
Joint liquidators' progress report
from 28 November 2018 to 27
November 2019

Lloyds British Testing Limited
(in liquidation)

23 January 2020

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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
Liquidators	Michael Denny, David Baxendale and Matthew Hammond
firm	PricewaterhouseCoopers LLP
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
CVL	Creditors’ voluntary liquidation
HMRC	HM Revenue & Customs
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
the Lenders	RBS Invoice Finance Limited and Royal Bank of Scotland Plc
RBSIF	RBS Invoice Finance Limited
Alfandari	Alfandari Private Equities Limited
Speedy	Speedy Asset Services Limited
TUPE	Transfer of Undertakings Protection of Employment Regulations 2006
unsecured creditors	Creditors who are neither secured nor preferential

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 24 January 2019.

You can still view our earlier reports on our website at www.pwc.co.uk/lloydsbritishtesting. Please get in touch with May Mehdi on maysoon.mehdi@pwc.com if you need the password to access the reports.

How much creditors may receive

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 creditors	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/£ Uncertain: Estimate 3p -13p/£	35-45	35-45

**Please note this guidance on dividends 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/£ have already been paid to creditors.

If you haven't already done so, please send your claim to us so that we can agree it. A claim form can be downloaded from our website at www.pwc.co.uk/lloydsbritishtesting or you can get one by telephoning May Mehdi on 0113 289 4742.

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

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

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

- realising the remaining debts outstanding;
- concluding the closure of the Indian branch;
- concluding our ongoing enquiries (having taken any actions as required or appropriate);
- distributing further monies 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 section 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 may be found below.

The Lenders

At the commencement of the prior administration, the Company owed the Lenders £1,853,893 in respect of the invoice discounting facility and £387,898 in relation to an overdraft and loan. The invoice discounting facility was secured by a fixed charge dated 2 June 2016 and the loan and overdraft were secured by a floating charge dated 26 May 2016.

The Lenders were paid their indebtedness in full from a combination of book debt recoveries paid directly to RBSIF and from the distributions shown on the receipts and payments accounts in our administration final progress report.

The Trustees of Lloyds British SSAS

The Trustees of Lloyds British SSAS held a chattel mortgage over some test weights, with the estimated value of the security being £100k according to the directors' statement of affairs. Lloyds British SSAS is a pension fund for the benefit of one of the directors. The assets subject to the fixed charge have been realised and the amount of £102k has been paid to the secured creditor as detailed on our receipts and payments account in our administration final progress report.

Alfandari Private Equities Limited

Prior to the administration, Alfandari advanced an amount of c.£200k to the Company, purportedly in relation to a sale and lease back agreement of certain fixed assets. Alfandari was granted security over the assets of the Company as part of this transaction.

Prior to the commencement of administration, the Company had already repaid a total of c.£35k.

Following our appointment, Alfandari submitted a claim for £319k, being the amount realised from the assets purportedly subject to Alfandari's security. However, after investigating the matter and obtaining legal advice we negotiated a significant reduction in the amount of security claimed and paid Alfandari £156k in full and final settlement of their claim.

It therefore has no further claim in the estate and cannot participate in any unsecured distributions in respect of the remaining balance claimed by them.

Preferential creditors (mainly employees)

In their statement of affairs dated 22 December 2016, the directors thought that preferential claims would total around £90,000.

However, following the sale of the business to Speedy, 193 employees transferred to Speedy under TUPE, securing their ongoing employment and significantly reducing the number of preferential creditors.

Preferential creditor claims totalled £18,297 and were paid in full on 16 January 2018.

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. This 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; and
- 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 an amount of c.£1.06m to be distributed to unsecured creditors so far representing 32p in the pound of the 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 final dividend, however the timing of this is currently uncertain. We will discuss this with the creditors' committee at the next committee meeting.

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

Progress since we last reported

Realisation of assets - Recovery of outstanding sums due

You may recall that, at the time of our last report, there remained c.£221k of book debts (consisting of both pre and post appointment debts) to be collected and that we were considering whether legal action in relation to any of these debts was warranted.

Our solicitors reviewed the book debt ledger and identified c.£61k which did warrant a letter before action being sent to the debtors (c.£61k being split between three debtors, in the following amounts: £29k, £21k and £11k). Letters were issued and discussions followed between our solicitors and the debtors.

Two debtors (for the amounts of £29k and £21k) continued to maintain their position that the balances were not payable, due to set off and inadequate work performed by the Company (and consequential losses). However, the third debtor, for £11k (gross) has settled the full balance outstanding upon receipt of our letter before action. The net (of VAT) amount totalling c.£9k is reflected on our receipts and payments account.

We have also received c.£2.7k of dividends in the period, where debtors have themselves entered an insolvency process and distributions from their estates have been made. These are described as 'sundry debts and refunds' on our receipts and payments account.

With regard to the outstanding balance of book debts, our solicitor's advice is that spending any more time or resource on these debts will not be cost effective as the likelihood of us recovering any further sums is low. Therefore we do not intend to spend any further time pursuing outstanding book debt recoveries and expect that any further realisations will only be as a result of receiving dividends from insolvent debtors.

Ongoing enquiries

Throughout the period, we have continued to investigate the circumstances giving rise to the Company's insolvency. Whilst one of its former directors had been assisting us with our enquiries, he has failed to provide all the documentation and information we've requested and so we've issued proceedings for delivery up of documents. A hearing is scheduled to take place on 28 January 2020.

Due to the sensitive and confidential nature of our enquiries, we are unable to provide any further details at this stage. We will continue to consult and discuss our approach with the creditors' committee in this regard.

Unsecured dividend

Previously, we had distributed a first interim distribution of £650,821 (equivalent to 20 pence in the pound) which was paid on 7 September 2018.

In the period, we began the process of adjudicating unsecured claims received to date in preparation for paying the second interim distribution. As part of this process we invited any potential creditors to submit claims if they had not yet done so, in order to facilitate payment to as many creditors as possible.

On 3 October 2019, we distributed a further interim dividend of £408,057 (equivalent to 12 pence in the pound). This brings total distributions to unsecured creditors to £1.06m, being 32 pence in the pound.

There are two claims heldover that remain to be adjudicated upon and there still remains a large number of potential creditors who have yet to submit any claim in the insolvency.

It is currently envisaged that the total distribution payable will be in the range of 35 – 45 pence in the pound. The final level of this dividend will depend not only on asset realisations, but also on whether those creditors who have yet to submit claims do so.

Statutory and compliance

Tax

During the period we submitted a corporation tax return for the period 28 November 2017 to 27 November 2018. No tax liability was due for this period.

We have also submitted a terminal loss relief claim to HMRC and are in discussions with them regarding their determination of our claim and whether its acceptance will result in set off against their debt or a payment to the estate.

We will continue to liaise with HMRC regarding this claim and will update creditors in due course.

VAT

We have continued to submit quarterly VAT returns on behalf of the Company until applying for the Company to be deregistered for VAT purposes.

During the period covered by this report, the Company has been de-registered for VAT. We have prepared the final return, which has now been submitted (outside the period of this report).

We have also submitted a bad debt relief claim to recover VAT paid over to HMRC on trading sales made during our trading period but for which payment has never been received. This will result in a refund of c.£10k. We are yet to receive these funds from HMRC but are in discussions with them regarding our claim.

Indian overseas branch

You may recall that the Company had an Indian branch, responsible for marketing the Company's activities in India and, following the sale of the business to Speedy, the branch was no longer required. Consequently, we have been seeking to finalise the branch's remaining obligations in order to close it.

We have continued to liaise with our colleagues in India for advice and assistance in fulfilling the necessary Indian formalities to ensure that the Company's obligations in India are fulfilled.

As advised, the process of dealing with a different legal jurisdiction has been complex and protracted. However, we can now confirm that the formal closure of the Company's branch in India has been finalised in the period and no further work is required in this matter.

Liquidation committee

On appointment as liquidators, the creditors' committee formed in the preceding administration became the liquidation committee.

We will continue 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.

During the next few months we will schedule a meeting with the committee to discuss the remaining matters outstanding, including our ongoing enquiries into the Company's affairs, the payment of a final distribution and the approval of a fees estimate for our work in the CVL.

Investigations and actions

We continue to review the Company's affairs and take into account any points raised by creditors in discharging 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 2018 to 27 November 2019.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report. 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, disbursements 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:

http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2015/guide_to_liquidators_fees_oct_2015.ashx?la=en

You can also get a copy free of charge by telephoning May Mehdi on 0113 289 4742.

What we still need to do

There remain a number of tasks that we need to complete before we conclude the liquidation. These include:

- concluding our ongoing enquiries (having taken any actions as required or appropriate);
- 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.

We are presently unable to estimate the length of time it will take to conclude the above matters as certain matters are outside of our control.

Next report

We expect to send our next report to creditors at the end of the liquidation or in about 12 months, whichever is the sooner. If you've got any questions, please get in touch with May Mehdi on 0113 289 4742.

Yours faithfully



Michael Denny
Joint liquidator

Michael Thomas Denny, David Robert Baxendale and Matthew David Hammond have been appointed as joint liquidators of Lloyds British Testing Limited. Michael Thomas Denny, David Robert Baxendale and Matthew David Hammond 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.

Appendix A: Receipts and payments

	28 November 2017 to 27 November 2018 £	28 November 2018 to 27 November 2019 £	28 November 2017 to 27 November 2019 £
<i>Receipts</i>			
Brought forward from administration	2,173,048.60	-	2,173,048.60
Bank Interest Gross	6,507.58	4,986.09	11,493.67
Book debts	56,996.44	9,376.00	66,372.44
Rent	15,833.34	-	15,833.34
Sundry debts and refunds	932.48	1,639.57	2,572.05
Trading Surplus / (Defecit)	8,026.77	70.00	8,096.77
Total receipts	2,261,345.21	16,071.66	2,277,416.87
<i>Payments</i>			
Bank / Finance Charges	(62.00)	(92.00)	(154.00)
Book debt collection agents	(30,000.00)	-	(30,000.00)
Legal fees & Expenses	(35,443.30)	(17,599.00)	(53,042.30)
Administrators' fees	(600,000.00)	(128,000.00)	(728,000.00)
Professional Fees (Indian sub.)	(6,534.90)	(4,804.87)	(11,339.77)
Statutory advertising	(73.00)	(75.00)	(148.00)
Storage Costs	(586.80)	(180.75)	(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	(673,647.03)	(152,764.63)	(826,411.66)
Total receipts and payments	1,587,698.18	(136,692.97)	1,451,005.21
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)	4,852.92	(27,258.27)	(22,405.35)
VAT Control Account (administration)	38,011.64	-	38,011.64
Balance at Bank	961,346.59	(572,008.63)	389,337.96
Trading Receipts			
Sales receipts	13,305.54	70.00	13,375.54
Total trading receipts	13,305.54	70.00	13,375.54
Trading Payments			
Insurance	1,554.00	-	1,554.00
Rates	1,146.21	-	1,146.21
Telephone	2,569.99	-	2,569.99
Utilities	8.57	-	8.57
Total payments	5,278.77	-	5,278.77
Trading surplus / deficit	8,026.77	70.00	8,096.77

Brought forward figures for the period ending 27 November 2018 were understated by £2,787.29. Figures for the period are corrected in this receipts and payments account. Funds are held in interest bearing accounts

* Included in this amount is £27,535.55 of uncashed dividend cheques

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as liquidators from the estate and include our fees but exclude distributions to creditors. The table also 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.

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.

	Outstanding expenses brought forward £	Incurred in the period under review £	Cumulative £	Paid in the period £	Remaining expenses outstanding £
<i>Costs relating to the Administration</i>					
Administrators' disbursements	10,000	-	10,000	-	10,000
Administrators' fees *	328,000	-	328,000	128,000	200,000
Legal fees & expenses	-	-	-	-	-
Trading payments	-	-	-	-	-
Total	338,000	-	974,279	128,000	210,000
<i>Costs relating to the Liquidation</i>					
Bank / finance Charges	-	137	137	92	45
Book debt collection agents	-	2,700	2,700	-	2,700
Legal fees & Expenses	12,484	6,795	19,279	17,599	1,680
Liquidators' fees *	236,110	93,268	329,378	-	329,378
Liquidators' disbursements	1,510	1,367	2,877	-	2,877
Professional Fees (Indian sub.)	-	4,805	4,805	4,805	-
Statutory advertising	-	75	75	75	-
Storage Costs	147	181	328	181	147
Total	250,251	109,328	359,579	22,752	336,827

**the figures provided for the officeholders' fees are based on the time costs we have incurred. Our fees are 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). To date we have not provided a fees estimate to the creditors' committee in the liquidation and therefore the outstanding expenses figure for our fees is subject to change. However, the amount of time costs incurred to date does not necessarily reflect the level of approval we'll seek from the creditors' committee.*

A remuneration report for the liquidation has not yet been provided to the creditors' committee and so an expenses estimate is not provided here.

We will provide an updated expenses estimate as part of our remuneration report in due course. In addition, any costs associated with our ongoing enquiries are unquantifiable and sensitive at this stage.

We do not consider there will be any further costs associated with the collection of book debts. The other expenses of the liquidation should be minimal.

Appendix C: Remuneration update

During the administration, the creditors' committee fixed the basis of the administrators' fees by reference to 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

You may recall that the creditors' committee approved our fees estimate of £1,378k.

Our total time costs for the administration were £1,578k and we therefore exceeded the fees estimate by £200k. Please refer to our final report on the administration for an explanation as to why the fee estimate was exceeded.

During the liquidation we have drawn fees of £728k in relation to outstanding time costs from the administration. These can be seen on the receipts and payments account at Appendix A, including £128k drawn in the period of this report. This means we have drawn total remuneration in relation to the administration of £1,378k to date.

Liquidators' remuneration

The time cost charges incurred in the period covered by this report are £93,268.

Our time costs since the liquidation's commencement are c.£330k. 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. However, 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 from 28 November 2018 to 27 November 2019

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
1 Accounting and treasury	-	0.75	0.15	1.50	13.45	14.95	-	30.80	7,327.75	237.91
2 Book debt realisations	-	-	-	3.70	3.60	1.90	-	9.20	2,822.50	306.79
3 Claims and distributions	-	-	10.35	27.10	40.50	40.30	-	118.25	33,066.50	279.63
5 Creditors committee	-	-	-	1.00	-	-	-	1.00	389.00	389.00
6 Employees and pensions	-	-	0.50	0.20	2.50	-	-	3.20	1,251.00	390.94
7 Investigations	-	-	-	8.55	2.10	2.00	-	12.65	4,364.75	345.04
8 Assets	-	-	-	2.50	1.65	0.70	-	4.85	1,626.25	335.31
9 Property	-	-	-	0.50	1.00	0.30	-	1.80	517.50	287.50
10 Statutory and compliance	-	-	4.75	9.35	43.90	2.50	0.20	60.70	18,401.00	303.15
11 Strategy and planning	0.50	8.25	0.75	16.45	10.35	7.50	-	43.80	16,128.50	368.23
12 Tax	-	-	-	2.30	1.95	2.65	-	6.90	2,043.00	296.09
13 VAT	-	0.25	0.15	4.15	6.95	5.50	-	17.00	5,330.50	313.56
Total for the period	0.50	9.25	16.65	77.30	127.95	78.30	0.20	310.15	93,268.25	300.72
Brought forward at 27 November 2018								725.78	236,109.95	
Total								1,035.93	329,378.20	

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 hours). 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	Up to 30 June 2019	From 1 July 2019	Specialist staff
	£	£	£
Partner	640	690	1,520
Director	540	595	1,465
Senior manager	465	515	1,290
Manager	365	405	775
Senior associate – qualified	275	310	575
Associate	180	210	305
Support staff	95	120	250

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

Payments to associates

We have paid a total of £2,040 to PricewaterhouseCoopers Private Limited, which is the Indian branch of the PwC network, in the period covered by this report. We will seek for all payments to be ratified by the committee as a category 2 expense.

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 and what, if any, financial benefit the work provided to creditors OR whether it was required by statute
Strategy & planning	<ul style="list-style-type: none"> • Periodic review of the case by appointment takers; • Team strategy calls and discussions; and • Preparing and reviewing budgets and monitoring costs. 	<ul style="list-style-type: none"> • Regulatory requirement for the purpose of ensuring adequate progression and supervision of the case. • Effective project management is important for the control of costs.
Accounting & treasury	<ul style="list-style-type: none"> • Management of funds held through bank reconciliations, payments, receipts and journals; and • Production of cheques and associated tasks for the payment of the unsecured creditors interim distribution. 	<ul style="list-style-type: none"> • To enable the proper functioning of the liquidation bank account.
Book debt realisations and assets	<ul style="list-style-type: none"> • Reviewing and providing support to facilitate the collection of the book debts. 	<ul style="list-style-type: none"> • Realising assets for the benefit of creditors. • To ensure assets are realised for the maximum value possible.
Statutory & compliance	<ul style="list-style-type: none"> • Preparing and circulating the first progress report in the liquidation; • Filing relevant notices at Companies House; • Concluding the closure of the Indian branch by liaising with contacts and authorities; • Maintaining internal job management systems; • Ongoing filing of documents and records; and • Dealing with postal correspondence received. 	<ul style="list-style-type: none"> • To comply with the Company's obligations in India. • For the proper administration of the insolvency.
Creditors, claims and distributions	<ul style="list-style-type: none"> • Responding to unsecured creditor enquiries via email, telephone and post; • Sending correspondence inviting creditors to submit unsecured claims; 	<ul style="list-style-type: none"> • To keep creditors informed of the progress of the liquidation. • For the proper administration of the insolvency. • To return money to creditors.

	<ul style="list-style-type: none"> • Sending second notice of intended dividend to unsecured creditors; • Dealing with proof of debts received; • Adjudicating upon proofs of debts received and updating relevant systems; • Completing a dividend calculation and file to understand dividend value; • Facilitating the payment of the second interim distribution including the sending of dividend cheques; and • Dealing with uncashed cheques including the cancelling and re-issuing of replacement cheques. 	
Creditors committee	<ul style="list-style-type: none"> • Providing ad hoc updates to the creditors committee on the progress of the case. 	<ul style="list-style-type: none"> • Statutory requirement and for the benefit of taking the views of creditors on key decisions.
Investigations	<ul style="list-style-type: none"> • Investigatory work into potential asset recoveries. 	<ul style="list-style-type: none"> • To potentially generate additional recoveries for the benefit of the estate.
VAT	<ul style="list-style-type: none"> • Ongoing completion and submission of quarterly VAT returns; • Submission of VAT bad debt relief claim; and • Applying to re-register the Company for VAT and preparing the final return. 	<ul style="list-style-type: none"> • A VAT bad debt relief will result in additional recoveries for the liquidation estate. • The Liquidators are ‘proper officers’ of the Company for tax and VAT purposes and must ensure that all ongoing returns and compliance matters are adhered to.
Tax	<ul style="list-style-type: none"> • Submission of corporation tax return for first year of liquidation; and • Liaising with HMRC in relation to our claim for terminal loss relief. 	<ul style="list-style-type: none"> • The Liquidators are ‘proper officers’ of the Company for tax and VAT purposes and must ensure that all ongoing returns and compliance matters are adhered to. • The acceptance of our terminal loss relief claim will be a financial benefit to creditors by virtue of reducing HMRC’s claim in the estate and thereby improving the amount of distributable funds for other creditors.

Our future work

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

Area of work	Work we need to do	Whether or not the work will provide a financial benefit to creditors
Accounting & treasury	<ul style="list-style-type: none"> Effecting payments and receipts and maintaining CVL bank account. 	<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. 	<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.
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. 	<ul style="list-style-type: none"> Necessary to formalise finalise the CVL and dissolve the Company.
Creditors committee	<ul style="list-style-type: none"> Periodic updates and meetings with the creditors committee; and Agreement of fees estimate in the liquidation. 	<ul style="list-style-type: none"> Necessary under insolvency legislation and progression of the investigatory work.
Investigations	<ul style="list-style-type: none"> Ongoing enquiries into the insolvency of the Company and potential asset recoveries; and Reporting findings to the creditors committee. 	<ul style="list-style-type: none"> Potential financial benefit if investigatory work is successful.
Tax and VAT	<ul style="list-style-type: none"> Continued submission of corporation tax returns; and Submission of periodic VAT 426 forms. 	<ul style="list-style-type: none"> Necessary to fulfil duties as officers 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 reports to creditors; 	<ul style="list-style-type: none"> Necessary to comply with insolvency

	<ul style="list-style-type: none"> Filing of appropriate notices at Companies House; and Maintenance of internal filing systems. 	legislation and industry best practice.
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. 	<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.

We will be discussing this future work (and its estimated costs) with the creditors committee and will update creditors in our next report.

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the liquidation and has been approved by creditors' committee in the prior administration, where required.

The following disbursements arose in the period of this report.

Category	Policy	Costs incurred £
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	45.00
2	Mileage - At a maximum of 67 pence per mile (up to 2,000cc) or 81 pence per mile (over 2,000cc)	-
	All other disbursements reimbursed at cost	1,284.00
1	Postage	6.00
	Storage	77.00
	Statutory advertising	
	Total	1,412.00

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

The only work, which our staff or we would normally do and has been done by subcontractors, is the collection of the book debts by Shakespeare Martineau. This work was subcontracted for resourcing and efficiency purposes and to save costs.

Legal and other professional firms

We've 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, and• general legal advice• assistance with our investigations into the Company's affairs• preparation of our application to Court for delivery up 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:	Michael Thomas Denny and David Matthew Hammond of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT and David Robert Baxendale of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT Contact email: maysoon.mehdi@pwc.com
