

Joint liquidators' progress report from 28 November 2023 to 27 November 2024

Lloyds British Testing Limited - in liquidation

27 January 2025

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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
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 the applicable insolvency legislation 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 insolvency legislation reporting requirements 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 10 January 2024.

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	Current estimate (p in £)	Previous estimate (p in £)
Secured creditor	Paid in full	Paid in full
Preferential creditors	Paid in full	Paid in full
Unsecured creditors	Paid: 32p/£ c.0.84p/£	October 2019: Paid 12p/£ September 2018: Paid 20p/£ Future dividend: 1.26p/£

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 stated in our previous progress report that we estimated the quantum of the final distribution to be c1.26p, bringing total distributions to Unsecured creditors to 33.26p in the £. In the period since we issued that report, we have quantified final costs of the liquidation and admitted a further creditor claim, which has resulted in the future estimated dividend now being estimated at c.0.84p in the £, bringing the total estimated distribution to 32.84p.

We mentioned in our previous report that the recovery of funds, in respect of the judgement that had been obtained against a third party in the sum of £657,000, was ongoing. During the period, it has been determined that we will not await any recoveries from this judgement (see further details on page 7) and, consequently, we are now proceeding to distribute the funds in hand to Unsecured creditors by way of a final distribution, and progress the case to closure.

A final notice of intended dividend was issued to awaited creditors on 28 November 2024, with a final date for proving of 3 January 2025. A final distribution will be made to Unsecured creditors no later than 3 March 2025, following which the case will be progressed to closure.

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 seventh progress report. You may wish to refer to our previous reports which can be found at www.pwc.co.uk/lloydsbritishtesting.

We remain in office to make a final distribution to Unsecured creditors followed by closing the case.

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. 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
- Subject to a maximum of £600,000

The prescribed part applies in this case as there is a floating charge created after 15 September 2003. However all secured debt was repaid from fixed charge realisations and book debts (as appropriate), and as such 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 0.84p in the £ and it will be declared by 3 March 2025.

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 draw down 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. Creditors may recall that, at the time of our last report, the appeal hearing had been set for April 2024.

The appeal hearing was adjourned until 4 July 2024 and was heard on that date, by the Court of Appeal. Judgement was handed down in November 2024 and unfortunately, Manolete was unsuccessful in resisting the third party's appeal, which was allowed and the order in relation to the pension draw down was set aside. Manolete has advised that there is no appeal being progressed in the matter to the Court of Appeal.

This matter is therefore considered concluded as it is extremely unlikely that any future recoveries will be made.

In light of this, we have decided to proceed with declaring our final dividend and closing the case. As reported above, a final notice of intended dividend has been issued and a final dividend will be paid no later than 3 March 2025.

Bank interest

During the period and to 13 December 2023, bank interest totalling £2,362.80 was received. The estate's bank account was taken off interest bearing on 13 December 2023 in order for final tax computations to be prepared.

Statutory and compliance

During the period covered by this report, we submitted corporation tax returns for the period ending 27 November 2023 and 14 December 2023, which confirmed tax liabilities of £2,797.37 and £366.89 respectively. In January 2024 payment was made to HMRC and following the submission of the final returns, we sought clearance from HMRC to proceed with closure of the liquidation.

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. A remuneration report was issued to the committee at the same time as our last progress report. An update on our remuneration can be found in Appendix C.

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 2023 to 27 November 2024.

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 tax liabilities paid during the liquidation.

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/regulations/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx>

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:

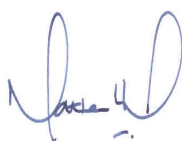
- make a final distribution to Unsecured creditors;
- continue to complete the ongoing statutory tasks and other matters in the wind-down of the Company's affairs; and
- finalise the liquidation and proceed with closure of the case.

Next report

We expect to send our final report to creditors within the next 9-12 months, following payment of the final dividend to Unsecured creditors.

If you've got any questions, please get in touch with Alex La Dell by emailing alex.la.dell@pwc.com

Yours faithfully



David Matthew Hammond
Joint liquidator

Appendices

Appendix A: Receipts and payments

	28 November 2017 to 27 November 2023	28 November 2023 to 27 November 2024	28 November 2017 to 27 November 2024
	£	£	£
Receipts			
Brought forward from administration	2,173,048.60		2,173,048.60
Bank Interest Gross	34,675.76	2,362.80	37,038.56
Book debts	66,376.80		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
Pre-appt VAT BDR claim	0.00	10,346.41	10,346.41
VAT from administration	0.00	43,937.64	43,937.64
Refund of bank charges	11.41		11.41
Sale of claim against third party	12,500.00		12,500.00
Total receipts	2,329,540.05	56,646.85	2,386,186.90
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)	(3,164.26)	(5,125.46)
Tax & NIC	(51.81)		(51.81)
Total payments	(844,901.58)	(3,164.26)	(848,065.84)
Total receipts and payments	1,484,638.47	53,482.59	1,538,121.06
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)	(408,057.39)		(408,057.39)

2019)*

VAT Control Account (liquidation)	15,823.91	(54,284.05)	(38,460.14)
VAT Control Account (administration)	38,011.64		38,011.64
Balance at Bank	461,200.48	(801.46)	460,399.02

Notes to the R&P

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. The net VAT position is that £448.50 is due from HMRC and will be recovered via a VAT 426 form
3. The £10.3k receipt in the period relates to a journal processed to correct the VAT accounts. The balance in the VAT accounts included £10.3k relating to a pre-appointment BAD Debt Relief claim, which should have been coded to appear as an asset in the R&P, rather than being in the VAT account. Therefore a journal was processed to correct the position.
4. The £43.9k receipt in the period relates to a journal processed to correct the VAT account. The sum of £43,937.64 relates to the administration and should have been journalled from the VAT control account and be shown as 'VAT from the administration', rather than being in the VAT accounts. Again, a journal has been processed to reflect the adjustment that was required to reflect the correct VAT position.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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 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 (which became the liquidation committee) also has the responsibility for agreeing the basis for payment of Category 2 expenses.

The rate for services provided by the Liquidators' own firm (Category 2 expenses) may periodically rise (for example to cover annual inflationary cost increases) over the period of the liquidation. All other disbursements to be charged at cost.

The following table provides a breakdown of the Category 2 expenses incurred in the period, together with details of the Category 1 expenses that have been incurred as disbursements by PwC and will be recharged to the case

Category	Provided by	Basis of cost	Costs incurred (£)
Brought forward			
1	PwC	Storage and archiving	3,616
2	PwC India	Professional fees	4,080
1	PwC	Postage	1,497
2	PwC	Printing	224
2	Mileage	Mileage	58
1	PwC	Other	422
Total brought forward			9,897
1	PwC	Storage and archiving	976
Total			10,873

The expense policy set out above has been 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 does not include any tax liabilities and, as explained on page 7, we have now brought the Company's tax affairs up to date and no further tax liabilities are expected.

Costs relating to the Liquidation	Brought forward	Incurred in the period	Cumulative	Estimated future	Anticipated total	Initial estimate*	Variance
	£	£	£	£	£	£	£
Bank / Finance Charges	180	-	180	-	180	1,800	1,620
Book debt collection agents	32,250	-	32,250	-	32,250	40,000	7,750
Legal fees & Expenses	69,256	-	69,256	-	69,256	41,000	(28,256)
Professional fees	11,340	-	11,340	-	11,340	-	(11,340)
Stat advertising	148	-	148	99	247	-	(247)
Liquidators' time costs	696,558	122,035	818,593	29,000	847,593	N/A	N/A
Liquidators' disbursements	5,817	976	6,793	-	6,793	15,000	8,207
Storage Costs	768	-	768	1,904	2,672	400	(2,272)
Total	816,317	123,011	939,328	31,003	970,331	98,200	(24,538)

The table above provides details of 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 anticipated total expenses for the liquidation. In our remuneration report which was issued with our proposals, whilst we anticipated moving to liquidation to pay a dividend, we couldn't predict how long the liquidation would last or how it would progress and so we did not include an estimate for liquidation expenses.
- The figure provided for office holders' time cost is based on the time costs we have incurred in the liquidation. Our fees are capped by the fees estimate agreed by the liquidation committee (£1,378k in the administration and a further £409k in the liquidation). As our initial estimate didn't include joint liquidators' fees, we've excluded these from the initial estimate and variance columns.
- The professional fees shown in the table includes £4,080 paid to PwC India.

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, therefore we 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.

Liquidators' remuneration

At the same time as publishing our last progress report, we issued a remuneration report to all creditors setting out a revised fees estimate to include an additional £752,535 for the liquidation. In our report, we informed creditors that we only intended to seek approval to draw an additional £409k, bringing the total amount for administration and liquidation to £1,787k.

Shortly after issuing our remuneration report, we sought the approval of the liquidation committee to draw the further amount of £409k. The liquidation committee voted in favour of the increase and therefore total remuneration approved by the creditors' committee (and subsequently the liquidation committee) in relation to the administration and CVL fees, is £1,787k.

The time cost charges incurred in the period covered by this report are £122,035.25. We have not yet drawn any joint liquidators' fees. Our fees in the liquidation are limited to the additional £409k that has been approved by the liquidation committee.

We set out later in this Appendix details of our work to date, anticipated future work, expenses, 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 2024.

Reporting period 28/11/2023 - 27/11/2024

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	-	-	0.25	0.20	2.80	6.05	7.80	17.10	7,253.00	424.15
Assets	-	-	0.65	0.65	0.75	-	-	2.05	1,458.25	711.34
Creditors	-	-	2.60	3.45	11.90	-	-	17.95	11,703.75	652.02
Reporting to committee	-	-	-	0.40	-	-	-	0.40	292.00	730.00
Statutory and Compliance	27.90	-	7.65	14.40	46.95	4.10	12.00	113.00	77,929.00	689.64
Strategy and Planning	-	-	3.90	1.65	8.65	-	-	14.20	9,285.25	653.89
Tax and VAT	-	-	4.00	2.50	12.35	-	-	18.85	14,114.00	748.75
Total for the period	27.90	-	19.05	23.25	83.40	10.15	19.80	183.55	122,035.25	664.86

Full period from 28/11/2017 - 27/11/2024

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	0.95	14.10	56.90	55.98	12.70	141.38	39,989.85	282.85
Assets	-	3.00	53.15	103.95	58.65	6.35	-	225.10	88,479.65	393.07
Creditors	-	3.50	34.20	61.70	261.00	34.25	38.25	432.90	136,111.15	314.42
Reporting to Committee	-	-	26.75	58.20	46.45	1.50	2.00	134.90	70,298.30	521.11
Statutory and Compliance	37.65	50.25	33.55	153.35	276.65	130.90	21.25	703.60	309,067.65	439.27
Strategy and Planning	0.75	-	23.45	14.05	51.95	9.75	2.55	102.50	51,659.50	504.00
Tax and VAT	3.00	0.25	32.80	58.10	110.26	34.15	-	238.56	122,987.60	515.54
Total	31.55	3.00	120.65	151.30	285.50	31.75	42.00	1,978.94	818,593.70	413.65

CVL time costs to 27/11/2024 compared to revised fee estimate

Work category	Hours incurred to date	Time costs to date	Average rate	Estimated total Hours	Estimated total costs	Average rate	Variance Hrs	Variance cost £	Variance hourly rate
Accounting and Treasury	141.38	39,989.85	282.85	134.28	38,956.55	290.11	(7.10)	(1,033.30)	7.26
Assets	225.10	88,479.65	393.07	227.05	89,509.28	394.23	1.95	1,029.63	1.16
Creditors	432.90	136,111.15	314.42	458.45	151,463.10	330.38	25.55	15,351.95	15.96
Reporting to committee	134.90	70,298.30	521.11	139.50	73,116.15	524.13	4.60	2,817.85	3.02
Statutory and Compliance	703.60	309,067.65	439.27	610.60	243,578.05	398.92	(93.00)	(65,489.60)	(40.35)
Strategy and Planning	102.50	51,659.50	504.00	93.30	45,484.10	487.50	(9.20)	(6,175.40)	(16.50)
Tax and VAT	238.56	122,987.60	515.54	222.21	110,428.53	496.96	(16.35)	(12,559.07)	(18.58)
Total for the period	1,978.94	818,593.70	413.65	1,885.39	752,535.75	399.14	(93.55)	(66,057.95)	(14.51)

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 2024 £	From 1 July 2024 £
Partner	995	1,050
Appointment taking director	960	1,000
Director (not appointee)	915	950
Assistant director	900	920
Senior manager	860	875
Manager	730	750
Senior associate	540	575
Associate	395	400
Support staff	160	160
Offshore professionals	540	575

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 2024 £	From 1 July 2024 £
Partner	1,905	1,965
Director	1,745	1,815
Senior manager	1,410	1,485
Manager	1,025	1,080
Senior associate/consultant	725	765
Associate/assistant consultant	495	350-515
Support staff	220	235
Offshore professionals	-	-

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

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

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 transactions; Removing account from interest bearing; Conducting periodic bank reconciliations 	<ul style="list-style-type: none"> To enable the proper functioning of the liquidation bank account. 	<ul style="list-style-type: none"> Required by statute/regulations.
Assets		
<ul style="list-style-type: none"> Monitoring the ongoing claim against a third party and obtaining updates from Manolete in respect of the appeal process; Reaching a conclusion that we will not await further recoveries and will distribute funds in hand. 	<ul style="list-style-type: none"> To realise all available assets 	<ul style="list-style-type: none"> Work was required to potentially realise funds for the benefit to creditors
Creditors		
<ul style="list-style-type: none"> Dealing with correspondence received in respect of potential claims; Requesting further information in relation to one unadjudicated unsecured claim; Providing updates to the committee on the ongoing claim against the third party 	<ul style="list-style-type: none"> To keep creditors informed of the progress of the liquidation. To keep the committee informed of the progress of the liquidation 	<ul style="list-style-type: none"> Work is required by statute and for the proper administration of the case.
Statutory and compliance		
<ul style="list-style-type: none"> Preparing and circulating the sixth 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. 	<ul style="list-style-type: none"> Required by statute/regulations.

Strategy and Planning

- 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;
 - Preparation of revised fees estimate and remuneration report to creditors and the liquidation committee;
 - Obtaining approval from the liquidation committee in relation to the revised fee estimate; 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

- 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.

Work undertaken	Estimated cost (£)	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"> Effecting payments and receipts and maintaining the CVL bank account. 	1,000	<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 and distributions		
<ul style="list-style-type: none"> Preparing for and issuing final dividend to Unsecured creditors 	15,000	<ul style="list-style-type: none"> Financial benefit as will return monies to creditors
Creditors committee		
<ul style="list-style-type: none"> Final update to the creditors committee pre-closure of the liquidation 	2,000	<ul style="list-style-type: none"> Necessary to comply with insolvency legislation and industry best practice.
Statutory and compliance		
<ul style="list-style-type: none"> Preparation and circulation of final reports to creditors; Filing of appropriate notices at Companies House; Maintenance of internal filing systems; Obtaining clearances in advance of ceasing to act; Completing closure checks; and Submitting notices to dissolve the Company. 	10,000	<ul style="list-style-type: none"> Necessary to comply with insolvency legislation and industry best practice.
Tax and VAT		
<ul style="list-style-type: none"> Submission of final VAT 426 form 	1,000	<ul style="list-style-type: none"> Necessary to fulfil duties as agents of the Company for tax and VAT purposes. Financial benefit to reclaim VAT from HMRC.

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 relationships

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

Details of subcontracted work

No work has been subcontracted in the period

Legal and other professional firms

We instructed the following professionals on this case:

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

Appendix D: Other information

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