

The Insolvency Act 1986

# Administrator's progress report

|  |                                   |
|--|-----------------------------------|
| Name of Company<br>COVT (Realisations) Limited   | Company Number<br>00382553        |
| In the<br>High Court of Justice, Chancery Division, Companies Court<br><small>(full name of court)</small> | Court case number<br>8128 of 2012 |

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

We (a) David Matthew Hammond of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, 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 October 2012

(b) 29 April 2013

Signed [Signature]  
Joint / Administrator(s)

Dated 23.5.13.

**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     |             |
|                   |             |
| Tel 0113 289 4014 |             |
| DX Number         | DX Exchange |

SATURDAY



A23      \*A293DNEZ\*      #274  
25/05/2013  
COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at  
Companies House, Crown Way, Cardiff, CF14 3UZ      DX 33050 Cardiff



**Manganese Bronze Holdings plc –  
in Administration  
High Court of Justice, Chancery Division,  
Companies Court  
Case No. 8125 of 2012**

**COVT (Realisations) Limited (formerly LTI  
Limited) – in Administration  
High Court of Justice, Chancery Division,  
Companies Court  
Case No. 8128 of 2012**

**Joint Administrators' progress report for the  
period to 29 April 2013**

**24 May 2013**

**PricewaterhouseCoopers LLP**  
Benson House  
33 Wellington Street  
Leeds LS1 4JP  
Telephone +44 (0) 113 289 4000  
Facsimile +44 (0) 113 289 4460  
[www.pwc.com/uk](http://www.pwc.com/uk)

*When telephoning, please ask for Sarah Corbett.  
Direct dial 013 289 4014*

## Contents

| Section |  | Pages   |
|---------|--|---------|
| 1       | Joint Administrators' progress report  | 3 - 7   |
| 2       | Statutory and other information  | 8 - 10  |
| 3       | Receipts and payments account  | 11 - 13 |
| 4       | Expenses incurred in the period  | 14      |
| 5       | Analysis of the Administrators' remuneration and Category 2 disbursements for the period | 15 - 18 |

### Abbreviations used in this report

|   |            |                              |
|---|------------|------------------------------|
| Matthew Hammond, Anthony Barrell, Mike Jervis and Ian Green                                 |            | - "the Joint Administrators" |
| COVT (Realisations) Limited<br>(formerly LTI Limited)<br>Manganese Bronze Holdings plc      | }          | - "the Companies"            |
| COVT (Realisations) Limited<br>(formerly LTI Limited)                                       |            | - "COVT"                     |
| Manganese Bronze Holdings plc   |            | - "MBH"                      |
| COVTS (Realisations) Limited<br>(formerly Manganese Bronze Services Limited)                |            | - "COVTS"                    |
| COVTP (Realisations) Limited<br>(formerly Manganese Bronze Property Services Limited)       |            | - "COVP"                     |
| The Companies<br>COVTS<br>COVTP   | } together | - "the Group"                |
| Shanghai LTI Automobile Components Company Limited  |            | "SLTI"                       |
| HSBC Plc  |            | "HSBC" or "the Bank"         |
| Geely Opco UK Limited<br>Geely International (Hong Kong) Limited<br>Geely Propco UK Limited | } together | - "the Buyers" or "Geely"    |
| Insolvency Rules 1986   |            | - "IR86"                     |
| Insolvency Act 1986   |            | - "IA86"                     |

# 1. Joint Administrators' progress report

---

## Introduction

We write to provide creditors with details of the progress of the Administrations of the Companies since our appointment. Separate progress reports have been prepared in respect of COVTP and COVTS.

We are required to provide certain statutory information pursuant to Rule 2.47(1)(a) to (d) IR86, which is included in Section 2.

At this time we are unable to provide a reliable estimate of the likely dividend to creditors as there are material uncertainties regarding future net realisations and the final level of creditor claims in respect of the Companies. These matters are discussed below.

## Background information and initial actions taken by the Administrators

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 and is 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. Most recently 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 and the Directors were unable to secure sufficient funding to continue to trade and consequently the Companies were placed into administration.

As stated in our Proposals, 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.

## Approval of the Administrators' proposals

On 30 November 2012, we circulated to creditors our Proposals for achieving the purpose of Administration. The Proposals were approved by creditors without modification at a meeting held on 19 December 2012.

## Creditors' committee

The creditors' meeting on 19 December 2012 voted to form a creditors' committee in respect of COVT. We are liaising with the creditors' committee to discuss ongoing issues and outline key decisions. We last held a meeting with the committee on 11 March 2013.

## 1. Joint Administrators' progress report

---

The committee currently consists of the following members:

- 1 Lloyds UDT Limited
- 2 Board of the Pension Protection Fund
- 3 Vm Motor Spa
- 4 Shanghai Maple Automotive Company Limited

No creditors committee was formed in respect of MBH

### Trading

While the steering box recall remained, there was a voluntary suspension on vehicle sales

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

The retained COVT staff based in Coventry, focused on dealing with issues relating to 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

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 the steering box problem was fixed prior to the sale of the business. A fix was sourced and work was commenced in November 2012. The first phase of the fix concentrated on recalled vehicles so these could get back on the road. This phase was completed before the Christmas break. We then focussed on new and unregistered vehicles

A receipts and payments account for trading activities in the period is shown at Section 3. 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. We are pleased to advise that we completed the sale of the business and assets on a going concern basis on 31 January 2013 to Geely with a sale price of £8,603,999. 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 only becomes payable if and when certain conditions are met

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. Realisations were lower than the £7.3m estimated in the statement of affairs, due to further trading losses incurred by SLTI and security against the shareholding totalling £5m. This does not yet appear on the receipts and payments account for MBH at Section 3, and is currently included in the third party funds for COVT pending transfer. In addition, the freehold and leasehold properties held by COVTP were sold to Geely realising some £2,500,000

---

COVT (Realisations) Limited (formerly LTI Limited) and Manganese Bronze Holdings plc - both in administration

Joint Administrators' progress report for the period to 29 April 2013

# 1. Joint Administrators' progress report

---

## Remaining assets

- **Book debts**

The director's statement of affairs for COVT recorded a book value for the trade debts of £2,970,558. To 29 April 2013, we collected £780,176. 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.

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.

- **Inter-group claims**

MBH has claims in the administration of COVTP and COVT. The recovery from these claims is uncertain in terms of timing and quantum.

## Receipts and payments account

An account of the receipts and payments in the Administrations for the period to 29 April 2013 are set out in Section 3.

## Expenses statement

Statements of the expenses we have incurred in the period are included at Section 4.

The statements exclude any potential tax liabilities that may be payable as an expense of the Administrations in due course because amounts due will depend on the positions at the end of the tax accounting period.

## Administrators' remuneration

Our remuneration was approved on a time cost basis by the creditors committee in respect of COVT and on a time cost basis by the general body of creditors in respect of MBH.

We have drawn remuneration of £250,000 in respect of COVT in accordance with the resolutions passed by the creditors committee. No remuneration has yet been drawn in respect of MBH.

The time cost charges incurred in the period covered by this report are £1,756,450 in respect of COVT and £240,097 in respect of MBH. In accordance with the requirements of Statement of Insolvency Practice No 9, a full analysis of our time costs and Category 2 disbursements for the period is provided in Section 5.

Set out at Section 5 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 the 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 require their expert advice. Such specialists' rates do vary but the figures below provide an indication of the maximum rate per hour.

All staff who work on these assignments (including cashiers, support and secretarial staff) charge 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. Joint Administrators' 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.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-administrators-fees-final.pdf>

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

### Pre-Administration costs

We are not currently proposing to seek payment of the unpaid pre-appointment costs for the Companies, as detailed in our Proposals

### Summary of legal and other professional firms instructed in the period

| Service provided   | Name of firm / organisation     | Reason selected                   | Basis of fees                | Company      |
|--|---------------------------------|-----------------------------------|------------------------------|--------------|
| Shareholder services   | Computershare Investor Services | Previous knowledge of the company | As per pre-appointment basis | MBH          |
| 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 and COVT |
| Valuation advice in respect of certain property and assets   | GVA Grimley Ltd                 | Expertise in the sector           | Time costs and expenses      | COVT         |
| Valuation advice in respect of certain property and assets   | BSV Associates                  | Expertise in the sector           | Time costs and expenses      | COVT         |

### 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. It is currently anticipated that the stocking loan provider will suffer a shortfall on their lending.

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.

The Bank also held legal charges against the properties held by COVT. We are pleased to confirm that the Bank has been repaid in full from COVT.

MBH is a secured creditor of COVT by virtue of a charge dated 19 September 1983, which according to Companies House has been partially released.

#### Preferential creditors

At the date of our appointment, COVT employed 274 employees and following our appointment 157 employees were unfortunately made redundant. MBH employed 9 employees.

## 1. Joint Administrators' progress report

---

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

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. However, there are several material matters that need to be resolved before we are able to comment on the timing and amounts.

***If you have not already submitted your claim, please do so using the form enclosed, specifying which company your claim relates to.***

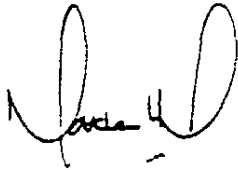
### Exit route from Administration

We are also considering the most appropriate strategy for bringing the Administration to an end, taking into consideration cost and tax implications. Creditors will be advised of our decision in due course.

### Next report

We anticipate that we will circulate our next report to creditors at the earlier of the conclusion of the Administration or in approximately six months.

Yours faithfully  
for and on behalf of the Companies



Matthew Hammond  
Joint Administrator

*David Matthew Hammond, Anthony Steven Barrell, Ian David Green and Michael John Andrew Jervis have been appointed as joint administrators of the Companies to manage their affairs, business and property as their agents without personal liability. All 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 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.*



## 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 Shillecock 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<br>John Russell, 44,247 shares<br>Peter Shillecock, 21,800 shares<br>Peter Johansen, 164,750 shares   |
| <b>Date of the Administration appointment:</b>  | 30 October 2012   |
| <b>Administrators' names and addresses:</b>   | David Matthew Hammond and 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), or Paragraph 3(1)(c) Sch B1 IA86 - realising property in order to make a distribution to one or more secured or preferential creditors               |
| <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>   | Should funds be available to distribute to the unsecured creditors, then move to creditors voluntary liquidation  |
| <b>Estimated dividend for unsecured creditors:</b>  | Too early to estimate   |
| <b>Estimated values of the prescribed part and the company's net property:</b>                                  | Too early to estimate   |
| <b>Whether and why the Administrators intended to apply to court under Section 176A(5) IA86:</b>                | This is not anticipated   |
| <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

| <b>COVT (Realisations) Limited</b>                        |   |
|---|---|
| <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>Former name:</b>                                       | LTI Limited   |
| <b>Trading names:</b>                                     | The London Taxi Company and Mann and Overton  |
| <b>Registered number:</b>                                 | 00382553  |
| <b>Registered address:</b>                                | Benson House, 33 Wellington Street, Leeds, LS1 4JP  |
| <b>Company directors:</b>                                 | John Kennedy Russell and Peter John Shillcock   |
| <b>Company secretary:</b>                                 | Mark Devlin   |
| <b>Shareholdings held by the directors and secretary:</b> | None  |
| <b>Date of the Administration appointment:</b>            | <p>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.</p> <p>On 22 January 2013, the Administrators also made a successful application to court confirming the validity of their actions since 30 October 2012.</p> |
| <b>Administrators' names and addresses:</b>               | David Matthew Hammond and 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>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), or Paragraph 3(1)(c) Sch B1 IA86 - realising property in order to make a distribution to one or more secured or preferential creditors   |
| <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>                         | <p>Should funds be available to distribute to the unsecured creditors - move to creditors voluntary liquidation or dissolution</p> <p>Should funds not be available to distribute to the unsecured creditors - move to dissolution only</p>   |

## 2. Statutory and other information

|   |   |
|---|---|
| <b>Estimated dividend for unsecured creditors:</b>  | Too early to estimate   |
| <b>Estimated values of the prescribed part and the company's net property:</b>                                  | N/A   |
| <b>Whether and why the Administrators intended to apply to court under Section 176A(5) IA86:</b>                | N/A   |
| <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. Receipts and payments account for the period

#### Manganese Bronze Holdings plc

| Directors'<br>Statement of<br>Affairs (£) | To 29 April 2013 (£)                                |
|---|---|
|   | <b>Fixed charge receipts</b>                        |
|   | Ex gratia payments <sup>(note 1)</sup> 312,878 80   |
| 7,279,281                                 | Investment in joint venture (SLTI) -                |
| <u>7,279,281</u>                          | <u>312,878 80</u>                                   |
|   | <b>Fixed charge payments</b>                        |
|   | Ex gratia payments <sup>(note 1)</sup> (312,878 80) |
|   | <u><b>(312,878.80)</b></u>                          |
|   | <b>Floating charge receipts</b>                     |
|   | Refunds 5,385 52                                    |
| 277,785                                   | Sundry debtor - DB Pension Scheme 139,804 83        |
| 22,064                                    | VAT -   |
| 2,437,194                                 | Inter-group debtors -                               |
| <u>2,737,043</u>                          | <u>145,190.35</u>                                   |
|   | <b>Floating charge payments</b>                     |
|   | Third party funds (1,800 00)                        |
|   | Delisting costs (48 00)                             |
|   | Professional fees (2,139.30)                        |
|   | Legal fees and expenses (27,399 05)                 |
|   | Bank charges (3 00)                                 |
|   | <u><b>(31,389.35)</b></u>                           |
|   | <b>Net fixed charge realisations</b> -              |
|   | <b>Net floating charge realisations</b> 113,801 00  |
|   | <b>VAT control account</b> (5,906 07)               |
|   | <u><b>107,894.93</b></u>                            |

Note 1 - Ex gratia payments were made in the Administration but funded by Geely to facilitate the sale of business

### 3. Receipts and payments account for the period

| COVT (Realisations) Limited<br>Directors' Statement<br>of Affairs (£) | To 29 April 2013<br>(£)                                 |
|---|---|
|   | <b>Fixed charge receipts</b>                            |
|   | Loans and advances <sup>(note 1)</sup> 4,000,000 00     |
| 10,233,760  | Vehicle stock (new and demo) <sup>(note 2)</sup> -      |
| <u>10,233,760</u>   | <u>4,000,000.00</u>                                     |
|   | <b>Fixed charge payments</b>                            |
|   | Repayment of loans and advances (4,000,000 00)          |
|   | <u>(4,000,000.00)</u>                                   |
|   | <b>Uncharged receipts</b>                               |
| 4,884,355 <sup>(note 3)</sup>   | Sale of business and assets 8,770,326 00                |
|   | Refunds 42,282 90                                       |
|   | Interest 3,306 11                                       |
|   | Third party funds <sup>(note 4)</sup> 5,376,070 68      |
|   | Insurance claims and refunds 1,285 02                   |
| 750,000   | Book debts 780,176 30                                   |
| 28,447  | Cash in hand 41,750 67                                  |
| <u>5,662,802</u>  | <u>15,015,197.68</u>                                    |
|   | <b>Uncharged payments</b>                               |
|   | Retention monies (2,000,000 00)                         |
|   | Motor vehicles (130 00)                                 |
|   | Vehicle insurance (16,960 00)                           |
|   | Website (30 00)   |
|   | Agents fees (8,269 22)                                  |
|   | Insurance (including product liability) (392,304 98)    |
|   | Repairs and maintenance (410 00)                        |
|   | IT costs (4,270 67)                                     |
|   | Storage costs (1,427 15)                                |
|   | Third party funds <sup>(note 4)</sup> (5,232,868 10)    |
|   | Trading account balance (1,966,084 84)                  |
|   | Cleaning and site clearance (1,177 79)                  |
|   | General expenses (362 48)                               |
|   | Office holder fees (250,000 00)                         |
|   | Office holder expenses (25,167 14)                      |
|   | Statutory advertising (669 38)                          |
|   | Committee expenses (964 86)                             |
|   | Room hire charges (742 50)                              |
|   | Legal fees and expenses (307,722 82)                    |
|   | Bank charges (4,531 57)                                 |
|   | <u>(10,214,093.50)</u>                                  |
|   | <b>Net fixed charge assets 0.00</b>                     |
|   | <b>Net uncharged assets 4,801,104.18</b>                |
|   | <b>VAT control account (283,596.48)</b>                 |
|   | <b>Monies reserved to meet COVTS costs (155,019.00)</b> |
|   | <u><u>4,362,488.70</u></u>                              |

### 3. Receipts and payments account for the period

---

#### Trading Account

##### Trading receipts

Post appointment trading sales 218,279 05

---

**218,279.05**

##### Trading payments

Net Wages (690,074 90)

PAYE and NIC (390,248 42)

Pension deductions (97,613 90)

Other payroll deductions (4,718 18)

Employee Expenses and relates costs (26,850 42)

Purchases (354,480 09)

Subcontractors (58,285 82)

Utilities (193,847 52)

Rent (105,058.20)

Rates (3,025 93)

Motor & travel expenses (5,845 40)

Repairs & maintenance (9,349 73)

Security (114,342 64)

IT costs (26,126 33)

Laundry and cleaning (31,878 94)

Lease hire charges (19,994 39)

General expenses (1,718 27)

Retention of title (9,271 32)

Bank charges (1,710 00)

Duress payments (954 39)

Licence and trademarks (2,012 78)

Transport and carriage (12,333 24)

Service charge (2,100 00)

Postage, stationery and printing (364 36)

Finance charges (18,082 12)

HSBC Merchant Services Charges (4,076 60)

---

(2,184,363 89)

##### Net trading account

**(1,966,084.84)**

#### 4. Expenses incurred in the period (irrespective of whether paid)

##### COVT (Realisations) Limited

|  | Incurred in the administration<br>to 29 April 2013<br>£ |
|--|---|
| Agents fees                            | 8,269 22  |
| Bank Charges                           | 6,241 57  |
| Cleaning and site clearance            | 1,177 79  |
| Committee expenses                     | 964 86  |
| Duress payments                        | 954 39  |
| General expenses                       | 2,080 75  |
| Gross wages and employee related costs | 1,209,505 82  |
| HSBC Merchant Services Charges         | 22,158 72   |
| Insurance                              | 392,304 98  |
| IT costs                               | 30,397 00   |
| Laundry and cleaning                   | 31,878 94   |
| Lease hire charges                     | 19,994 39   |
| Legal Fees & Expenses                  | 327,040 37  |
| Licence and trademarks                 | 2,012 78  |
| Motor vehicles                         | 5,975 40  |
| Office Holders Expenses                | 28,608 70   |
| Office Holders Fees                    | 1,756,540 69  |
| Postage, stationery and printing       | 364 36  |
| Purchases                              | 354,480 09  |
| Rates                                  | 3,025 93  |
| Rent                                   | 105,058 20  |
| Repairs and maintenance                | 9,759 73  |
| Retention of title                     | 9,271 32  |
| Room hire charges                      | 742 5   |
| Security                               | 114,342 64  |
| Service charge                         | 2,100.00  |
| Statutory advertising                  | 669 38  |
| Storage costs                          | 1,427 15  |
| Subcontractors                         | 58,285 82   |
| Transport and carriage                 | 12,333 24   |
| Utilities                              | 193,847 52  |
| Website                                | 30  |
| <b>Total</b>                           | <b>4,711,844.25</b>                                     |

##### Manganese Bronze Holdings plc

|                         | Incurred in the administration to<br>29-Apr-13<br>£ |
|-------------------------|---|
| Bank Charges            | 3   |
| Delisting costs         | 48  |
| Legal Fees              | 33,529.65   |
| Office Holders Expenses | 2,468 42  |
| Office Holders Fees     | 240,097 10  |
| Professional Fees       | 2,548 05  |
| <b>Total</b>            | <b>278,694.22</b>                                   |

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

**Section 5**

Analysis of time costs for the period 30 October 2012 to 29 April 2013

| Aspect of assignment         | Partner       | Director      | Senior Manager  |                 | Manager         | Senior Associate |               | Associate    | Secretarial     | Total hours      | Time cost<br>£ | Average hourly rate<br>£ |
|------------------------------|---------------|---------------|-----------------|-----------------|-----------------|------------------|---------------|--------------|-----------------|------------------|----------------|--------------------------|
|                              |               |               | 39 87           | 101 28          |                 | 29 73            | 0 75          |              |                 |                  |                |                          |
| 1 Strategy & Planning        | 64 80         | 95 65         | 39 87           | 101 28          | 101 28          | 29 73            | 0 75          | 3 50         | 335 58          | 131,729          | 393            |                          |
| 2 Trading                    | 22 91         | 21 65         | 135 10          | 806 44          | 806 44          | 487 19           | 69 75         | 2 05         | 1,545 09        | 442,963          | 287            |                          |
| 4 Assets                     | 6 00          | 10 55         | 234 05          | 88 09           | 88 09           | 121 10           | 5 70          | -            | 465 49          | 155,631          | 334            |                          |
| 4 Sale of business           | 102 60        | 100 75        | 439 25          | 91 99           | 91 99           | 226 95           | -             | 6 40         | 967 94          | 351,585          | 363            |                          |
| 5 Investigations             | 4-40          | -             | 14 08           | 4 95            | 4 95            | 9 35             | 3 00          | 1 80         | 37 58           | 12,231           | 326            |                          |
| 6 Creditor liaison           | -             | -             | 1 34            | 8 44            | 8 44            | 162 70           | 95 10         | 3 95         | 271 53          | 51,715           | 190            |                          |
| 7 Accounting and treasury    | -             | 1 70          | 101 67          | 26 12           | 26 12           | 105 27           | 219 72        | 0 35         | 454 83          | 103,051          | 227            |                          |
| 8 Reporting                  | 41 06         | 17 75         | 47 50           | 102 59          | 102 59          | 37 95            | 3 85          | 0 40         | 251 10          | 90,185           | 359            |                          |
| 9 Statutory and compliance   | 15-45         | 43-55         | 114 37          | 156-47          | 156-47          | 184 60           | 42 53         | 8 05         | 565 02          | 165,942          | 294            |                          |
| 10 Tax/VAT/Pensions          | 1 00          | 15 60         | 35 56           | 76 24           | 76 24           | 53 31            | 52 22         | 0 18         | 234 11          | 75,817           | 324            |                          |
| 11 Employees                 | 2 00          | 43 45         | 19 69           | 129 48          | 129 48          | 141 71           | 77 40         | 2 50         | 416 23          | 107,494          | 258            |                          |
| 12 Closure procedures / exit | -             | 0 50          | -               | 5 50            | 5 50            | 26 80            | -             | -            | 32 80           | 6,540            | 199            |                          |
| 13 Administration            | 1 50          | -             | 1 40            | 6 65            | 6 65            | 164 80           | 7 00          | -            | 181 35          | 37,451           | 207            |                          |
| 14 Information Technology    | -             | -             | 5 50            | 42 00           | 42 00           | 47 50            | -             | -            | 95 00           | 24,208           | 255            |                          |
| <b>Total</b>                 | <b>261 71</b> | <b>351 15</b> | <b>1,189 38</b> | <b>1,646 24</b> | <b>1,646 24</b> | <b>1,798 96</b>  | <b>577 02</b> | <b>29 18</b> | <b>5,853 63</b> | <b>1,756,540</b> | <b>300</b>     |                          |

\*Note approximately £15,000 of this time is to be recharged to Geely for work undertaken in respect of employee wages and transactions following the sale of the business and assets on 31 January 2013

Current Charge out rates per hour  
 - insolvency 540  
 - specialist 1035

| Category     | Policy  | Total £          |
|--------------|---|------------------|
| 1            | All charged at cost   | 16,651 05        |
| 2            | Photocopying - up to 4 pence per sheet copied, only charged for circulars to creditors and other bulk copying | 25 00            |
| 3            | Mileage - At a maximum of 67 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc)               | 11972 65         |
| <b>Total</b> |   | <b>28,608 70</b> |



Manganese Bronze Holdings plc - In Administration

Section 5

Analysis of time costs for the period 30 October 2012 to 29 April 2013

| Aspect of assignment         | Partner      |              | Director      |               | Senior Manager |              | Manager     |               | Senior Associate |            | Associate |  | Secretarial |  | Total hours | Time cost<br>£ | Average hourly rate<br>£ |
|------------------------------|--------------|--------------|---------------|---------------|----------------|--------------|-------------|---------------|------------------|------------|-----------|--|-------------|--|-------------|----------------|--------------------------|
|                              |              |              |               |               |                |              |             |               |                  |            |           |  |             |  |             |                |                          |
| 1 Strategy & Planning        | 16.01        | 10.94        | 17.54         | 17.38         | 18.21          | 0.25         | 0.21        | 80.33         | 29,578           | 368        |           |  |             |  |             |                |                          |
| 2 Trading                    | 1.09         | 0.21         | 6.04          | 35.07         | 40.11          | 6.09         | 0.21        | 88.82         | 22,846           | 257        |           |  |             |  |             |                |                          |
| 3 Assets                     |              | 2.75         | 7.25          | 10.63         | 12.09          | 3.30         |             | 36.02         | 10,602           | 294        |           |  |             |  |             |                |                          |
| 4 Sale of business           | 33.88        | 7.88         | 27.28         | 0.46          | 58.58          | 1.19         |             | 129.27        | 44,934           | 348        |           |  |             |  |             |                |                          |
| 5 Investigations             | 1.00         |              | 14.68         | 3.10          | 10.10          |              |             | 28.88         | 9,652            | 334        |           |  |             |  |             |                |                          |
| 6 Creditor liaison           |              |              |               | 2.85          | 5.16           | 5.21         | 0.49        | 13.71         | 2,698            | 197        |           |  |             |  |             |                |                          |
| 7 Accounting and treasury    |              |              | 14.90         | 1.78          | 12.23          | 8.14         | 0.07        | 37.12         | 10,365           | 277        |           |  |             |  |             |                |                          |
| 8 Reporting                  | 7.97         | 5.29         | 3.22          | 10.93         | 11.15          |              |             | 38.56         | 13,692           | 355        |           |  |             |  |             |                |                          |
| 9 Statutory and compliance   | 2.80         | 2.33         | 10.17         | 62.86         | 66.31          | 16.63        | 0.14        | 161.24        | 41,530           | 258        |           |  |             |  |             |                |                          |
| 10 Tax/VAT/Pensions          |              | 6.45         | 14.44         | 66.83         | 16.86          | 38.11        | 0.04        | 142.73        | 44,606           | 313        |           |  |             |  |             |                |                          |
| 11 Employees                 | 0.75         | 0.35         |               | 14.74         | 7.25           | 5.28         |             | 28.37         | 7,172            | 253        |           |  |             |  |             |                |                          |
| 12 Closure procedures / exit |              |              |               |               |                |              |             |               |                  |            |           |  |             |  |             |                |                          |
| 13 Administration            | 0.50         |              | 0.28          | 2.49          | 6.56           | 1.40         | 0.14        | 11.37         | 2,522            | 222        |           |  |             |  |             |                |                          |
| 14 Information technology    |              |              |               |               |                |              |             |               |                  |            |           |  |             |  |             |                |                          |
| <b>Total</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>796.12</b> | <b>240,097</b>   | <b>301</b> |           |  |             |  |             |                |                          |

Current Charge out rates per hour

|              |      |      |     |     |     |     |     |
|--------------|------|------|-----|-----|-----|-----|-----|
| - insolvency | 540  | 450  | 395 | 310 | 233 | 146 | 80  |
| - specialist | 1035 | 1035 | 870 | 520 | 390 | 180 | 120 |

| Category  | Policy | Total £          |
|---|--------|------------------|
| 1 All charged at cost   |        | 2,092,541        |
| 2 Photocopying - up to 4 pence per sheet copied, only charged for circulars to creditors and other bulk copying |        | 225,971          |
| 2 Mileage - At a maximum of 67 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc)               |        | 149,911          |
| <b>Total</b>  |        | <b>2,468,422</b> |

## **5. Analysis of the Administrators' remuneration and Category 2 disbursements for the period**

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

- Attendance on site
- Internal team briefings on case progression and resolution of outstanding issues
- Exploring options for insolvency and planning for key issues
- Reviewing forecasts
- Administrator oversight of case progression
- Options analysis in respect of funding and liaising with key parties
- Reviewing security documentation

### Sale of business

- Involvement in the preparation of information memorandums.
- Liaising with interested parties and contacting potential buyers
- Involvement in coordinating and conducting management presentations to key parties
- Responding to information requests and buyer queries
- Reviewing security documentation
- Liaising with purchaser and responding to purchaser queries
- Reviewing sales contracts
- Dealing with post-sale matters

### Trading

- Negotiating with the funder for further finance
- Overseeing the diagnostic of the steering fault recall issue of 400 vehicles
- Working with key company staff to seek a supplier to order parts to fix the recalled vehicles
- Dealing with suppliers for continuance of trade
- Liaising with utility providers and negotiating terms for continued trade for the head office and the 6 dealership sites
- Managing the dealerships and ongoing provision of servicing to customers
- Dealing with retention of title queries and claims
- Liaison with TFL, Mayor's office, LTDA, and other driver organisations
- Review of warranty policy and position
- Development and implementation of a goodwill policy in place of warranty
- Dealing with final trading payments to be made
- Dealing with clearances from suppliers during the trading period

### Reporting

- Providing initial analysis and reports to the bank in order to secure funding
- Continuous communication with the Bank regarding strategy and forecasts of the administration
- Producing detailed analysis on forecasts, the strategy and other supporting documents
- Discussions regarding the recall strategy
- Liaison with the COVT committee

### Assets

- Discussions with landlords of the properties regarding occupancy going forward and payment plans
- Coordinating the removal of assets from closing sites
- Overseeing the diagnostic of the steering fault recall issue of c 600 stock vehicles
- Working with key company staff to seek a supplier to order parts to fix the recalled vehicles
- Dealing with retention of title queries and claims
- Managing the realisation of book debts

## **5. Analysis of the Administrators' remuneration and Category 2 disbursements for the period**

### Accounting and treasury

- Arranging and approving payments in relation to trading and general administration matters
- Opening the Administration bank account
- Bank reconciliations
- Recording receipts, payments and account postings
- Providing facilitation services to Geely whilst it opens its own bank accounts

### Statutory and compliance

- Initial letters and notifications following the appointment of Administrators.
- Arranging for the preparation of the statement of affairs
- Preparing the Administrators' statement of proposals.
- Updating communications on the website
- Dealing with application to court regarding FSA consent

### Tax/VAT/pensions

- Meetings with internal specialists, and advice prepared, to determine necessary actions and responsibilities on Tax, VAT and pension matters
- VAT team attending out on site to gather information from company staff
- Reviewing the existing pension schemes and employee benefit arrangements
- Liaising with Pension Protection Fund ("PPF") regarding the movement of the company pension scheme to the PPF and discussing their claim
- Sending out statutory notices to pension regulators and scheme providers
- Liaising with the independent trustees of the pension scheme
- Submission of VAT post appointment VAT returns

### Employees

- Liaising with management to understanding employee roles, responsibilities and staffing requirements going forth
- Employee representative attendance on site
- Redundancy related issues, including arranging the production of statutory forms
- Resolving employee issues and queries
- Liaison with Redundancy Payments Office regarding circumstances of the Administration, employee information, claims and systems
- Calculating the holiday pay claims for employees
- Responding to employee queries
- Holding on site workshops for employees
- Employee updates
- Reviewing employee preferential claims position

### Investigations

- Reviewing the affairs of the Company prior to administration and have also considered the points raised by creditors in discharging their duties under the Company Directors Disqualification Act 1986

### Creditor liaison

- Dealing with creditor correspondence received on a day to day basis
- Dealing with creditor calls

### Closure procedures and exits

- Reviewing and assessing the exit routes for the Administrations

### Information technology

- Examination of the Companies records and obtaining copies of electronic records held by the Companies

# Administrator's progress report

# 2.24B

|  |
|--|
| Name of Company<br>COVT (Realisations) Ltd |
|--|

|                            |
|----------------------------|
| Company Number<br>00382553 |
|----------------------------|

|  |
|--|
| In the<br>High Court of Justice, Chancery Division, Companies Court<br><small>(full name of court)</small> |
|--|

|                                   |
|-----------------------------------|
| Court case number<br>8128 of 2012 |
|-----------------------------------|

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

We (a) David Matthew Hammond of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, 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

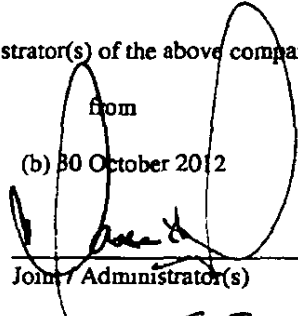
from

to

(b) 30 October 2012

(b) 29 April 2013

Signed

  
John / Administrator(s)

Dated

23.05.13

# Administrator's progress report

# 2.24B

|   |   |
|---|---|
| <p>Name of Company<br/>Manganese Bronze Holdings Plc</p>  | <p>Company Number<br/>00061050</p>        |
| <p>In the<br/>High Court of Justice, Chancery Division, Companies Court<br/><small>(full name of court)</small></p> | <p>Court case number<br/>8125 of 2012</p> |

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

We (a) David Matthew Hammond of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, 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 October 2012

(b) 29 April 2013

Signed

  
Joint Administrator(s)

Dated

29.5.13