



**Euromix Concrete Limited – in Administration
("the Company")**

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

Case No. 9086 of 2013

**The Joint Administrators' second progress report
for the period from 20 June 2014 to 7 November
2014**

17 November 2014

www.pwc.co.uk/euromix

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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' second 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 15 July 2014.

We are approaching the first anniversary of our appointment and, unless the period of the Administration is extended, the Administration will automatically end on 19 December 2014. For the reasons set out in this report, we consider that a six month extension is required and, in the circumstances of this case, it is for the secured and unsecured creditors to decide whether that extension is granted.

This report has been prepared to support our request for an extension. A notice of the extension, if approved, will subsequently be circulated to all creditors and 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.

We can confirm that there will be a dividend to unsecured creditors as there are sufficient asset realisations to allow for this.

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.

Actions taken by the Administrators

At the time of our last report, the outstanding issues were the deferred consideration from the sale, realisation of the remaining book debts and a distribution to unsecured creditors.

The sale of the business and assets to Lafarge Tarmac ("Lafarge") which concluded on 24 January 2014 had an immediate payment of £3 million and a deferred element of £1.4million.

The deferred element was subject to successful novation of various leases and hire purchase agreements. All of these novations are now complete and £1.4million has been released into the Administration.

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 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 £6.386 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.

Further realisations are expected from this source and creditors will be updated in the next report.

Trading Sales

During the short trading period, we made sales totalling £234,000, of which £209,617 has been collected to date. We continue to collect the remaining debts and settle trading costs, and currently expect a net trading loss.

We were only able to continue limited trading from 2 sites but incurred the costs of all the sites, vehicles and employees to preserve the whole business for a sale, which was achieved.

This trading loss is outweighed by the increase in overall realisations achieved (for the benefit of creditors) from continuing to trade in conjunction with an orderly sales process.

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In addition, Lafarge agreed to discharge trading costs incurred on its behalf after the sale. A reconciliation of this has now been completed and the trading loss has reduced since our last report.

Creditors' committee

We are liaising with the creditors' committee to discuss issues and outline key decisions and progress. The last committee meeting was on 17 October 2014.

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 £1,203,183, and £4,047,322 advanced by RBSIF, were secured by debentures. This security gave the Bank fixed and floating charges over all the Company's assets.

Following the sale, the Bank's lending was repaid in full from the sale proceeds. RBSIF has also recovered its lending in full, including all charges in relation to the invoice finance facility that they provided to the Company.

Preferential creditors (mainly employees)

All employees have transferred to the purchaser 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 will be available for unsecured creditors.

We think a total dividend of about 35 - 45% may be available to the unsecured creditors based on what we currently know.

An application was made to court to grant the Administrators permission to distribute from the Administration. Approval was obtained on 29 August 2014.

A final proving date for an interim distribution was set for 10 October 2014. We have now adjudicated the majority of claims and an interim dividend of 31p in the £ is expected to be paid in the next 3 - 4 weeks.

Receipts and payments account

An account of the receipts and payments in the Administration for the period from 20 December 2013 to 7 November 2014 is set out in Section 3.

Expenses statement

A statement of the expenses incurred in the period 20 June 2014 to 7 November 2014 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.

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Administrators' remuneration

Our remuneration has been approved on a time costs basis by the creditors' committee. To 7 November 2014, we have drawn remuneration of £668,928 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 (20 June 2014 to 7 November 2014) are £218,657.

Full time costs for the period 20 December 2013 to 7 November 2014 are £981,164.

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 20 June 2014 to 7 November 2014 is provided in Section 5.

Pre-administration costs

We incurred costs of £40,840 prior to our appointment but 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	17,124.70
Legal advice	C W Harwood & CO	Expertise	Time cost	10,165.21
Debt collection	J P Associates	Expertise	% basis	39,753.01

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.

Extending the Administration

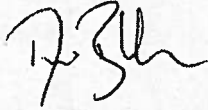
The Administration is due to automatically end on 19 December 2014. In order to allow additional time to deal with the remaining book debts and make distribution to unsecured creditors, an extension of six months is requested (until 19 June 2015).

Please complete and return the Extension Approval form by 8 December 2014 indicating your approval (or otherwise) to the extension sought.

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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.

2 Statutory information

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:	Unit 1 Boreham Industrial Estate Waltham Road Boreham Essex CM3 3AW
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 Directors of the Company
Appointor's / applicant's name and address:	
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 may be 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	35 - 45 p in the £

3 Administrators' receipts and payments accounts

Appendix B

**Euromix Concrete Limited
(in Administration)
Administrators' abstract of receipts and payments**

	Total from 20 December 2013 to 19 June 2014	20 June 2014 to 7 November 2014	Total from 20 December 2013 to 7 November 2014
FIXED CHARGE REALISATIONS			
Book debts subject to RBSIF	6,107,268.47	278,900.28	6,386,168.75
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	-	55.43
Leasehold property	1.00	899,999.00	900,000.00
Licence to occupy fee	41,919.67	25,000.00	66,919.67
Third party funds	133,730.74	(130,072.77)	3,657.97
	8,207,975.31	1,073,826.51	9,281,801.82
COSTS OF REALISATIONS / PAYMENTS			
Bank charges in relation to RBSIF	(44,094.24)	-	(44,094.24)
Book debt collection costs incurred by RBSIF	(50,757.75)	11,272.90	(39,484.85)
Book debts subject to RBSIF	(4,047,322.80)	-	(4,047,322.80)
Book debt collection costs	(103,114.11)	(39,753.01)	(142,867.12)
Legal fees and expenses	(45,934.25)	-	(45,934.25)
Office holders' fees	(200,000.00)	(100,000.00)	(300,000.00)
Rental payments	(41,968.75)	-	(41,968.75)
	(4,533,191.90)	(128,480.11)	(4,661,672.01)
DISTRIBUTIONS TO FIXED CHARGE CREDITORS			
Distribution to Natwest	(1,203,183.13)	-	(1,203,183.13)
	2,471,600.28	945,346.40	3,416,946.68
FLOATING CHARGE REALISATIONS			
Business name	1.00	-	1.00
Business rights	1.00	-	1.00
Customer contracts	1.00	-	1.00
Fixtures	2.00	-	2.00
Interest	52.96	4,489.07	4,542.03
Motor Vehicles	136,343.72	-	136,343.72
Plant and machinery	2,440,294.40	(899,999.00)	1,540,295.40
Rates refunds	28,535.73	(5,308.85)	23,226.88
Refunds	-	1,333.08	1,333.08
Stock	50,000.00	-	50,000.00
Trading account - see next page	(225,871.86)	8,650.45	(217,221.41)
Transferred records	1.00	-	1.00
	2,429,360.95	(890,835.25)	1,538,525.70
COST OF REALISATION / PAYMENTS			
Agent's fees	(30,588.54)	(550.00)	(31,138.54)
Deferred element of sale held on escrow	(1,400,000.00)	1,400,000.00	-
Legal fees	(34,166.67)	(27,289.91)	(61,456.58)
Office holders' expenses	(9,110.81)	-	(9,110.81)
Office holders' fees	(168,928.05)	(200,000.00)	(368,928.05)
Pre appointment fees	(30,630.00)	-	(30,630.00)
Statutory advertising	(75.82)	(75.82)	(151.64)
Committee expenses	-	(300.65)	(300.65)
	(1,673,499.89)	1,172,084.27	(501,716.27)
DISTRIBUTIONS TO PREFERENTIAL CREDITORS			
Distribution to preferential creditors	-	-	-
DISTRIBUTIONS TO FLOATING CHARGE CREDITORS			
Distribution to secured creditors	-	-	-
	755,861.06	281,249.02	1,036,809.43
UNSECURED CREDITORS			
Trade creditors	-	-	-
VAT Account	(100,424.48)	(4,643.50)	(105,067.98)
Balance held on high interest account	3,127,036.86	1,226,595.42	4,348,688.13

3 Administrators' receipts and payments accounts

Appendix B(i)

Euromix Concrete Limited
(in Administration)
Trading account

	20 December 2013 to 19 June 2014	20 June 2014 to 7 November 2014	Total from 20 December 2013 to 7 November 2014
TRADING REALISATIONS	171,187.65	38,428.90	209,616.55
Post appointment trading sales	171,187.65	38,428.90	209,616.55
COST OF REALISATION / PAYMENTS			
Bank charges	(3,591.33)	(27.50)	(3,618.83)
Consultancy fees	(36,675.31)	(4,261.60)	(40,936.91)
Duress payments	(27,245.00)	-	(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)	-	(12,720.00)
Postage, stationery & printing	(510.00)	-	(510.00)
Purchases	(53,379.70)	-	(53,379.70)
Rates	(1,772.70)	-	(1,772.70)
Rent	(13,000.00)	(25,000.00)	(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	(11,340.79)	(489.35)	(11,830.14)
	(397,059.51)	(29,778.45)	(426,837.96)
BALANCE OF TRADING FUNDS	(225,871.86)	8,650.45	(217,221.41)

4 Expenses incurred in the period

	Unpaid Expenses at 20 June 2014	Expenses incurred in this period	Expenses paid in this period	Unpaid expenses at 7 November 2014
	£	£	£	£
Legal fees and expenses	13,066.70	22,762.90	(27,289.91)	8,539.69
Agent's fees	-	39,753.01	(39,753.01)	-
Office holders' fees	393,018.40	218,657.30	(300,000.00)	311,675.70
Office holders' expenses	18,826.58	11,466.05	-	30,292.63
Trading account	4,900.00	-	(4,289.10)	610.90
	429,811.68	292,639.26	(371,332.02)	351,118.92

5 Our time costs for the period 20 June 2014 to 7 November 2014



Euromix Concrete Limited - in administration

Analysis of time costs for the period from 20 June 2014 to 7 November 2014

Aspect of assignment	Partner	Director	Senior		Manager	Associate	Secretary	Total hours	Time cost £	Average hourly rate £
			Director	Manager						
1 Strategy & Planning	-	-	-	1.98	1.05	3.30	12.75	19.08	2,986.10	156.50
2 Secured creditors	-	-	-	-	-	-	-	-	-	-
3 Trading	-	-	-	8.50	1.36	11.40	17.25	38.51	6,960.75	180.75
4 Assets	-	0.50	-	139.05	5.50	1.15	1.50	147.70	49,483.50	335.03
5 Investigations	1.00	41.00	35.50	96.90	18.85	-	-	193.25	69,235.25	358.27
6 Creditors	-	4.45	8.30	5.85	80.45	2.45	11.75	113.25	20,631.00	182.17
7 Accounting and treasury	-	-	2.50	1.05	8.25	19.80	1.10	32.70	6,507.10	198.99
8 Statutory and compliance	6.50	8.25	4.85	13.90	79.00	5.25	4.50	122.25	37,596.35	307.54
9 Tax & VAT	-	0.50	4.50	16.45	11.75	28.20	4.70	66.10	23,672.75	358.14
10 Employees & pensions	-	-	-	3.60	1.20	0.25	-	5.05	1,584.50	313.76
11 Pre-appointment work	-	-	-	-	-	-	-	-	-	-
12 Closure procedures	-	-	-	-	-	-	-	-	-	-
Total for the period from 20 June 2014 to 7 November 2014	7.5	54.7	55.7	287.3	207.4	71.8	53.6	737.89	218,657.30	296.33
Brought forward at 19 June 2014								2,543.07	762,506.45	
Total								3,280.96	981,163.75	

*please note the brought forward figure was understated in the previous report by £560

Euromix Concrete Limited – in administration
Joint Administrators' second progress report

Our time costs for the period 20 June 2014 to 7 November 2014

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
Secured Creditors	<ul style="list-style-type: none"> • Estimated outcome statement preparation • Discussions with secured creditors
Trading	<ul style="list-style-type: none"> • Corresponding with customers • Processing trading payments and receipts
Assets	<ul style="list-style-type: none"> • Arranging insurance cover for the Company's assets, including a site visit with our insurance brokers • Collection of book debts • Discussions with our solicitors • Collecting the deferred consideration and liaising with the purchaser
Investigations	<ul style="list-style-type: none"> • Forensic investigations work
Creditor enquires	<ul style="list-style-type: none"> • Creditor correspondence • Collating and initial review of received statement of claim forms
Accounting and treasury	<ul style="list-style-type: none"> • Bank reconciliations • Account postings for receipts and 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 • Convening and holding the meeting of creditors • 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"> • Preparing and issuing P60 forms to employees • Dealing with PAYE/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
	To 30 June 2014 £/hour	From 1 July 2014 £/hour	
Partner	555-775	575-795	1075
Director	465-680	480-695	1085
Senior Manager	405-525	415-540	915
Manager	320-444	330-460	600
Senior Associate - qualified	240-370	250-380	410
Senior Associate – unqualified	177-275	180-285	-
Associate	152-230	160-240	210
Support staff	82-115	85-120	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.

Our time costs for the period 20 June 2014 to 7 November 2014

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.

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	9,481.85
2	Photocopying - At 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	1,785.73
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc).	198.46
	Total for the period	<u>11,466.05</u>
	Brought forward from previous period	27,937.39
	Total (to 7 November 2014)	<u>39,403.44</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 (full name of court)	Court case number 9086 of 2013

(a) Insert full name(s) and address(es)

We (a) 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

(b) 20 June 2014

(b) 7 November 2014

(b) Insert date

Signed


 Joint Administrator

Dated

21st November 2014