

Administrative Receivers' Report

S48(1)

Pursuant to Section 48(1) of the
Insolvency Act 1986 and Rule 3.8(3) of the Insolvency
Rules 1986

To the Registrar of Companies

For official use

--	--	--

Company number

1745110

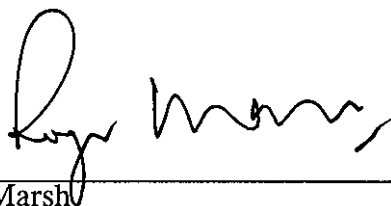
Name of Company

DMJ plc

I Roger Marsh
of 9 Bond Court
 Leeds
 LS1 2SN

joint administrative receiver of the company attach a copy of our report to creditors and
a copy of the order limiting disclosure of the statement of affairs of the company.

Signed



R Marsh
Joint Administrative Receiver

Date 9 October 1997

R Marsh
Price Waterhouse
9 Bond Court
Leeds
LS1 2SN

RZM/CGK/ LARDM01/109

For Official Use
Insolvency Sect Post Room





REPORT PURSUANT TO SECTION 48 OF THE INSOLVENCY ACT 1986 TO THE REGISTRAR OF COMPANIES AND CREDITORS OF DMJ PLC ("DMJ" OR "THE COMPANY")

By a letter of 11 July 1997 I advised creditors of my appointment, together with my partner Ian Schneider, as joint administrative receiver of DMJ.

I now formally report to creditors in accordance with Section 48 of the Insolvency Act 1986.

STATUTORY INFORMATION

Company Number :	1745110
Registered Office:	c/o Price Waterhouse 9 Bond Court Leeds LS1 2SN
Trading Address:	Lidgate Crescent Langthwaite Grange Industrial Estate South Kirby Nr Pontefract WF9 3NR

The Company's directors during the three years prior to my appointment were:-

- Stephen Joll
- Dorothy Monica Joll
- Harry Robinson
- Michael Dickinson (resigned 28 June 1996)
- Christopher Alan Johns (resigned 28 June 1996)
- John Eric Clarke (resigned 29 March 1996)
- Paul Bevan (resigned 2 September 1994)

EVENTS LEADING UP TO MY APPOINTMENT

DMJ was incorporated as DMJ Limited on 10 August 1983, changing its name to DMJ Plc on 9 July 1990. At the date of my appointment DMJ had two subsidiary companies, Yorkshire Dales Foods Limited and Taylor's Bacon Packers (Yorkshire) Limited ("Taylor's"). Yorkshire Dales Foods Limited owns the share capital of Taylor's. Neither of these subsidiaries are in receivership.

DMJ's principal activity was the buying, packing and selling of meat products.

On 28 February 1997 DMJ's principal customer, Asda Plc, advised of its intention to cease buying chilled meat from the Company with effect from 14 June 1997. The directors initially concluded that the Company would not be viable in the absence of on-going sales to Asda Plc. On 12 May 1997, the directors announced the closure of the business and as a consequence gave notice of redundancy to all of the Company's 130 staff.

In June, my firm was asked by National Westminster Bank Plc ("the Bank") to undertake a review of the directors' forecasts for closure, having undertaken previous reviews of DMJ's financial position and prospects. The forecasts indicated that DMJ's cash requirement to effect an orderly closure substantially exceeded the available facilities. Whilst management sought to replace the lost turnover viability could not be demonstrated. On 11 July 1997 I was appointed joint administrative receiver of DMJ together with my partner, Ian Schneider.

At 31 December 1995, the date of DMJ's last audited accounts, the balance sheet showed net assets of £1,253,9630 after inclusion of the Bank overdraft of £604,470 and Bank loans of £625,694. DMJ's borrowings from the Bank are secured by fixed and floating charges contained in a debenture dated 18 February 1986.

The draft unaudited statutory accounts for the year ended 31 December 1996 indicate that DMJ itself recorded a loss of £891,380 but a group profit of £102,673 in that year. In the subsequent period to 11 July 1997 the unaudited management accounts for DMJ indicate that a loss of £420,505 occurred in that period.

At the date of my appointment DMJ's liability to the Bank amounted to some £942,738 before ongoing interest and charges.

PROGRESS OF THE RECEIVERSHIP TO DATE

Immediately following my appointment I reviewed DMJ's position and it was clear that the best result would be obtained through a short period of continued trading in order to realise the stocks of meat and explore the prospects of a sale of the business. I received support from the key customer, Asda plc, and the landlord of the property containing the minced and diced facility to enable trading to continue.

A redundancy programme was effected, reducing the workforce from 71 at the date of my appointment to 29 within the first two weeks of trading.

On 18 July 1997 the assets of DMJ were advertised for sale in the Financial Times, resulting in a small number of interested parties visiting the operations. On 3 September 1997 I completed a sale to Yorkshire Premier Meat Limited, comprising the freehold premises at Lidgate Crescent and the business assets included therein.

On 22 July 1997, DMJ's investment in Taylor's was advertised for sale in the Financial Times resulting in over 80 enquiries for further details. Eleven offers were received and I am presently proceeding with one of those offers, subject to due diligence and contract.

DIRECTORS' STATEMENT OF AFFAIRS


A sworn Statement of Affairs of DMJ as at the date of my appointment was submitted on 14 August 1997. This reveals an estimated surplus of £1,756,676 under the Bank's fixed charge and an estimated surplus as regards creditors of some £606,456.

The principal assets underlying fixed charge realisations include the Company's freehold property at Lidgate Crescent, book debts and the investment in Taylor's. Principal assets underlying floating charge realisations include stocks and plant and machinery.

**ESTIMATED OUTCOME OF THE RECEIVERSHIP FOR THE PREFERENTIAL AND
UNSECURED CREDITORS**

In the Directors' Statement of Affairs the claims of preferential creditors are estimated at £184,002.

Based upon the level of the preferential and unsecured creditors estimated in the Directors' Statement of Affairs, it is likely that the unsecured creditors of the Company could receive a substantial dividend which may amount to payment in full.

A handwritten signature in black ink, appearing to be 'R Marsh', with a long, wavy horizontal line extending to the right.

R Marsh
Joint Administrative Receiver
DMJ Plc

9 October 1997

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

LEEDS DISTRICT REGISTRY

BEFORE MR DISTRICT JUDGE BELLAMY IN CHAMBERS

IN THE MATTER OF DMJ PLC

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

ORDER

UPON THE APPLICATION of Roger Marsh and Ian Schneider, the Joint Administrative Receivers of the above named company

AND UPON HEARING the solicitor for the Applicant

AND UPON READING the evidence

IT IS ORDERED, pursuant to Rule 3.5 Insolvency Rules 1986, that:

1. the Statement of Affairs made out in compliance with Section 47 Insolvency Act 1986 be not open to inspection without the leave of the Court, and;
2. the Applicant's duty to file a copy of such Statement of Affairs with their report to creditors under Section 48 Insolvency Act 1986 be suspended

until after the completion of the sale of shares in Yorkshire Dales Foods Limited

Dated 7 October 1997

No. 97 O/A 506

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

LEEDS DISTRICT REGISTRY

BEFORE MR DISTRICT JUDGE BELLAMY IN
CHAMBERS

IN THE MATTER OF DMJ PLC

AND

IN THE MATTER OF THE INSOLVENCY ACT
1986

ORDER

Dibb Lupton Alsop
117 The Headrow
LEEDS
LS1 5JX

Tel: 0345 26 27 28
Fax: 0113 245 2632

F/E Ref : PEC

WP Ref :

L:INSOLVENCY\PCRANSTON\I78510.ORD