



**Euromix Concrete Limited – in Administration
 (“the Company”)**

**High Court of Justice, Chancery Division,
 Companies Court**

Case No. 9086 of 2013

**The Joint Administrators’ third progress report for
 the period from 8 November 2014 to 7 May 2015**

12 May 2015

www.pwc.co.uk/euromix

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Contents

Section		Pages
1	The Joint Administrators' third progress report	3 – 6
2	Statutory and other information	7
3	Administrators' receipts and payments account to 7 May 2015	8 – 9
4	Expenses incurred to 7 May 2015	10
5	Administrators' time costs to 7 May 2015 together with the charge out rates of PricewaterhouseCoopers LLP	11 – 13
Form 2.24B	Notice of Administrators' progress report	

The following abbreviations are used in this report:

"the Company" or "the Administration"	Euromix Concrete Limited – in administration
"the Administrators" or "we"	David Baxendale and Zelf Hussain
"Natwest" or "the Bank"	National Westminster Bank Plc
"RBSIF"	Royal Bank of Scotland Invoice Finance Limited
"IR86"	The Insolvency Rules 1986
"Sch B1 IA86"	Schedule B1 to the Insolvency Act 1986

1 The Joint Administrators' third progress report

Introduction

In accordance with Rule 2.47 IR86, we write to provide creditors with details of the progress of the administration of Euromix Concrete Limited in the six months since our last report dated 17 November 2014.

With the consent of the creditors the Administration was extended for a period of 6 months until 19 June 2015.

A copy of this report will be available at www.pwc.co.uk/euromix.

We are required to provide certain statutory information pursuant to Rule 2.47(1)(a) to (d) IR86, which is included in Section 2.

Information regarding the sale of the Company's business and assets has been included in previous reports and is not repeated for the purpose of this report.

Revision to proposals

The Joint Administrators' Proposals ("the Proposals") were approved by creditors at a meeting held on 20 February 2014.

The Proposals are in the process of being revised. An update on this will be provided to creditors in the next report.

Actions taken by the Administrators

At the time of our last report, the outstanding issues were the completion of book debt realisations and a distribution to unsecured creditors.

Book debts

At the date of our appointment, the Company had a book debt ledger in the region of £7.2 million. The book debts were subject to an invoice finance agreement with the Royal Bank of Scotland Invoice Finance Limited ("RBSIF") (under which the Company's book debts were assigned to RBSIF in return for advancing the Company a percentage of the money due for those debts).

RBSIF was owed £4.047 million at the date of Administration. To date, funds of £6.713 million have been collected and RBSIF have now been paid in full including all charges. The surplus is available to the Company and forms part of the insolvent estate.

No further realisations are now expected from this source.

Bond

The Company entered into an agreement several years ago involving a performance bond that was due to be paid in July 2014. The party who holds the funds in relation to this bond is in an insolvency process in Switzerland. The Administrators have submitted a claim in the insolvency process but the timing of recovery and amount is currently unknown.

Forensic investigations

With the agreement of the creditors committee, the Administrators and their legal advisers are investigating a small number of unusual transactions which took place prior to the Administration. For confidentiality reasons, I am unable to give any further information, however if any of our investigations

1 The Joint Administrators' third progress report

result in recoveries for the creditors of the Company, we will provide an update as soon as they are concluded.

Creditors' committee

We are liaising with the creditors' committee to discuss our investigations and outline key decisions and progress. The last committee meeting was held on 30 April 2015.

Estimated dividend prospects

Secured creditors

National Westminster Bank Plc ("the Bank") and RBSIF have been repaid in full. The Bank's lending to the Company as at the date of administration of £1.203 million, and £4.047 million advanced by RBSIF, was secured by debentures. This security gave the Bank fixed and floating charges over all the Company's assets.

Following the sale of the business, the Bank's lending was repaid in full from the sale proceeds. RBSIF has also recovered its lending in full, including all charges as discussed above.

Preferential creditors (mainly employees)

All employees have transferred to the purchaser of the business therefore avoiding the creation of preferential claims.

Unsecured creditors

The Prescribed Part is a fund that has to be made available for unsecured creditors. It is paid out of "net property". Net property is floating charge realisations after costs, and after paying - or setting aside enough to pay - any preferential creditors in full. It only has to be made available where the floating charge was created on or after 15 September 2003. The Prescribed Part applies to the Company due to the date of the Bank's security.

However, because the secured creditors have been repaid in full it is not necessary to ring-fence a Prescribed Part fund as all surplus realisations (net of costs) will be available for unsecured creditors.

An interim dividend of 31p in the £ was paid to unsecured creditors in November 2014. Total funds of £2.253 million were distributed in relation to this dividend.

A total dividend of about 44% may be available to the unsecured creditors based on what we currently know.

A further interim dividend will be paid in due course but the timing and quantum of this is currently unknown.

Receipts and payments account

An account of the receipts and payments in the Administration for the period from 20 December 2013 to 7 May 2015 is set out in Section 3.

Expenses statement

A statement of the expenses incurred in the period 8 November 2014 to 7 May 2015 is included at Section 4. This includes expenses incurred which have not yet been paid.

The statement excludes any potential tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend on the position at the end of the tax accounting period.

1 The Joint Administrators' third progress report

Administrators' remuneration

Our remuneration has been approved on a time costs basis by the creditors' committee. To 7 May 2015, we have drawn remuneration of £843,928 in accordance with the resolutions passed at the first and subsequent creditors' committee meetings.

The time cost charges incurred in the period covered by this report (8 November 2014 to 7 May 2015) are £173,052.

Full time costs for the period 20 December 2013 to 7 May 2015 are £1,157,205.

This amount does not necessarily reflect the amount that will be drawn as remuneration in due course.

In accordance with the requirements of Statement of Insolvency Practice 9, a full analysis of our time costs and Category 2 disbursements for the period 8 November 2014 to 7 May 2015 is provided in Section 5.

Pre-administration costs

We incurred costs of £40,840 prior to our appointment with a view to the Company entering administration. The creditors' committee approved 75% of these costs which totalled £30,630. This has been drawn in full.

Creditors' rights

An explanatory note giving creditors a statement of their rights in relation to administrators' remuneration and expenses, and their rights to request further information, can be found online at:

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-administrators-fees-final.pdf>

A copy may also be obtained free of charge by telephoning Clare Davison on 0113 289 4062.

Summary of legal and other professional firms

We have instructed the following professionals / subcontractors: -

Service provided	Name of firm / organisation	Reason selected	Basis of fees	Fees paid in the period £
Legal advice	Addleshaw Goddard	Expertise	Time cost	27,254.80
Legal advice	C W Harwood & CO	Expertise	Time cost	15,152.85
Legal advice	Kennedys Law	Expertise	Time cost	1,058.00
Debt collection	J P Associates	Expertise	% basis	50,705.90

All third party professionals are required to submit time costs analyses and/or narrative in support of invoices rendered, in order for us to consider whether they are reasonable in the circumstances of the case.

Ending the Administration

It is expected that the Company will move into creditors' voluntary liquidation by 19 June 2015. This is to continue the forensic investigation work carried out by the Joint Administrators which could result in further asset realisations. The timing and quantum of these realisations is unknown.

1 The Joint Administrators' third progress report

Next report

We anticipate that we will circulate our next report to creditors at the earlier of the conclusion of the Administration or in approximately six months.



David Baxendale
Joint Administrator of Euromix Concrete Limited – in Administration

David Robert Baxendale and Zelf Hussain have been appointed as joint administrators of the Company to manage its affairs, business and property as its agents without personal liability. Both are licensed to act in the United Kingdom as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration.

3 Administrators' receipts and payments accounts

Court details for the Administration:	High Court of Justice, Chancery Division, Companies Court Case: 9086 of 2013
Full name:	Euromix Concrete Limited
Trading name:	Euromix Concrete Limited
Registered number:	01720534
Registered address:	PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP
Company directors:	Stephen Nicklen
Company secretary:	Stephen Nicklen
Shareholdings held by the directors and secretary:	Stephen Nicklen, 100% shareholding
Date of the administration appointment:	20 December 2013
Administrators' names and addresses:	David Robert Baxendale and Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT
Appointor's / applicant's name and address:	Directors of the Company
Objective being pursued by the Administrators:	Objective (b), achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).
Division of the Administrators' responsibilities:	In relation to paragraph 100(2) Sch.B1 IA86, during the period for which the Administration is in force, all powers of the joint administrators maybe exercised jointly or severally. Any act required or authorised under any enactment or otherwise to be done by the joint administrators of the Company may be validly done by any one or more of them.
The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings.
Proposed end of the Administration:	Creditors Voluntary Liquidation (subject to meeting relevant criteria)
Estimated dividend for unsecured creditors	44 p in the £
Extension of the Administration	The creditors agreed to extend the Administration for a period of 6 months to 19 June 2015.

3 Administrators' receipts and payments accounts

	Total from 20 December 2013 to 7 November 2014	8 November 2014 to 7 May 2015	Total from 20 December 2013 to 7 May 2015
FIXED CHARGE REALISATIONS			
Book debts subject to RBSIF	6,386,168.75	326,344.15	6,712,512.90
Freehold property	1,924,998.00	-	1,924,998.00
Goodwill	1.00	-	1.00
Intellectual property	1.00	-	1.00
Interest received	55.43	195.18	250.61
Leasehold property	900,000.00	-	900,000.00
Licence to occupy fee	66,919.67	-	66,919.67
Third party funds	3,657.97	(3,657.97)	-
	9,281,801.82	322,881.36	9,604,683.18
COSTS OF REALISATIONS / PAYMENTS			
Bank charges in relation to RBSIF	(44,094.24)	-	(44,094.24)
Book debt collection costs incurred by RBSIF	(39,484.85)	9,028.10	(30,456.75)
Book debts subject to RBSIF	(4,047,322.80)	-	(4,047,322.80)
Book debt collection costs	(142,867.12)	(50,705.90)	(193,573.02)
Legal fees and expenses	(45,934.25)	-	(45,934.25)
Office holders fees	(300,000.00)	-	(300,000.00)
Rental payments	(41,968.75)	-	(41,968.75)
	(4,661,672.01)	(41,677.80)	(4,703,349.81)
DISTRIBUTIONS TO FIXED CHARGE CREDITORS			
Distribution to Natwest	(1,203,183.13)	-	(1,203,183.13)
BALANCE OF FIXED CHARGE FUNDS			
	3,416,946.68	281,203.56	3,698,150.24
FLOATING CHARGE REALISATIONS			
Buisness name	1.00	-	1.00
Buisness rights	1.00	-	1.00
Customer contracts	1.00	-	1.00
Fixtures	2.00	-	2.00
Interest	4,542.03	3,638.62	8,180.65
Motor Vehicles	136,343.72	-	136,343.72
Plant and machinery	1,540,295.40	-	1,540,295.40
Rates refunds	23,226.88	-	23,226.88
Refunds	1,333.08	554.90	1,887.98
Stock	50,000.00	-	50,000.00
Third party funds	-	20,065.59	20,065.59
Trading account - see next page	(217,221.41)	(9,119.09)	(226,340.50)
Transferred records	1.00	-	1.00
	1,538,525.70	15,140.02	1,553,665.72
COST OF REALISATION / PAYMENTS			
Agent's fees	(31,138.54)	-	(31,138.54)
Deferred element of sale held on escrow	-	-	-
Legal fees	(61,456.58)	(43,465.65)	(104,922.23)
Office holder's expenses	(9,110.81)	(18,875.78)	(27,986.59)
Office holder's fees	(368,928.05)	(175,000.00)	(543,928.05)
Pre appointment fees	(30,630.00)	-	(30,630.00)
Statutory advertising	(151.64)	(76.72)	(228.36)
Committee expenses	(300.65)	-	(300.65)
	(501,716.27)	(237,418.15)	(739,134.42)
DISTRIBUTIONS TO PREFERENTIAL CREDITORS			
Distribution to preferential creditors	-	-	-
DISTRIBUTIONS TO FLOATING CHARGE CREDITORS			
Distribution to secured creditors	-	-	-
BALANCE OF FLOATING CHARGE FUNDS			
	1,036,809.43	(222,278.13)	814,531.30
UNSECURED CREDITORS			
Trade creditors (31p in the £, November 2014)	-	(2,252,877.75)	(2,252,877.75)
VAT Account			
	(105,067.98)	98,658.99	(6,408.99)
Balance held on high interest account			
	4,348,688.13	(2,095,293.33)	2,253,394.80

Euromix Concrete Limited – in administration
Joint Administrators' progress
report

3 Administrators' receipts and payments accounts

Trading account			
	20 December 2013 to 7 November 2014	8 November 2014 to 7 May 2015	Total from 20 December 2013 to 7 May 2015
TRADING REALISATIONS			
Post appointment trading sales	209,616.55	(169.59)	209,446.96
	209,616.55	(169.59)	209,446.96
COST OF REALISATION / PAYMENTS			
Bank charges	(3,618.83)	(132.60)	(3,751.43)
Consultancy fees	(40,060.41)	(876.50)	(40,936.91)
Duress payments	(28,121.50)	876.50	(27,245.00)
Employee related costs	(2,784.42)	-	(2,784.42)
Gross wages	(92,758.68)	-	(92,758.68)
IT costs	(2,984.54)	-	(2,984.54)
Lease/hire charges	(3,031.53)	-	(3,031.53)
Legal fees	(12,760.41)	-	(12,760.41)
Motor & travel expenses	(8,513.73)	-	(8,513.73)
Office costs	(413.64)	-	(413.64)
PAYE & NIC	(95,559.41)	-	(95,559.41)
Insurance	(12,720.00)	(636.95)	(13,356.95)
Petty cash purchases	-	(2,292.04)	(2,292.04)
Postage, stationery & printing	(510.00)	-	(510.00)
Purchases	(53,379.70)	-	(53,379.70)
Rates	(1,772.70)	-	(1,772.70)
Rent	-	(5,887.89)	(5,887.89)
Refund on trading sales	(38,000.00)	-	(38,000.00)
Repairs and maintenance	(911.81)	-	(911.81)
Retention of title payments	(14,352.00)	-	(14,352.00)
Security	(968.50)	-	(968.50)
Subcontractors	(1,361.01)	-	(1,361.01)
Transport and carriage	(425.00)	-	(425.00)
Utilities	(11,830.14)	-	(11,830.14)
	(426,837.96)	(8,949.48)	(435,787.44)
BALANCE OF TRADING FUNDS	(217,221.41)	(9,119.07)	(226,340.48)

4 Expenses incurred in the period

	Unpaid expenses at 7 November 2014	Incurred in this period	Expenses paid in this period	Unpaid expenses at 7 May 2015
	£	£	£	£
Legal fees and expenses	8,539.69	40,210.85	(43,465.65)	5,284.89
Agent's fees	-	-	-	-
Office holder's fees	311,675.70	172,601.65	(175,000.00)	309,277.35
Office holder's expenses	30,292.63	770.00	-	31,062.63
Statutory advertising	-	76.72	(76.72)	-
Trading account	610.90	-	-	610.90
	351,118.92	213,659.22	(218,542.37)	346,235.77

5 Our time costs for the period 8 November 2014 to 7 May 2015



Euromix Concrete Limited - in Administration

Analysis of time costs for the period from 8 November 2014 to 7 May 2015

Aspect of assignment	Partner	Director	Senior Manager		Manager	Senior Associate		Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
			Manager	Associate		Associate	Associate					
1 Strategy & Planning	-	3.75	-	2.40	-	1.60	-	1.85	1.00	10.60	4,255.50	401.46
2 Secured creditors	-	-	-	2.40	-	1.95	-	4.00	-	8.15	1,717.00	210.67
3 Trading	-	-	-	59.95	-	2.50	-	0.35	-	63.55	21,117.00	332.29
4 Assets	-	-	0.75	36.75	-	6.10	-	-	-	109.15	48,840.00	447.46
5 Investigations	-	52.00	14.00	3.20	-	23.35	-	9.05	0.50	50.05	15,945.00	314.41
6 Creditors	-	6.50	-	1.76	-	4.10	-	16.85	-	23.66	4,645.90	196.36
7 Accounting and treasury	-	-	-	3.55	-	66.00	-	9.05	5.80	119.15	36,030.75	302.40
8 Statutory and compliance	6.00	4.75	-	30.00	-	12.35	-	41.20	-	108.50	39,779.50	366.63
9 Tax & VAT	0.50	1.90	-	-	-	2.60	-	-	-	2.60	741.00	285.00
10 Employees & pensions	-	-	-	-	-	-	-	-	-	-	-	-
11 Pre-appointment work	-	-	-	-	-	-	-	-	-	-	-	-
12 Closure procedures	-	-	-	-	-	-	-	-	-	-	-	-
Total	6.50	68.90	32.11	159.45	120.85	82.35	7.30	-	-	496.01	173,051.65	348.89

Brought forward at 7 November 2014*

Total

* please note the brought forward figure was understated in the previous report by £2,990 which accounted for 6.5 hours work as shown below

Aspect of assignment	Partner	Director	Senior Manager		Manager	Senior Associate		Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
			Manager	Associate		Associate	Associate					
5 Investigations	-	3.50	-	3.00	-	-	-	-	-	6.50	2,990.00	460.00
Total	-	3.50	-	3.00	-	-	-	-	-	6.50	2,990.00	460.00

Explanation of work undertaken

The key elements of our work are explained further below.

Area of work	Work undertaken in the period includes:
Strategy & Planning	<ul style="list-style-type: none"> • Liaising with professional advisors
Trading	<ul style="list-style-type: none"> • Finalising trading position
Assets	<ul style="list-style-type: none"> • Finalising book debt collection • Liaising with third party regarding bond claim
Investigations	<ul style="list-style-type: none"> • Forensic investigations work
Creditors	<ul style="list-style-type: none"> • Creditor correspondence • Collating and initial review of received statement of claim forms • Agree and pay dividend
Accounting and treasury	<ul style="list-style-type: none"> • Bank reconciliations • Account postings for receipts and payments • Raising actual payments
Statutory and compliance	<ul style="list-style-type: none"> • Filing statutory documents with the Registrar of Companies • Preparation and circulation of our progress report • Creditor committee meetings and correspondence
Tax and VAT	<ul style="list-style-type: none"> • Preparing the tax computations up to cessation of trade • Preparing, drafting and submitting quarterly VAT returns
Employees and Pensions	<ul style="list-style-type: none"> • Dealing with PAYE/ex-employee queries

Hourly charge-out rates

The charge-out rates applicable to this case during the period are set out below.

Grade	Administrators Staff	Specialist departments £/hour
	From 1 July 2014 £/hour	
Partner	575-775	1,075
Director	480-680	1,085
Senior Manager	415-525	915
Manager	330-444	600
Senior Associate - qualified	250-370	410
Senior Associate – unqualified	180-285	-
Associate	160-230	210
Support staff	85-115	120

It has been our policy to delegate the routine administration of the Administration to junior staff in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Administrators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Administrators.

Specialist departments within our firm (such as Tax, VAT, Property and Pensions) may charge a small number of hours if and when we require their expert advice. Such specialists' rates do vary but the figures above provide an indication of the maximum rate per hour.

Our time costs for the period 8 November 2014 to 7 May 2015

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time. Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged in units of not greater than six minutes. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units)

In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structure.

Disbursements

The table below shows the approved policy for charging the different categories of expenses, together with the costs incurred in the period.

Category	Policy	£
1	All disbursements not falling under Category 2 are recharged at cost	623.32
2	Photocopying - At 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	146.26
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc).	-
	Total for the period	<u>769.58</u>
	Brought forward from previous period	39,403.44
	Total (to 7 May 2015)	<u>40,173.02</u>

Administrator's progress report**2.24B**

Name of Company Euromix Concrete Limited	Company Number 01720534
In the High Court of Justice Chancery Division Companies Court	Court case number 9086 of 2013

We David Robert Baxendale and Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT

administrators of the above company attach a progress report for the period

from

to

8 November 2014

7 May 2015

Signed


Joint Administrator

Dated

12th MAY 2015