

Joint liquidators' progress report from 28 November 2019 to 27 November 2020

Lloyds British Testing Limited
(in liquidation)

20 January 2021

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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, we, us, our	Michael Denny (to 4 January 2021), 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 and 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

This report has been prepared by Michael Thomas Denny, David Robert Baxendale and David Matthew Hammond as joint liquidators of the Company, solely to comply with their 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 www.pwc.co.uk/lloydsbritishtesting. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Michael Denny, David Baxendale and Matthew Hammond have been appointed as joint liquidators of the Company. All 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 month period from 28 November 2019 to 27 November 2020.

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 the £)	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: Between 3-13p/£	35 - 45	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

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 unsecured creditors. We expect there will be a future dividend however the timing 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.

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 third 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:

- 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.

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 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 the 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 were realised and the amount of £102k was paid to the secured creditor as detailed on the receipts and payments account in the 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. The Company repaid a total of c.£35k prior to entering administration.

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 Company's directors believed 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. 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 32 pence in the pound 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, as discussed with the members of the creditors' committee.

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

During the period covered by this report, we have completed a sale of rights to claims against a third party. An initial consideration of £12.5k was received in August 2020 from the purchaser of the claims (“the Purchaser”). If claims against the third party are successful, any settlement would be split between the liquidation estate and the Purchaser. Due to the sensitive and confidential nature of this matter, we are unable to provide any further details at this stage. We will continue to consult and discuss progress with the creditors’ committee in this regard, and the Purchaser.

Sundry debts & refunds

Some £11.9k has been received in respect of sundry debts and refunds since our last report, the majority of which was received in respect of an amount held on account by a former pension trustee of the Company.

Bank interest

Some £1.1k has been received in respect of bank interest on funds held in the liquidation estate account.

Statutory and compliance

We explain below the tax and VAT matters dealt with in the period:

- Tax matters: During the period we submitted a corporation tax return for the period 28 November 2018 to 27 November 2019. No tax liability was due for this period. We are still in discussions with HMRC regarding their determination of our terminal loss relief claim and whether acceptance will result in set off against their debt or a payment to the estate; and
- VAT matters: As advised in our last report, the Company has been deregistered for VAT. In the period we have recovered c.£10k relating to our bad debt relief claim. We will continue to reclaim VAT on an *ad hoc* basis.

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 still need to liaise with the committee to seek approval of a fees estimate for our work in the CVL.

Investigations and actions

We have reviewed the Company’s affairs and taken 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 2019 to 27 November 2020.

Changes of liquidator

Michael Denny, one of the previous joint liquidators, has now left the firm. An application was made to the Court to remove him. The application was granted and so Michael Denny was removed as joint liquidator with effect from 4 January 2021. He will be released from all liability in respect of his conduct as liquidator with effect from 28 days from the date of this report. Creditors have 28 days from receiving this notice to apply to Court to vary or discharge the Court order.

David Baxendale and I, the remaining liquidators of the Company, do not think it is necessary for a third liquidator to be appointed to replace Michael Denny and we will remain in office as joint liquidators.

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, 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:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>

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

What we still need to do

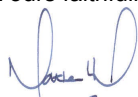
The remaining key tasks that we need to complete prior to concluding the liquidation are as follows:

- 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.

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 Lucy Caveney on 07710 035599.

Yours faithfully



David Matthew Hammond
Joint liquidator

Appendix A: Receipts and Payments

	28 November 2017 to 27 November 2019 £	28 November 2019 to 27 November 2020 £	28 November 2017 to 27 November 2020 £
Receipts			
Brought forward from administration	2,173,048.60	-	2,173,048.60
Bank interest Gross	11,493.67	1,148.56	12,642.23
Book debts	66,372.44	-	66,372.44
Rent	15,833.34	-	15,833.34
Sundry debts and refunds	2,572.05	11,919.55	14,491.60
Trading Surplus / (Defect)	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	2,277,416.87	25,579.52	2,302,996.39
Payments			
Bank / Finance Charges	(154.00)	-	(154.00)
Book debt collection agents	(30,000.00)	(2,250.24)	(32,250.24)
Legal fees & Expenses	(53,042.30)	(13,971.43)	(67,013.73)
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	(826,411.66)	(16,221.67)	(842,633.33)
Total receipts and payments	1,451,005.21	9,357.85	1,460,363.06
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)
Dividend reissues	-	-	4,282.42
VAT Control Account (liquidation)	(22,405.35)	8,829.42	(13,575.93)
VAT Control Account (administration)	38,011.64	-	38,011.64
Balance at Bank	389,337.96	18,187.27	411,807.65
Trading Receipts			
Sales receipts	13,375.54	-	13,375.54
Total trading receipts	13,375.54	-	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	8,096.77	-	8,096.77

Notes to the accounts:

1. Amounts shown exclude VAT.
2. Funds are held in interest bearing accounts
3. * Included in this amount is £25,669.92 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.

<i>Costs relating to the Administration</i>	Outstanding expenses brought forward £	Incurred in the period under review £	Cumulative £	Paid in the period £	Remaining expenses outstanding £
Administrators' disbursements	10,000	-	10,000	-	10,000
Administrators' fees	200,000	-	200,000	-	200,000
Legal fees & expenses	-	-	-	-	-
Trading payments	-	-	-	-	-
Total	210,000	-	210,000	-	210,000

Costs relating to the Liquidation

Bank/finance charges	45	-	45	-	45
Book debt collection agents	2,700	-	2,700	2,250	450
Legal fees & expenses	1,680	12,291	13,971	13,971	-
Liquidators' fees*	350,349	57,237	407,587	-	407,587
Liquidators' disbursements	2,877	236	3	-	3,113
Professional Fees (indian sub)	-	-	-	-	-
Statutory advertising	-	-	-	-	-
Storage costs	147	-	147	-	147
Total	357,799	69,764	424,453	16,221	411,342

*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).

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 may seek from the creditors' committee.

Furthermore, the remaining expenses outstanding (for liquidators' fees) in our previous report was understated by around £20k. The correct figure of £350k has been brought forward in this report.

With regard to our expenses, again as a remuneration report has not yet been prepared for the liquidation, an estimate of future expenses is not provided here but will form part of our remuneration report. This will be circulated to all creditors prior to seeking fee approval from the creditors' committee.

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

Creditors 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.

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 £57k, as shown in the table below.

Our total time costs since the liquidation commenced are now £408k. 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 in the period

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
1 Accounting and treasury	-	-	-	2.05	4.00	6.50	12.55	3,680.75	293.29
2 Assets	-	-	-	3.00	-	0.30	3.30	1,425.00	431.82
3 Creditors	-	0.25	0.20	2.65	7.10	5.65	15.85	4,628.50	292.02
4 Creditors committee	-	-	-	1.10	-	0.40	1.50	543.50	362.33
5 Investigations	-	-	-	10.95	-	25.95	36.90	10,874.75	294.71
6 Secured creditors	-	-	-	1.70	-	-	1.70	688.50	405.00
7 Statutory and compliance	-	-	1.20	13.40	-	25.70	40.30	11,893.50	295.12
8 Strategy and planning	1.60	4.25	-	3.30	-	9.05	18.20	7,696.25	422.87
9 Tax	-	-	2.25	7.45	2.30	0.95	12.95	7,038.50	543.51
10 VAT	-	-	0.25	7.85	8.41	10.20	26.71	8,768.00	328.27
Total for the period	1.60	4.50	3.90	53.45	21.81	84.70	169.96	57,237.25	336.77
Brought forward at 28 November 2019 *							1,042.53	350,349.75	
Total							1,212.49	407,587.00	

*The closing figure in the last report was understated.

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.

Grade	Up to 30 June 2020 £	From 1 July 2020 £
Partner	690 (910)	850 (955)
Director	595 (800)	720 (840)
Senior Manager	515 (605)	585 (665)
Manager	405 (525)	475 (575)
Senior Associate	310 (435)	390 (465)
Associate	210 (270)	245 (297)
Support staff	120 (140)	125 (155)

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:

Grade	Up to 30 June 2020 £	From 1 July 2020 £
Partner	1,520	1,600
Director	1,465	1,465
Senior Manager	1,290	1,355
Manager	775	815
Senior Associate	575	605
Associate	305	325
Support staff	250	250

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

Payments to associates

We have not paid any associates during the period covered by this report.

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 and 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; 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 and 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 reissue of the unsecured creditors interim distribution. 	<ul style="list-style-type: none"> • To enable the proper functioning of the liquidation bank account.
Investigations	<ul style="list-style-type: none"> • Liaising with the Purchaser and creditors' committee regarding the sale of claims against a third party. 	<ul style="list-style-type: none"> • To potentially generate additional recoveries for the benefit of the estate.
Statutory and compliance	<ul style="list-style-type: none"> • Preparing and circulating the second 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. 	<ul style="list-style-type: none"> • 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; and • Reissuing creditor dividend cheques. 	<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.

Our future work

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

Area of work	Work undertaken	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. 	<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. 	<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.
Tax & 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 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 reports to creditors; • Filing of appropriate notices at Companies House; and • Maintenance of internal filing systems. 	<ul style="list-style-type: none"> • Necessary to comply with insolvency legislation and industry 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. 	<ul style="list-style-type: none"> • Necessary under insolvency legislation and progression of the investigatory work.
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 the CVL and dissolve the Company.

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 and 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 the 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 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	-
2	Mileage – At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	Analyse all other disbursements reimbursed at cost Storage and archiving	236.00
Total		236.00

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 we or our staff would normally do that has been done by subcontractors, is the book debt collection by Shakespeare Martineau. This work was subcontracted for resourcing and cost purposes.

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; andpreparation of our application to the Court for delivery up 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 and 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 (until 4 January 2021) and 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: lucy.e.caveney@pwc.com
