

# Joint liquidators' progress report from 20 April 2020 to 19 April 2021

25 May 2021

**Dudson Limited**  
**Dudson (Holdings) Limited**

- both in Creditors' Voluntary Liquidation

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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>Liquidators/we/us/our</b>	Ross David Connock and David Matthew Hammond
<b>Administrators</b>	Ross David Connock and David Matthew Hammond (prior to the Companies entering creditors' voluntary liquidation on 20 April 2020)
<b>DL</b>	Dudson Limited - in Creditors' Voluntary Liquidation
<b>DHL</b>	Dudson (Holdings) Limited - in Creditors' Voluntary Liquidation
<b>Companies</b>	Dudson Limited and Dudson (Holdings) Limited
<b>Firm</b>	PricewaterhouseCoopers LLP
<b>Period</b>	20 April 2020 to 19 April 2021
<b>Australian Liquidators</b>	William Anthony Honner and Philip Patrick Carter, both of PricewaterhouseCoopers Australia
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>IA86</b>	Insolvency Act 1986
<b>CVL</b>	Creditors' Voluntary Liquidation
<b>HMRC</b>	HM Revenue and Customs
<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>Secured creditors</b>	Creditors with security in respect of their debt, in accordance with Section 248 IA86
<b>Bank</b>	Shawbrook Bank Limited
<b>Preferential creditors</b>	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
<b>RPS</b>	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
<b>AGS</b>	l'Association pour la gestion du régime de Garantie des créances des Salariés - the French equivalent of the RPS.
<b>Unsecured creditors</b>	Creditors who are neither secured nor preferential
<b>DFH</b>	Dudson French Holdings S.A.S.
<b>DUSA</b>	Dudson USA Inc.
<b>DS&amp;E</b>	Dudson (Sales & Export) Limited
<b>DCI</b>	Dudson Canada Inc.

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

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

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

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Liquidators' previous reports issued to the Company's creditors, which can be found at [www.pwc.co.uk/dudson](http://www.pwc.co.uk/dudson).

Ross David Connock and David Matthew Hammond have been appointed as Joint Liquidators of the Company. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Liquidators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Liquidators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

# Key messages

## Why we've sent you this report

I'm writing to update you on the progress of the liquidation of Dudson Limited and Dudson (Holdings) Limited, following the move from administration to CVL on 20 April 2021.

You can still view our earlier reports, issued during the preceding administrations, on our website at [www.pwc.co.uk/dudson](http://www.pwc.co.uk/dudson).

## Estimated outcome for creditors

The following table summarises the possible outcome for creditors, based on what we currently know.

Class of creditor	Dudson Limited		Dudson (Holdings) Limited	
	Current estimate	Timing	Current estimate	Timing
Secured creditor	100p/£	Paid in Full	100p/£	Paid in Full
Preferential creditors	100p/£	< 1 Year	100p/£	< 1 Year
Unsecured creditors	6 - 8p/£	< 1 Year	3 - 5p/£	< 1 Year

### Secured creditor

The Bank's lending to the Company as at the date of the prior administration was in the region of £4.7m, secured by fixed and floating charges over all of DL's assets and cross-guaranteed by DHL.

The Bank was repaid in full in the administration under the terms of its fixed charge security.

### Preferential creditors (mainly employees)

In their statement of affairs provided to the Administrators, the directors thought that preferential claims would total around £320k. Based on current information, we think that the level of preferential claims will be c.£319k in DL and c.£8k in DHL.

We think we'll be able to pay the preferential creditors of both of the Companies in full based on what we know currently. This dividend will be paid following the resolution of the remaining employee tribunal claims. We will be writing to preferential creditors in due course to confirm the details of their claims, with a view to paying a dividend later this year.

### Unsecured creditors

Dividends become available for unsecured creditors when there are sufficient funds (after costs of the liquidation) to pay the secured and preferential creditors in full, with an amount left over. In certain circumstances, part of the amount available for secured creditors may be ring-fenced for the benefit of unsecured creditors. This prescribed part is paid out of 'net property', which is floating charge realisations after costs, and after paying – or setting aside enough to pay – preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

In this case, although there was a floating charge created after 15 September 2003, the Bank was paid in full from fixed charge realisations, and therefore the prescribed part doesn't apply.

We think dividends of about 6 - 8% and 3 - 5% will be paid to the unsecured creditors of DL and DHL respectively, based on what we know currently.

We've calculated this based on the estimate of the unsecured creditors included in the statement of affairs provided to the Administrators. The amount of the dividend will depend on the final level of submitted claims, future realisations and liquidation costs.

We will shortly begin the adjudication process, and therefore if you haven't already done so, please send your claim to us so that we can agree it. A claim form can be downloaded from our website at [www.pwc.co.uk/dudson](http://www.pwc.co.uk/dudson) or you can get one by emailing [uk\\_dudson\\_enquiries@pwc.com](mailto:uk_dudson_enquiries@pwc.com).

We will write to ex-employees separately to agree their claims.

## What you need to do

As part of our first communication with you following the move to CVL, we are required to inform you about your right to opt out of receiving further documents relating to these proceedings. Appendix E contains further details on this right and how you may elect to opt out.

# Overview of what we've done to date

This is our first progress report to members and creditors following the Companies' move from administration to CVL.

On 4 April 2019, Matthew Hammond and I of PricewaterhouseCoopers LLP were appointed joint administrators of the Companies. The administrations ended on 20 April 2020, when the Companies went into CVL and we were appointed as Liquidators.

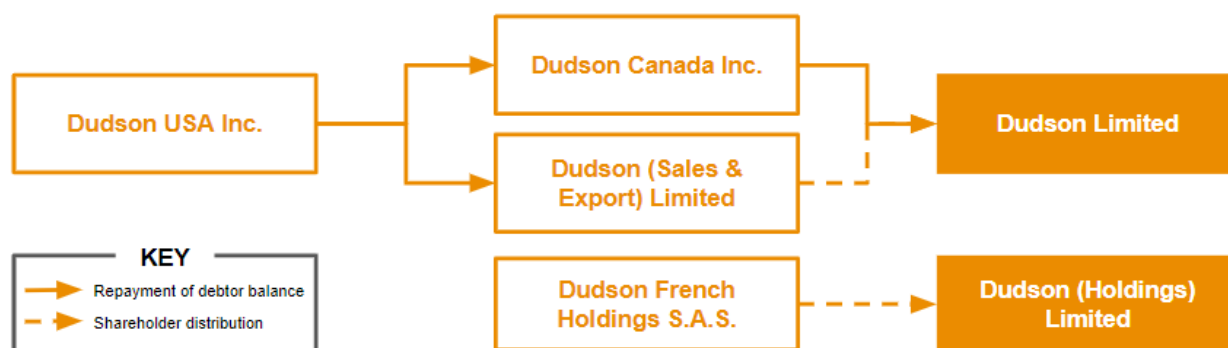
The majority of assets were realised during the preceding administrations, following the pre-packaged sale of certain assets, a short trading period to wind down the remaining stock, and the sale of the freehold property.

Accordingly, the strategy of the Joint Liquidators has been to pursue the remaining unrealised assets - comprising predominantly of potential recoveries from overseas subsidiaries - and finalise any unpaid costs incurred with suppliers and utility providers during the trading period. Once these matters are resolved, the focus of the liquidation will move to the adjudication of creditor claims and paying of distributions to preferential and unsecured creditors, before moving the Companies to dissolution.

## Asset Realisations

Creditors may recall from earlier reports prior to the insolvency of the Companies that the business traded as part of a broader group extensively in the USA and Canada, with subsidiaries operating as satellite trading operations and sales offices for the UK manufacturing centre. There was also a branch in Australia and a French subsidiary.

As at the date of insolvency, various intercompany balances existed within the wider Dudson group. For ease of understanding, a simplified diagram of the position is included below, with arrows indicating the expected flow of funds.



### Dudson USA Inc.

As at the date of the insolvency of the Companies, DUSA owed intercompany debtor balances to DCI and DS&E. Following an immediate assessment made by the directors of DUSA, it was deemed that the optimum strategy to maximise recoveries to creditors of that estate would be to realise stock and debtors on a solvent basis using relationships with existing customers in the USA, before commencing an insolvency process to adjudicate creditor claims and distribute the cash proceeds.

The directors took the decision to appoint Sherwood Partners Inc. to undertake an Assignment for the Benefit of Creditors, which is a form of insolvency process. This appointment was effective from August 2019. This process has now been substantially completed, and funds are in the process of being distributed to the creditors of DUSA, including DCI and DS&E.

Whilst DUSA is a subsidiary of DHL, the company was ultimately insolvent so there were insufficient funds available to repay all creditors in full or enable a distribution to shareholders. Any recovery into the DL estate will therefore be via distributions DUSA makes to DCI and DS&E as creditors.

### **Dudson Canada Inc.**

A balance of c.£1.5m was owed by DCI to DL as at the date of administration. DCI's only asset of significant value was the intercompany debt owed by DUSA. As a result, as detailed in the former administrators' reports, DL provided funding to DCI to facilitate the commencement of a bankruptcy process and thereby allow any realisations due to DL to flow back to it in due course.

In addition to the debt owed to DL, there was a potential balance owed to the Canadian tax authorities, pending resolution of an ongoing investigation into pre-appointment sales tax submissions.

We have continued to liaise with PricewaterhouseCoopers Inc. LIT - the appointed Licensed Insolvency Trustee of DCI's estate - to monitor the level of realisations expected. DCI recently received a first and final distribution from DUSA in respect of its debt. The Trustee of DCI is now in active dialogue with the Canadian tax authorities in order to finalise its claim, after which we will have greater visibility on the level of realisations available to DL.

### **Dudson (Sales & Export) Limited**

DS&E is a wholly owned subsidiary of DL, registered in the UK. Prior to the cessation of trading, DS&E was predominantly a vehicle for the exporting of goods from DL to DUSA and as a result, its sole liability was a balance owed to DL, and its sole asset was a balance owed by DUSA.

Following DL entering administration, it was deemed that in order to maximise realisations to DL from D&SE, the debtor balance owed from DS&E should be written off in order to enable DS&E to enter a solvent liquidation rather than a more costly insolvent liquidation.

It is anticipated that DS&E will enter a solvent liquidation process in the next 3 months, from which surplus funds will be distributed to DL as shareholder within the next six months, after which DS&E will be dissolved.

### **Dudson Australia**

Creditors may recall from earlier reports that DL had a branch in Australia that operated out of Sydney, Melbourne and Queensland and employed five staff. In order to protect the position in DL and seek to mitigate the risk of the Australian creditors ranking as preferential in the UK insolvency process, and potentially reducing the dividend to UK creditors of DL, we applied to court in the preceding administration to place the branch into a formal insolvency process in Australia, with the Australian Liquidators being appointed.

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, no surplus was available from the estate, though potential claims against the UK estate have been fully 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).

Further information on Dudson Australia can be found in Appendix A of the Joint Liquidators' remuneration report, which is available at [www.pwc.co.uk/dudson](http://www.pwc.co.uk/dudson).

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

The sole remaining potential asset realisations in DHL is its investment in its wholly owned subsidiary, DFH, a property investment company registered in France. The principal asset of DFH was a freehold property in Digoïn, near Lyon, France. The property was tenanted by a third party at the start of the administration who were themselves in an insolvency process. The business had been sold to another third party, Sarreguemines International, in July 2019. The director of DFH retains responsibility for all decision making within this entity, but we remain in regular dialogue given the potential realisations available from the property.

Since the July 2019 transaction, DFH has been party to a dispute regarding the validity of the lease with the new tenant. As a result of the dispute, rent has not been paid and a sum due to DFH has accrued. During the period of this report, and throughout most of the preceding administration, DFH has been involved in litigation to seek to recover these amounts, whilst also seeking a sale of the property. DHL has contributed funds to DFH to enable this litigation to continue, including a contribution to legal and agents' fees on behalf of DFH during the preceding administration, and a payment of €20k (equivalent to c.£17.5k) directly to DFH during the period. The litigation has been severely delayed by the ongoing pandemic, leading to the cancellation / cessation in court proceedings.



In March 2021, a settlement was reached, with the French courts ordering a contribution be paid by the tenant to DFH in respect of the rental arrears. The director of DFH is seeking to agree a sale of the property as part of the settlement. As a result, we expect DFH to shortly be in a position to be wound down, enabling a small distribution to DHL as well as the repayment in full of amounts contributed to date.

### Other Assets

A small distribution was received by DL in the period from Southern Hospitality Australia Pty Limited - an unconnected company subject to a separate insolvency process - in respect of debts owed prior to insolvency. No further recoveries are anticipated from this source.

## Other issues

Following the cessation of the wind-down of the Companies' trading operations during the preceding administration, a small number of supplier accounts remained to be finalised by DL. In the period, we have been able to finalise the majority of the remaining accounts, consisting of five suppliers totalling £35k. These costs are included in our Receipts and Payments account in Appendix A, under: office costs; purchases; utility costs; IT costs; and security costs. We continue to actively progress discussions with the remaining supplier, with a view to reaching an agreement on the amount owed shortly.

The liquidators have become aware that DL is the trustee for The Dudson (Holdings) Limited Senior Executive Retirement Benefits Plan (the "Scheme") which contains benefits for three members. The liquidators instructed an independent trustee, 2020 Trustee Services Limited ("Scheme Trustee") to manage the Scheme, preparing trust administration reports, annual audits and Scheme returns. The Scheme Trustee will also ultimately wind up the Scheme once all members' benefits have been settled and disclosures made to the Pensions Regulator.

## Statutory and compliance

We have complied with our statutory obligations during the period, including the preparation and submission of quarterly VAT returns, and the corporation tax returns covering the period up to the move to CVL.

## 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 accounts

We set out in Appendix A accounts of receipts and payments in the liquidations from 20 April 2020 to 19 April 2021.

## 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.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>

You can also get a copy free of charge by telephoning Bryony Ball on 020 7583 5000 or by emailing [uk\\_dudson\\_enquiries@pwc.com](mailto:uk_dudson_enquiries@pwc.com).

## What we still need to do

The following is a summary of the key areas to be resolved before the liquidations can be concluded:

- Finalise remaining trading accounts and pay amounts owed by DL;
- Deal with pension scheme obligations and wind up the Scheme;
- Liaise with subsidiaries and overseas debtors and monitor potential recoveries;
- Complete adjudication of unsecured creditor claims and pay distributions;
- Complete adjudication of preferential creditor claims and pay distributions; and
- Conclude our statutory obligations, including VAT and tax matters.

## Next report

We expect to send our next report to creditors at the end of the liquidation or in about 12 months, whichever is sooner.

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

Yours faithfully



Ross Connock  
Joint Liquidator

# Appendices

# Appendix A: Receipts and payments

## Dudson (Holdings) Limited

### Receipts and payments account as at 19 April 2021

	20 April 2020 to 19 April 2021 (£)
<b>Receipts</b>	
Transfer from administration	228,810.63
<b>Total receipts</b>	<b>228,810.63</b>
<b>Payments</b>	
Statutory advertising	(83.00)
Contribution to costs in subsidiaries	(17,513.13)
Bank charges	(15.00)
<b>Total Payments</b>	<b>(17,611.13)</b>
<b>Net cash position</b>	<b>211,199.50</b>
VAT Control Account	(16.60)
<b>Total cash in hand</b>	<b>211,182.90</b>

#### Notes to the R&P

1. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.
2. Funds are held in an interest-bearing account.
3. The receipts and payments account does not show "estimated to realise" values from the directors' statement of affairs as, due to the majority of the assets having been realised in the preceding administration, this would not provide a meaningful comparison with actual asset recoveries. Creditors may wish to view reports issued in the preceding administrations for further details.
4. All funds are uncharged, there being no secured creditor.
5. "Contribution to costs in subsidiaries" consists of a payment of €20k to DFH, detailed in the "Overview of what we've done to date" section of this report. Following the settlement reached by DFH, we expect these funds to be returned to DHL shortly.

## Dudson Limited

### Receipts and payments account as at 19 April 2021

20 April 2020 to  
19 April 2021

(£)

#### Receipts

Transfer from administration	1,909,791.75
Book debts	298.05
Bank interest	127.05
<b>Total receipts</b>	<b>1,910,216.85</b>

#### Payments

Storage costs	(1,490.50)
Office costs	(6,667.58)
Statutory advertising	(83.00)
Bank charges	(15.00)
Purchases	(1,438.02)
Utility costs	(25,741.21)
IT costs	(2,336.11)
Security costs	(83.57)
PAYE/NIC and pension deductions	(909.29)
<b>Total Payments</b>	<b>(38,764.28)</b>

**Net cash position** **1,871,452.57**

VAT Control Account (369,453.97)

**Total cash in hand** **1,501,998.60**

#### Notes to the R&P

1. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.
2. Funds are held in an interest-bearing account.
3. The receipts and payments account does not show "estimated to realise" values from the directors' statement of affairs as, due to the majority of the assets having been realised in the preceding administration, this would not provide a meaningful comparison with actual asset recoveries. Creditors may wish to view reports issued in the preceding administrations for further details.
4. All funds are uncharged, there being no secured creditor.

# Appendix B: Expenses

The following tables provide details of our expenses. Expenses are amounts properly payable by us as liquidators from the estate but excludes our fees and distributions to creditors. The tables also exclude 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 tables also include expenses incurred during the preceding administrations, which had not been paid when the Companies entered liquidation, including a small element of Joint Administrators' fees which were approved but not drawn in the preceding administrations.

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.

## Dudson Limited

Nature of expenses	Incurred to date (£)	Estimate of future expenses (£)
<b>Expenses incurred in preceding administration</b>		
Utilities	85,000	-
IT Costs	2,336	-
Security	84	-
Lease / hire charges	6,668	-
Purchases	1,438	-
PAYE/NIC and Pension Deductions	909	-
Joint Administrators' fees	9,906	-
<b>Expenses incurred during liquidation</b>		
Bank charges	15	-
Statutory advertising	83	166
Scheme Trustee	0	23,000
Storage	1,491	1,500
Office holders' disbursements	963	1,000
<b>Total expenses</b>	<b>108,892</b>	<b>25,666</b>

## Dudson (Holdings) Limited

Nature of expenses	Incurred to date (£)	Estimate of future expenses (£)
<b>Expenses incurred in preceding administration</b>		
Joint Administrators' fees	4,960	-
<b>Expenses incurred during liquidation</b>		
Investments in subsidiaries	17,513	-
Insurance	1,635	1,635
Bank charges	15	-
Statutory advertising	83	166
Office holders' disbursements	2,034	1,000
<b>Total expenses</b>	<b>26,240</b>	<b>2,801</b>

# Appendix C: Remuneration update

During the period covered by this report, we drafted our remuneration report to creditors, for the purpose of seeking approval as to the basis of our fees. This report was published alongside this report and can be found at [pwc.co.uk/dudson](http://pwc.co.uk/dudson). It will be for the unsecured creditors of both of the Companies to approve the basis of our fees.

## Our work in the period

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

Category of work	Work included	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Accounting &amp; 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 not relating to trading</li> <li>Carrying out bank reconciliations</li> <li>Finalise remaining trading liabilities from preceding administration</li> </ul>	Proper management of case funds	Many tasks required by regulation, for the proper management of funds held
<b>Assets</b>	<ul style="list-style-type: none"> <li>Setting up and holding regular update calls with management and overseas advisors to support this process and ensure the Companies' interests are protected</li> <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>	Recovery of assets for the benefit of creditors	Financial benefit for creditors by monetising assets which can be distributed
<b>Creditors</b>	<ul style="list-style-type: none"> <li>Maintaining a dedicated website for delivery of initial and ongoing communications and reports</li> <li>Receiving and following up creditor enquiries via telephone, email and post</li> <li>Reviewing and preparing correspondence to creditors and their representatives</li> <li>Preparing correspondence to potential creditors inviting lodgment of proof of debt</li> <li>Receiving proofs of debt and maintaining register</li> </ul>	Ensuring creditors are kept informed and creditor claims are logged	Benefit to creditors in ensuring claims are logged for dividend purposes
<b>Employees &amp; Pensions</b>	<ul style="list-style-type: none"> <li>Receiving and following up employee enquiries via telephone, post and email</li> <li>Reviewing insurance policies</li> <li>Issuing statutory notices</li> </ul>	Ensuring employee and pension scheme creditors are kept	Required for the proper management of the liquidation

	<ul style="list-style-type: none"> <li>• Instructing an independent trustee to manage the scheme in order to settle members benefits and wind up the scheme</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> </ul>	informed and claims are logged	Some tasks required by regulation or best practice
<b>Statutory &amp; Compliance</b>	<ul style="list-style-type: none"> <li>• Preparing and issuing all necessary initial letters and notices regarding the Liquidation and our appointment</li> <li>• Preparing a report giving details of the work we expect to carry out during the case, our fees estimate and the expenses that are likely to be incurred</li> <li>• Conducting case reviews after the first month, then every six months</li> <li>• Updating checklists and diary management system</li> <li>• Dealing with records in storage</li> <li>• Filing of documents</li> </ul>	Required by statute and to keep creditors updated on progress	Required by statute
<b>Strategy &amp; Planning</b>	<ul style="list-style-type: none"> <li>• Completing tasks relating to job acceptance</li> <li>• Preparing fee budgets &amp; monitoring cost</li> <li>• Periodic team meetings to consider case progress and strategy</li> </ul>	Ensures the proper management of the liquidations	Some tasks required by statute or regulation and ensures the proper management of the liquidations
<b>Tax &amp; VAT</b>	<ul style="list-style-type: none"> <li>• Carrying out tax review and subsequent enquiries</li> <li>• Preparing tax computations</li> <li>• Liaising with HMRC</li> <li>• Preparing quarterly VAT returns</li> </ul>	Done in the liquidators' capacity as proper officer for tax and VAT	Required to act as proper officer for the Companies' tax and VAT affairs



## Our future work

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

Category of work	Work to be undertaken	What, if any, financial benefit the work will provide to creditors OR whether it is required by statute
<b>Accounting &amp; Treasury</b>	<ul style="list-style-type: none"> <li>● Closing liquidation bank accounts</li> <li>● Dealing with receipts, payments and journals not relating to trading</li> <li>● Carrying out bank reconciliations</li> <li>● Finalise remaining trading liabilities from preceding administration</li> <li>● Preparing dividend payments</li> </ul>	Many tasks required by regulation, for the proper management of funds held
<b>Assets</b>	<ul style="list-style-type: none"> <li>● Setting up and holding regular update calls with management and overseas advisors to support this process and ensure the Companies' interests are protected</li> <li>● Developing and monitoring strategy for simplifying group structure and reducing intercompany claims owed by the Companies</li> <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>	Financial benefit for creditors by monetising assets which can be distributed
<b>Creditors</b>	<ul style="list-style-type: none"> <li>● Maintaining a dedicated website for delivery of ongoing communications and reports</li> <li>● Receiving and following up creditor enquiries via telephone, email and post</li> <li>● Reviewing and preparing correspondence to creditors and their representatives</li> <li>● Preparing correspondence to potential creditors inviting lodgment of proof of debt</li> <li>● Receiving proofs of debt and maintaining register</li> <li>● Adjudicating claims, including requesting further information from claimants</li> <li>● Preparing correspondence to claimant advising outcome of adjudication and advising of intention to declare dividend</li> <li>● Advertising intention to declare dividend</li> <li>● Calculating dividend rate and preparing dividend file</li> <li>● Preparing correspondence to creditors announcing declaration of dividend</li> <li>● Preparing and paying distribution</li> </ul>	Benefit to creditors in ensuring claims are logged for dividend purposes
<b>Employees &amp; Pensions</b>	<ul style="list-style-type: none"> <li>● Receiving and following up employee enquiries via telephone, post and email</li> <li>● Corresponding with employees regarding dividend</li> </ul>	Required for the proper management of the liquidation

	<ul style="list-style-type: none"> <li>• Preparing, issuing and receiving employee preferential claim agreement forms</li> <li>• Corresponding with the RPS regarding proof of debt</li> <li>• Calculating dividend rate and preparing dividend file</li> <li>• Advertising dividend notice</li> <li>• Preparing and paying distribution</li> <li>• Ensuring PAYE/NIC is deducted and remitted to HMRC</li> <li>• Ongoing management of the Scheme to settle members' benefits; dealing with Scheme compliance matters by the independent trustee and wind up of the Scheme</li> </ul>	Some tasks required by regulation or best practice
<b>Statutory &amp; Compliance</b>	<ul style="list-style-type: none"> <li>• Conducting case reviews every six months</li> <li>• Preparing and issuing periodic progress reports to creditors and the Registrar</li> <li>• Updating checklists and diary management system</li> <li>• Obtaining clearances from third parties</li> <li>• Completing administrative closure tasks, including closing down internal systems</li> <li>• Dealing with records in storage</li> <li>• Filing of documents</li> </ul>	Required by statute
<b>Strategy &amp; Planning</b>	<ul style="list-style-type: none"> <li>• Monitoring ongoing costs against budget</li> <li>• Periodic team meetings to consider case progress and strategy</li> </ul>	Some tasks required by statute or regulation and ensures the proper management of the liquidations
<b>Tax &amp; VAT</b>	<ul style="list-style-type: none"> <li>• Preparing tax computations</li> <li>• Preparing quarterly VAT returns</li> <li>• Liaising with HMRC</li> <li>• Filing final return and obtaining tax clearance</li> <li>• Deregistering from VAT</li> </ul>	Required to act as proper officer for the Companies' tax and VAT affairs

## 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, or since 1 April 2021 payments to an associate of our firm or shared costs with other group companies. These types of expenses are referred to as 'Category 2' 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. This approval will be sought from the Companies' unsecured creditors.

The following disbursements arose in the period of this report.

Category	Description	DL Cost (£)	DHL Cost (£)
Category 1	Joint Liquidators' Bonding	225.00	225.00
Category 1	Storage of Books and Records	737.35	-
Category 2	Printing Costs	0.28	-
Category 2	Legal Fees - PwC France (PwC Société d'Avocats) (see below)	-	1,808.79

## Payments to associates

We instructed PwC Société d'Avocats to advise on French employment regulations and assist in correspondence with the AGS in relation to the claim of DHL's sole French employee. A fixed fee of €2,000 (£1,808.79) was paid by the UK firm and is included in this report as a Category 2 disbursement. Approval will be sought from creditors prior to drawing this amount from estate funds.

## 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.

## Legal and other professional firms

We instructed the following professionals on DL: -

Service provided	Name of firm/organisation	Reason selected	Basis of fees
Insurance services	JLT Specialty Limited	Industry knowledge	Fixed fee
Scheme trustees	2020 Trustee Services Limited	Industry knowledge and expertise	Fixed fee

We require all third party professionals to substantiate costs charged. The Liquidators are satisfied that the level of professional costs is appropriate.

# Appendix D: Other information

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<b>Registered name:</b>	Dudson Limited	Dudson (Holdings) Limited
<b>Registered number:</b>	00910754	00150494
<b>Trading name:</b>	Dudson	
<b>Registered address:</b>	8th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL	
<b>Date of the Liquidators' appointment:</b>	20 April 2020	
<b>Liquidators' 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, One Chamberlain Square, Birmingham, B3 3AX	
	Email: <a href="mailto:uk_dudson_enquiries@pwc.com">uk_dudson_enquiries@pwc.com</a>	

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# Appendix E: Creditors' rights to opt out of receiving certain communications

## Information provided to creditors on opting out in accordance with Rule 1.39 IR16

As part of our first communication with you, we are required to inform you about your right to elect to opt out of receiving further documents relating to these proceedings as follows:

You have the right to elect to opt out of receiving further documents about these proceedings unless:

- a. the Insolvency Act 1986 requires a document to be delivered to all creditors without expressly excluding opted-out creditors;
- b. it is a notice relating to a change in the office-holder or the office-holder's contact details, or;
- c. it is a notice of a dividend or proposed dividend or a notice which the court orders to be sent to all creditors or all creditors of a particular category to which the creditor belongs.

Any election to opt out will not affect a creditor's entitlement to receive dividends, should any be paid to creditors. Similarly, unless IR16 provides the contrary, opting-out will not affect any right the creditor may have to vote in a decision procedure or participate in a deemed consent procedure in these proceedings, although the creditor will not receive notice of it.

If a creditor opts out, they will be treated as having opted out in respect of any consecutive insolvency proceedings of a different kind in respect of the same company.

A creditor can opt out at any time by delivering written notice to the office holder at the postal address noted in the covering correspondence or by e-mail to: [uk\\_insolvencydocsrequests@pwc.com](mailto:uk_insolvencydocsrequests@pwc.com). The notice must be authenticated in accordance with rule 1.5 IR16 and dated by the creditor. A creditor will be treated as an opted-out creditor as soon as reasonably practicable after delivery of the creditor's election to opt out.

An election to opt out can be revoked at any time by delivering a further notice to the office-holder in writing, authenticated and dated by the creditor. A creditor ceases to be an opted-out creditor from the date the notice is received by the office holder.

Should you have any questions on this process, please use the contact details in the covering correspondence.