

Joint liquidators' progress report from 28 November 2022 to 27 November 2023

Lloyds British Testing Limited - in liquidation

10 January 2024

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 payment	10
Appendix B: Expenses	12
Appendix C: Remuneration update	14
Appendix D: Other information	20

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
CVL	Creditors’ voluntary liquidation
HMRC	HM Revenue and Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
Joint Liquidators/we/us/our	Matthew Hammond and David Baxendale
Manolete	Manolete Partners Plc
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
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
PwC/ Firm	PricewaterhouseCoopers LLP
Secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
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

I'm writing to update you on the progress of the liquidation of the company in the 12 months since our last report dated 23 January 2023.

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 creditors, 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 - 1.26p/£	33.26p	35 - 45

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

In our last progress report, we said that dividend prospects were uncertain and our estimated range of return was 35-45p/£. Following discussions with the committee regarding our fees (which are summarised in a remuneration report being published at the same as this report), we're now able to more accurately estimate the final distribution to creditors at c.1.26p/£, bringing the estimated total dividend to 33.26p/£. This revised estimate assumes no further recoveries into the estate are made nor any further creditor claims are received, when we issue our final notice of intended dividend. In the event further claims are received, the dividend range will reduce. We anticipate being in a position to declare and pay a final dividend by Q2 2024.

With regard to future recoveries - whilst judgement has been obtained against a third party in the sum of £657,000 plus interests and costs, the recovery of funds remains ongoing. As such, we consider we should now proceed to distribute the funds in hand to creditors, by way of a final dividend.

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 Joint Liquidators.

This is our sixth progress report in 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:

- monitor the recovery of the judgement 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.

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 creditor 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 was 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 creditors 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.

As mentioned above, we estimate the final dividend to be in the region of £1.26p in the £, unless additional claims are received.

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. Manolete agreed to pursue the claim on behalf of the Joint Liquidators/the Company 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 the 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 judgement against the third party in the sum of £657,000 plus interest and costs.

Since the judgement was awarded, Manolete made an application to Court requesting that the third party drawdown funds from a personal pension scheme, in order to meet the judgement debt. The application was successful, however, the third party applied to Court for permission to appeal the decision, which was also granted. The appeal has now been set for April 2024.

We will continue to monitor the position and a further update will be provided within our next report, or sooner.

Bank interest

During the period, bank interest totalling £18,593 was received.

Book debts

During the period, an unsecured distribution was received from Ernst & Young, the Liquidators of York House Construction Limited (an insolvent debtor) in the sum of £4.

Statutory and compliance

During the period, we submitted a corporation tax computation and return for the period ending 27 November 2022, which indicated that no liability was due to HMRC for the period.

We are currently in the process of preparing the corporation tax computations and return for the period to 27 November 2023, plus the period to closure.

As advised in our last report, the Company has been deregistered for VAT. No post-deregistration VAT returns have been submitted during the period. A final VAT426 will be prepared and issued prior to closure.

Liquidation committee

On appointment as Joint 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 18 July 2023 to discuss the aforementioned ongoing enquiries and our remuneration.

Further information on our remuneration will be provided within our letter to creditors, which will be available on our website at www.pwc.co.uk/lloydsbritishtesting at the same time as this report.

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 2022 to 27 November 2023 and from 28 November 2017 to 27 November 2023.

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:

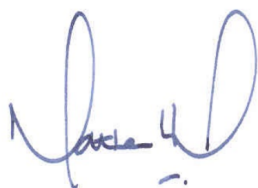
- monitor the recovery of the judgement debt being pursued by Manolete;
- agree our final fees with the liquidation committee;
- make a final distribution to Unsecured creditors;
- continue to complete the ongoing statutory tasks and other matters in the wind-down of the Company's affairs; and
- finalise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

	28 November 2017 to 27 November 2022	28 November 2022 to 27 November 2023	28 November 2017 to 27 November 2023
	£	£	£
Receipts			
Brought forward from administration	2,173,048.60	-	2,173,048.60
Bank Interest Gross	16,082.77	18,592.99	34,675.76
Book debts	66,372.44	4.36	66,376.80
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	2,310,942.70	18,597.35	2,329,540.05
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	1,466,041.12	18,597.35	1,484,638.47
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	442,603.13	18,597.35	461,200.48

Notes to the accounts:

1. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.
2. As explained further in Appendix C, our fees are based on time costs. The receipts and payments account shows the amounts paid in the period and total to date.
3. Funds were held in an interest bearing account, however the account was removed from interest bearing on 13 December 2023 and final interest was applied.
4. The balance of funds from the administration estate and amounts realised in the liquidation are categorised as floating charge assets however as the secured creditors were paid in full from fixed charge realisations in the prior administration, there is no secured debt remaining which is payable from the floating charge assets.

5. There have been no payments made to us, our firm or our associates other than from the insolvent estate as shown in the receipts and payments account provided above.
6. Included within Professional Fees is £4,080 paid in total, in relation to payments to associates in accordance with the policy explained in our previous correspondence.
7. In previous reports we have explained what work has been subcontracted out (that would otherwise have been done by us). The amounts paid for those services during the period were £nil and in total are £32,250.24 and are included in Book Debt Collection Agents above.

Appendix B: Expenses

Expenses are amounts properly payable by us as Joint 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 that have been incurred by us as Joint 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. To date no Category 1 expenses have been paid during the course of the liquidation; Category 2 expenses of £4,080 have been paid to PwC India in respect of closing down the Company's Indian branch:

Category	Cost incurred by	Policy	Costs incurred (£)
1	PwC	Storage and archiving	3,616
2	PwC India	Professional fees	4,080
1	PwC	Postage	1,497
2	PwC	Printing	224
2	PwC	Milage	58
1	PwC	Other	422
Total			9,897

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	Brought	Incurred in the	Cumulative	Paid in the	Remaining
-----------------------	---------	-----------------	------------	-------------	-----------

Administration	forward	period		period	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	Incurred in the period since our last report	Cumulative	Estimated future	Anticipated total	Initial estimate*	Variance
	£	£	£	£	£	£	£
Bank / Finance Charges	180	0	180	0	180	1,800	(1,620)
Book debt collection agents	32,250	0	32,250	0	32,250	40,000	(7,750)
Legal fees & Expenses	69,256	0	69,256	2,000	71,256	41,000	30,256
Professional fees	11,340	0	11,340	0	11,340	0	11,340
Statutory advertising	148	0	148	0	148	0	148
Liquidators' fees**	614,489	82,070	696,558	55,977	752,536	N/A	N/A
Liquidators' disbursements	4,990	827	5,817	5,000	10,817	15,000	(4,183)
Storage Costs	768	0	768	800	1,568	400	1,168
Total	733,420	82,897	816,317	63,777	880,094	98,200	29,359

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

- * 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 liquidation committee in the administration of £1,378k (which has been drawn in full for our administration time costs).
- *** The amount of disbursements carried forward from the last period has differed following a reconciliation of the outstanding sums due. This also affects the brought forward total which has increased by £325.
- The professional fees shown on the table above includes the amount of £4,080 paid to PwC india.
- The amount of time costs incurred to date in the Liquidation does not reflect the level of approval we intend to seek from the liquidation committee.

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 £1,552k, we therefore exceeded the fees estimate by £174k. 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 £82k, as shown in the table below.

Our total time costs since the liquidation commenced are £697k. Accompanying this report, we have published a letter to creditors which outlines the reasons why we've exceeded our fees estimate and sets out our request to increase the level of remuneration we can draw from the Liquidation estate. This will be determined by the liquidation committee in accordance with insolvency legislation. Please note that the amount of time costs incurred to date does not reflect the level of approval we'll seek from the liquidation 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

Below we set out our SIP9 time analysis covering the reporting period and the period 28 November 2017 to 27 November 2023.

Time analysis covering the reporting period

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Overseas professionals (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
Accounting and Treasury	-	-	-	0.65	1.15	1.85	1.00	4.65	2,173.75	467.47
Assets	-	-	-	0.10	1.85	-	-	1.95	1,025.75	526.03
Creditors	-	-	1.60	3.40	8.45	0.20	-	13.65	8,378.75	613.83
Reporting to committee	-	-	12.35	11.70	5.05	-	-	29.10	21,762.75	747.86
Statutory and Compliance	1.75	-	2.85	10.90	25.10	7.05	9.00	56.65	31,497.25	556.00
Strategy and Planning	-	-	1.10	7.00	3.95	0.90	-	12.95	8,387.00	647.64
Tax and VAT	-	-	1.60	0.70	12.30	-	-	14.60	8,844.50	605.79
Total for the period	1.75	-	19.50	34.45	57.85	10.00	10.00	133.55	82,069.75	614.52

Time analysis covering the period 28 November 2017 to 27 November 2023

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Overseas professionals (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
Accounting and Treasury	-	0.75	0.70	13.90	54.10	49.93	4.90	124.28	32,736.85	263.41
Assets	-	3.00	52.50	103.30	57.90	6.35	-	223.05	87,021.40	390.14
Creditors	-	3.50	31.60	58.25	249.10	34.25	38.25	414.95	124,407.40	299.81
Reporting to committee	-	-	26.75	57.80	46.45	1.50	2.00	134.50	70,006.30	520.49
Statutory and Compliance	9.75	50.25	25.90	138.95	229.70	126.80	9.25	590.60	231,138.65	391.36
Strategy and Planning	0.75	-	19.55	12.40	43.30	9.75	2.55	88.30	42,374.25	479.89
Tax and VAT	3.00	0.25	28.80	55.60	97.91	34.15	-	219.71	108,873.60	495.53
Total for the period	13.5	57.75	185.80	440.20	778.46	262.73	56.95	1,795.39	696,558.45*	387.97

*The time analysis above does not reconcile to the time costs reported in our previous report due to time costs totalling £732 being removed following an internal case review.

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. 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 (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 2023 £	From 1 July 2023 £
Partner	980	995
Appointment taking director	960	960
Director (not appointee)	915	915
Assistant director	900	900
Senior manager	860	860
Manager	730	730
Senior associate	515	540
Associate	375	395
Support staff	160	160
Offshore professionals	375 -515	395-540

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 2023 £/hour	From 1 July 2023 £/hour
Partner	1,810	1,905
Director	1,660	1,745
Senior Manager	1,570	1,410
Manager	950	1,025
Senior Associate	690	725
Associate	375	495
Support Staff	205	220

In common with many professional firms, our scale rates may rise eg 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 terms.

Our work in the period

Earlier in this section we have 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
Accounting and treasury	<ul style="list-style-type: none"> Dealing with receipts; and Conducting periodic bank reconciliations. 	To enable the proper functioning of the liquidation bank account.	Required by statute/regulations.
Assets	<ul style="list-style-type: none"> Liaising with the Manolete with regard to the progress of the claim; and Seeking updates from the Manolete with regard to the enforcement of the judgement debt. 	To potentially generate additional recoveries for the benefit of the estate.	To potentially realise funds for the benefit of creditors.
Creditors, claims and distributions	<ul style="list-style-type: none"> Responding to Unsecured creditor enquiries via email, telephone and post. Requesting further information in relation to one unadjudicated unsecured claim. 	To keep creditors informed of the progress of the liquidation.	Work is required by statute and for the proper administration of the case.
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.

Strategy and planning	<ul style="list-style-type: none"> • Periodic review of the case progress by appointment takers; • Team strategy calls and discussions; • Maintaining 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.
Tax and VAT	<ul style="list-style-type: none"> • Submission of a corporation tax return; and • Reconciling VAT accounts. 	For the proper administration of the insolvency.	Required by statute/regulations.

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. 	3,110	<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. 	6,220	<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. 	27,056	<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"> • Submission of final corporation tax returns; and • Submission of periodic VAT 426 forms. 	1,555	<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. 	12,439	<ul style="list-style-type: none"> • Necessary to comply with insolvency legislation and industry best practice.

	<ul style="list-style-type: none"> • Obtaining clearances in advance of ceasing to act; • Completing closure checks; and • Submitting notices to dissolve the Company. 		
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. 	3,110	<ul style="list-style-type: none"> • Necessary to comply with insolvency legislation and industry best practice.
Assets	<ul style="list-style-type: none"> • Monitor the progression of the claim assigned to Manolete 	2,488	<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.

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	Tme 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
