Co LLP	Previous knowledge of the company	Time costs and expenses	MBH £8,078.30 COVT £27,025.24
Company secretarial services – including assistance with dormant group companies.	Mark Devin CoSec Limited	Previous knowledge of the Company	Time costs	MBH £5,136 95

### Outcome for creditors

#### Secured creditors

Lloyds UDT Limited provides a stocking loan facility to COVT in respect of new vehicles. The value of the stocking loan on appointment was £14m and attracted interest linked to the finance house base rate. The stocking loan was secured on the vehicles within finished goods. Lloyds UDT Limited took possession of the vehicles subject to the stocking loan and has been realising them. It is currently anticipated that the stocking loan provider will suffer a shortfall on its lending.

At the time of our appointment MBH had an overdraft of £2,528 million and COVT had a potential further liability of £890k in relation to guarantees.

On appointment HSBC held a debenture dated 20 January 2009 containing fixed and floating charges over the assets of MBH. In addition, we understand the Bank holds a unilateral guarantee from other companies in the Group. Under these agreements cash held on appointment in the accounts of COVTP, COVT and COVTS totalling £2.274 million was utilised to reduce MBH's debt due to the HSBC.

HSBC also held legal charges against the properties held by COVTP. When the COVTP properties were sold HSBC received a distribution of £1,144 million which discharged the remainder of the Group's debt to HSBC. Of this amount £786,765 has been released back as a result of cancelled guarantees and finalisation of the account.

Under the banking arrangements and fixed charge, the HSBC's debt has been repaid from the assets of COVTS, COVT and COVTP, whilst the primary debtors were MBH and COVT. As such, a marshalling calculation has been undertaken in the period covered by this report to ensure that ultimately each company bears the appropriate debt.

MBH is a secured creditor of COVT by virtue of a charge dated 19 September 1983 over the assets of MBH. However, this charge can not take effect until Lloyds UDT Limited has been paid in full and therefore it is not anticipated to impact the outcome to the unsecured creditors.

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COVT (Realisations) Limited (formerly LTI Limited) and Manganese Bronze Holdings plc – both in creditors' voluntary liquidation

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### Preferential creditors

At the date of our appointment, COVT employed 274 employees and following our appointment 157 employees were made redundant.

Following the sale of the business and assets as detailed above, all remaining employees of COVT were transferred to the Geely, thereby reducing the level of preferential claims.

There are no preferential creditors for MBH.

Preferential claims are arrears of wages up to £800 and holiday pay. We currently anticipate that there will be sufficient funds to enable a distribution of 100 pence in the pound to all preferential creditors. We will be in contact with preferential creditors in due course, in order to agree their claims.

### Unsecured creditors

We currently estimate that there will be sufficient funds to enable a small distribution to the unsecured creditors of each of the Companies. In respect of MBH, it is anticipated that the distribution will be less than 5p in the £. In respect of COVT, there are several material matters that need to be resolved however we estimate that the dividend will be up to 5p in the £.

The Liquidators will shortly begin the process of formally agreeing unsecured creditors' claims

***If you have not already submitted your claim, please do so using the form enclosed with this report.***

### Exit route from the Administrations

In accordance with the Proposals approved by creditors, the Companies entered into creditors' voluntary liquidation on 30 October 2013. Following the earlier submission of a Notice of move from Administration to Liquidation to Companies House by the Former Joint Administrators. There having been no alternate nominations, Matthew Hammond, Anthony Barrell, Ian Green and Michael Jervis were appointed as joint liquidators.

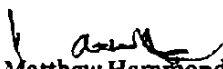
### Discharge

In accordance with the approval of the creditors' committee in respect of COVT and the general body of creditors in respect of MBH, we shall be discharged from liability pursuant to Paragraph 98(1) of Sch. B1 IA86 in respect of any action of ours as administrators fourteen days after the appointment of Administrators ceases to have effect.

### Next report

The next report to creditors will be circulated by the Joint Liquidators in approximately 12 months, or earlier if the Liquidation can be closed sooner.

Yours faithfully

  
Matthew Hammond  
Joint Liquidator

*David Matthew Hammond, Anthony Steven Barrell, Ian David Green and Michael John Andrew Jervis were appointed as joint administrators of the Companies to manage their affairs, business and property as their agents without personal liability. They are now Joint Liquidators of the Companies. All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The joint liquidators are 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 liquidation.*

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## 2. Statutory and other information

### Manganese Bronze Holdings plc

<b>Court details for the Administration:</b>	High Court of Justice, Chancery Division, Companies Court, County Court 8125 of 2012
<b>Full name:</b>	Manganese Bronze Holdings Plc
<b>Trading name:</b>	Manganese Bronze Holdings Plc
<b>Registered number:</b>	00061050
<b>Registered address:</b>	Benson House, 33 Wellington Street, Leeds, LS1 4JP
<b>Company directors:</b>	Peter John Sverre Johansen, Donghui Li, Timothy David Melville-Ross, Christopher Graham Ross, John Kennedy Russell, Peter John Shillcock and Andrew John Walker
<b>Company secretary:</b>	Mark Devin
<b>Shareholdings held by the directors and secretary:</b>	Tim Melville-Ross, 8,000 shares John Russell, 44,247 shares Peter Shillcock, 21,800 shares Peter Johansen, 164,750 shares
<b>Date of the Administration appointment:</b>	30 October 2012
<b>Administrators' names and addresses:</b>	David Matthew Hammond of PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF103PW, Anthony Steven Barrell of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham B3 2DT, Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS 1 4JP and Michael John Andrew Jervis of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE 1 2RT
<b>Changes in office holder:</b>	None
<b>Appointor's / applicant's name and address:</b>	Directors of Manganese Bronze Holdings plc, Holyhead Road, Coventry, CV5 8JJ
<b>Objective being pursued by the Administrators:</b>	Paragraph 3(1)(b) Sch.B1 IA86 - achieving a better result for the company's creditors as a whole than would be likely if the company was wound up (without first being in Administration)
<b>Division of the Administrators' responsibilities:</b>	For the purposes of 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 of the Administrators acting jointly or alone.
<b>Extensions to the period of the Administration:</b>	None
<b>End of the Administration:</b>	Creditors voluntary liquidation
<b>Estimated dividend for unsecured creditors:</b>	0-5p in the £
<b>Estimated values of the prescribed part and the company's net property:</b>	Not applicable as the Bank has been repaid in full
<b>Whether and why the Administrators intended to apply to court under Section 176A(5) IA86:</b>	Not applicable as the Bank has been repaid in full
<b>The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):</b>	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

## 2. Statutory and other information

### COVT (Realisations) Limited (formerly LTI Limited)

<b>Court details for the Administration:</b>	High Court of Justice, Chancery Division, Companies Court, County Court 8128 of 2012
<b>Full name:</b>	COVT (Realisations) Limited
<b>Trading name:</b>	LTI Limited
<b>Registered number:</b>	The London Taxi Company and Mann and Overton
<b>Registered address:</b>	00382553
<b>Company directors:</b>	Benson House, 33 Wellington Street, Leeds, LS1 4JP
<b>Company secretary:</b>	John Kennedy Russell and Peter John Shillcock
<b>Shareholdings held by the directors and secretary:</b>	Mark Devin
<b>Date of the Administration appointment:</b>	On 30 October 2012 the directors of the company filed a notice of appointment of Administrators at Court. It subsequently came to the attention of the Administrators that the company had previously been registered with the Financial Services Authority ("FSA") as an authorised person until 4 February 2010 and, at the time the directors filed the notice, was registered with the FSA. In such circumstances, under the Financial Service and Markets Act 2000, the consent of the FSA is required to be obtained and filed at Court before an appointment of administrators is made. The Administrators therefore contacted the FSA to advise them of the omission and request consent to their appointment. The FSA confirmed their retrospective consent in writing and this document was filed at court on 18 January 2013. On 22 January 2013, the Administrators also made a successful application to court confirming the validity of their actions since 30 October 2012.
<b>Administrators' names and addresses:</b>	David Matthew Hammond of PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF10 3PW, Anthony Steven Barrell of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham B3 2DT, Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS 1 4JP and Michael John Andrew Jervis of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE 1 2RT
<b>Changes in office holder:</b>	None
<b>Appointor's / applicant's name and address:</b>	Directors of COVT (Realisations) Limited, Holyhead Road, Coventry, CV5 8JJ
<b>Objective being pursued by the Administrators:</b>	Paragraph 3(1)(b) Sch.B1 IA86 - achieving a better result for the company's creditors as a whole than would be likely if the company was wound up (without first being in Administration)
<b>Division of the Administrators' responsibilities:</b>	For the purposes of 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 of the Administrators acting jointly or

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## 2. Statutory and other information

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<b>Extensions to the period of the Administration:</b>	None
<b>End of the Administration:</b>	Creditors voluntary liquidation
<b>Estimated dividend for unsecured creditors:</b>	Due to uncertainties regarding the retention monies it is too early to confirm the level of distribution however it is estimated to be up to 5p in the £.
<b>Estimated values of the prescribed part and the company's net property:</b>	Not applicable as there is no floating charge registered after 15 September 2003
<b>Whether and why the Administrators intended to apply to court under Section 176A(5) IA86:</b>	Not applicable as no Prescribed Part
<b>The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):</b>	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings.

### **3. Summary of the Former Joint Administrators' proposals**

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The Administrators make the following proposals for achieving the purpose of each of the Companies' administrations.

- i) The Administrators will continue to manage and finance the company's business, affairs and property from trading revenues, asset realisations or in such other manner as they consider expedient with a view to achieving a better result for the company creditors as a whole than would be likely if the company were wound up (without first being in Administration) or, realising property in order to make a distribution to one or more secured or preferential creditors.
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the company may have under the Companies Act 2006 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 the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator or the Administrators and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration (where the Administrators think there will be sufficient funds for a distribution to unsecured creditors other than by virtue of the prescribed part) or out of the prescribed part as costs associated with the prescribed part (where the Administrators think that funds will become available to the unsecured creditors by virtue of the prescribed part but not otherwise).
- iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch.B1 IA86.
- v) A creditors' committee will be established if sufficient creditors are willing to act on it. The Administrators propose to seek the election of a creditors' committee and to consult with it from time to time. Where the Administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of all creditors.
- vi) The Administrators will consult the creditors' committee, if one is appointed, prior to making an application to the court under section 176A(5) IA86 for an order not to distribute the prescribed part to unsecured creditors if the Administrators conclude that the cost of making a distribution would be disproportionate to the benefits.
- vii) The Administrators will consult with the creditors' committee if one is appointed concerning the necessary steps to extend the Administration beyond the statutory duration of one year if an extension is considered advantageous. The Administrators shall either apply to the court or seek consent from the appropriate classes of creditors for an extension.
- viii) 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 the following options as being the most cost effective and practical in the present circumstances: -

If it transpires that there are insufficient funds with which to make a distribution to unsecured non-preferential creditors:

- (a) Once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators 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 three months later.

### **3. Summary of the Former Joint Administrators' proposals**

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If it transpires that there are funds to make a distribution to the unsecured non-preferential creditors:

- (b) Once asset disposals are complete, the Administrators will place the company into creditors' voluntary liquidation. In these circumstances, it is proposed that Matthew Hammond, Anthony Barrell, Ian Green and Michael Jervis be appointed as joint liquidators and any act required or authorised to be done by the Joint Liquidators may be done by any of them acting jointly or alone. 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) Once asset disposals are complete, 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, or under Paragraph 80 Sch.B1 IA86. 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.
- ix) 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 creditors' committee, or, if there is no creditors' committee, 14 days after they cease to be joint administrators of the company or in any case at a time determined by the court.
- x) It is proposed that the unpaid pre-Administration costs detailed at Appendix A are approved for payment as expenses of the Administration. If the meeting of creditors elects a creditors' committee it will be for the creditors' committee to approve payment of the unpaid pre-Administration costs as expenses of the Administration.
- xi) 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 set out in Appendix D. It will be for the creditors' committee to fix the basis and level of the Administrators' fees and Category 2 disbursements but if no committee is appointed, it will be for the general body of creditors to determine these instead. 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.

**Manganese Bronze Holding plc - in administration**  
**Receipts and payments account for the period 30 October 2012 to 30 October 2013**

**Section 4**

<b>Directors' Statement of Affairs (£)</b>		<b>30 October 2012 to 29 April 2013 (£)</b>	<b>30 April 2013 to 30 October 2013 (£)</b>	<b>Total (£)</b>
	<b>Fixed charge receipts</b>			
	Ex Gratia payments	312,878 80	-	312,878 80
7,279,281	Investment in joint venture (SLTI)	-	1 00	1 00
<u>7,279,281</u>		<u>312,878 80</u>	<u>1.00</u>	<u>312,879 80</u>
	<b>Fixed charge payments</b>			
	Ex Gratia payments	(312,878 80)	-	(312,878 80)
		<u>(312,878 80)</u>	<u>-</u>	<u>(312,878.80)</u>
	<b>Floating charge receipts</b>			
	Refunds	5,385 52	-	5,385 52
	Third party funds	-	12,340 24	12,340 24
277,785	Sundry debtor - DB Pension Scheme	139,804 83	-	139,804 83
22,064	VAT	-	-	-
<u>2,437,194</u>	Inter-group debtors	-	-	-
<u>2,737,043</u>		<u>145,190 35</u>	<u>12,340</u>	<u>157,530.59</u>
	<b>Floating charge payments</b>			
	Third party funds	(1,800 00)	-	(1,800 00)
	De Listing costs	(48 00)	-	(48 00)
	Professional fees	(2,139 30)	(5,136 95)	(7,276 25)
	Office Holder fees	-	(100,000 00)	(100,000 00)
	IT Costs	-	(408 75)	(408 75)
	Legal fees and expenses	(27,399 05)	(8,078 30)	(35,477 35)
	Bank charges	(3 00)	-	(3 00)
		<u>(31,389 35)</u>	<u>(88,943.52)</u>	<u>(145,013.35)</u>
	<b>Net fixed charge realisations</b>	-	1 00	1 00
	<b>Net floating charge realisations</b>	113,801 00	(76,603 28)	12,517 24
	<b>VAT control account</b>	(5,906 07)	4,674 87	(1,231 20)
	<b>Balance at bank</b>	<u>107,894 93</u>	<u>(71,927 41)</u>	<u>11,287 04</u>

## Section 4

14

**Trading Account**

	30 October 2012 to 29 April 2013 (£)	30 April 2013 to 30 October 2013 (£)	Total (£)
<b>Trading receipts</b>			
Post appointment trading sales	218,279.05	-	218,279.05
	<u>218,279.05</u>	<u>0.00</u>	<u>218,279.05</u>
<b>Trading payments</b>			
Net Wages	(690,074.90)	-	(690,074.90)
PAYE and NIC	(390,248.42)	-	(390,248.42)
Pension deductions	(97,613.90)	-	(97,613.90)
Other payroll deductions	(4,718.18)	761.4	(3,956.78)
Employee Expenses and relates costs	(26,850.42)	-	(26,850.42)
Purchases	(354,480.09)	(11,774.10)	(366,254.19)
Subcontractors	(58,285.82)	-	(58,285.82)
Utilities	(193,847.52)	4,386.90	(189,460.62)
Rent	(105,058.20)	-	(105,058.20)
Rates	(3,025.93)	(5,805.62)	(8,831.55)
Motor & travel expenses	(5,845.40)	-	(5,845.40)
Repairs & maintenance	(9,349.73)	-	(9,349.73)
Security	(114,342.64)	(1,898.77)	(116,241.41)
IT costs	(26,126.33)	(3,285.36)	(29,411.69)
Laundry and cleaning	(31,878.94)	-	(31,878.94)
Lease hire charges	(19,994.39)	-	(19,994.39)
General expenses	(1,718.27)	-	(1,718.27)
Retention of title	(9,271.32)	-	(9,271.32)
Bank charges	(1,710.00)	-	(1,710.00)
Duress payments	(954.39)	-	(954.39)
Licence and trademarks	(2,012.78)	-	(2,012.78)
Transport and carriage	(12,333.24)	-	(12,333.24)
Service charge	(2,100.00)	-	(2,100.00)
Postage, stationery and printing	(364.36)	-	(364.36)
Finance charges	(18,082.12)	-	(18,082.12)
HSBC Merchant Services Charges	(4,076.60)	-	(4,076.60)
	<u>(2,184,363.89)</u>	<u>(17,615.55)</u>	<u>(2,201,979.44)</u>
<b>Net trading account</b>	<b>(1,966,084.84)</b>	<b>(17,615.55)</b>	<b>(1,983,700.39)</b>



**Managanese Bronze Holdings plc - in administration**  
**Expenses Statement for the period 30 April 2013 to 30 October 2013**

**Section 5**

Category	Unpaid expenses as at 29 April 2013 £	Incurred in this period £	Paid in this period £	Unpaid expenses as at 30 October 2013 £
Administrators' fees	240,097 10	52,209 35	100,000 00	192,306 45
Administrators expenses	2,468 42	105 51	-	2,573 93
Legal fees	6,130 60	10,067 06	8,078 30	8,119 36
Professional fees	408 75	5,136 95	5,136 95	408 75
IT Costs	-	408 75	408 75	-
<b>Total</b>	<b>249,104.87</b>	<b>62,381 92</b>	<b>108,078 30</b>	<b>202,999.74</b>

Funds passed from the Administration to the liquidation are subject to a statutory charge in respect of unpaid Administration expenses. The outstanding unpaid expenses will accordingly be paid in the liquidation.

Category	Unpaid expenses as at 29 April 2013 Note 1 £	Incurred in this period £	Paid in this period £	Unpaid expenses as at 30 October 2013 £
Administrators' fees	1,506,540.69	162,900.75	1,420,616.00	248,825.44
Administrators expenses	3,441.56	1,548.16		4,989.72
Legal fees	19,317.55	59,085.32	27,025.24	105,428.11
Purchases	11,774.10		11,774.10	
Rates	5,805.62		5,805.62	
Security	112.96		1,898.77	(1,785.81)
IT costs	2,836.47		3,285.36	(448.89)
Agents fees	9,968.56		9,968.56	
Storage costs		1,837.24	1,535.71	301.53
Bank charges		203.11	203.11	
<b>Total</b>	<b>1,569,797.51</b>	<b>225,574.58</b>	<b>1,482,112.47</b>	<b>357,310.10</b>

Note 1 Unpaid expenses as at 29 April 2013 have been updated based on further information received in relation to the period

Funds passed from the Administration to the liquidation are subject to a statutory charge in respect of unpaid Administration expenses. The outstanding unpaid expenses will accordingly be paid in the liquidation.

## **6. Analysis of the Former Joint Administrators' final time costs and Category 2 disbursements for the period to 30 October 2013**

The following are details of key tasks on these cases which come under the headings used in the time costs analysis. Please note time in relation to the Group activities have been allocated amongst the Group and not solely recorded against either of the Companies

### **Strategy & planning**

- Internal team briefings on case progression and next steps.
- Administrators oversight of case progression.
- Reviewing forecasts and budgets.

### **Trading**

- Reviewing and finalising final trading accounts
- Dealing with final trading payments.
- Dealing with clearances from suppliers for trading period.

### **Assets**

- Managing the realisations of book debts.
- Dealing with retention of title queries and liaising with Geely.
- Reviewing and execution of novation agreements.
- Review of insurance claims and documentation held by the Companies.
- Review of guarantees and monies paid across the Group to HSBC in order to assess and finalise the subrogated claims.
- Review of dormant Group subsidiaries and potential members voluntary liquidations.

### **Accounting and treasury**

- Arranging and approving payments.
- Recording receipts.
- Reviewing bank accounts and processing relevant journals and movements
- Bank reconciliations.

### **Statutory and compliance**

- Preparing the Administrators previous progress report.
- Review of records in storage and dealing with location and storage requirements
- Discussions regarding Administrators remuneration.
- Preparing documentation to change committee representatives.
- Preparing discharge from liability resolutions.
- Dealing with shareholder correspondence and queries.

### **Tax/VAT/pensions**

- Preparation, review and submission of VAT returns.
- Review and submission of RP15, RP14 and S75 claims in respect of pension scheme.

### **Employees**

- Review of employee claims received in respect of COVT
- Liaising with our legal advisors in respect of certain claims received from employees of COVT
- Negotiations in respect of a settlement for certain claims received from employees of COVT.

### **Creditor liaison**

- Review of inter Group claims and subrogated claims.
- Dealing with general creditor correspondence and queries.
- Review of PPI claims received in the administration of COVT, liaising with Black Horse in respect of PPI claims and correspondence to PPI claimants.
- Dealing with employee claims.

### **Reporting**

- Preparing reports and updates to committee members.
- Holding and minuting committee meetings.

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COVT (Realisations) Limited (formerly LTI Limited) and Manganese Bronze Holdings plc – both in creditors' voluntary liquidation  
Former Joint Administrators' final progress report

# Manganese Bronze Holdings plc - In Administration

Section 6

## Analysis of time costs for the period 30 October 2012 to 30 October 2013

Aspect of assignment	Partner	Director	Senior Manager	Manager	Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	2.00	-	-	2.05	4.00	-	-	8.05	2,693.20	335
Trading	-	-	-	-	-	-	-	-	-	-
Assets	-	-	12.05	0.20	0.30	-	0.20	12.75	5,060.35	397
Sale of business	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	0.35	-	-	0.35	81.55	233
Creditor liaison	-	-	5.00	4.05	1.60	-	0.50	11.15	3,735.30	335
Accounting and treasury	-	-	0.70	4.20	4.55	-	9.15	18.60	3,948.05	212
Reporting	-	-	-	1.00	-	-	-	1.00	310.00	310
Statutory and compliance	-	0.50	2.15	11.75	18.60	-	0.50	34.00	9,262.10	272
Tax/VAT/Pensions	-	6.10	6.30	16.45	21.35	-	22.05	72.25	25,435.65	352
Employees	-	-	0.30	1.05	2.60	-	-	3.95	1,346.40	341
Closure procedures / exit	-	-	0.45	-	0.65	-	-	1.10	336.75	-
<b>Total for the period from 30 April 2013</b>	<b>2.00</b>	<b>6.60</b>	<b>26.95</b>	<b>40.75</b>	<b>54.00</b>	<b>32.40</b>	<b>0.50</b>	<b>163.20</b>	<b>52,209.35</b>	<b>319.91</b>
<b>Brought forward at 29 April 2013</b>	<b>64.00</b>	<b>36.20</b>	<b>115.80</b>	<b>229.12</b>	<b>264.61</b>	<b>84.41</b>	<b>2.28</b>	<b>796.42</b>	<b>240,096.73</b>	<b>301.47</b>
<b>Total</b>								<b>959.62</b>	<b>292,306.08</b>	<b>304.61</b>

- insolvency rates up to 1 July 2013
- insolvency rates from 1 July 2013
- specialist maximum

## Expenses in the period 30 April 2013 to 30 October 2013

Category	Policy	Total £
1 All charged at cost		81.03
2 Photocopying - up to 4 pence per sheet copied, only charged for circulars to creditors and other bulk copying		24.48
2 Mileage - At a maximum of 67 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc)		0.00
<b>Total</b>		<b>105.51</b>

COVT (Realisations) Limited (formerly LTI Limited) - In Administration

Section 6

Analysis of time costs for the period 30 October 2012 to 30 October 2013

Aspect of assignment	Partner	Director	Senior Manager	Manager	Associate	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	3 50	15 00	-	7 35	7 10	-	-	0 50	33 45	12,912.80	386.03
Trading	-	0 50	0 85	15 40	1 35	-	51 00	-	69 70	13,142.00	188.55
Assets	3 00	6 00	12 50	50 55	8 30	-	4 70	-	85 05	28,143.60	330.91
Sale of business	-	-	2 10	0 20	-	-	-	-	2 30	891.50	387.61
Investigations	3 00	-	-	-	0 35	-	-	0 50	3 85	1,772.55	460.40
Creditor liaison	5 00	-	7 85	11 40	23 10	-	48 95	-	96 30	21,866.85	227.07
Accounting and treasury	-	-	9 80	8 55	15 45	-	36 70	-	70 50	15,378.00	218.13
Reporting	1 50	1 00	-	6 05	11 30	-	-	-	20 45	6,058.70	296.27
Statutory and compliance	3 00	30 50	9 95	15 45	32 65	-	3 65	8 10	103 30	33,292.40	322.29
Tax/VAT/ Pensions	-	4 40	1 30	8 50	36 90	-	14 80	5 00	70 90	15,873.80	223.89
Employees	-	21 00	1 00	1 00	9 00	-	-	-	32 00	11,911.75	372.24
Closure procedures / exit	2 00	-	0 30	-	1 90	-	-	-	4 20	1,656.80	394.48
<b>Total for the period from 30 April 2013</b>	<b>21 00</b>	<b>78 40</b>	<b>45 65</b>	<b>125 05</b>	<b>147 40</b>	<b>160 40</b>	<b>14 10</b>	<b>14 10</b>	<b>592 00</b>	<b>162,900.75</b>	<b>275.17</b>
<b>Brought forward at 29 April 2013</b>	<b>261 71</b>	<b>351 15</b>	<b>1 189 38</b>	<b>1 646 24</b>	<b>1 798 96</b>	<b>577 02</b>	<b>29 18</b>	<b>29 18</b>	<b>5 853 63</b>	<b>1,756,540.07</b>	<b>300.08</b>
<b>Total</b>									<b>6 445 63</b>	<b>1 919 440.82</b>	<b>297.79</b>
- insolvency rules up to 1 July 2013	540	450	395	310	233	146	80				
- insolvency rules from 1 July 2013	555	465	405	340	240	152	112				
- specialist maximum	1035	1035	870	520	390	180	120				

Expenses in the period 30 April 2013 to 30 October 2013

Category	Policy	Total £
1 All charged at cost		818 60
2 Photocopying - up to 4 pence per sheet copied, only charged for capital to creditors and other bulk copying		148 38
3 Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)		581 38
<b>Total</b>		<b>1,548 36</b>

**Administrator's progress report****2.24B**

Name of Company Manganese Bronze Holdings Plc	Company Number 00061050
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 8125 of 2012

(a) Insert full name(s) and  
address(es) of  
administrator(s)

We (a) David Matthew Hammond of PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF10 3PW, Anthony Steven Barrell of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP and Michael John Andrew Jervis of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT

(b) Insert dates

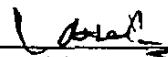
administrator(s) of the above company attach a progress report for the period

from  
(b) 30 April 2013

to

(b) 30 October 2013

Signed

  
Joint Administrator

Dated

05.11.13.

**Administrator's progress report****2.24B**

Name of Company COVT (Realisations) Ltd	Company Number 00382553
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 8128 of 2012

(a) Insert full name(s) and  
address(es) of  
administrator(s)

We (a) David Matthew Hammond of PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF10 3PW, Anthony Steven Barrell of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP and Michael John Andrew Jervis of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT

(b) Insert dates

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

from

to

(b) 30 April 2013

(b) 30 October 2013

Signed

  
Joint Administrator

Dated

 31.10.13.