

# Dudson Limited Dudson (Holdings) Limited

Joint Administrators' final progress report

High Court of Justice, Business and Property Courts in  
Birmingham, Insolvency & Companies List (ChD)

Case Numbers:  
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CR-2019-BHM-000288

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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
<b>Administrators/we/us/our</b>	Ross David Connock and David Matthew Hammond
<b>Australian Branch</b>	DL trading in Australia under the brand name 'Dudson International'
<b>Companies</b>	Dudson Limited and Dudson (Holdings) Limited
<b>CVL</b>	Creditors' Voluntary Liquidation
<b>DCI</b>	Dudson Canada Inc.
<b>DFH</b>	Dudson French Holdings S.A.S.
<b>DHL</b>	Dudson (Holdings) Limited
<b>DL</b>	Dudson Limited
<b>DLSL</b>	Dudson Ltd SL
<b>DUSA</b>	Dudson USA Inc.
<b>FEG</b>	Fair Entitlements Guarantee, an Australian legislative scheme under which employees of insolvent companies may receive financial assistance to cover certain specified entitlements
<b>Firm</b>	PricewaterhouseCoopers LLP
<b>Group</b>	Dudson Limited, Dudson (Holdings) Limited, plus overseas subsidiaries in the USA (DUSA), Canada (DCI), France (DFH) and Spain (DLSL)
<b>HCR</b>	Harrison Clark Rickerbys
<b>HMRC</b>	HM Revenue & Customs
<b>IA86</b>	Insolvency Act 1986
<b>IR16</b>	Insolvency (England & Wales) Rules 2016
<b>LSH</b>	Lambert Smith Hampton
<b>preferential creditors</b>	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
<b>prescribed part</b>	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
<b>RoT</b>	Claims to retention of title over goods supplied to the Companies but not paid for before the Administrators' appointment
<b>RPS</b>	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy & Industrial Strategy, which authorises and pays the statutory claims of employees of insolvency companies under the Employment Rights Act 1996

<b>Sch. B1 IA86</b>	Schedule B1 to the Insolvency Act 1986
<b>secured creditors</b>	Creditors with security in respect of their debt, in accordance with section 248 IA86
<b>SIP13</b>	Statement of Insolvency Practice 13
<b>the Bank/Shawbrook/ secured creditor</b>	Shawbrook Bank Limited, the secured creditor
<b>the Australian Liquidators</b>	William Anthony Honner and Phil Carter (and formerly Sam Marsden) of PwC Australia, the liquidators of the Australian Branch
<b>the Period</b>	4 October 2019 to 1 April 2020
<b>the Purchaser/ Churchill China</b>	Churchill China plc and Churchill China (UK) Limited
<b>unsecured creditors</b>	Creditors who are neither secured nor preferential

This report has been prepared by Ross David Connock and David Matthew Hammond as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators 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 Administrators' previous reports issued to the Company's creditors, which can be found at [www.pwc.co.uk/Dudson](http://www.pwc.co.uk/Dudson).

*Ross David Connock and David Matthew Hammond have been appointed as Joint Administrators of Dudson Limited and Dudson (Holdings) Limited to manage their affairs, business and property as their agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

*The Joint Administrators 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 Administrators 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 Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the [PwC.co.uk](http://PwC.co.uk) website or by contacting the Joint Administrators.*

# Key messages

## Why we've sent you this report

I'm pleased to let you know that our work in the administrations of the Companies is now complete and we are now taking steps to move the Companies into creditors' voluntary liquidation. Accordingly, I set out below our final report for the administrations.

You can still view our earlier reports on our website at [pwc.co.uk/dudson](http://pwc.co.uk/dudson)

## How much creditors may receive

The following table summarises the possible outcome for creditors.

### Dudson Limited

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
Secured creditor	100	100
Preferential creditors	100	100
Unsecured creditors	up to 6	8

### Dudson (Holdings) Limited

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
Secured creditor	100	100
Preferential creditors	100	100
Unsecured creditors	up to 1	2.5

In line with our earlier forecasts, the secured creditor has recovered its lending of £4.7m out of its security over the Companies' assets.

Surplus funds in the Administrations have become available for preferential and non-preferential unsecured creditors and we will pass them to the Joint Liquidators of the Companies for distribution in due course.

In both DL and DHL, it is currently anticipated that preferential creditors will be repaid in full.

We anticipate a dividend will be paid to unsecured creditors of both DL and DHL in the CVL. However, we have not undertaken the adjudication of the creditors' claims at this time. As such creditors should note that the estimate provided is subject to future realisations, costs and the level of claims admitted for dividend purposes. Any dividend ultimately declared and paid to creditors may vary potentially significantly from the estimated figures provided. As a result, this information is purely for creditors' information only and should not be used or relied on for any other purposes.

## What you need to do

If you haven't already done so, please send your claim to us so that we can pass it to the Joint Liquidators. A claim form can be downloaded from our website at [www.pwc.co.uk/dudson](http://www.pwc.co.uk/dudson) or by emailing Bryony Ball at [uk\\_dudson\\_enquiries@pwc.com](mailto:uk_dudson_enquiries@pwc.com).

All creditors wishing to receive the anticipated dividend payment must submit a proof of debt.

## What happens next

The administration automatically ends on 3 April 2020. In line with our proposals approved by creditors, the Companies will now move into CVL. There having been no alternate nominations, Ross David Connock and David Matthew Hammond will be appointed as joint liquidators.

The Administrators have considered the Insolvency Code of Ethics and concluded that there are no matters preventing their appointment as liquidators of the Companies.

This exit route was considered to be the most appropriate in the circumstances of the Companies, as it will enable us to complete all remaining matters and make distributions to unsecured creditors without incurring the costs of an application to Court to extend the administration and seek permission to distribute to unsecured creditors .

We have asked the general body of creditors to discharge us from liability in respect of any of our actions as Administrators. If no objections are received by 13 April, the Administrators will be discharged from liability 14 days after they cease to act as Administrators of the Companies.

# Overview of our work

## Why we were appointed

You will remember from our proposals for achieving the purpose of administration that when we were appointed, the position was as follows:

- DHL was the parent company of the Group, which also included a trading subsidiary in the USA and non-trading subsidiaries in Canada, France and Spain. DL, trading as Dudson, was the UK trading entity for the Group. You may wish to refer to the Group Structure diagram in the Joint Administrators' proposals.
- At the date of appointment, the Companies employed c.390 employees, predominantly in Stoke-on-Trent, with a small number working in a branch in Australia.
- The Group focused on the design, manufacture and sale of ceramic tableware products to distributors, suppliers and direct to the hospitality industry, supplemented by sourced glassware and cutlery.
- In the second half of 2018, the Group started experiencing significant cash flow pressures as a result of deterioration in sales, increased costs in relation to a sales-led turnaround plan, and greater contributions to a long standing pension scheme deficit.

PwC was initially engaged to assist management by undertaking an independent business review and to advise on the options available to the Companies in light of short and medium term funding requirements. This subsequently became a role for preparing and supporting an accelerated sales process. Whilst the preferred outcome was to achieve a solvent sale of the business, the marketing process confirmed there were no interested parties willing to acquire the business as a going concern outside of an insolvency process. Following deliberations, it was determined that an offer from Churchill China for c.£2.1m for certain assets, a controlled wind down trading period to realise remaining stock and recover debtors, and a controlled realisation of the remaining plant and property would offer the best result for creditors.

Immediately on our appointment, we secured and took control of the Companies' assets, which included:

- Stocks of finished goods;
- Unfinished stock ("biscuit");
- Cash at bank;
- Plant and machinery excluded from the sale to Churchill China;
- A large freehold site in Stoke-on-Trent;
- Debts with a book value of c.£2m (subject to security held by Shawbrook);
- Stock and debts within the Australian trading branch of DL; and
- Investments in subsidiaries.

## Asset realisations

### Pre-packaged sale of specific assets

Immediately following our appointment we completed a sale of the "Dudson" brand and intellectual property owned by DHL together with certain items of plant and machinery with accompanying intellectual property owned by DL, to Churchill China for c.£2.1m. £600k was allocated to DL, and the remaining c.£1.5m to DHL. The sale represented the best offer for both Companies in the circumstances.

### Trading

Whilst the manufacturing and production of the business ceased upon appointment, our strategy was to maximise the realisations from the high levels of stock held by DL by continuing to take and fulfil new orders. We continued to trade the business until 2 August 2019, and generated receipts from trading sales of c.£2m in DL.

In the period, we have worked to finalise the majority of trading accounts with suppliers. Any remaining amounts agreed as due to the supplies will be settled in the CVL.



## Plant and machinery

We appointed LSH to market and sell items of plant and machinery excluded from the sale to Churchill China. The sales, through both private treaty and an auction process, were completed in the prior period, the proceeds of which (totalling £665k) were received into DL in the period. No further recoveries are expected from this source.

## Property

The Companies occupied three properties: the main freehold site at Scotia Road, Stoke-on-Trent; the leasehold warehouse at Nile Street, Stoke-on-Trent; and a leasehold showroom in London.

### *Freehold property*

Following a marketing process the best offer of £3.3m was received from M20 Group. This was subsequently adjusted to £3m plus VAT with the purchaser adopting responsibility for removing asbestos-lined plant and machinery which remained at the site. Contracts were exchanged on 25 September 2019, with a deposit of £1.5m plus VAT being received in early October 2019.

In the period, a substantial break-in occurred at the property, including the theft of electrical cabling, and there was a need for remedial work to make the property safe. An external contractor instructed by the purchaser estimated the cost for reinstallation of the electrical works would be c.£150k. As a result, the purchaser revised their offer to £2.9m. The revised offer was agreed, and a balancing payment of £1.4m plus VAT was received by DL on 9 January 2020.

As a result of the theft (and resulting diminution in market value of the property) an insurance claim was submitted, resulting in £101k being received in the period.

### *Leasehold property*

London showroom - On our appointment we immediately ceased to occupy the London showroom and agreed to a forfeiture of the lease by peaceful re-entry on 3 June 2019. Given the rent that would otherwise have accrued at this site we were satisfied that the rental interest had no premium value.

Nile Street, Stoke-on-Trent - We continued to occupy and pay market rent on the Nile Street Warehouse until 9 August 2019, when the property was no longer required for the benefit of the administration. As no formal lease was in place, a formal surrender of the property was not required.

## Australian Branch

As detailed in earlier reports, DL had a branch in Australia that operated out of Sydney, Melbourne and Queensland and employed five staff. In order to protect the position of DL and seek to mitigate the risk of the Australian creditors ranking as preferential in the administration, we applied to court in Sydney to place the Australian Branch into a formal liquidation process in Australia on 14 June 2019 pursuant to s.583 Corporations Act 2001, and appointed the Australian Liquidators.

The legal uncertainty created by the unprecedented nature of a liquidation of an Australian branch with an overseas parent required additional professional costs to be incurred in the Australian estate. As a consequence, we are not expecting a surplus from the estate, though potential claims against the UK estate have been mitigated as Australian employees have made a claim to the Australian government for arrears of preferential employment entitlements on redundancy (which exceed those in the UK).

## Investments in subsidiaries

### *Dudson French Holdings S.A.S.*

DFH, a property investment company registered in France, is a wholly owned subsidiary of DHL. The principal asset of DFH is a freehold property in France, which is currently tenanted. The tenant of DHL entered a local insolvency process shortly following our appointment, with a new company acquiring the business and leasehold interest.

We instructed a local contractor, CMB Associates, to support us in dialogue with the tenant on behalf of the shareholders and to support the company in agreeing a sale of the property. The tenant remains in dispute with DFH over the level of rent due on the property, resulting in cash flow issues for DFH and recovery action being taken against the tenant.

Max Dudson remains the statutory director of this entity, and is liaising with the tenant with a view to seeking recovery of the rent and a consensual sale of the property which may result in a surplus being payable to DHL, albeit this is considered unlikely.

We are minimising time spent in this area due to the minimal level of expected realisations, but keep the situation with the property under review.

#### ***Dudson Canada Inc.***

In the prior period, DL made a payment of CA\$25k to DCI to fund its bankruptcy process and facilitate the recovery of the debt due from DCI to DL (via recovery of the DUSA outstanding balance). It is anticipated that the return to DL will exceed its contribution. We are continuing to liaise with PricewaterhouseCoopers Inc. LIT - the appointed Licensed Insolvency Trustee of DCI's estate - to monitor the level of realisations expected.

#### ***Dudson Limited SL***

At the date of administration, an intercompany debt of c.£75k was owed by DL to DLSL, a Spanish-registered group company. DHL, the parent of DLSL, made a payment of €2.5k to DLSL to fund its solvent winding up, after which DLSL wrote off any residual unsecured balance owed by DL, therefore reducing DL's total unsecured debt. The €2.5k was subsequently recharged from DHL to DL.

#### ***Dudson USA Inc.***

Following an assessment made by the directors of DUSA immediately following the administration of the Companies, the directors set out to realise stock and debtors in DUSA on a solvent basis to local customers in the USA. This was deemed to be the optimum strategy according to the directors' independent legal advice to maximise the recoveries for the creditors of that estate.

The Administrators have been kept apprised of this process in their capacity as shareholder (DHL) and ultimate potential beneficiary of realisations from this estate via the DCI bankruptcy process, and separately Dudson Sales & Export Limited, a solvent subsidiary of DL in the UK of which DL is also a creditor.

The directors took the decision to appoint a trustee from Sherwood Partners Inc. to run a General Assignment process also known as an Assignment for the benefit of Creditors, which is a form of insolvency process to agree distributions to DUSA creditors whilst avoiding the level of costs associated with a Chapter 11 procedure. This appointment was effective from August 2019. We understand that the trustees are in the process of reviewing creditor claims against the estate but do not yet have a view on the timing or quantum of any dividend.

As noted, the benefit to the Companies is likely to flow from intercompany claims between different group entities.

### **Book debts**

At the date of our appointment, book debts owed to DL exceeded £2m, the majority of which were subject to a secured asset-based lending facility with Shawbrook. In the period, we assisted in the collection of c.£1.6m of book debts subject to the facility, and c.£34k of book debts not subject to Shawbrook's lending facility.

In the period, a further £1k was recovered. The remaining uncollected debts are subject to dispute and are deemed unlikely to be collectable.

## **Employees**

The Companies collectively employed 385 people, excluding those employed in Australia. As no employees transferred to the Purchaser as part of the pre-packaged sale, we were unfortunately required to make 318 redundant immediately following our appointment.

67 employees were retained to assist in the wind-down of the Companies' trading activities. Over the course of the prior period, 9 employees left voluntarily and the remaining 58 were made redundant.

## Pensions

The business operated a number of pension schemes, including a defined benefit scheme. The business also operated a separate scheme providing a benefit in the event of death in service, along with some other insured employee benefit arrangements.

We have worked with the insurer to agree termination accounts in respect of the employee benefit arrangements now that no employees remain.

We have assisted the independent trustee to locate documents in relation to additional benefits held by members of the defined benefit pension scheme.

The pension provider has had difficulty allocating pre- and post-appointment contributions to member accounts. We have helped them do this and arranged for contributions to be returned to members as required.

We have provided further assistance to the newly appointed independent trustee to ensure they had all documents/information available to the administrators to enable the outstanding death benefit to be settled.

## Connected party transactions

In accordance with SIP13, we are required to disclose any known connected party transactions.

As disclosed in our first progress report, three connected party transactions occurred in the prior period, summarised as follows:

- The sale of the remaining finished stock, along with certain intellectual property rights and moulds and cases, to Tricer Limited, a company set up and owned by a former staff member and two former directors of DL;
- The sale of the remaining stock held within the Dudson factory outlet shop to Heather Dudson, a former employee of DL and shareholder of DHL; and
- Rent paid for DL's continued occupation of the Nile Street warehouse, which is owned by the Dudson Family Pension Scheme, beneficiaries of which were former directors of DL.

No connected party transactions have taken place in the period.

## Approval of our proposals

We issued to creditors our proposals dated 11 April 2019 for achieving the purpose of administration.

Creditors approved our proposals without modification by deemed consent on 29 April 2019. We attach a summary of our proposals at Appendix A.

## Investigations and actions

Nothing came to our attention during the administrations to suggest that we needed to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

## Tax and VAT

During the administration we complied with our duties as proper officers for tax during the administration and filed VAT returns for all relevant accounting periods, and accounted for PAYE/NI.

## Our final receipts and payments account

We set out in Appendix B an account of our final receipts and payments in the administration from 4 April 2019 to 1 April 2020.

## Our expenses

We set out in Appendix C a statement of the final expenses that we incurred to the date covered by this report.

The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course in the following CVL because amounts due will depend on the position at the end of the tax accounting period.

## Our fees

We set out in Appendix D an update on our remuneration which covers our fees, disbursements and other related matters.

## Pre-administration costs

You can find in Appendix E information about the creditors' decision on the unpaid pre-administration costs previously detailed in our proposals.

## 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 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:

You can also get a copy free of charge by emailing [uk\\_dudson\\_enquiries@pwc.com](mailto:uk_dudson_enquiries@pwc.com).

# Ongoing matters

## Realisation of remaining assets

There remain a number of matters which will be dealt with in the CVL. These include:

- Settling any remaining trading accounts with suppliers and utility providers;
- Completing relevant tax returns and obtaining tax clearance;
- Completing VAT returns and deregistering;
- Monitoring potential recoveries from overseas subsidiaries;
- Agreeing preferential creditor claims and paying dividend; and
- Agreeing unsecured creditor claims and paying dividend.

## Next report

The next report to creditors will be circulated by the liquidators in approximately 12 months.

If you've got any questions, please get in touch with Bryony Ball, at [uk\\_dudson\\_enquiries@pwc.com](mailto:uk_dudson_enquiries@pwc.com).

Yours faithfully

For and on behalf of the Companies



Ross Connock  
Joint Administrator

# Appendices

# Appendix A: Summary of our proposals

The Administrators made the following proposals for achieving the purpose of administration.

1. The Administrators will continue to manage and finance the Companies' business, affairs and property from trading revenues/asset realisations/other in such manner as they consider expedient with a view to achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration) or realising property in order to make a distribution to one or more secured or preferential creditors.
2. The Administrators may investigate and, if appropriate, pursue any claims that the Companies may have under the Companies Act 1985/2006 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Companies or to maximise their realisations or for any other purpose incidental to these proposals.
3. A creditors' committee will be established if sufficient creditors are willing to act on it. The Administrators propose to seek the election of a creditors' committee and to consult with it from time to time. Where the Administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of all creditors.
4. The Administrators may use any or a combination of 'exit route' strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances:
  - a. If we think there will be a dividend to unsecured creditors (other than from the prescribed part), once we've distributed the prescribed part and finished our other work, we'll put the one or both of the Companies into creditors' voluntary liquidation so that the liquidator can pay the dividend. If this happens, we propose that Ross Connock and Matthew Hammond are appointed as joint liquidators (or, if replacement administrator(s) are appointed, any person(s) appointed as administrator(s) at the time of the registration of notice of moving from administration to creditors' voluntary liquidation per paragraph 83(4) Sch B1 IA86) and that any act required or authorised to be done by the joint liquidators can be done by either or both of them. Creditors may, before these proposals are approved, nominate a different person or persons as liquidator(s), in accordance with paragraph 83(7)(a) of Sch B1 IA86 and rule 3.60(6) IR16. , or
  - b. If we think there will be a dividend to unsecured creditors (other than from the prescribed part), once we've distributed the prescribed part and finished our other work, we'll apply to the court for permission to pay any surplus funds to unsecured creditors. If this is granted, we'll end the administration by filing a notice with the Registrar of Companies and the Companies will be dissolved three months later. If we don't get permission we'll put the Company into creditors' voluntary liquidation, or comply with the terms of any court order if different. If the Companies go into creditors' voluntary liquidation, we propose that Ross Connock and Matthew Hammond are appointed as joint liquidators (or, if replacement administrator(s) are appointed, any person(s) appointed as administrator(s) at the time of the registration of notice of moving from administration to creditors' voluntary liquidation per paragraph 83(4) Sch B1 IA86) and that any act required or authorised to be done by the joint liquidators can be done by either or both of them. Creditors may, before these proposals are approved, nominate a different person or persons as liquidator(s), in accordance with paragraph 83(7)(a) of Sch B1 IA86 and rule 3.60(6) IR16. , or
  - c. Once asset disposals are complete, the Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch.B1 IA86, following registration of which the Companies will be dissolved three months later. If permission is not granted the Administrators will place the Companies into creditors' voluntary liquidation or otherwise act in accordance with any order of the court, or
  - d. If it turns out that there won't be a dividend other than from the prescribed part for unsecured creditors, once we've distributed any prescribed part and finished our other work, we'll file a notice with the Registrar of Companies and the Companies will be dissolved three months later. But if we think that there are matters that should be conducted in a liquidation rather than in the administration, we may instead apply for a court order ending the administration and for the Companies to be wound up.

5. It is proposed that the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that Category 2 disbursements (as defined by Statement of Insolvency Practice No.9) be charged in accordance with their firm's policy. It will be for the creditors' committee to fix the basis and level of the Administrators' fees and Category 2 disbursements but if no committee is appointed, it will be for the general body of creditors to determine these instead.



# Appendix B: Receipts and payments

Dudson Limited  
Joint Administrators' receipts and payment account

Statement of affairs	Notes	GBP			AUD			EUR			USD		
		4 April 2019 to 3 October 2019	4 October 2019 to 1 April 2020	Total	4 April 2019 to 3 October 2019	4 October 2019 to 1 April 2020	Total	4 April 2019 to 3 October 2019	4 October 2019 to 1 April 2020	Total	4 April 2019 to 3 October 2019	4 October 2019 to 1 April 2020	Total
<b>Assets subject to a fixed charge</b>													
<b>Receipts</b>													
1,724,383		1,535,265.82	1,300.00	1,536,565.82	113,996.60	-	113,996.60	27,864.67	-	27,864.67	-	-	-
		1.00	-	1.00	-	-	-	-	-	-	-	-	-
800,000		599,999.00	-	599,999.00	-	-	-	-	-	-	-	-	-
3,280,000		-	2,900,000.00	2,900,000.00	-	-	-	-	-	-	-	-	-
		-	101,000.00	101,000.00	-	-	-	-	-	-	-	-	-
		<b>2,135,265.82</b>	<b>3,002,300.00</b>	<b>5,137,565.82</b>	<b>113,996.60</b>	<b>-</b>	<b>113,996.60</b>	<b>27,864.67</b>	<b>-</b>	<b>27,864.67</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payments</b>													
		(5,090.10)	(42,473.03)	(47,563.13)	-	-	-	-	-	-	-	-	-
		(17,086.98)	(62,677.79)	(79,764.77)	-	-	-	-	-	-	-	-	-
		-	(16,284.64)	(16,284.64)	-	-	-	-	-	-	-	-	-
		-	(12,397.00)	(12,397.00)	-	-	-	-	-	-	-	-	-
		-	(30,132.59)	(30,132.59)	-	-	-	-	-	-	-	-	-
		(65,942.16)	(1,919.85)	(67,862.01)	-	-	-	-	-	-	-	-	-
		-	(1,889,852.22)	(1,889,852.22)	-	(68,871.18)	(68,871.18)	-	(1,269.53)	(1,269.53)	-	-	-
		<b>(88,119.24)</b>	<b>(2,055,737.12)</b>	<b>(2,143,856.36)</b>	<b>-</b>	<b>(68,871.18)</b>	<b>(68,871.18)</b>	<b>-</b>	<b>(1,269.53)</b>	<b>(1,269.53)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Distributions</b>													
	1	(2,511,492.23)	(1,140,158.73)	(3,651,650.96)	(45,125.42)	-	(45,125.42)	(26,595.14)	-	(26,595.14)	-	-	-
<b>VAT</b>													
		(17,623.84)	(24,631.66)	(42,255.50)	-	-	-	-	-	-	-	-	-
		120,000.00	580,000.00	700,000.00	-	-	-	-	-	-	-	-	-
		<b>(361,969.49)</b>	<b>361,772.49</b>	<b>(197.00)</b>	<b>68,871.18</b>	<b>(68,871.18)</b>	<b>-</b>	<b>1,269.53</b>	<b>(1,269.53)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Assets subject to a floating charge</b>													
<b>Receipts</b>													
217,821		86,403.81	-	86,403.81	25.00	-	25.00	23,231.94	-	23,231.94	2,089.44	-	2,089.44
	2	958,883.25	(192,721.15)	776,162.10	23,581.92	-	23,581.92	123,707.44	(207.88)	123,499.56	14,990.95	-	14,990.95
		-	1,889,852.22	1,889,852.22	-	68,871.18	68,871.18	-	1,269.53	1,269.53	-	-	-
		34.41	-	34.41	-	-	-	-	-	-	-	-	-
		3,430.03	16,446.18	19,876.21	-	-	-	-	-	-	-	-	-
		-	665,169.73	665,169.73	-	-	-	-	-	-	-	-	-
		2,508.67	5,105.69	7,614.36	-	-	-	-	-	-	12.91	115.98	128.89
		7,479.77	180.98	7,660.75	-	-	-	-	-	-	-	-	-
		<b>1,068,739.94</b>	<b>2,384,033.65</b>	<b>3,452,773.59</b>	<b>23,606.92</b>	<b>68,871.18</b>	<b>92,478.10</b>	<b>146,939.38</b>	<b>1,061.65</b>	<b>148,001.03</b>	<b>17,093.30</b>	<b>115.98</b>	<b>17,209.28</b>

Statement of affairs	Notes	GBP			AUD			EUR			USD		
		4 April 2019 to 3 October 2019	4 October 2019 to 1 April 2020	Total	4 April 2019 to 3 October 2019	4 October 2019 to 1 April 2020	Total	4 April 2019 to 3 October 2019	4 October 2019 to 1 April 2020	Total	4 April 2019 to 3 October 2019	4 October 2019 to 1 April 2020	Total
<b>Payments</b>													
Investments in subsidiaries		(14,615.61)	(2,177.70)	(16,793.31)	-	-	-	-	-	-	-	-	-
Joint Administrators' fees		-	(1,204,982.50)	(1,204,982.50)	-	-	-	-	-	-	-	-	-
Joint Administrators' disbursements		-	(12,271.95)	(12,271.95)	-	-	-	-	-	-	-	-	-
Pre-appointment legal fees & expenses		-	(12,397.00)	(12,397.00)	-	-	-	-	-	-	-	-	-
Legal fees & expenses		(8,055.56)	(188.00)	(8,223.56)	-	-	-	-	-	-	-	-	-
Agents' fees		-	(174,811.63)	(174,811.63)	-	-	-	-	-	-	-	-	-
Professional fees		(1,093.00)	(2,000.00)	(3,093.00)	-	-	-	-	-	-	-	-	-
RoT, duress and liens		(19,339.51)	-	(19,339.51)	-	-	-	-	-	-	-	-	-
Statutory advertising		(77.00)	-	(77.00)	-	-	-	-	-	-	-	-	-
Office costs, stationery & postage		(9,578.35)	-	(9,578.35)	-	-	-	-	-	-	-	-	-
Insurance		-	(10,048.04)	(10,048.04)	-	-	-	-	-	-	-	-	-
Bank charges		(3,884.09)	-	(3,884.09)	(228.42)	-	(228.42)	(173.12)	(40.63)	(213.75)	(25.17)	-	(25.17)
<b>Total payments</b>		<b>(56,643.12)</b>	<b>(1,418,856.82)</b>	<b>(1,475,499.94)</b>	<b>(228.42)</b>	<b>-</b>	<b>(228.42)</b>	<b>(173.12)</b>	<b>(40.63)</b>	<b>(213.75)</b>	<b>(25.17)</b>	<b>-</b>	<b>(25.17)</b>
<b>VAT</b>													
VAT Receivable		(41,462.45)	(280,707.74)	(302,170.19)	-	-	-	-	-	-	-	-	-
VAT Payable		195,179.00	148,375.48	343,554.48	-	-	-	-	-	-	-	-	-
<b>Net assets subject to a floating charge</b>		<b>1,165,813.37</b>	<b>852,844.57</b>	<b>2,018,657.94</b>	<b>23,378.50</b>	<b>68,871.18</b>	<b>92,249.68</b>	<b>146,766.26</b>	<b>1,021.02</b>	<b>147,787.28</b>	<b>17,068.13</b>	<b>115.98</b>	<b>17,184.11</b>
<b>Inter-currency transactions</b>													
Receipts from inter-currency transfers		-	123,445.47	123,445.47	8,024.62	-	8,024.62	-	23.52	23.52	-	-	-
Payments from inter-currency transfers		(4,493.64)	(20.88)	(4,514.52)	-	-	-	-	(147,810.80)	(147,810.80)	-	-	-
<b>VAT Control</b>		<b>-</b>	<b>(265,281.01)</b>	<b>(265,281.01)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total cash in hand</b>	<b>3</b>	<b>799,350.24</b>	<b>1,072,760.64</b>	<b>1,872,110.88</b>	<b>100,274.30</b>	<b>-</b>	<b>100,274.30</b>	<b>148,035.79</b>	<b>(148,035.79)</b>	<b>-</b>	<b>17,068.13</b>	<b>115.98</b>	<b>17,184.11</b>
<b>Total GBP equivalent as at 01.04.2020</b>				<b>1,872,110.88</b>			<b>49,493.73</b>			<b>-</b>			<b>13,854.80</b>
<b>Bank of England exchange rates as at 31.03.2020</b>							<b>2.0260</b>			<b>1.1306</b>			<b>1.2403</b>

1. A distribution to the secured creditor in the period period has been recategorised from a floating charge distribution to a fixed charge distribution, following the sale of the freehold property.
2. Detailed trading account included on next page.
3. Total GBP cash equivalent at 1 April 2020 based on exchange rates at 31 March 2020 was £1,935,459.31
4. All amounts shown exclude VAT unless otherwise stated.
5. Cash is held on interest-bearing accounts.

Statement of affairs		GBP			AUD			EUR			USD			
		Notes	4 April 2019 to 3 October 2019	4 October 2019 to 1 April 2020	Total	4 April 2019 to 3 October 2019	4 October 2019 to 1 April 2020	Total	4 April 2019 to 3 October 2019	4 October 2019 to 1 April 2020	Total	4 April 2019 to 3 October 2019	4 October 2019 to 1 April 2020	Total
Dudson Limited Joint Administrators' trading account														
Trading Sales														
Receipts														
2,273,888	Trading sales		1,640,579.86	-	1,640,579.86	31,380.68	-	31,380.68	123,474.82	-	123,474.82	14,990.95	-	14,990.95
	Factory outlet sales		94,598.95	-	94,598.95	-	-	-	-	-	-	-	-	-
	Connected party sales		49,999.99	43,000.00	92,999.99	-	-	-	-	-	-	-	-	-
	Third party funds		7,479.77	-	7,479.77	-	-	-	5,322.87	(207.88)	5,114.99	-	-	-
	<b>Total Receipts</b>		<b>1,792,626.57</b>	<b>43,000.00</b>	<b>1,835,626.57</b>	<b>31,380.68</b>	<b>-</b>	<b>31,380.68</b>	<b>128,797.69</b>	<b>(207.88)</b>	<b>128,589.81</b>	<b>14,990.95</b>	<b>-</b>	<b>14,990.95</b>
Trading Expenditure														
	Heat & light		(6,112.03)	(47,085.77)	(53,197.80)	-	-	-	-	-	-	-	-	-
	Health & safety		(214.00)	-	(214.00)	-	-	-	-	-	-	-	-	-
	Lease/hire/HP payments		(2,647.00)	(2,033.57)	(4,680.57)	-	-	-	-	-	-	-	-	-
	Repairs & maintenance		(40,808.32)	(1,218.42)	(42,026.74)	-	-	-	-	-	-	-	-	-
	IT costs		(106,088.43)	(2,705.44)	(108,793.87)	-	-	-	-	-	-	-	-	-
	Marketing and advertising		(3,880.00)	-	(3,880.00)	-	-	-	-	-	-	-	-	-
	Telephone and fax		(1,035.84)	(314.91)	(1,350.75)	-	-	-	-	-	-	-	-	-
	Transportation costs		(32,751.10)	(34.14)	(32,785.24)	-	-	-	-	-	-	-	-	-
	Utilities and rates		(132.72)	(134,824.96)	(134,957.68)	-	-	-	-	-	-	-	-	-
	Rent		(52,108.30)	-	(52,108.30)	-	-	-	-	-	-	-	-	-
	Sundry expenses		(471.04)	-	(471.04)	-	-	-	-	-	-	-	-	-
	Wages and salaries		(379,752.18)	(28,077.11)	(405,829.29)	(7,798.76)	-	(7,798.76)	-	-	-	-	-	-
	Employee/subcontractor costs and expenses		(4,818.54)	(459.43)	(5,277.97)	-	-	-	-	-	-	-	-	-
	PAYE/NIC, pension and other deductions		(183,748.05)	(20,987.40)	(204,735.45)	-	-	-	(5,090.25)	-	(5,090.25)	-	-	-
	Petty cash		(1,700.00)	-	(1,700.00)	-	-	-	-	-	-	-	-	-
	<b>Total Payments</b>		<b>(816,263.55)</b>	<b>(235,721.15)</b>	<b>(1,051,984.70)</b>	<b>(7,798.76)</b>	<b>-</b>	<b>(7,798.76)</b>	<b>(5,090.25)</b>	<b>-</b>	<b>(5,090.25)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Trading surplus/(deficit)</b>		<b>976,363.02</b>	<b>(192,721.15)</b>	<b>783,641.87</b>	<b>23,581.92</b>	<b>-</b>	<b>23,581.92</b>	<b>123,707.44</b>	<b>(207.88)</b>	<b>123,499.56</b>	<b>14,990.95</b>	<b>-</b>	<b>14,990.95</b>

**Dudson (Holdings) Limited**  
**Joint Administrators' receipts and payment account**

Statement of affairs	Notes	4 April 2019 to 3 October 2019 (£)	4 October 2019 to 1 April 2020 (£)	Total
<b>Assets subject to a fixed charge</b>				
<b>Receipts</b>				
1,499,997		1,499,997.00	-	1,499,997.00
		2,227.20	1,139.91	3,367.11
		<b>1,502,224.20</b>	<b>1,139.91</b>	<b>1,503,364.11</b>
<b>Payments</b>				
		-	(803,363.51)	(803,363.51)
		<b>-</b>	<b>(803,363.51)</b>	<b>(803,363.51)</b>
<b>Distributions</b>				
		(1,000,000.00)	-	(1,000,000.00)
<b>VAT</b>				
		299,999.40	-	299,999.40
		<b>802,223.60</b>	<b>(802,223.60)</b>	<b>-</b>
<b>Uncharged assets</b>				
<b>Receipts</b>				
		-	803,363.51	803,363.51
128		128.43	-	128.43
279,716	1	-	-	-
509,502		-	-	-
		-	2,177.70	2,177.70
		<b>128.43</b>	<b>805,541.21</b>	<b>805,669.64</b>
<b>Payments</b>				
		-	(163,511.30)	(163,511.30)
		-	(5,446.15)	(5,446.15)
		(25,052.90)	(1,357.71)	(26,410.61)
		(735.00)	-	(735.00)
		-	(16,420.50)	(16,420.50)
		(14,759.79)	(1,718.00)	(16,477.79)
		(322.00)	-	(322.00)
		(77.00)	-	(77.00)
		-	(7,374.18)	(7,374.18)
		(40.00)	-	(40.00)
		<b>(40,986.69)</b>	<b>(195,827.84)</b>	<b>(236,814.53)</b>
<b>VAT</b>				
		(1,599.65)	(29,908.19)	(31,507.84)
		<b>(42,457.91)</b>	<b>579,805.18</b>	<b>537,347.27</b>
		-	(298,922.50)	(298,922.50)
		<b>759,765.69</b>	<b>(521,340.92)</b>	<b>238,424.77</b>

1. Costs under 'Investments in subsidiaries' consist predominantly of fees paid to CMB Associates in relation to DFH.
2. All amounts shown exclude VAT unless otherwise stated.
3. Cash is held on interest-bearing accounts.

# Appendix C: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and exclude our fees and distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense in the subsequent liquidation 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 B, which shows expenses actually paid during the period and the total paid to date.

## Dudson Limited

Nature of expenses	Brought forward from preceding period £k	Incurred in the period under review £k	Cumulative Total £k	Initial estimate £k	Variance £k
<b>Trading expenses</b>					
Gross wages, salaries and other employee costs	606	14	620	616	14
Rent	52	-	52	52	-
Utilities and rates	100	120	220	125	95
Outward transportation costs	33	-	33	33	-
IT costs	106	3	109	126	(17)
Telephone and fax	1	-	1	1	-
Marketing and advertising	4	-	4	4	-
Repairs and maintenance	41	1	42	46	(4)
Other operating costs	5	7	12	7	5
<b>Subtotal</b>	<b>948</b>	<b>135</b>	<b>1,083</b>	<b>1,000</b>	<b>93</b>
<b>Other expenses</b>					
Agents' fees and disbursements	205	17	222	205	17
Bank charges	4	-	4	5	(1)
RoT, duress and lien payments	19	-	19	19	-
Insurance	30	10	40	35	5
Legal fees and expenses	8	17	25	23	2
Office holders' fees	1,040	165	1,205	1,241	(36)
Office holders' disbursements	8	4	12	18	(6)
Printing and postage	10	-	10	10	-

Pre-administration costs - Legal	25	-	25	25	-
Pre-administration costs - PwC	99	-	99	99	-
Security costs	17	62	79	39	40
Site clearance	66	2	68	66	2
Statutory advertising	-	-	-	1	1
Storage costs	1	-	1	4	(3)
<b>Total</b>	<b>2,480</b>	<b>412</b>	<b>2,892</b>	<b>2,790</b>	<b>112</b>

As a result of the delay in sale of the freehold property (as detailed earlier in this report), costs relating directly to the property (such as security and utilities) are higher than our estimates. However, these costs were considered necessary in order to protect the value of the property and increase realisations for creditors.

### Dudson (Holdings) Limited

Nature of expenses	Brought forward from preceding period £k	Incurred in the period under review £k	Cumulative Total £k	Initial estimate £k	Variance £k
IT Costs	1	-	1	1	-
Insurance	7	-	7	12	(5)
Legal fees and expenses	15	2	17	40	(23)
Office holders' fees	126	38	164	207	(43)
Office holders' disbursements	5	-	5	10	(5)
Pre-administration costs - Legal	16	-	16	16	-
Pre-administration costs - PwC	66	-	66	66	-
Professional fees	1	-	1	1	-
Statutory advertising	-	-	-	1	(1)
Subsidiary-related costs	8	1	9	23	(14)
<b>Total</b>	<b>245</b>	<b>41</b>	<b>286</b>	<b>377</b>	<b>(91)</b>

# Appendix D: Remuneration update

Our fees were approved on a time costs basis by the general body of creditors. We've drawn fees of £1,204,982.50 in DL and £163,511.30 in DHL, in line with the approval given, as shown on the enclosed receipts and payments account(s).

The time cost charges incurred in the period covered by this report are £165,145.75 for DL and £37,505.00 for DHL.

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

## Our time charging policy and hourly rates

We and our team charged our time for the work we needed to do in the administration. We delegated tasks to suitable grades of staff, taking into account their experience and any specialist knowledge needed and we supervised them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility was handled by our senior staff or us.

All of our staff who worked on the administration (including our cashiers, support and secretarial staff) charged time directly to the case and were included in any analysis of time charged. Each grade of staff has an hourly charge out rate which was reviewed from time to time. Work carried out by our cashiers, support and secretarial staff was charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time has been charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We didn't charge general or overhead costs.

We called on colleagues in our Tax, VAT, Real Estate and Pensions departments where we needed their expert advice. Their specialist charge-out rates varied but the following were the maximum rates by grade per hour.

### Charge-out rates (Maximum per Hour (£))

Grade	From 1 July 2018		From 1 July 2019	
	Standard	Specialist	Standard	Specialist
Partner	640	1,315	690	1,520
Director	540	1,390	595	1,465
Senior Manager	465	1,230	515	1,290
Manager	365	770	405	775
Senior Associate	275	570	310	575
Associate	180	305	210	305
Support staff	95	250	120	250

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



# Our hours and average rates

## Dudson Limited

### Time costs for the period 4 April 2019 to 3 October 2019

Work Type	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/Support	Total Hrs	Total Cost (£)	Average Hrs Rate
Accounting and treasury	-	-	1.40	56.65	158.40	85.95	302.40	75,014.25	248
Assets	-	27.00	72.50	523.15	141.55	0.20	764.40	284,651.75	372
Creditors	-	15.50	19.80	22.00	36.95	5.05	99.30	35,555.00	358
Employees	-	9.00	72.60	82.55	273.05	1.40	438.60	126,524.75	288
Investigations	-	0.75	0.25	3.20	12.00	0.20	16.40	4,221.75	257
Pensions	-	12.50	53.25	6.55	8.25	24.75	105.30	76,188.75	724
Statutory and compliance	-	4.50	42.70	35.80	42.95	66.60	192.55	54,969.50	285
Strategy and planning	0.50	9.00	11.20	39.95	12.30	3.10	76.05	29,288.25	385
Tax and VAT	-	0.50	6.15	24.50	71.55	32.60	135.30	56,384.25	417
Trading	-	4.00	60.20	530.60	237.20	0.30	832.30	297,038.50	357
<b>Total</b>	<b>0.50</b>	<b>82.75</b>	<b>340.05</b>	<b>1,324.95</b>	<b>994.20</b>	<b>220.15</b>	<b>2,962.60</b>	<b>1,039,836.75</b>	<b>351</b>

### Time costs for the period 4 October 2019 to 30 March 2020

Work Type	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/Support	Total Hrs	Total Cost (£)	Average Hrs Rate
Accounting and treasury	-	0.75	0.10	11.05	33.20	20.20	65.30	16,851.00	258
Assets	-	5.50	22.00	42.60	1.90	-	72.00	32,582.25	453
Creditors	-	-	-	2.45	8.60	26.55	37.60	6,156.25	164
Employees	-	-	1.25	9.80	27.60	-	38.65	10,960.75	284
Pensions	-	1.95	16.15	0.40	11.50	-	30.00	20,688.75	690
Statutory and compliance	-	0.50	4.30	13.60	67.90	1.80	87.90	24,277.00	276
Strategy and planning	0.50	2.50	0.10	8.95	5.95	-	18.00	6,877.25	382
Tax and VAT	-	1.50	5.55	14.60	30.80	36.90	89.65	36,945.75	412
Trading	-	0.25	-	17.60	11.00	-	28.85	9,806.75	340
<b>Total</b>	<b>0.50</b>	<b>12.95</b>	<b>49.45</b>	<b>121.35</b>	<b>198.45</b>	<b>85.25</b>	<b>467.95</b>	<b>165,145.75</b>	<b>363</b>

### Comparison of total time costs to 30 March 2020 against our fee estimate

Work Type	Total Hours	Total Cost (£)	Average Hrs Rate	Hours Estimate	Fees Estimate (£)	Variance (£)
Accounting and treasury	367.70	91,865.25	249.84	375.00	93,000.00	(1,134.75)
Assets	836.40	317,234.00	379.29	800.00	304,000.00	13,234.00
Creditors	136.90	41,711.25	304.68	140.00	50,000.00	(8,288.75)
Employees	477.25	137,485.50	288.08	500.00	144,000.00	(6,514.50)
Investigations	16.40	4,221.75	257.42	16.40	4,000.00	221.75
Pensions	135.30	96,877.50	716.02	135.00	98,000.00	(1,122.50)
Statutory and compliance	280.45	79,246.50	282.57	300.00	86,000.00	(6,753.50)
Strategy and planning	94.05	36,165.50	384.53	120.00	46,000.00	(9,834.50)
Tax and VAT	224.95	93,330.00	414.89	280.00	117,000.00	(23,670.00)
Trading	861.15	306,845.25	356.32	840.00	300,000.00	6,845.25
<b>Total</b>	<b>3,430.55</b>	<b>1,204,982.50</b>	<b>351.25</b>	<b>3,506.40</b>	<b>1,242,000.00</b>	<b>(37,017.50)</b>

## Dudson (Holdings) Limited

### Time costs for the period 4 April 2019 to 3 October 2019

Work Type	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/Support	Total Hrs	Total Cost (£)	Average Hrs Rate
Accounting and treasury	-	-	-	7.35	18.15	17.10	42.60	9,766.25	229
Assets	-	-	15.95	37.00	3.40	-	56.35	22,386.75	397
Creditors	-	-	0.75	4.00	0.20	1.60	6.55	2,153.25	329
Employees	-	-	8.00	16.60	47.55	-	72.35	19,593.00	271
Investigations	-	0.25	0.50	3.25	11.05	0.55	15.60	3,972.75	255
Pensions	-	12.00	27.50	0.50	-	0.85	40.85	37,500.50	918
Statutory and compliance	-	-	4.70	19.40	31.10	13.97	69.17	18,182.80	263
Strategy and planning	0.50	-	1.00	13.95	4.40	0.80	20.65	7,069.25	342
Tax and VAT	-	-	0.75	3.60	7.75	1.10	13.20	5,381.75	408
<b>Total</b>	<b>0.50</b>	<b>12.25</b>	<b>59.15</b>	<b>105.85</b>	<b>123.60</b>	<b>35.97</b>	<b>337.32</b>	<b>126,006.30</b>	<b>374</b>

## Time costs for the period 4 October 2019 to 30 March 2020

Work Type	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/Support	Total Hrs	Total Cost (£)	Average Hrs Rate
Accounting and treasury	-	-	-	1.85	4.20	2.90	8.75	2,243.25	256
Assets	-	-	4.60	-	-	-	4.60	2,369.00	515
Creditors	-	-	-	2.15	2.30	0.80	5.25	1,495.75	285
Employees	-	-	-	0.20	6.60	-	6.80	1,599.00	235
Pensions	-	-	-	-	1.05	-	1.05	241.50	230
Statutory and compliance	-	-	3.50	6.60	41.45	0.20	51.75	14,263.00	276
Strategy and planning	-	-	0.10	2.35	3.40	-	5.85	1,785.25	305
Tax and VAT	-	0.50	1.35	3.90	20.40	3.35	29.50	13,508.25	458
<b>Total</b>	-	0.50	9.55	16.85	79.40	7.25	113.55	37,505.00	330

## Comparison of total time costs to 30 March 2020 against our fee estimate

Work Type	Total Hours	Total Cost (£)	Average Hrs Rate	Hours Estimate	Fees Estimate (£)	Variance (£)
Accounting and treasury	51.35	12,009.50	233.88	85.00	19,000.00	(6,990.50)
Assets	60.95	24,755.75	406.16	100.00	40,000.00	(15,244.25)
Creditors	11.80	3,649.00	309.24	15.00	5,000.00	(1,351.00)
Employees	79.15	21,192.00	267.74	100.00	27,000.00	(5,808.00)
Investigations	15.60	3,972.75	254.66	15.60	4,000.00	(27.25)
Pensions	41.90	37,742.00	900.76	60.00	55,000.00	(17,258.00)
Statutory and compliance	120.92	32,445.80	268.32	120.00	32,000.00	445.80
Strategy and planning	26.50	8,854.50	334.13	50.00	17,000.00	(8,145.50)
Tax and VAT	42.70	18,890.00	442.39	20.00	8,000.00	10,890.00
<b>Total</b>	<b>450.87</b>	<b>163,511.30</b>	<b>362.66</b>	<b>565.60</b>	<b>207,000.00</b>	<b>(43,488.70)</b>

## 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 and what, if any, financial benefit the work provided to creditors or whether it was required by statute
<b>Accounting and treasury</b>	<ul style="list-style-type: none"> <li>Dealing with receipts, payments and journals to correctly record expenditure</li> <li>Carrying out bank reconciliations and managing investment of funds</li> </ul>	<ul style="list-style-type: none"> <li>To comply with statutory obligations</li> <li>To ensure secure stewardship of funds</li> </ul>
<b>Assets</b>	<p><b>Property*:</b></p> <ul style="list-style-type: none"> <li>Negotiating with purchaser of freehold and solicitors around terms and timing of property sale</li> <li>Liaising with security and insurance companies regarding theft at property</li> <li>Finalising property sale</li> </ul> <p><b>Other chattel assets*:</b></p> <ul style="list-style-type: none"> <li>Liaising with agents to facilitate transfer of proceeds of sale and agree fee</li> </ul> <p><b>Subsidiaries:</b></p> <ul style="list-style-type: none"> <li>Ongoing review of outcome of intercompany debt collection strategy following updates from advisors appointed to oversee management of processes and recoveries to the Companies</li> </ul>	<ul style="list-style-type: none"> <li>To maximise realisations for creditors</li> </ul>
<b>Creditors</b>	<ul style="list-style-type: none"> <li>Responding to creditor enquiries received via telephone, email and post</li> <li>Reviewing and preparing correspondence to creditors and their representatives</li> <li>Receipting and filing proofs of debt</li> <li>Liaising with the secured creditor on progress</li> <li>Making distributions to the secured creditor in accordance with security entitlements</li> </ul>	<ul style="list-style-type: none"> <li>Updating creditors and keep them informed of case progression</li> <li>Preparing for return of funds for creditors</li> <li>To keep the secured creditor apprised of the position regarding recovery of its debt</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Calculating and paying periodic payroll</li> <li>Receiving and following up employee enquiries via telephone, post and email</li> <li>Liaising with the RPS and external agencies</li> <li>Liaising with the AGS in France regarding French former employee**</li> </ul>	<ul style="list-style-type: none"> <li>To comply with statutory obligations</li> <li>Managing the company's affairs and provision of information for tribunal matters</li> </ul>

<b>Statutory and compliance</b>	<ul style="list-style-type: none"> <li>• Preparing progress and remuneration reports</li> <li>• Preparing decision notices and recording outcome</li> <li>• Filing of documents</li> <li>• Dealing with records in storage</li> <li>• Updating checklists and diary management system</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> </ul>
<b>Strategy and planning</b>	<ul style="list-style-type: none"> <li>• Monitoring costs</li> <li>• Holding team meetings and discussions regarding status of administration</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure orderly management and progression of the case</li> </ul>
<b>Pensions</b>	<ul style="list-style-type: none"> <li>• Dealing with general pension scheme issues and the Pension Protection Fund</li> <li>• Calculating contributions and requesting payments to the relevant scheme or policy</li> <li>• Liaising with pension provider to ensure unallocated contributions are dealt with appropriately</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> </ul>
<b>Tax and VAT</b>	<ul style="list-style-type: none"> <li>• Preparing VAT returns</li> <li>• Liaising with HMRC</li> <li>• Preparing tax computations</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> </ul>
<b>Trading*</b>	<ul style="list-style-type: none"> <li>• Preparing and authorising receipt and payment vouchers</li> <li>• Liaising with suppliers to finalise trading costs</li> </ul>	<ul style="list-style-type: none"> <li>• To maximise realisations for creditors</li> </ul>

\* *Dudson Limited only*

\*\* *Dudson (Holdings) Limited only*

## Our previous work

As this progress report is the first to be issued following the approval of the basis of our fees, below are details of work carried out by the Administrators in the prior period.

Area of work	Work undertaken	Why the work was necessary and what, if any, financial benefit the work provided to creditors, or whether it was required by statute
<b>Accounting and treasury</b>	<ul style="list-style-type: none"> <li>• Opening and closing bank accounts and arranging facilities</li> <li>• Dealing with receipts, payments and journals to correctly record expenditure</li> <li>• Carrying out bank reconciliations and managing investment of funds</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> <li>• To ensure secure stewardship of funds</li> </ul>
<b>Assets</b>	<p><b>Property*:</b></p> <ul style="list-style-type: none"> <li>• Carrying out title searches and securing relevant property records</li> <li>• Securing possession of property and arranging for ongoing assessment of security needs to ensure asset value is protected</li> <li>• Liaising with valuers and running tender process to establish strategy for disposal to maximise realisable value</li> <li>• Discussions with landlords surround terms of occupation at Nile Street and terms of subsequent exit</li> <li>• Negotiating with third parties for property transfer or surrender</li> <li>• Negotiating with third parties and liaison with solicitors around terms of property sale</li> </ul> <p><b>Debtors*:</b></p> <ul style="list-style-type: none"> <li>• Reconciliation of opening debtor position and agreeing basis with fixed charge holder the rights to various debtors</li> <li>• Discussions with employees to establish controls over debtor collection</li> <li>• Establish collection strategy by debtor depending on ageing and forecast repayment date</li> <li>• Establishing controls for parameters of settlement and dispute settlement with debtors</li> <li>• Correspondence with debtors, including escalation letters and dealing with counter claims</li> <li>• Establish terms for contingent fee basis for collection of outstanding debts</li> </ul> <p><b>Other chattel assets*</b></p> <ul style="list-style-type: none"> <li>• Liaising with valuers around appointment and strategy, auctioneers and interested parties around maximising realisations from remaining plant and machinery</li> <li>• Reviewing asset listings and assets remaining on site following completion of auction process</li> <li>• Establishing and agreeing removal timescales and processes</li> <li>• Discussions with agents to ensure for CDM compliant equipment removal</li> </ul>	<ul style="list-style-type: none"> <li>• To maximise realisations for creditors</li> <li>• To comply with statutory obligations</li> </ul>

	<p><b>Retention of title claims*</b></p> <ul style="list-style-type: none"> <li>• Arranging for the completion of retention of title claim forms</li> <li>• Maintaining retention of title file</li> <li>• Meeting claimants on site to identify goods</li> <li>• Adjudicating retention of title claims</li> <li>• Corresponding with claimants regarding outcome of adjudication and negotiating potential settlements</li> </ul> <p><b>Intangible assets</b></p> <ul style="list-style-type: none"> <li>• Establishing an effective inventory list of the intellectual property associated with casts, moulds and designs</li> <li>• Selling title to such assets falling outside the Churchill agreement*</li> </ul> <p><b>Subsidiaries</b></p> <ul style="list-style-type: none"> <li>• Developing strategy for pursuing intercompany debts in foreign subsidiaries and monitoring position</li> <li>• Setting up and holding regular update calls with management and overseas advisors to support this process and ensure the company's interests are protected</li> <li>• Developing strategy for simplifying group structure and reducing intercompany claims by the Companies</li> </ul> <p><b>Insurance</b></p> <ul style="list-style-type: none"> <li>• Identifying potential issues requiring attention of insurance specialists</li> <li>• Corresponding with insurer regarding initial and ongoing insurance requirements</li> </ul>	
<b>Creditors</b>	<ul style="list-style-type: none"> <li>• Setting up dedicated website for delivery of initial and ongoing communications and reports</li> <li>• Responding to creditor enquiries received via telephone, email and post</li> <li>• Reviewing and preparing correspondence to creditors and their representatives</li> <li>• Receipting and filing proofs of debt</li> <li>• Liaising with the secured creditor on progress with the appointment, including preparation of reports</li> <li>• Agreeing a methodology with secured creditor around collection and reconciliation of debtor receipts paid into trust account</li> <li>• Making distributions to the secured creditor in accordance with security entitlements</li> </ul>	<ul style="list-style-type: none"> <li>• Update creditors and keep them informed of case progression</li> <li>• Preparing for return of funds for creditors</li> <li>• To keep the secured creditor apprised of the position regarding recovery of its debt</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Drafting, issuing and delivering initial communications and announcements</li> <li>• Preparing letters to employees advising of their entitlements and options available</li> <li>• Arranging communication with employee based in France and establishing legal requirements</li> <li>• Responding to employee enquiries</li> <li>• Calculating and paying periodic payroll, and paying over deductions to HMRC and other relevant third parties</li> <li>• Commencing / continuing a consultation process</li> <li>• Selecting and making redundancies</li> <li>• Liaising with the RPS and external agencies</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> <li>• Managing the company's affairs and provision of information for tribunal matters</li> </ul>
<b>Investigations</b>	<ul style="list-style-type: none"> <li>• Collecting company books and records where related to investigatory work</li> <li>• Reviewing books and records</li> <li>• Reviewing specific transactions and liaising with directors regarding certain transactions</li> <li>• Preparing investigation filenote and lodging findings with the Department for Business, Innovation and Skills</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> </ul>
<b>Pensions</b>	<ul style="list-style-type: none"> <li>• Reviewing insurance policies</li> <li>• Issuing statutory notices</li> <li>• Dealing with general pension scheme issues and the Pension Protection Fund</li> <li>• Calculating contributions and requesting payments to the relevant scheme or policy</li> <li>• Ensuring payment of post-appointment pension and other employee benefit contributions for retained employees</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> </ul>
<b>Statutory and compliance</b>	<ul style="list-style-type: none"> <li>• Preparing and issuing initial letters and notices regarding the administration and our appointment</li> <li>• Drafting and reviewing a statement of proposals to creditors, members and the Registrar of Companies</li> <li>• Preparing decision notices and recording outcome</li> <li>• Collecting company books and records where not related to investigatory work</li> <li>• Filing of documents</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations and other obligations placed on the Administrators</li> </ul>
<b>Strategy and planning</b>	<ul style="list-style-type: none"> <li>• Completing tasks related to job acceptance</li> <li>• Preparing fee budgets and monitoring cost</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure orderly management and progression of the case</li> </ul>



	<ul style="list-style-type: none"> <li>• Holding team meetings to discuss status of administration</li> </ul>	
<b>Tax and VAT</b>	<ul style="list-style-type: none"> <li>• Gathering information for initial tax and VAT reviews</li> <li>• Carrying out initial tax and VAT reviews</li> <li>• Preparing VAT returns</li> <li>• Liaising with HMRC</li> <li>• Negotiating discretionary rates relief and rateable value reduction with council*</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations</li> </ul>
<b>Trading*</b>	<ul style="list-style-type: none"> <li>• Discussion with company staff to agree key suppliers required to delivery strategy</li> <li>• Liaising with management and staff to establish trading controls and reporting methodology</li> <li>• Reviewing company's budgets and financial statements</li> <li>• Establishing and maintaining new trading terms and conditions to remove warranties and ensure cash payments made and reconciled up front</li> <li>• Maintaining presence on site to support direct communications with customers around queries with fulfilment of stock orders</li> <li>• Making contact with key suppliers required to support ongoing order fulfilment to agree terms, authorising all purchase orders and other commitments</li> <li>• Agreeing stock levels and continuously establishing and reviewing discount and communication strategy with all customers to maximise realisations</li> <li>• Regular communication with Australian team to ensure the trading strategy was being delivered and was consistent with the UK business</li> <li>• Holding meetings to discuss trading position</li> <li>• Preparing and authorising receipt and payment vouchers</li> </ul>	<ul style="list-style-type: none"> <li>• To maximise realisations for creditors</li> </ul>

\* DL only

## Payments to associates

No payments were made to associates in the period covered by this report.

## Disbursements

We didn't need to get approval to draw expenses or disbursements unless they were 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 allowed for all properly incurred expenses to be recharged to the administration and has been approved by the general body of creditors where required.

The following disbursements arose in the period of this report for DL. No disbursements arose in the period of this report for DHL.

Category	Policy	Costs incurred (£)
2	<b>Mileage</b> – At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	158.07
1	<b>Car parking charges</b>	9.33
1	<b>Archiving costs*</b>	2,356.74
1	<b>Postage costs</b>	1,439.33
<b>Total</b>		<b>3,963.47</b>

\*A percentage of the archiving costs will be recharged to the Pension Protection Fund.

In total, £12,193.90 of disbursements have arisen in respect of DL, and £5,446.32 in respect of DHL. These have been billed in full.

## Our relationships

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

## Details of subcontracted work

No work has been subcontracted out in the period.

## Legal and other professional firms

We instructed the following professionals on this case:

### *Dudson Limited*

Service provided	Name of firm/organisation	Reason selected	Basis of fees
<b>Legal advice</b>	Harrison Clark Rickerbys Limited	Industry knowledge, knowledge of the company	Time costs and disbursements
	Gowling WLG Canada LLP		
<b>Property agents</b>	Avison Young	Industry knowledge	Percentage of realisations and disbursements
<b>Chattel agents</b>	Lambert Smith Hampton	Industry knowledge	Percentage of realisations
<b>Overseas payroll processing</b>	RSM Employer Services Limited	Knowledge of the company	Fixed fee
<b>Payroll services</b>	Nick Sherratt	Knowledge of the company	Time costs and disbursements
<b>Interpretation</b>	Deaflinks Staffordshire	Knowledge of the company	Time costs and disbursements
<b>Pension services</b>	Atkin & Co	Industry knowledge	Fixed fee
<b>Insurance services</b>	JLT	Industry knowledge	Fixed fee

### *Dudson (Holdings) Limited*

Service provided	Name of firm/organisation	Reason selected	Basis of fees
<b>Legal advice</b>	Harrison Clark Rickerbys Limited	Industry knowledge, knowledge of the company	Time costs and disbursements
	Insolidum Avocats Associes		
<b>Property agents</b>	CMB Associates	Industry knowledge	Fixed fee
<b>Chattel agents</b>	Robin Stephenson Limited	Industry knowledge	Fixed fee and disbursements
<b>Insurance services</b>	JLT	Industry knowledge	Fixed fee

We require all third party professionals to submit time costs analyses and narrative or a schedule of realisations achieved, dependent on their fee basis, in support of invoices rendered. All invoices are reviewed before being approved for payment. We are satisfied that the level of legal and professional costs is appropriate.

# Appendix E: Pre-administration costs

The following costs were incurred before our appointment with a view to the Company going into administration.

<b>Nature of costs</b>	<b>DL Amount (£)</b>	<b>DHL Amount (£)</b>
Our fees as Administrators in-waiting	99,276.15	66,184.10
Expenses incurred by us as administrators-in-waiting (legal fees)	24,794.00	16,420.50
<b>Total</b>	<b>124,070.15</b>	<b>82,604.60</b>

Following our request to creditors for a decision on the pre-appointments costs, creditors approved the payment of the pre-administration legal fees on 21 November 2019, however, our fees as Administrators-in-waiting were not approved and will therefore not be drawn.

# Appendix F: Other information

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<b>Court details for the administration:</b>	High Court of Justice, Business and Property Courts in Birmingham (ChD), Companies and Insolvency List. Court references below.	
<b>Companies:</b>	Dudson Limited	Dudson (Holdings) Limited
<b>Court Reference:</b>	CR-2019-BHM-000281	CR-2019-BHM-000288
<b>Registered Number:</b>	00910754	00150494
<b>Trading Name:</b>	Dudson	
<b>Registered Address:</b>	200 Scotia Road, Tunstall, Stoke-on-Trent, Staffordshire, ST6 4JD	
<b>Date of the joint administrators' appointment</b>	4 April 2019	
<b>Joint administrators' names, addresses and contact details</b>	Ross David Connock of PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol, BS2 0FR and David Matthew Hammond of PricewaterhouseCoopers LLP, 19 Cornwall Street, Birmingham, B3 2DT	
	Email: <a href="mailto:uk_dudson_enquiries@pwc.com">uk_dudson_enquiries@pwc.com</a>	

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