

Joint Liquidators' progress report from 28 November 2021 to 27 November 2022

Lloyds British Testing Limited - in Liquidation

23 January 2023

Table of contents

Abbreviations and definitions	2
Key messages	4
Overview of what we've done to date	5
Outcome for creditors	6
Progress since we last reported	7
Appendix A: Receipts and payments	10
Appendix B: Expenses	11
Appendix C: Remuneration update	13
Appendix D: Other information	19

Abbreviations and definitions

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

Abbreviation or definition	Meaning
Company	Lloyds British Testing Limited – in creditors’ voluntary liquidation
Joint Liquidators/we/us/our	Matthew Hammond and David Baxendale
Firm	PricewaterhouseCoopers LLP
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
CVL	Creditors’ voluntary liquidation
HMRC	HM Revenue and Customs
Manolete	Manolete Partners Plc
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
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
RBSIF	RBS Invoice Finance Limited
Alfandari	Alfandari Private Equities Limited
Unsecured creditors	Creditors who are neither secured or preferential

This report has been prepared by Matthew Hammond and David Baxendale 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/lloydsbritishtesting>. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Matthew Hammond and David Baxendale 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 update you on the progress of the liquidation of the Company in the 12 months since our last report dated 27 January 2022.

You can still view our earlier reports on our website at www.pwc.co.uk/lloydsbritishtesting. Please get in touch by emailing uk_insolvencydocsrequests@pwc.com if you need the password to access the reports.

How much creditors have received

The following table summarises the possible outcome for creditors¹, based on what we currently know.

Class of creditor	Forecast timing	Current estimate (p in £)	Previous estimate (p in £)	
Secured creditor		Paid	Paid in full	Paid in full
Preferential creditors		Paid	Paid in full	Paid in full
Unsecured creditors	October 2019: Paid 12p/£ September 2018: Paid 20p/£ Future dividend - Uncertain		35 - 45	35 - 45

1- Please note this guidance is only an indication and should not be used as the main basis of any bad debt provision or debt trading.

What you need to do

We've asked for outstanding claims from unsecured creditors so that we can agree them for dividend purposes. As shown above, dividends totalling 32p in the £ have already been paid to unsecured creditors. We expect there will be a future dividend however the timing and quantum of this is uncertain as it is wholly reliant on matters outside of our control. Further details are given later in this report.

If you haven't already done so, please send your claim to us so that we can review it, in readiness for the anticipated dividend. A claim form can be downloaded from our website at www.pwc.co.uk/lloydsbritishtesting.

All creditors wishing to receive the anticipated dividend payment must submit a proof of debt.

Please note that should you wish to vote in relation to any decision procedure during the liquidation or object to a decision sought by deemed consent, you'll need to submit a proof of debt, even if one is not required for dividend purposes.

Overview of what we've done to date

The administration of the Company ended on 28 November 2017 when the Company went into CVL and we were appointed as Liquidators.

This is our fifth progress report on the liquidation. Creditors may wish to also refer to our previous reports in the administration or liquidation, which can be found at www.pwc.co.uk/lloydsbritishtesting.

When we last reported, the key outstanding matters in the liquidation were as follows:

- awaiting the outcome of any claims made against a third party;
- distributing a final dividend to unsecured creditors; and
- completing the necessary ongoing statutory tasks and other matters in the wind-down of the Company's affairs.

More details on the actions we have taken in the period to progress the above matters can be found in the next sections of our report.

Outcome for creditors

Secured creditors

All secured creditors, with a combined indebtedness of over £2.5m, were repaid in full in the prior administration. A summary of all the secured creditors claims position can be found in our previous reports.

Preferential creditors (mainly employees)

Preferential creditor claims totalled £18,297 and were paid in full on 16 January 2018. Further details regarding the preferential claims can be found in our previous progress reports.

Unsecured creditors

Dividends become available for unsecured creditors when there are sufficient funds (after costs of the liquidation) to pay the secured and preferential creditors in full, with an amount left over. In certain circumstances, part of the amount available for secured creditors may be ring-fenced for the benefit of unsecured creditors. The prescribed part is paid out of 'net property', which 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.

The amount of the prescribed part is:

- 50% of net property up to £10,000
- 20% of net property above £10,000
- Subject to a maximum of £600,000

Whilst the prescribed part applies in this case as there is a floating charge created after 15 September 2003, all secured debt was repaid from fixed charge realisations and book debts (as appropriate), such that there is no secured debt remaining that would be payable from any floating charge surplus.

Therefore, all funds held (after repayment of secured and preferential creditors) are available, after expenses of the liquidation, for unsecured creditors.

The level of asset realisations has been sufficient to enable c.£1.06m to be distributed to unsecured creditors so far, representing 32p in the £ of their total indebtedness.

We still anticipate that the overall return to unsecured creditors will be in the range of 35 - 45 pence in the pound. We expect to pay a final dividend, however the timing of this remains uncertain.

If you haven't already done so, please send your claim to us so that we can review it for dividend purposes. A claim form can be downloaded from our website www.pwc.co.uk/lloydsbritishtesting.

Progress since we last reported

Ongoing enquiries

As previously reported, in August 2020 we assigned the Company's rights to claim against a third party to Manolete for an initial consideration of £12.5k. Manolete and its representatives agreed to pursue the claim on behalf of the Joint Liquidators and the net proceeds of any successful claim were to be apportioned between the liquidation estate and Manolete on a set basis, subject to the level of any recoveries, after payment of legal costs.

Following several tranches of correspondence between the third party and Manolete, it became apparent that no amicable resolution could be achieved. Consequently, Manolete issued legal proceedings against this third party and the case was subsequently heard in Court on 15, 16 & 17 August 2022, and concluded on 18 August 2022. Manolete was awarded judgment against the third party in the sum of £657,000 plus interest and costs.

Manolete are currently considering the most appropriate recovery options with regard to the judgment. We are in close contact with Manolete on this matter and will provide an update to creditors in our next progress report or sooner.

Bank interest

During the period, bank interest totalling £3,441 was received from the funds held within the liquidation estate.

Statutory and compliance

During the period, we submitted corporation tax returns for the periods ending 27 November 2020 and 27 November 2021, the returns indicate that no liability is due to HMRC for either period.

As advised in our last report, the Company has been deregistered for VAT. No post-deregistration VAT returns have been submitted during the period.

Liquidation committee

On appointment as Liquidators, the creditors' committee formed in the preceding administration became the liquidation committee. We have continued to speak with the liquidation committee to discuss issues and outline key decisions where appropriate and provide the committee with updates on the progress made in the liquidation.

We last met with the liquidation committee on 12 October 2022 to discuss the aforementioned ongoing enquiries and our remuneration. We expect a further meeting to be convened on this matter in due course.

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

We set out in Appendix A an account of our receipts and payments in the liquidation from 28 November 2021 to 27 November 2022.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses. The statement excludes any potential tax liabilities that we may need to pay as a liquidation expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our fees, expenses and other related matters.

Creditors' rights

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

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

You can also get a copy free of charge by emailing uk_insolvencydocsrequests@pwc.com.

What we still need to do

The remaining key tasks that we need to complete prior to concluding the liquidation are as follows:

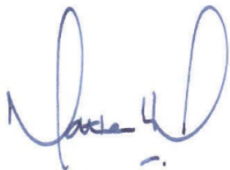
- monitor the recovery of the judgment debt being pursued by Manolete;
- agree our final fees with the liquidation committee;
- make a final distribution to unsecured creditors;
- continue to complete the ongoing statutory tasks and other matters in the wind-down of the Company's affairs;
and
- finalise the liquidation.

Next report

We expect to send our next report to creditors at the end of the liquidation or in about 12 months, whichever is sooner.

If you've got any questions, please get in touch with Sam Green by emailing samuel.x.green@pwc.com.

Yours faithfully



David Matthew Hammond
Joint liquidator

Appendices

Appendix A: Receipts and payments

	28 November 2017 to 27 November 2021 £	28 November 2021 to 27 November 2022 £	28 November 2017 to 27 November 2022 £
Receipts			
Brought forward from administration	2,173,048.60	-	2,173,048.60
Bank Interest Gross	12,642.23	3,440.54	16,082.77
Book debts	66,372.44	-	66,372.44
Rent	15,833.34	-	15,833.34
Sundry debts and refunds	14,497.37	-	14,497.37
Contribution to legal costs	4,500.00	-	4,500.00
Trading Surplus / (Deficit)	8,096.77	-	8,096.77
Refund of bank charges	11.41	-	11.41
Sale of claim against third party	12,500.00	-	12,500.00
Total receipts	2,307,502.16	3,440.54	2,310,942.70
Payments			
Bank / Finance Charges	(179.75)	-	(179.75)
Book debt collection agents	(32,250.24)	-	(32,250.24)
Legal fees & Expenses	(69,256.23)	-	(69,256.23)
Administrators' fees	(728,000.00)	-	(728,000.00)
Professional Fees (Indian sub.)	(11,339.77)	-	(11,339.77)
Statutory advertising	(148.00)	-	(148.00)
Storage Costs	(767.55)	-	(767.55)
Third party funds	(947.03)	-	(947.03)
Corporation tax	(1,961.20)	-	(1,961.20)
Tax & NIC	(51.81)	-	(51.81)
Total payments	(844,901.58)	-	(844,901.58)
Total receipts and payments	1,462,600.58	3,440.54	1,466,041.12
Preferential distribution (100p / £ paid on 16 January 2018)	(18,395.11)	-	(18,395.11)
Unsecured creditors (20p / £ paid on 7 September 2018)	(650,821.04)	-	(650,821.04)
Unsecured creditors (12p / £ paid on 3 October 2019)	(408,057.39)	-	(408,057.39)
VAT Control Account (liquidation)	15,823.91	-	15,823.91
VAT Control Account (administration)	38,011.64	-	38,011.64
Balance at Bank	439,162.59	3,440.54	442,603.13

Notes to the accounts:

1. Amounts shown exclude VAT.
2. Funds are held in interest bearing accounts.

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 creditors 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	Storage and archiving	945
Total			945

The expense policy set out above was approved by the creditors' committee in the preceding administration and applies to the liquidation also.

The table below provides details of the expenses incurred in the liquidation. The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date. The table excludes any potential tax liabilities that we may need to pay as a liquidation expense because amounts becoming due will depend on the position at the end of the tax accounting period.

Costs relating to the Administration	Brought forward	Incurred in the period	Cumulative	Paid in the period	Remaining outstanding
	£	£	£	£	£
Administrators' disbursements	10,000	-	10,000	-	10,000
Administrators' fees	200,000	-	200,000	-	200,000
Total	210,000	-	210,000	-	210,000

Costs relating to the Liquidation	Brought forward	Incurring in the period	Cumulative	Estimated future	Anticipated total	Initial estimate*	Variance
	£	£	£	£	£	£	£
Bank / Finance Charges	71	0	71	0	71	1,800	(1,729)
Book debt collection agents	2,700	0	2,700	0	2,700	40,000	(37,300)
Legal fees & Expenses	16,214	0	16,214	2,000	18,214	41,000	(22,786)
Liquidators' fees**	518,153	97,069	615,222	80,000	695,222	N/A	N/A
Liquidators' disbursements	3,720	945	4,665	5,000	9,665	15,000	(5,335)
Storage Costs	1,207	0	1,207	2,202	3,409	400	3,009
Total	542,065	98,014	640,079	89,202	729,281	98,200	(64,141)

* In our final administration report, we included an estimate for future expenses and, as the company moved into liquidation shortly thereafter, we have included this estimate for comparison purposes against the current anticipated total expenses for the liquidation (in our remuneration report, issued with our proposals, whilst we anticipated moving to liquidation to pay a dividend we couldn't predict for how long the liquidation would last or how it would progress and so we did not include an estimate for liquidation expenses).

**The figures provided for the officeholders' fees are based on the time costs we have incurred. Our fees are currently capped by the fees estimate agreed by the creditors' committee in the administration of £1,378k (which has been drawn in full for our administration time costs).

The amount of time costs incurred to date in the Liquidation does not necessarily reflect the level of approval we may seek from the creditors' committee.

To date we have not sought an uplift to the current fees from the creditors' committee in the liquidation, and therefore the outstanding expenses figure for our fees is subject to change.

Appendix C: Remuneration update

During the administration, the creditors' committee fixed the basis of the administrators' remuneration by reference to the time properly given by the administrators and their staff in dealing with the administration. The fee basis agreed in the administration continues to apply in the liquidation. More details on our remuneration in the liquidation and the preceding administration are provided below.

Administrators' remuneration

Creditors may recall that the creditors' committee approved our fees estimate of £1,378k. Our total time costs for the administration were £1,578k, we therefore exceeded the fees estimate by £200k. Please refer to our final report on the administration for an explanation as to why the fees estimate was exceeded. During the liquidation we have drawn fees of £728k in relation to outstanding time costs from the administration.

This means we have drawn total remuneration in relation to the administration of £1,378k to date.

Liquidators' remuneration

The time costs incurred in the period covered by this report are £97k, as shown in the table below.

Our total time costs since the liquidation commenced are £615k. As previously advised, we'll provide an updated fees estimate to the creditors' committee in support of our request for further remuneration in the liquidation and, prior to seeking approval, we will publish a letter to creditors on our case website. Please note that the amount of time costs incurred to date does not necessarily reflect the level of approval we'll seek from the creditors' committee.

We set out later in this Appendix, more details of our work in the period, anticipated future work, disbursements, subcontracted work and payments to associates.

Our hours and average rates

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
Accounting and Treasury	-	-	-	0.15	-	1.8	1.95	641.00	328.72
Assets	-	-	6.10	9.95	4.35	-	20.40	9,500.00	465.69
Creditors	-	-	1.2	0.15	2.3	1	4.65	2,545.00	547.31
Reporting to committee	-	-	10.4	17.75	8.9	-	37.05	27,202.00	734.20
Statutory and Compliance	0.65	-	5.1	10.25	51.45	-	67.45	31,816.00	471.70
Strategy and Planning	-	-	-	0.75	9.35	-	10.1	5,085.00	503.47
Tax and VAT	-	-	9.45	3.25	15.1	7.05	34.85	20,280.00	581.92
Total for the period	0.65	-	32.25	42.25	91.45	9.85	176.45	97,069.00	519.00
Brought forward at 28 November 2021							1,212.49	518,152.50	
Total							1,388.94	615,221.50	

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 us.

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. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six 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.

Grade	Up to 30 June 2022 £/hour	From 1 July 2022 £/hour
Partner	875 (980)	980
Appointment taking director	-	960
Director	740 (865)	915
Assistant director	-	900
Senior Manager	625 (685)	869
Manager	525 (595)	730
Senior Associate	425 (480)	515
Associate	280 (350)	375
Offshore professionals	-	375 - 515
Support Staff	130 (160)	160

The charge-out rates in brackets represent rates applicable to staff based in London (or central functions) who charge a relatively small number of hours. 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.

Reflecting the increasingly mobile and flexible nature of the PwC workforce and the narrowing of our London and regional cost bases we have moved to one uniform rate card for our standard restructuring and insolvency services from 1 July 2022. This is in line with other parts of PwC, and is also consistent with wider insolvency market practice. We will continue to have a separate rate card for specialist services including our tax, data and technologist support.

Should an increase in charge out rates result in our time costs exceeding the fee estimate provided to creditors at the time we sought approval of the basis of our remuneration, we will need to seek approval from the relevant creditor body in order to draw fees in excess of that estimate.

We have a diverse range of experience and capability within our director and senior manager teams. We have created two further grades within this population to reflect different levels of experience. We have differentiated between those directors who take insolvency appointments and lead insolvency cases (thereby providing considerable leverage to our appointment taking partners and reducing overall costs to insolvent estates), and those directors who help to support the delivery of our insolvency strategy. We have also created differential rates in our senior manager team, acknowledging those insolvency qualified and long serving insolvency experienced senior managers separately from those who are not yet insolvency qualified.

Role descriptions applicable to the new rates are below. In addition, as the range of work that may be undertaken by our offshore professional colleagues increases, we also provide updated information for that role.

Title	Description
Appointment taking director	A licensed insolvency practitioner acting as an office holder on the insolvency appointment and subject to additional office-holder responsibilities compared to a Director who is not an appointed office-holder. Highly experienced in insolvency matters at a senior level, including managing complex insolvencies and supervising teams.
Assistant director	Individuals of Senior Manager title but who are highly experienced in insolvency matters and either with more than 10 years insolvency experience at Senior Manager level or are qualified to JIEB level.
Offshore professional	Offshore professional colleagues may provide assistance, albeit that the majority of the work on this case will be undertaken by the UK based team. An off-shore professional at the higher end of the fee bracket generally has appropriate insolvency experience or an accounting qualification, depending on the nature of the work and will assist with planning and control of various aspects of the insolvency. An off-shore professional at the lower end of the fee bracket will typically have a finance-related qualification and appropriate skills to complete basic insolvency related tasks and provide administrative support to the team including efficient document preparation and data entry, records management, and general data analytics. All work under the supervision of more senior staff.

We call on colleagues such as those in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. We may also utilise Technology Specialists from the wider Business Restructuring Services team or other parts of our firm. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Up to 30 June 2022 £/hour	From 1 July 2022 £/hour
Partner	1,600	1,810
Director	1,465	1,660
Senior Manager	1,355	1,570
Manager	815	950
Senior Associate	605	690
Associate	325	375
Support Staff	180	205

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

Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial term

Our work in the period

Earlier in this section we included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

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
Strategy and planning	<ul style="list-style-type: none"> • Periodic review of the case progress by appointment takers; • Team strategy calls and discussions; • Preparing an estimated outcome statement to assess the funds held within the case and future strategy; and • Preparing and reviewing budgets and monitoring costs. 	To ensure case progression and monitoring costs.	Controls efficiencies, time costs and ensures continued case progression towards closure.
Accounting and treasury	<ul style="list-style-type: none"> • Dealing with receipt; and • Conducting periodic bank reconciliations. 	To enable the proper functioning of the liquidation bank account.	Required by statute/regulations.
Investigations	<ul style="list-style-type: none"> • Liaising with the Purchaser with regard to the progress of the claim; and • Seeking periodic updates from the Purchaser with regard to the enforcement of the judgment debt. 	To potentially generate additional recoveries for the benefit of the estate.	To potentially realise funds for the benefit of creditors.
Reporting to the Committee	<ul style="list-style-type: none"> • Providing updates on the ongoing claim against the third party; • Convening a meeting with the Committee to discuss case progression and our remuneration; and • Preparing additional information for the committee members concerning previous reporting and remuneration. 	To keep the Committee informed of progress	Required by statute/regulations.
Statutory and compliance	<ul style="list-style-type: none"> • Preparing and circulating the fifth progress report in the liquidation; • Filing relevant notices at Companies House; • Maintaining internal job management systems; • Ongoing filing of documents and records; and • Dealing with postal correspondence received. 	For the proper administration of the insolvency.	Required by statute/regulations.
Creditors, claims and distributions	<ul style="list-style-type: none"> • Responding to unsecured creditor enquiries via email, telephone and post. 	To keep creditors informed of the	Work is required by statute and for the proper administration of the case.

progress of
the liquidation.

Our future work

We still need to do the following work in the liquidation.

Area of work	Work undertaken	Estimated cost (£)	Whether or not the work will provide a financial benefit to creditors
Strategy and planning	<ul style="list-style-type: none">• Ongoing team meetings;• Ongoing appointment taker review of case progression; and• Preparation and review of budgets and monitoring costs.	3,500	<ul style="list-style-type: none">• Necessary to ensure the efficient oversight of the CVL.• Necessary to comply with insolvency regulation and industry best practice.
Accounting and treasury	<ul style="list-style-type: none">• Effecting payments and receipts and maintaining the CVL bank account.	1,500	<ul style="list-style-type: none">• Necessary as a bank account needed to pay distributions to unsecured creditors and funds must be subject to proper stewardship and controls.
Creditors, claims & distributions	<ul style="list-style-type: none">• Responding to creditor enquiries;• Dealing with uncashed dividend cheques;• Agreement of further claims received; and• Preparing for and issuing final dividend to unsecured creditors.	15,000	<ul style="list-style-type: none">• Necessary to enable proper function of the CVL and to assist creditors.• Financial benefit as will return monies to creditors.
Tax & VAT	<ul style="list-style-type: none">• Continued submission of corporation tax returns; and• Submission of periodic VAT 426 forms.	10,000	<ul style="list-style-type: none">• Necessary to fulfil duties as agents of the Company for tax and VAT purposes.• Potential benefit if tax liability can be reduced.• Financial benefit to reclaim VAT from HMRC.
Statutory and compliance	<ul style="list-style-type: none">• Preparation and circulation of annual and final reports to creditors;• Filing of appropriate notices at Companies House; and• Maintenance of internal filing systems.	30,000	<ul style="list-style-type: none">• Necessary to comply with insolvency legislation and industry best practice.
Creditors committee	<ul style="list-style-type: none">• Periodic updates and meetings with the creditors committee; and• Agreement of a fees estimate in the liquidation.	15,000	<ul style="list-style-type: none">• Necessary to comply with insolvency legislation and industry best practice.

Closure procedures	<ul style="list-style-type: none"> Obtaining clearances in advance of ceasing to act; Completing closure checks; and Submitting notices to dissolve the Company. 	5,000	<ul style="list-style-type: none"> Necessary to formalise the CVL and dissolve the Company.
---------------------------	---	-------	--

Our relationships

We have 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

No work has been subcontracted in the period.

Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm/organisation	Reason selected	Basis of fees
Legal services, including: <ul style="list-style-type: none"> disclaiming lease; general legal advice; assistance with our investigations into the Company's affairs; and preparation of our application to Court for delivery of documents. 	Addleshaw Goddard LLP	Industry knowledge/ insolvency expertise	Time costs and disbursements
Collection of outstanding book debts and trading sales	Shakespeare Martineau LLP	Industry knowledge/ insolvency expertise	20% of realisations

Appendix D: Other information

Company's registered name:	Lloyds British Testing Limited
Trading name:	Lloyds British Testing Limited
Registered number:	04444099
Registered address:	Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the Liquidators' appointment:	28 November 2017
Liquidators' names, addresses and contact details:	David Matthew Hammond of PricewaterhouseCoopers LLP, One Chamberlain Square, Birmingham, B3 3AX and David Robert Baxendale of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT

Contact email: samuel.x.green@pwc.com
