In accordance with Rule 6.28 of the Insolvency (England & Wales) Rules 2016 and Section 106(3) of the Insolvency Act 1986.

LIQ14
Notice of final account prior to dissolution in CVL

Companies House

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

1 Company details

Company number	0 3 9 5 0 8 6 3
Company name in full	Powertrain Limited

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

2 Liquidator's name

Full forename(s)	David Matthew
Surname	Hammond

3 Liquidator's address

Building name/number	One Chamberlain Square
Street	
Post town	Birmingham
County/Region	
Postcode	B 3 3 A X
Country	United Kingdom

4 Liquidator's name ❶

Full forename(s)	Robert Nicholas
Surname	Lewis

❶ **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address ❷

Building name/number	7
Street	More London Riverside
Post town	London
County/Region	
Postcode	S E 1 2 R T
Country	United Kingdom

❷ **Other liquidator**
Use this section to tell us about another liquidator.

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6 **Liquidator's release**

☐ Tick if one or more creditors objected to liquidator's release.

:

7 **Final account**

☑ I attach a copy of the final account.

8 **Sign and date**

Liquidator's signature	Signature X X
Signature date	d1 d7 m0 m2 y2 y0 y2 y3

LIQ14

Notice of final account prior to dissolution in CVL

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name: Helena Perevalova

Company name: PricewaterhouseCoopers LLP

Address: 8th Floor, Central Square

29 Wellington Street

Post town: Leeds

County/Region: West Yorkshire

Postcode: L S 1 4 D L

Country: United Kingdom

DX:

Telephone: 0113 288 2046

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

Further information

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

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

Joint liquidators' final account

Powertrain Limited in liquidation

22 December 2022

Table of contents

Abbreviations and definitions	**2**
Key messages	**4**
What we've done during the liquidation	**5**
Outcome for creditors	**9**
Progress since we last reported	**11**
Appendix A: Receipts and payments	**14**
Appendix B: Expenses	**15**
Appendix C: Remuneration update	**17**
Appendix D: Other information	**23**

Abbreviations and definitions

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

Abbreviation or definition	Meaning
Joint Administrators	Anthony Victor Lomas, Robert Jonathan Hunt and Steven Anthony Pearson
Company, Powertrain	Powertrain Limited
China Brilliance	China Brilliance Industrial Holdings
DTI	Department of Trade and Industry
Liquidators / Joint Liquidators we / us / our	David Matthew Hammond and Robert Nicholas Lewis
Firm/PwC	PricewaterhouseCoopers LLP
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
ICAEW	Institute of Chartered Accountants in England and Wales
MGRG	MG Rover Group Limited – in Creditors' Voluntary Liquidation
HMRC	HM Revenue and Customs
PVH	Phoenix Venture Holdings Limited
PVH Group,	Companies held under the PVH umbrella
NAC	Nanjing Automobile (Group) Corporation
PPF	Pension Protection Fund
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Preferential creditors	Generally, claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
RPS	Redundancy Payment Service
SAIC	Shanghai Automotive Industry Corporation
Secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
Techtronic	Techtronic (2000) Limited
Unsecured creditors	Creditors who are neither secured nor preferential

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

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

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

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

Please note you should read this report in conjunction with the Joint Liquidators' previous reports issued to the Company's creditors, which can be found at https://www.pwc.co.uk/powertrain. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

David Matthew Hammond and Roberth Nicholas Lewis have been appointed as Joint Liquidators of the Company. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at: https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics

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

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Key messages

Why we've sent you this report

We're writing to tell you that the Company's affairs are now fully wound up and to provide our final account of the liquidation including an update since our last progress report.

You can still view our earlier reports on our website at https://www.pwc.co.uk/powertrain. Please get in touch with Helena Perevalova at uk_insolvencydocsrequests@pwc.com if you need any of the passwords to access the reports.

How much creditors have received

The following table summarises the outcome for creditors.

Class of creditor	Distributed (p in £)	Previous estimate (p in £)
Preferential creditors	100p in the £	100p in the £
Unsecured creditors	54.11p in the £	54.11p in the £

What you need to do

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

The enclosed Notice of Final Report gives details of creditors' rights in relation to requesting further information, challenging the Liquidators' remuneration and expenses and objecting to the Joint Liquidators' release from liability.

More information in relation to creditors' rights can also be found in the guide below:

https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/liquidations-creditor-fee-guide-1-april-2021.ashx?la=en

http://www.icaew.com/~/media/corporate/files/technical/insolvency/creditors%20guides/creditors%20guide%20to%20liquidators%20fees%20england%20and%20wales.ashx

You can also get a copy free of charge by contacting Helena Perevalova at uk_insolvencydocsrequests@pwc.com

What we’ve done during the liquidation

This is the final report to creditors of the Company and we summarise below the Company’s background and reasons for its insolvency since it first entered administration on 8 April 2005.

In concluding the insolvency proceedings, we would like to express our gratitude to all the former employees, creditors and other stakeholders for their dedication, commitment and patience during the course of the insolvency whilst we carried out work essential to ensure that the creditors of the Company receive the best outcome possible.

Background

The Company was incorporated as Treasurerealm Limited on 14 March 2000. Its immediate parent company is Techtronic and its ultimate parent company is PVH.

The Company designed, manufactured and sold engine and transmission units for the automotive market. At the time of the appointment of administrators (8 April 2005) its principal customer was MGRG, a fellow subsidiary of PVH. MGRG accounted for approximately 80% of Company's sales. The Company also supplied a number of third parties with engines and transmissions, together with the aftermarket in respect of spare parts. At the date of the Joint Administrators’ appointment, the Company employed 1,203 staff.

The circumstances giving rise to the Joint Administrators' appointment

In 1994 BMW acquired Rover Group Limited from British Aerospace Plc. After six years of unsatisfactory performance, BMW decided to re-organise and dispose of most of the Rover related businesses. BMW retained the Mini production operations at Cowley, Oxford and the Powertrain plant at Longbridge, and it sold the Land Rover business to Ford. Techtronic acquired MGRG and certain other subsidiaries on 9 May 2000 under the PVH umbrella and subsequently acquired Powertrain from BMW on 1 June 2001.

Since its sale by BMW, in the view of the PVH Group, a collaborative partner was required in order to ensure the long-term success and viability of the business. Discussions were held with a number of parties, including China Brilliance and in March 2002 PVH Group announced it had entered a long-term strategic alliance with China Brilliance to finance, develop, manufacture and market vehicles for the mutual benefit of both partners. The alliance envisaged that MG Rover cars would be produced both in China and in the UK.

The alliance terminated later that year and the PVH Group sought a new partner. After an extensive search PVH Group believed that SAIC presented the best option. Negotiations started in 2004 and envisaged a formal arrangement under which SAIC and PVH together with a number of its subsidiaries were to form two joint ventures, sharing technology and production processes.

The Company's 2003 statutory accounts identified the importance of the SAIC joint venture to the future prospects. Powertrain and MGRG together continued to be loss-making and cash negative, making them dependent on the successful and timely implementation of the SAIC transaction for continued trading. In the absence of third party funding, neither PVH nor any of its subsidiaries had sufficient resources to support either MGRG or Powertrain in the longer term.

As part of its continued interest in pursuing a transaction with PVH, SAIC made an initial payment in September 2004 to acquire an interest in certain intellectual property rights of the Company. Later in 2004, MGRG entered into further transactions with SAIC relating to its intellectual property rights. The proceeds of these transactions provided liquidity to enable discussions with SAIC to continue until such time as the overarching transaction completed. Accordingly, in January 2005, MGRG received a further payment from SAIC.

In February 2005, we understand that the PVH Group commenced talks with the DTI to negotiate a bridging loan facility to provide additional liquidity whilst arrangements with SAIC were concluded. We understand that in February 2005 a revised letter of intent was signed by SAIC, NAC and PVH.

During March 2005, PVH continued to negotiate with SAIC on the proposed terms of the transaction as well as liaising with the DTI on the requested bridging loan. By April 2005 the progress that had been made with SAIC was insufficient to enable a bridging loan to be made. In the light of this information and in the absence of any other funding, MGRG was no longer in a position to be able to pay its debts and the directors took steps to request the appointment of administrators on 8 April 2005.

As outlined above, approximately 80% of the Company's sales were to MGRG. MGRG had an amount of c.£120m payable to Powertrain as at 7 April 2005. As MGRG was unable to pay amounts due to Powertrain, the Company was unable to continue to trade and so the directors of the Company requested the appointment of Joint Administrators on 8 April 2005.

The manner in which the Company's affairs and business have been managed and financed

Immediately following the appointment of the Joint Administrators, the prospects for continuing engine production were assessed. On 6 April 2005 MGRG announced that vehicle production was suspended. It was evident on 8 April 2005 that vehicle production at MGRG would not be recommenced for the foreseeable future. At the time of the appointment of Joint Administrators, the Company had no cash and no ability to meet ongoing payroll and operating costs for the circa 1,200 employees.

Immediately following the appointment of the Joint Administrators, urgent discussions were held with the DTI. Given the advanced nature of the discussions with SAIC, the Joint Administrators were keen to establish SAIC's ongoing interest, if any, particularly with a view to any possible sale on a going-concern basis now that the Company was in Administration and its business and assets were potentially available free of certain liabilities.

The DTI provided a rescue loan of £1.3m to meet the essential outgoings associated with the business for the week of 11 April 2005 to 17 April 2005. In particular, this enabled the Joint Administrators to retain the workforce intact for a week whilst discussions with SAIC and other potentially interested parties were pursued.

Over the weekend of 9-10 April 2005, steps were taken to contact the Company's third party customers to explore whether production could continue. It was apparent that as MGRG did not demand further supplies for engines and gearboxes, a redundancy programme would be necessary. Approximately 700 employees were made redundant on 15 April 2005.

There was some short-term demand for engines and gearboxes to satisfy the requirements of the Company's external customers. The Joint Administrators worked closely with management and the third party customers to establish whether it was feasible to recommence production. It was understood that it would be necessary to obtain the unanimous support of the suppliers to ensure engines could be produced at an acceptable price to the customers.

Significant demands were made by a small number of suppliers as a condition for continuing to supply the Company in administration. After factoring into account the demands raised by the suppliers, it was decided to hold a meeting of all relevant suppliers to try and negotiate acceptable arrangements. This meeting was held on 26 April 2005. This meeting was not a formal statutory meeting but was attended by over 80 suppliers. A small number of suppliers continued to demand significant duress payments and despite further discussions with all these parties it became apparent that supplier support was not forthcoming and as a consequence, the main third party customer was unable to bear the price uplifts that would be required. Therefore there was no other alternative but to make a further 370 redundancies from the workforce on 28 April 2005.

Trading activities and sale of the assets

The Joint Administrators sought offers for the business and assets of the Company whilst continuing to trade the business in order to fulfil orders from work-in-progress at the date of their appointment. Trading ceased in September 2005 and further redundancies took place. By continuing to trade the Company, a trading surplus had been generated and significant overhead costs were recovered that would have been incurred in any event.

Unfortunately, after a protracted period of negotiations with a number of parties, it became clear that a sale of the business as a going concern would not be achieved. On 22 July 2005 the Joint Administrators entered into a contract for the sale of the majority of the Company's assets to NAC for £30m. The assets sold to NAC consisted of such right, title and interest as the Company had in plant, machinery, tooling, stock, and intellectual property. Certain completed finished engine units were excluded from the sale and a strategy was put in place to realise the value from these excluded assets.

NAC de-commissioned and removed the plant and equipment which was shipped to China. This process took five months, during which time a number of employees were retained to assist in this complex exercise. Some of the costs of occupying the site whilst the residual assets were realised were mitigated by passing certain costs to NAC. As the majority of the Company's assets had all been realised, it vacated Longbridge on 24 February 2006.

In line with the proposals, the Company exited the administration by entering Creditors' Voluntary Liquidation on 20 March 2006. At the date of the liquidation, there remained a number of unresolved issues regarding certain intellectual property rights between SAIC and NAC. As noted above, at the date of the Joint Administrators' appointment the Company was owed c.£120m by MGRG, therefore any return to the creditors of the Company was dependent on the dividends payable by MGRG as it would form the largest part of the funds available to creditors. The summary of matters and asset realisations since the start of liquidation are provided below.

Asset realisations

Inter-company debts

The Joint Administrators submitted a claim of £118m in MGRG which was admitted in full, but during the reporting period 2010/2011 and with the prior approval of the liquidation committee, the claim was subsequently revised down to £98m, as detailed below in the Unsecured Creditors - trade and other claims section of this report.

At the beginning of the liquidation, it was anticipated that the total recovery from MGRG was likely to be around 5p in the £. In fact, the total realisations from the dividends paid by MGRG were £29.2m, which represents 29.7p in the £, significantly higher than anticipated at the beginning of the insolvency. MGRG paid a total of six dividends, which resulted in the Company being able to make six distributions to its own creditors.

Cash balance

The Joint Administrators released cash balances totalling £37.1m to the liquidation following the exit from the administration.

Other matters

Intellectual Property Rights dispute

A number of unresolved issues between SAIC and NAC regarding certain of the Company's intellectual property rights were outstanding at the date of the liquidation. Despite the fact that the transaction took place prior to the insolvency, the Joint Liquidators continued to assist the two parties towards reaching a resolution, with work in accordance with a methodology approved by the Court. During the reporting year 2007/2008 the issues were resolved and no further action was required.

Liquidation committee

The administration creditors' committee automatically became the liquidation committee, following the Company's move from administration to liquidation. During the entire liquidation, the liquidators have met with and reported matters of interest to the liquidation committee, and sought input from its members in relation to key decisions.

Following the closure of the liquidation, the liquidation committee will be automatically disbanded. The liquidators would like to place on record their thanks to the members of the liquidation committee for their support and commitment over a significant period of time.

Change of liquidators

Following the move from Administration to Liquidation, Steven Anthony Pearson and Robert Jonathan Hunt were appointed as Joint Liquidators 20 March 2006. On 26 June 2008, Robert Jonathan Hunt ceased to act as Joint Liquidator and was replaced by Robert Nicolas Lewis on the same date, who remains as a Joint Liquidator to present date.

Steven Anthony Pearson ceased to act as Joint Liquidator on 24 December 2018 and was subsequently replaced by David Matthew Hammond on the same date, who remains as a Joint Liquidator to present date.

Outcome for creditors

Secured creditors

The Company had no Secured creditors.

Preferential Creditors (mainly employees)

The only known preferential claims in the liquidation were those of 1,149 former employees relating to holiday pay. A proportion of the claims were met by the RPS (a division of DTI) for which it was able to submit a preferential claim.

The claims of preferential creditors including the DTI were agreed at £0.7m and a first and final dividend of 100p in the £ was paid on 14 July 2006.

Unsecured creditors

Unsecured creditors — employee claims

At the beginning of the liquidation the employee claims were estimated at £23m, which included certain claims from former employees and the DTI in respect of redundancy pay, payment in lieu of notice, protective awards and other items.

The Directors' Statement of Affairs attributed a value of £13.2m for unsecured employee claims but did not anticipate the level of protective awards made against the Company's estate due to practical constraints in conducting a compliant consultation. During the course of the liquidation, the total amount of unsecured employee claims reduced to £17.7m. During the reporting period 2013/2014, an additional 50 potential claims from former employees relating to unmitigated contractual notice pay and protective award claims with an estimated value of £295k were identified. All these claims were agreed and admitted for dividend purposes.

Unsecured creditors — trade and other claims

Since the appointment of the liquidators, a total of circa 1,700 claims with a total value of £110.1m were admitted (including the employee claims mentioned above).

The PPF submitted a claim in respect of the Company's deemed share of the deficit arising from the MG Rover Group main pension scheme of approximately £473m. The PPF's claim totalled £128.7m, representing a significant increase from the value stated in the Directors' Statement of Affairs of £81.3m.

Seven group companies (the "Participating Companies") had employees who were members of the pension scheme, but the main participants were the Company and MGRG. The PPF was of the view that it had had the discretion to allocate the overall scheme deficit amongst the Participating Companies as it saw fit. The scheme also included "orphan" debts estimated at £115m, relating to employees employed by non Participating Companies prior to 1990 which were subsequently transferred into the pension scheme.

The PPF allocated the entire amount of this "orphan" debt against the Company. The claim of the PPF gave rise to some untested legal issues regarding allocation of the deficit and the powers of the PPF. In addition to the claim made in respect of the main pension scheme, the Joint Liquidators received a claim in respect of a second scheme in which the Company participated, namely the MG Rover Group Senior Pension Scheme. This second claim was for £7.07m and raised similar issues to those arising in respect of the claim made in the main scheme.

The Joint Liquidators instructed solicitors and two leading Counsel, one specialising in insolvency law and one in pensions law, to research the legal position and provide advice. That advice was that the proper legal interpretation of the PPF's claim may not necessarily accord with the PPF's own view. The standing of the PPF's claim was uncertain, and the Joint Liquidators were prepared to seek directions from the Court in respect of a number of important and complex issues that arise from the way in which the claim has been calculated and apportioned.

During the reporting period 2009/2010 the Joint Liquidators reached a settlement with the PPF in which the Company agreed to admit claims of £47.4m in respect of the Main Scheme and £2.6m in respect of the MGRG Senior Scheme, an overall reduction in the combined claims of £85.8million. As part of the settlement, the PPF agreed to reduce its overall claim against MGRG by £20m and Powertrain agreed to reduce its own claim against MGRG by £20m, which now meant that the Company's claim in MGRG would be £98m.

In the first year of liquidation a claim of £200m was received from Land Rover in respect of two clauses contained in their engine and gearbox supply agreements with the Company, which purported to be liquidated damages clauses. This was not reflected in the Directors' Statement of Affairs and at the time represented the single largest claim in the estate. During the period 2009/2010 a settlement was reached with Land Rover in respect of its claim and a single payment was made to compromise all issues between the Company and Land Rover.

The terms of the settlement are confidential but Land Rover has not received dividends from the Company. The settlement, which was discussed and approved by the liquidation committee, represented a favourable outcome to Unsecured creditors.

The Directors' Statement of Affairs placed a value on the PVH claim of £1.4m. However, PVH submitted a claim for £24.4m which included an amount of £23m paid by PVH pursuant to an agreement under which PVH agreed to pay £23m to Land Rover upon the occurrence of certain events, including the Company's insolvency. The larger part of the claim was rejected in early 2007 and PVH then took Court action to challenge that decision. Those legal proceedings were stayed to allow PVH time to provide certain further information to the Joint Liquidators in connection with its claim. This also allowed both parties time to consider their respective positions with a view to exploring a settlement without the need for further Court involvement.

After several months of negotiations, a single cash settlement was agreed with PVH. The terms of the settlement were approved by the liquidation committee and were on terms that are favourable to the estate. The terms of the compromise are confidential and this matter was concluded during the period 2009/2010.

The timing and quantum of the unsecured dividends paid in liquidation

The Prescribed Part is a fund that has to be made available for Unsecured creditors. It's paid out of "net property". Net property is floating charge realisations after costs, and after paying - or setting aside enough to pay - Preferential Creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

In this case the Prescribed Part doesn't apply because there is no floating charge registered against the Company.

The table below illustrates the summary of the amount, years and p in the £ of the dividends paid to the creditors of the Company during the liquidation period.

Dividend timing	Rate of p in the £	Total distributed £m
1st dividend to unsecured creditors on 4 November 2009	8.0	8.8
2nd dividend to unsecured creditors on 27 January 2010	20.0	22.0
3rd dividend to unsecured creditors on 18 January 2016	7.0	7.7
4th dividend to unsecured creditors 15 April 2019	4.74	5.2
5th dividend to unsecured creditors on 13 October 2020	3.45	3.8
6th and final dividend to unsecured creditors on 13 May 2022	10.92	12.0
Totals	**54.11**	**59.5**

Following payment of the sixth and final dividend in May 2022, we have received a number of former employee and supplier queries regarding payment of the dividend and previous dividends. These included name changes, address updates and requests to reissue cheques. In the interests of keeping costs to a minimum all,such requests were collated and these were completed in two reissue batches, one completed in July 2022 which included 30 reissues and another batch of reissues was sent in October 2022 which included further eight reissues.

Any dividend cheques which remained unbanked were paid over to the Insolvency Service Unclaimed Dividend Unit in November 2022. All the unclaimed dividends have now been transferred to the Insolvency Service and if you haven't banked your dividend cheque, you need to apply to the Insolvency Service for your dividend to be re-issued and not the Joint Liquidators. You can do this by contacting the Insolvency Service at CustomerServices.EAS@insolvency.gov.uk.

Progress since we last reported

Realisation of assets

As you may recall from earlier progress reports, the Company has an admitted claim of c. £98m in the liquidation of MGRG. The Company received six dividends totalling £29.2m from MGRG, including a sixth and final dividend being received in May 2022 in the sum of £8.4m.

All asset realisations have now been concluded.

Connected party transactions

We have a duty (under Statement of Insolvency Practice No. 13) to disclose any disposal of assets in the liquidation to a director or other connected party, regardless of the nature or value of the assets concerned. We are not aware that any such transactions have occurred.

Statutory and compliance

During the period covered by this report we have completed all relevant statutory and compliance tasks including:

- Preparation, review and delivery of the sixteenth annual progress report to members and creditors which included sending out a summary page of the progress of the liquidation during the period and issuing general website notice so the future reports can be obtained from the case website;
- Preparing for and holding annual meetings of members and creditors for 2022;
- Preparation, review and filing of statutory receipts and payments account at Companies House; and
- Holding internal meetings to ensure the case progression.

Investigations and actions

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

Our receipts and payments account

A receipts and payments account for the period from 20 March 2022 to 22 December 2022 and for the liquidation in total is provided in Appendix A.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred in the period since our last report.

Our fees

The liquidation committee passed a resolution in June 2006 enabling us to draw fees by reference to the time properly given by us and our staff in dealing with the liquidation. In addition, the Joint Liquidators were authorised to draw 75% of their time costs on account at the end of each month, with the remaining 25% of remuneration drawn subject to subsequent approval by the liquidation committee.

In the current period, we have drawn fees of £167,049 plus VAT against our outstanding time costs which relate to the period from 1 August 2020 to 31 December 2021. We have also drawn our final fee of £95,188 for the period from 1 January 2022 to closure.

From 20 March 2022 to 30 November 2022, we have incurred time costs of £134,874 for 288 hours work, which works out at an average hourly rate of £468.

We include details of the time costs incurred from 20 March 2022 to 30 November 2022, by work type, at Appendix C. Since the appointment of the Liquidators, a total of £3,772,727 has been incurred.

We have drawn total fees of £3,487,080. We do not expect to draw any further fees.

Further details of our fees are included in Appendix C, together with details of work that we would normally do but has been subcontracted in the period.

Creditors' rights

Creditors have the right to request further information within 21 days of receiving this report as set out in Rule 18.9 (IR86). Any request must be in writing. Creditors can also challenge the Liquidators' fees and expenses as set out in Rule 18.34 of the (IR86) Rules. This information can also be found in the guide to fees at:

https://www.icaew.com/technical/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides

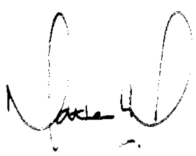
You can ask for a copy free of charge by emailing Helena Perevalova on uk_insolvencydocsrequests@pwc.com.

What we still need to do

The winding up of the Company is now complete. Following the end of the period within which creditors may object to our release, we will send a copy of this final account to the Registrar of Companies with a statement of whether any creditors of the Company objected. We will vacate the office by sending the copy report and statement.

If you've got any questions, please get in touch with Helena Perevalova via uk_powertrain_queries@pwc.com

Yours faithfully



Matthew Hammond
Joint liquidator

Appendices

Appendix A: Receipts and payments

	Cumulative to 19 March 2022	Movements in the year	As at 22 December 2022
	£m	£m	£m
Receipts			
Net cash transferred from the Administration	37.1	-	37.1
Dividends from MGRG	20.8	8.4	29.2
Interest received	5.9	-	5.9
Corporation Tax refunds	1.4	-	1.4
Other income	0.7	-	0.7
VAT received	0.9	-	0.9
	66.8	8.4	75.2
Payments			
Joint Liquidators' remuneration *	3.2	0.3	3.5
Joint Liquidators' disbursements	-	-	-
Legal fees and disbursements	1.1	-	1.1
Legal settlements	7.9	-	7.9
Share of insurance costs initially paid by MG Rover Group Ltd (in Liquidation)	0.4	-	0.4
Other payments	1.3	-	1.3
Input VAT	0.9	-	0.9
	14.8	0.3	15.1
Less:			
Distributions			
Preferential dividend of 100p in the £, declared in July 2006	0.7	-	0.7
1st dividend to unsecured creditors of 8p in the £, delcared in Nov 2009	8.8	-	8.8
2nd dividend to unsecured creditors of 20p in the £, declared in Jan 2010	22.0	-	22.0
3rd dividend to unsecured creditors of 7p in the £, declared in Jan 2016	7.7	-	7.7
4th dividend to unsecured creditors of 4.74p in the £, declared in April 2019	5.2	-	5.2
5th dividend to unsecured creditors of 3.45p in the £, declared in October 2020	3.8	-	3.8
6th and final dividend to unsecured creditors of 10.92p in the £, declared in May 2022	-	12.0	12.0
	48.2	12.0	60.2
Cash in hand/(movement in year)	3.8	- 3.9	-
Cash in hand is represented by:			
Interest bearing - Bank of England			-
Interest bearing - HSBC Bank			-
Interest bearing - Barclays			-
			-
			-

*Joint Liquidators' fees are fixed on a time costs basis and sanctioned by the committee.

Note: Some numbers might not cast due to roundings.

All amounts stated exclude VAT

Appendix B: Expenses

Expenses are amounts properly payable by us as liquidators from the estate, but excludes our fees and distributions to creditors.

These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the liquidation committee) also has the responsibility for agreeing the policies for payment of Category 2 expenses.

The following table provides a breakdown of the Category 2 expenses have been incurred by us as liquidators or our associates, together with details of the Category 1 expenses that have been incurred by PwC and will be recharged to the case:

Category	Cost incurred by	Policy:	Costs incurred (£)
1	PwC	**Photocopying** - At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	264.10
2	PwC	**Postage and courier costs**	182.16
Totals			**446.26**

We've incurred disbursements of £446.26 during the period 20 March 2022 to 22 December 2022.

The table below provides details of the expenses incurred in the liquidation

	Notes	Brought forward £000's	Costs incurred in the period under review £000's	Costs paid in the period under review £000's
Joint Liquidators' remuneration	1	3,638	135	95
Joint Liquidators' disbursements	2	18	-	1
Legal fees and disbursements		1,100	-	-
Legal settlements		7,900	-	-
Share of insurance costs initially paid by MGRG		451	-	16
Other payments		1,122	-	-
Storage costs		10	-	-
Total		**14,239**	**135**	**112**

Notes

1. We do not anticipate incurring any further expenses in relation to the liquidation.
2. During the period we incurred disbursements of £446.26, however due to the rounding of the sums items below £1k are not reflected in the above table but further detail is provided in the disbursement table.

Appendix C: Remuneration update

Our fees were approved on a time costs basis by the liquidation committee in June 2006. This approval allows us to draw fees by reference to the time properly given by us and our staff in dealing with the liquidation.

We have drawn fees of £3,485,038.20 in line with the approval given, as shown on the enclosed receipts and payments account.

The time cost charges incurred in the period since our last report are £134,874.35. This amount does not reflect how much was drawn as fees for this period.

We set out later in this Appendix details of our work to date, expenses, subcontracted work and payments to associates.

Our hours and average rates

	Partner		Director		Senior Manager		Manager		Senior Associate		Associate		Total		
	Hours	**Cost**	**Hours**	**Cost**	**Hours**	**Cost**	**Hours**	**Cost**	**Hours**	**Cost**	**Hours**	**Cost**	**Hours**	**Cost**	**Average charge out rate**
Accounting and treasury	-	-	-	-	0.50	359.50	5.85	3,875.50	43.25	20,324.75	33.05	10,175.35	**82.65**	**34,735.10**	420.27
Closure procedures	-	-	0.30	222	2.70	1,687.50	1.30	785.00	5.80	2,924.00	3.40	1,598.00	**13.50**	**7,216.50**	534.56
Creditors	-	-	1.40	1,036	16.05	10,031.25	31.80	14,129.25	72.70	31,797.50	4.20	1,078.50	**126.15**	**58,072.50**	460.34
Creditors committee	-	-	0.65	481	-	-	0.10	52.50	2.55	1,083.75	-	-	**3.30**	**1,617.25**	490.08
Statutory and compliance	1.40	1,372.00	-	-	1.60	1,000.00	6.75	3,725.00	28.10	12,082.00	1.70	504.50	**39.55**	**18,683.50**	472.40
Strategy and planning	0.35	343.00	0.40	296.00	0.65	500.25	2.25	1,355.50	16.95	7,779.75	-	-	**20.60**	**10,274.50**	498.76
Tax/VAT	2.00	3,620.00	-	-	0.50	655.00	-	-	-	-	-	-	**2.50**	**4,275.00**	1,710.00
Grand Total	**3.75**	**5,335.00**	**2.75**	**2,035.00**	**22.00**	**14,233.50**	**48.05**	**23,922.75**	**169.35**	**75,991.75**	**42.35**	**13,356.35**	**288.25**	**134,874.35**	**467.91**

Brought forward as at 19 March 2022	3,637,852.95
Overall time costs as at 30 November 2022	**3,772,727.30**

Our time charging policy and hourly rates

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

All of our staff who work on the liquidation (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Time is charged in three minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We don't charge general or overhead costs.

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

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Maximum rate per hour (up to 30 June 2022) (£)	Maximum rate per hour (from 1 July 2022) (£)	Specialist maximum rate per hour (up to 31 March 2022) (£)	Specialist maximum rate per hour (from 1 April 2022) (£)
Partner	980	980	1,680	1,810
Director	865	915	1,540	1,660
Senior Manager	685	860	1,425	1,570
Manager	595	730	860	950
Senior Associate	480	515	640	690
Associate	350	375	345	375
Offshore profession - Associate	280	375	190	190
Support staff	160	160	190	205

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

Our work in the period since our last report

There remain a number of distinct work streams within the work we have done. It should be noted that individuals will have worked in more than one area. The activities of these work streams are summarised below:

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute
Accounting and treasury	• Review, authorise and process receipts and payments; • Carrying out periodic reconciliations of the liquidation bank accounts; • Payment of the sixth and final dividend, as well as two subsequent dividend reissues and payment of the unclaimed dividends to the Insolvency Services Account; • Preparing the statutory returns to be filed at the Companies House; • Payment of the uncashed dividends to the Insolvency Service; and • Drawing Joint Liquidators' remuneration as agreed with the liquidation committee.	• Ongoing maintenance of the liquidation.	• Statutory duty to keep proper books and records to evidence transactions.
Closure procedures	• Preparing the closure and file reviews to ensure the closure process is progressed; • Obtaining clearances and finalising affairs of the Company; • Preparing the final report to the creditors; and • Closing the internal systems.	• Ongoing maintenance of the liquidation.	• To maintain proper records and manage case costs in the best interests of creditors.
Creditor claims	• Replying to creditor queries in relation to the progress report dated 19 March 2022; • Responding to creditor queries regarding general progress of the liquidation and cheque re-issues in respect of the sixth final dividend (paid May 2022); • Dealing with creditor claim assignments and address changes; and • Re-issuing a number of cheques to unsecured creditors in respect of previous interim dividends.	• Stakeholder management	• To maintain proper records and manage case costs in the best interests of creditors. • Return of funds to creditors.

Creditor Committee	• Preparing liquidation committee report to provide update on the progress and the remuneration; • Providing substantive update to the committee in relation to liquidation progress and time costs incurred and seeking a resolution to approve the remaining insurance recharge; and • Holding a call with various committee members to provide an update on the progress of the liquidation and general progression discussions.	• Stakeholder management	• Statutory duty to maintain up to date records in relation to committee constitution and provision of update to the committee
Statutory and compliance	• Dealing with various statutory, other regulatory and internal compliance procedures in the liquidation; • Preparation review and circulation of the statutory receipts and payments for the six months ended 19 March 2022 and 19 September 2022; and • Preparation, review and circulation of the progress report to members and creditors for the year ended 19 March 2022.	• Required to meet statutory and regulatory requirements.	• Required by statute
Strategy and planning	• Six monthly reviews of progress; • Internal case progression meetings and strategy meetings; and • Closure strategy discussions and requesting clearances from various agents.	• Ongoing maintenance of the liquidation	• To maintain proper records and manage case costs in the best interests of creditors.
Tax & VAT	• Preparing a VAT reconciliation; and • Review of tax and VAT position in preparation for the final dividend distribution.	• Ongoing maintenance of the liquidation	• To ensure accurate accounting to HMRC for tax and VAT purposes. • Some tasks required by statute

Our future work

There is no work outstanding in the liquidation.

Payments to associates

We have made no payments to associates during the reporting period.

Our relationships

We have had no business or personal relationships with the parties who approve our fees or who provide services to the liquidation where the relationship could give rise to a conflict of interest.

Details of subcontracted work

We have subcontracted no work during the reporting period.

Other professional advisors we've used

We have used no professional advisors during the reporting period.

Appendix D: Other information

Name of company:	Powertrain Limited
Registered number:	03950863
Registered office:	8th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Names of Liquidators and their address(es):	David Matthew Hammond of PricewaterhouseCoopers LLP, One Chamberlain Square, Birmingham, B3 3AX and Robert Nicholas Lewis of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT. uk_powertrain_queries@pwc.com
Date of Liquidators' appointment:	20 March 2006
Details of change in Liquidators:	Robert Jonathan Hunt from 20 March 2006 to 26 June 2008; Steven Anthony Pearson from 20 March 2006 to 24 December 2018; Robert Nicholas Lewis from 26 June 2008 to present; and David Matthew Hammond from 24 December 2018 to present.
Details of prior administration:	8 April 2005 to 20 March 2006
Dividend for Preferential Creditors:	100p in the £ paid July 2006
Dividend for Unsecured Creditors:	A first interim dividend of 8p in the £ was declared in November 2009; A second interim dividend of 20p in the £ was declared in January 2010; A third interim dividend of 7p in the £ was declared in January 2016; A fourth interim dividend of 4.74p in the £ was declared in April 2019; and A fifth interim dividend of 3.45p in the £ was declared in October 2020. A sixth and final dividend of 10.92p in the £ was declared in May 2022.
Whether and why the Liquidators intend to apply to court under Section 176A(5) IA86:	Not applicable