
Joint liquidators' fourth progress
report from 16 June 2018 to 15 June
2019

Euromix Concrete Limited
(in liquidation)

12 August 2019

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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	Euromix Concrete Limited – in liquidation
Liquidators, we, our firm	David Baxendale and Zelf Hussain PricewaterhouseCoopers LLP
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
CVL	Creditors' Voluntary Liquidation
HMRC	HM Revenue & Customs
VAT	Value Added Tax
unsecured creditors	Creditors who are neither secured nor preferential
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
Natwest	National Westminster Bank Plc, a secured creditor
RBSIF	Royal Bank of Scotland Invoice Finance Limited, a secured creditor
RPS	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996

Key messages

Why we've sent you this report

I'm writing to update you on the progress of the liquidation of Euromix Concrete Limited in the 12 months since our last report dated 6 August 2018.

You are still able to view our earlier reports on our website at www.pwc.co.uk/euromix.

How much creditors may receive

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 £)
Preferential creditors	Not Applicable	Not Applicable
Unsecured creditors	47	46

**Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt trading.*

What you need to do

We have previously paid an interim dividend to unsecured creditors of 31p in the £. We expect a further final unsecured distribution to be made in the coming months.

If you are an unsecured creditor and have not already submitted a claim, please send your claim to us so that it can be agreed. A claim form can be downloaded from our website at www.pwc.co.uk/euromix, or you can get one by telephoning Bryony Ball on 07841 560429.

Overview of what we've done to date

On 20 December 2013 Zelf Hussain and I were appointed joint administrators of the Company. The administration ended on 16 June 2015, when the Company subsequently went into CVL and we were appointed as liquidators.

This is our fourth progress report. You may wish to refer to our previous report which can be found at www.pwc.co.uk/euromix.

As explained in our earlier reports, total funds of £2,004,532 were transferred from the administration to the liquidation. We then received a VAT refund due to the administration of £45,051, bringing the total surplus transferred to the liquidation to £2,049,573.

Please note that all assets specifically pledged to creditors (Natwest and RBSIF) were realised in the prior administration. Therefore there were no assets specifically pledged to a creditor to be realised in the liquidation.

We have remained in office mainly because of ongoing investigations, as agreed with the creditors' committee, into a number of transactions which took place prior to the administration. These investigations have formed the main bulk of our work in the liquidation. We have now concluded our work on the investigations, and therefore the main focus of the liquidation will now be to finalise costs, distribute remaining funds and file for dissolution of the Company.

Outcome for creditors

Secured creditors

At the date of administration, Natwest was owed £1.203 million, and a further £4.047 million had been advanced by RBSIF. Following the sale of the business in the administration, Natwest's lending was repaid in full from the sale proceeds. RBSIF also recovered its lending in full during the administration.

Preferential creditors (mainly employees)

All employees transferred to the purchaser of the business in the administration, therefore avoiding the crystallisation of preferential claims.

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. This only has to be made available where the floating charge was created on or after 15 September 2003.

As 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 during the administration. Total funds of £2.253 million were distributed in relation to this dividend.

A catch up dividend of £0.482 million was paid from the liquidation in July 2015 to creditors who had not originally participated in the interim distribution.

We expect a further unsecured dividend will be paid.

The total dividend which may be available to the unsecured creditors (including the 31% already paid) could be as much as 47% based on what we currently know. We anticipate paying this dividend in the next few months once costs have been finalised, and clearance has been obtained from HMRC.

Progress since we last reported

Realisation of assets – assets specifically pledged to creditors

Natwest and RBSIF were both repaid in full in the administration. There are therefore no assets specifically pledged to a creditor to be realised in the liquidation.

Realisation of assets – assets not specifically pledged

To date, we have realised the Company's assets in the liquidation as follows:

	Actual Realisations (£)
Assets not specifically pledged	
Surplus from administration	2,049,573
Book debts	3,820
Bank refund + interest	91,549
Further bank refund + interest*	69,041
Bank interest	15,995
Bank refunds	12
	<hr/> 2,229,990 <hr/>

*During the period, we received a cheque from the bank for £69k in relation to an overpayment of a termination fee paid prior to the Company's insolvency. This was banked shortly after the period ended, and is therefore not reflected in our Receipts and Payments account in Appendix A.

Other issues

Forensic Investigations

In our previous report, we mentioned that we were continuing to investigate a small number of transactions, which took place prior to the administration. These investigations have become increasingly protracted and therefore, with the agreement of the creditors' committee, we have decided it is no longer in the best interests of creditors to pursue the investigations further.

Statutory and compliance

During the period of this report, we prepared the previous year's progress report and have filed this with Companies House. The Liquidators have also undertaken two case reviews in line with their statutory requirements. We have also dealt with creditor queries.

Please note that in the period of this report, tax computations have also been completed and submitted to HMRC for the year ended June 2018. We have also continued to monitor the VAT position of the liquidation estate in the event that further VAT reclaims need to be made.

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 16 June 2018 to 15 June 2019.

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.r3.org.uk/media/documents/publications/professional/Liquidations%20Creditor%20Fee%20Guide%20April%202017.pdf>

You can also get a copy free of charge by telephoning Bryony Ball on 07841 560429.

What we still need to do

We are currently in the process of finalising costs, and seeking clearance from HMRC, after which we will pay a final dividend to unsecured creditors and progress the case to closure.

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 have any questions, please get in touch with Bryony Ball at bryony.ball@pwc.com.

Yours faithfully



David Robert Baxendale
Joint Liquidator

*David Robert Baxendale and Zelf Hussain have been appointed as joint liquidators of Euromix Concrete Limited. Both are licensed in the United Kingdom to act as an Insolvency Practitioner 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 Data Controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the joint liquidators. Personal data will be kept secure and processed only for matters relating to the joint liquidators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the joint liquidators.

Appendix A: Receipts and payments

	16 June 2015 to 15 June 2018 (£)	16 June 2018 to 15 June 2019 (£)	Total (£)
Receipts			
Prior appointee balance	2,049,573.11	-	2,049,573.11
Bank interest	8,452.17	7,542.47	15,994.64
Book debts	3,820.06	30.23	3,850.29
Refunds	11.68	-	11.68
RBS Refund (inc. interest)	91,549.48	-	91,549.48
Total Receipts	2,153,406.50	7,572.70	2,160,979.20
Payments			
Administrators' fees	40,000.00	-	40,000.00
Liquidators' fees	100,000.00	-	100,000.00
Liquidators' fees - investigations	-	-	-
Liquidators' expenses	-	-	-
Legal fees - investigations	37,000.00	-	37,000.00
Legal fees - other	1,000.00	-	1,000.00
Legal expenses	2,229.92	-	2,229.92
Other professional fees	5,000.00	-	5,000.00
Office costs, stationery & postage	320.00	-	320.00
Statutory advertising	76.72	-	76.72
Corporation tax	2,868.82	546.82	3,415.64
Bank charges	15.00	-	15.00
Total Payments	188,510.46	546.82	189,057.28
VAT Control Account	(200.00)	-	(200.00)
Net position (before distributions)	1,964,696.04	7,025.88	1,971,721.92
Distributions			
Catch up distribution to unsecured creditors (31p in the £)	481,576.64	-	481,576.64
Cash at bank (held in interest-bearing account)	1,483,119.40	7,025.88	1,490,145.28

Notes:

- Total distributions of £2,734,454 have been paid to unsecured creditors in the Administration and Liquidation, being 31p in the £. The first interim distribution was declared in the Administration on 1 December 2014.
- There are no figures from the Statement of Affairs as the Company moved to Liquidation from Administration and a Statement of Affairs was not produced
- All figures are stated net of VAT

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as liquidators from the estate and includes our fees, but excludes 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.

	Brought forward from preceding period £	Incurred in the period under review £	Cumulative £	Estimated future £	Anticipated total £
Liquidators' Time Costs	182,073	26,431	208,504	24,000	258,504
Liquidators' Expenses	1,328	628	1,956	2,500	4,456
Legal Time Costs	105,982	6,018	112,000	-	112,000
Legal Disbursements	3,250	-	3,250	-	3,250
Total	292,633	33,077	325,710	52,500	378,210

Appendix C: Remuneration update

During the administration, the creditors' committee passed a resolution fixing 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. This means that our fees as liquidators will also be calculated by reference to time properly given.

The time cost charges incurred in the period from 16 June 2018 to 15 June 2019 are £26,431. This represents 79.75 hours, which equates to an average hourly rate of £331. The total time costs to date are £208,503.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Our hours and average rates

The below table represents an analysis of time costs for the period from 16 June 2018 to 15 June 2019.

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
Accounting and treasury	-	-	-	0.15	2.25	1.75	-	4.15	939.75	226.45
Assets	-	-	-	0.60	-	-	-	0.60	219.00	365.00
Creditors	-	-	-	2.30	4.30	-	-	6.60	2,022.00	306.36
Investigations	-	2.75	-	2.55	1.05	-	-	6.35	3,340.50	526.06
Statutory and compliance	0.50	-	0.40	7.40	35.60	-	1.10	44.50	11,516.35	258.79
Strategy and planning	0.50	3.90	0.20	4.00	4.55	-	-	12.65	6,291.25	497.33
Tax and VAT	-	-	-	1.70	0.70	2.50	-	4.90	2,102.00	428.98
Total for the period		6.65	0.60	18.70	48.45	4.25	1.10	79.75	26,430.85	331.42
Brought forward at 15 June 2018								478.37	182,072.60	
Total								558.12	208,503.45	

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.

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	Maximum Hourly Rate: 1 July 2017 to 30 June 2018	Maximum Hourly Rate: 1 July 2018 to 30 June 2019	Maximum Specialist Hourly Rate
Partner	865	890	1,250
Director	760	780	1,150
Senior Manager	575	590	970
Manager	495	510	700
Senior Associate	412	425	515
Associate	258	265	255
Support	129	135	150

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

Payments to associates

We have not made any payment to associates in the period.

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff.

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work:-

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Strategy & planning	<ul style="list-style-type: none"> Review of costs incurred on the case Holding team meeting to discuss the administration of the case and updating the appointees 	<ul style="list-style-type: none"> To ensure appropriate management of case 	<ul style="list-style-type: none"> Ensures proper management of the case
Investigations	<ul style="list-style-type: none"> Liaising with legal advisers in relation to investigatory matters Internal meetings to discuss strategy of investigations Collating forensic information from the company records 	<ul style="list-style-type: none"> Potential further realisations for creditors 	<ul style="list-style-type: none"> Potential claims that may be brought on behalf of the Company following the investigations which may increase realisations for creditors
Creditors	<ul style="list-style-type: none"> Dealing with creditor queries Dealing with returned correspondence from creditors Updating website 	<ul style="list-style-type: none"> To ensure creditors are kept up to date 	<ul style="list-style-type: none"> Ensuring creditors are kept updated
Accounting and treasury	<ul style="list-style-type: none"> Processing receipts and payments in relation to the Company Performing bank reconciliations Ensuring interest is appropriately dealt with. 	<ul style="list-style-type: none"> Maintain the company bank accounts and liquidators' records 	<ul style="list-style-type: none"> Ensures the correct stewardship of estate funds
Statutory and Compliance	<ul style="list-style-type: none"> Preparing and issuing third annual progress report and ensured filed correctly at Companies House Maintaining case records 	<ul style="list-style-type: none"> Required by statute 	<ul style="list-style-type: none"> No financial benefit

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- Ensuring books and records are properly stored and costs are paid appropriately
 - Manager and appointee reviews of case strategy
 - Case progression meetings
 - Team meetings
 - Updating the Creditors' Committee, both informally and via a formal meeting of the Committee

Tax & VAT

- | | | |
|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Preparation and filing tax returns • Dealing with internal tax queries | <ul style="list-style-type: none"> • Required by HMRC • Ensures correct tax is paid and VAT reclaimed | <ul style="list-style-type: none"> • Recovery of funds for the benefit of creditors. Some tasks required by statute. |
|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
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Our future work

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

Area of work	Work we need to do	Estimated cost £	Whether or not the work will provide a financial benefit to creditors
Strategy & planning	<ul style="list-style-type: none"> Budgets and cost monitoring 	<ul style="list-style-type: none"> 2,000 	<ul style="list-style-type: none"> No financial benefit
Creditors	<ul style="list-style-type: none"> Creditor queries Continuing to maintain website Paying final dividend to creditors 	<ul style="list-style-type: none"> 7,000 	<ul style="list-style-type: none"> Facilitating payment to creditors and ensuring they are kept abreast of developments
Accounting and treasury	<ul style="list-style-type: none"> Processing receipts and payments in relation to the Company Performing bank reconciliations Ensuring interest is appropriately dealt with 	<ul style="list-style-type: none"> 2,000 	<ul style="list-style-type: none"> No financial benefit
Statutory and Compliance	<ul style="list-style-type: none"> Preparing and issuing future progress reports and ensured filed correctly at Companies House. Maintaining case records Ensuring books and records are properly stored in Iron Mountain and costs are paid appropriately Manager and appointee reviews of case strategy 	<ul style="list-style-type: none"> 5,000 	<ul style="list-style-type: none"> Required by statute
Tax & VAT	<ul style="list-style-type: none"> Preparation and filing tax returns Dealing with internal tax queries Completion of VAT 426 reclaims to recover costs in Liquidation 	<ul style="list-style-type: none"> 5,000 	<ul style="list-style-type: none"> Recovery of funds for the benefit of creditors
Closure	<ul style="list-style-type: none"> Obtaining clearances from relevant parties Paying final costs Drafting and issuing final report 	<ul style="list-style-type: none"> 3,000 	<ul style="list-style-type: none"> Some tasks required by statute

Disbursements

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

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

The following disbursements arose in the period of this report.

Category	Policy	Costs incurred £
1	Postage	627.84
Total		627.84

Total disbursements are £1,956. None have been drawn to date.

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

None of the work, which our staff or we would normally do, has been done by subcontractors.

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees	Amount paid in period (£)
<i>Investigation work</i>	<i>PCR London</i>	<i>Expertise</i>	<i>Fixed Fee</i>	Nil
<i>Legal Advice</i>	<i>Addleshaw Goddard LLP</i>	<i>Expertise</i>	<i>Time costs</i>	Nil

Our choice was based on the advisors' experience, the complexity and type of work and the basis of the fee arrangement. We're satisfied that the fees charged are reasonable.

Appendix D: Other information

Company's registered name:	Euromix Concrete Limited
Trading name:	Euromix Concrete Limited
Registered number:	01720534
Registered address:	Central Square 8th Floor, 29 Wellington Street, Leeds, LS1 4DL
Date of the Liquidators' appointment:	16 June 2015
Liquidators' names, addresses and contact details:	David Baxendale and Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT.

For enquiries, please contact Bryony Ball at bryony.ball@pwc.com or by post at PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL.
