

The Insolvency Act 1986

## Administrator's progress report

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company

Dawson International PLC

Company number

SC54505

(a) Insert full name(s)  
and address(es) of  
administrator(s)I / We (a) Blair Carnegie Nimmo and Gary Steven Fraser  
c/o KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG

administrator(s) of the above company attach a progress report for the period

(b) Insert dates

from

(b) 15 August 2012

to

(b) 14 February 2013

Signed

  
Joint Administrator

Dated

27/3/13

### Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

	Tel
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, 37 Castle Terrace, Edinburgh EH1 2EB  
235 Edinburgh / LP 4 Edinburgh-2

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"S25HDI88"  
03/04/2013  
COMPANIES HOUSE

#482

WEDNESDAY



**Dawson International PLC**  
**(in administration)**

Joint Administrators' progress report to creditors  
pursuant to Rule 2.38 of the Insolvency (Scotland)

Rules 1986

14 February 2013

KPMG LLP  
26 March 2013



*Dawson International PLC (in administration)  
Joint Administrators' progress report to creditors pursuant to  
Rule 2.38 of the Insolvency (Scotland) Rules 1986  
14 February 2013  
KPMG LLP*

## **Notice: About this Report**

This Report has been prepared by Blair Carnegie Nimmo and Gary Steven Fraser, the Joint Administrators of Dawson International PLC solely to comply with their statutory duty to report to creditors under the Insolvency (Scotland) Rules 1986 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 is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Dawson International PLC.

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

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Blair Carnegie Nimmo and Gary Steven Fraser are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland. The Joint Administrators act as agents for Dawson International PLC and contract without personal liability.

The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.



<b>Glossary</b>	<b>3</b>	✓
<b>1 Introduction</b>	<b>4</b>	✓
<b>2 Progress of the administration</b>	<b>4</b>	✓
<b>3 Amounts payable to secured creditors, preferential creditors and the floating charge holder</b>	<b>8</b>	✓
<b>4 Prescribed part of the company's net property pursuant to Section 176A of the Insolvency Act 1986</b>	<b>8</b>	✓
<b>5 Dividend prospects for creditors</b>	<b>8</b>	✓
<b>6 Creditors' meetings</b>	<b>9</b>	✓
<b>7 Joint Administrators' remuneration</b>	<b>9</b>	✓
<b>8 Extension to the periods of appointment</b>	<b>10</b>	✓

#### **Appendices**

<b>1</b>	<b>Statutory and other information</b>
<b>2</b>	<b>Summary of receipts and payments</b>
<b>3</b>	<b>Administrators' time cost analysis</b>



## **Glossary**

Act	The Insolvency Act 1986 (as amended)
Company	Dawson International PLC
Court	Court of Session
DCLLC	Dawson Cashmere LLC
DIHL	Dawson International Holdings (UK) Limited
DIKI	Dawson International Investments (Kinross) Inc
DIPLC	Dawson International PLC
DITL	Dawson International Trading Limited
GECF	GE Capital Commercial Finance Limited
GMAC	GMAC Commercial Finance PLC
Group	Dawson International Group comprising Dawson International PLC and its subsidiaries
JDAG	Joseph Dawson AG
Joint Administrators	Blair Carnegie Nimmo and Gary Steven Fraser ok KPMG LLP
PPF	Pension Protection Fund
Rules	The Insolvency (Scotland) Rules 1986 (as amended)
Staff Scheme	Dawson International Staff Retirement Benefit Plan
SIP 9	Statement of Insolvency Practice 9 "Payment to Insolvency Office Holders and their Associates"
SSL	Sport in Scotland Limited
tPR	The Pensions Regulator
TUPE	Transfer of Undertakings (Protection of Employment) Regulations
Vantona	Vantona Limited
Works Scheme	Dawson International Retirement Benefit Scheme



## **1 Introduction**

As previously reported, Blair Carnegie Nimmo and Gary Steven Fraser, both of KPMG LLP, were appointed Joint Administrators of Dawson International PLC on 15 August 2012.

Notification of the appointment was lodged at the Court of Session in Edinburgh on the same day as the appointment was made.

In accordance with Paragraph 100(2) of Schedule B1 of the Act the functions of the Joint Administrators may be exercised by either or both of the Joint Administrators.

Further to the Joint Administrators' report and proposals dated 4 October 2012, and in accordance with Rule 2.38 of the Rules, we set out below our first six monthly progress report for DIPLC. This report provides an update on the progress of the administration since our appointment and covers the period from 15 August 2012 to 14 February 2013.

Additional statutory information is set out in Appendix 1.

## **2 Progress of the administration**

### **2.1 Receipts and payments account**

An analysis of receipts and payments for the period 15 August 2012 to 14 February 2013 is attached at appendix 3. This shows funds in hand totalling £3,693,548.

### **2.2 Sale of business**

At the date of administration the Group compromised two businesses based in the UK and US, and a small central administrative function.

The UK business comprised Barrie, which is a trading division of DITL. Barrie manufactures high quality cashmere garments, which are sold to customers worldwide.

The US business comprises the Dawson Forte cashmere business based in Boston, Massachusetts. Dawson Forte sources cashmere garments from Chinese manufacturers and supplies them to US retailers.

#### **Barrie**

Following our appointment as administrators we continued to trade the Barrie Knitwear business whilst we sought a buyer for the business and assets as a going concern.

As previously reported, following the highest bidder at the initial closing date dropping out of the sale process, a second closing date for offers was set for 27 September 2012 at which time four offers were received. A preferred bidder was appointed and they were given a two week period of exclusivity to complete the transaction.

The preferred bidder appointed a team of professional advisers to conduct detailed due diligence. We oversaw this process and, in conjunction with DITL's management, provided all necessary supporting information to ensure that there was no reduction in the



initial price offered. Detailed contract negotiations were conducted in tandem with the due diligence process, ensuring that the transaction was progressed as quickly as possible.

The sale of the business and assets of Barrie to Sport in Scotland Ltd was completed on 16 October 2012, securing the employment of 176 employees. The total consideration was approximately £4.5 million and the apportionment of the consideration is shown at Figure 1 below. This represents an excellent result, reflecting going concern values for heritable property and plant and machinery, full value for stock and debtors, plus a premium for goodwill and intellectual property.

**Figure 1: Apportionment of consideration**

Asset	DIHL £000	DITL £000
Freehold property	395	
Trademarks	90	
Plant & Equipment		404
Goodwill		400
Stock		974
Pre-administration debtors		713
Post-administration debtors		1,538
Total	485	4,030

Source: Joint Administrators records

DIHL is a wholly owned subsidiary of DIPLC and DITL is a wholly owned subsidiary of DIHL. Due to the shortfalls to creditors in DIHL and DITL there will be no recovery by DIPLC in respect of its investment in DIHL or its indirect investment in DITL. However, the Directors' Statements of Affairs for DIPLC and DITL show an inter-company loan of approximately £4.1 million due by DITL to DIPLC. DIPLC will therefore be entitled rank as an unsecured creditor in the administration of DITL and to receive a dividend. The level of dividend available to unsecured creditors in DITL is unclear at present.

#### **Dawson Forte**

DIKI, a wholly owned subsidiary of DIPLC, is the holding company for the Group's US operations, which includes DCLLC which owns the Dawson Forte business. DCLLC is not in administration and continues to trade under the control of its management team in the US. DCLLC has separate banking facilities with Bank of America and continues to retain the support of its employees, customers and suppliers.

Since our appointment, the US management team has undertaken further work to investigate certain legacy US pensions and environmental liabilities within DIKI and to consider the strategy for dealing with the Dawson Forte business. The US management team are now recommending proceeding with a sale process for DCLLC. This could either be by way of a share sale or business and assets sale. The US management team have recommended engaging KPMG US to assist them with this sales process. The



alternative of selling DIPLC's entire US sub-group is considered unattractive due to the uncertainties that exist around the level of legacy pension and environmental liabilities within DIIKI.

The proceeds from the sale of DCLLC would first of all flow to DIIKI. It is possible that DIIKI would then be subject to a formal insolvency process in the US, with its assets being distributed to its creditors. DIIKI's creditors include an inter-company balance of approximately \$1.5 million due to DIPLC.

The potential value of DIPLC's indirect investment in Dawson Forte is unclear at present and will depend upon a number of factors including, *inter-alia*:

- the underlying value of the Dawson Forte business;
- achieving a successful sale of the Dawson Forte business and assets (or DIIKI's shareholding in DCLLC);
- the costs of the sales process, including legal and professional fees;
- the quantum of the legacy US pension and environmental liabilities within DIIKI and any other liabilities, which could be significant;
- any taxation issues;
- DIPLC's ability to rank as an unsecured creditor in an insolvency of DIIKI in respect of the inter-company debt.

We will continue to monitor the sale process in order to ensure value is received by DIPLC.

## 2.3 Realisation of other assets

### Investment – Vantona Limited

Vantona is a wholly owned subsidiary of DIPLC. Vantona acquired Dorma Group Limited in 2005. In 2008 Dorma Home Group limited was renamed Dawson Home Group Limited. Vantona's shareholding was sold to Brookmann Home Limited in 2011 and Dawson Group Home Group Limited was renamed Brookmann Home Manchester 1877 Limited.

As at the date of our appointment approximately £1.2 million remained outstanding by Brookmann Home Limited and Brookmann Home Manchester 1877 Limited in relation to this transaction. Prior to DIPLC entering administration, Brookmann had intimated a counter-claim in respect of losses under warrants and indemnity clauses in the Sale and Purchase Agreement for more than this amount, which Vantona's/DIPLC's directors strongly disagreed with.

We are currently liaising with our lawyer, Dundas & Wilson, in relation to this matter with a view to seeking to recover the outstanding amounts from Brookmann.

Vantona's only creditor is an inter-company balance of £7.7 million due to Dawson International Group Services ("DIGS") (a division of DITL) so any recoveries from Brookmann will flow to DITL. Other than the sums due by Brookman and the inter-company balance due to DIGS, Vantona has no other assets or liabilities.





#### **Investment – King Deer**

DIPLC has an investment in a cashmere producer in Mongolia. The investment was originally acquired for strategic reasons to secure a supply of cashmere fibre for the Group's former yarn spinning division. The investment comprises an equity holding in King Deer which was purchased in January 2013 for £2.9 million but which has been fully provided in DIPLC's accounts. We are currently in discussions with King Deer's management about realising the investment, we also in discussions with our colleagues in KPMG China to assist us with this matter and provide local support and oversight in China. The value of DIPLC's investment and the timescales to realise it are uncertain.

#### **Investment – Joseph Dawson AG**

DIPLC had a dormant subsidiary in Switzerland, Joseph Dawson AG. Following our appointment we discovered a bank account in the name of JDAG with a balance of approximately £46,000. In conjunction with JDAG's directors we have taken steps to place JDAG in liquidation so that the funds can be distributed to DIPLC. It is hoped that the liquidation of JDAG can be completed by May 2013 and that the funds net of the costs of the liquidation process in Switzerland can be distributed to DIPLC. It is estimated that DIPLC will recover approximately £30,000.

#### **VAT Flemings claim**

Following the release of the House of Lords judgement in *Fleming/Conde Nast* in 2008, HMRC implemented a transitional period of accounting to which taxpayers were invited to submit retrospective claims for overpaid output VAT and under claimed input VAT. DIPLC has claimed for under claimed input VAT in respect of pension administration costs for the tax period between 1973 and 1982 which DIPLC is entitled to in its capacity as employer. HMRC rejected the claim and the claim is now subject to litigation in the First Tier Tax Tribunal. The value of the claim for the pre 1982 period is approximately £270,000 (£88,062 plus statutory interest). KPMG Tax were engaged by DIPLC prior to the administration and continue to deal with this matter. The appeal is currently stood over whilst contact is made with a former DIPLC employee to obtain a witness statement. We hope to receive confirmation in the next few weeks, following which we hope to be in a position to consider next steps and the merit of taking the appeal to a full hearing.

### 3 Amounts payable to secured creditors, preferential creditors and the floating charge holder

#### 3.1 Preferential creditors

DIPLC's preferential creditors have been estimated as follows:

**Figure 1: Preferential creditors**

	£000
Employees – arrears of salary/wages	-
Employees – accrued holiday pay	-
Employees – pension	1
	<hr/>
	1
	<hr/>

*Source: Company records and Administrators' estimates*

DIPLC's preferential creditors will be paid in full.

Arrears of wages and salaries totalling £67,000 were paid during the initial stages of the administration in order to retain the support of employees.

#### 3.2 Floating charge

No floating charges have been granted. DIPLC had provided a cross-guarantee to GECF for the invoice discounting agreement GECF has in place with DITL. The facility was in credit at the date of administration and GECF has no claim against DIPLC.

### 4 Prescribed part of the company's net property pursuant to Section 176A of the Insolvency Act 1986

Where a company has granted a floating charge after 15 September 2003, Section 176A of the Act provides that a percentage share of realisations from net floating charge assets is set aside for unsecured creditors, subject to certain exceptions.

As no floating charge has been granted section 176A of the Act is not applicable.

### 5 Dividend prospects for creditors

A dividend will be paid to creditors.

The dividend amount will depend upon the remaining asset realisations (principally DIPLC's investments in Dawson Forte and King Deer), together with the overall quantum of creditors' claims.



As previously reported, the Group operated two defined benefit pension schemes, the Staff Scheme and the Works Scheme. The scheme actuaries served contributions notices on DIPLC and DITL for £129 million, the full buy out deficit. The Schemes are currently in an assessment period following which it is likely that the schemes will transfer to the PPF. The quantum of the PPF's claim in the administration is likely to be significant and will therefore dilute the overall level of dividend available to unsecured creditors.

It should be noted that the total unsecured creditors' claims, including the PPF claim, will exceed the level of total asset realisations in DIPLC and therefore there is no prospect of a return to DIPLC's shareholders.

## **6 Creditors' meetings**

In accordance with paragraph 51 of schedule B1 to the Act, a meeting of creditors was held at 11.00pm on 22 October 2012 at KPMG, Saltire Court, Castle Terrace, Edinburgh, EH1 2EG.

At the meeting the Joint Administrators' proposals were amended and approved.

## **7 Joint Administrators' remuneration**

In the period to 14 February 2013, time costs of £144,402 have been incurred by the Joint Administrators.

As you will be aware, the Joint Administrators' Proposals, as set out in our report to creditors dated 4 October 2012, pursuant to Paragraph 49 of Schedule B1 of the Act were presented to and approved at the first meeting of creditors held on 22 October 2012.

Part of this approval was that the Joint Administrators' remuneration would be based upon time costs properly incurred at KPMG LLP charge our rates determined in accordance with Rule 2.39 of the Rules and that the Joint Administrators would be authorised to draw fees on account from the assets of the DIPLC together with disbursements.

A full analysis of these costs, prepared in accordance with the provisions of SIP 9, is attached at Appendix 3. The key areas in which the Joint Administrators' costs have been necessarily incurred include the following:

- Liaising with King Deer's management and KPMG Advisory (China) Limited in relation to DIPLC's investment in King Deer.
- Liaising with the US directors of DIKI and DCLLC to develop a strategy for realising value from DIPLC's investment in Dawson Forte and for recovery of inter-company balances.
- Liaising with the directors of Vantona to place Vantona into administration. Meetings and discussions with DIPLC's directors and our lawyer, Dundas & Wilson, to understand the background to the sale of Dawson Home Group Limited to Brookmann Home Limited with a view to recovering the outstanding sums due.
- Liaising with KPMG Indirect Tax to progress the VAT Flemings' claim that DIPLC had instigated prior to the administration.



- Liaising with the directors of DIPLC's subsidiary, Joseph Dawson AG (JDAG) to place JDAG into liquidation in Switzerland to facilitate the repatriation of surplus cash balances to DIPLC.
- Arranging for DIPLC's pre-appointment bank balances to be transferred to administrators' bank account.
- Liaising with DIPLC's management and HMRC in relation to DIPLC's pre-appointment VAT refund totalling £265,260 (of which £184,678 related to Vantona).
- Arranging for the cancelation of DIPLC's foreign currency contracts.
- Dealing with creditor and shareholder queries. Dealing with DIPLC's share registrar regarding the removal of DIPLC's shares from listing on AIM;
- Reporting to creditors including preparing the Administrators' proposals.
- Attending to all statutory duties that are associated with this type of insolvency, including preparation of submission of VAT returns to HMRC and our report on Directors' conduct to the Department of Business, Innovation and skills.

## **8 Extension to the periods of appointment**

Our appointment as Joint Administrators will automatically cease at the end of the period of one year beginning with the date on which they took effect pursuant to Paragraph 76(1) of Schedule B1 the Act.

Should all matters not be resolved by 14 August 2013, being the anniversary of the appointment, we will seek an extension of the appointment period by 12 months by the Court. Should you have any objection to the proposed extension you should write to the Joint Administrators no later than 30 April 2013.

Blair Nimmo  
KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

Gary Fraser  
KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

26 March 2013



## **Appendix 1**

### **Statutory and other information**

#### **EC Regulation**

This administration is a main proceeding under the EC Regulation on Insolvency Proceedings. Article 3 of the EC Regulation defines main proceedings and DIPLC is registered in Scotland, has its main centre of interest in Scotland and does not fall within one of the excepted categories. Consequently, the administration is governed by the Act and not any other European Union Member State's insolvency law.

#### **Relevant court**

Notice of the appointment by directors was lodged at the Court of Session on 15 August 2012.

#### **Incorporation**

DIPLC was incorporated on 15 November 1973.

#### **Company number**

DIPLC's company number is SC054505

#### **Registered office and trading address**

DIPLC's registered office at the date of administration was situated at:

Burnfoot Industrial Estate  
Hawick  
TD9 8RJ

As part of the administration process, the registered office has been changed to:

c/o KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

DIPLC traded from premises at:

Burnfoot Industrial Estate  
Hawick  
TD9 8RJ

The premises were owned by DIHL.



DIPLC's previous registered office was:

Lochleven Mills  
Kinross  
KY13 8GL

#### **Directors**

The directors at the date of our appointment were:

James Kemp Carrie	Appointed 8 August 2011 Resigned 19 October 2012
David Gordon Cooper	Appointed 1 January 2002
David John Bolton	Appointed 29 July 2008

Other directors during the three years prior to the date of our appointment were:

Andrew Dwayne Bartmess	Appointed 15 February 2006 Resigned 30 September 2010
Giovanni Corino Ghione	Appointed 1 February 2010 Resigned 2 August 2011
Jan Gustaf Lennart Holmstrom	Appointed 29 July 2008 Resigned 20 July 2012

#### **Company secretary**

DIPLC's secretary at the date of our appointment was David Gordon Cooper

#### **Share capital**

The authorised share capital is:

2,526,207,225 Ordinary Shares of 1p each

101,505,975 deferred shares of 49p each

50,000,000 preference shares of £1 each

75,000,000 preference shares of \$1 each

The issued and called up share capital is:

225,158,542 Ordinary Share 1p each.

101,505,975 deferred shares of 49p each.



*Dawson International PLC (in administration)*  
*Joint Administrators' progress report to creditors pursuant to*  
*Rule 2.38 of the Insolvency (Scotland) Rules 1986*  
*14 February 2013*  
**KPMG LLP**

**Auditors/reporting accountants**

The auditors were:

Deloitte LLP, 2 Hardman Street, Manchester, M60 2AT



*Dawson International PLC (in administration)  
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Rule 2.38 of the Insolvency (Scotland) Rules 1986  
14 February 2013  
KPMG LLP*

## **Appendix 2**

### **Summary of receipts and payments from 15 August 2012 to 14 February 2013**





**Dawson International PLC**  
(In Administration)

**Income and Expenditure Account**  
**15 August 2012 to 14 February 2013**

<b>INCOME</b>	<b>Total (£)</b>
Future contract realisations	93,750.00
Cash at bank	3,678,809.24
Bank interest, gross	4,465.66
Sundry refunds	2,177.80
Suspense	17,940.61
	<hr/> <b>3,797,143.31</b> <hr/>
 <b>EXPENDITURE</b>	
Direct labour	66,941.95
IT expenses	13.97
Travel and staff expenses	1,066.57
Sundry expenses	362.77
RNS fees	150.00
Agents'/Valuers' fees	6,848.00
Agents'/Valuers' fees (2)	59.50
Legal fees	10,956.88
Legal fees (2)	316.00
Statutory advertising	1,107.59
Other property expenses	15.00
Bank charges	25.00
Employees' wage arrears	3,200.00
Employees	8,971.45
	<hr/> <b>100,034.68</b> <hr/>
 <b>Balance</b>	<hr/> <b>3,697,108.63</b> <hr/>
 <b>MADE UP AS FOLLOWS</b>	
Floating ch. VAT rec'able	221.24
Floating charge current	336,987.64
Fixed term deposit	3,356,560.01
Floating ch. VAT payable	(221.25)
Floating ch. VAT control	(15,840.97)
DITL intercompany	19,134.84
DIHL intercompany	267.12
	<hr/> <b>3,697,108.63</b> <hr/>





*Dawson International PLC (in administration)*  
*Joint Administrators' progress report to creditors pursuant to*  
*Rule 2.38 of the Insolvency (Scotland) Rules 1986*  
*14 February 2013*  
*KPMG LLP*

## **Appendix 3**

### **Joint Administrators' time costs analysis**



Dawson International PLC (in administration)  
Joint Administrators' remuneration  
15/08/2012 to 30/09/2012

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
<b>Administration &amp; planning</b>							
Bankrupt/Director/Member							
Share Registrars		0.20			0.20	£85.00	£425.00
Cashiering							
General (Cashiering)			3.90	2.90	6.80	£1,001.50	£147.28
Reconciliations (& IPS accounting reviews)		0.10			0.10	£42.50	£425.00
General							
Books and records		0.30			0.30	£127.50	£425.00
Fees and WIP			0.20		0.20	£48.00	£240.00
Statutory and compliance							
Appointment and related formalities	18.50	3.90		1.50	23.90	£11,503.50	£481.32
Bonding and bordereau		0.30	1.80		2.10	£559.50	£266.43
Checklist & reviews		0.90			0.90	£350.50	£389.44
Pre-appointment checks	1.20	1.10			2.30	£969.00	£421.30
Strategy documents	6.50	0.80			7.30	£3,817.50	£522.95
Tax							
Initial reviews - CT and VAT		2.25			2.25	£840.25	£373.44
Post appointment VAT	0.50	0.20	1.50		2.20	£676.00	£308.82
Creditors							
Creditors and claims							
General correspondence				0.25	0.25	£27.50	£110.00
Statutory reports			1.30	2.25	3.55	£559.50	£167.61
Employees							
Correspondence			11.30		11.30	£2,712.00	£240.00
Pension funds		1.70			1.70	£722.50	£425.00
Pensions reviews	0.50	2.00	7.45		9.95	£2,458.25	£248.88
Investigation							
Directors							
Correspondence with directors		3.50			3.50	£1,207.50	£345.00
Statement of affairs		2.30	0.80		3.10	£1,089.50	£351.45
Realisation of assets							
Asset Realisation							
Cash and investments		35.30			35.30	£15,002.50	£425.00
Other assets	2.30				2.30	£1,058.00	£460.00
Pre-appointment tax & VAT refunds		1.10			1.10	£379.50	£345.00
Trading code used when engagement didn't trade							
Trading							
Cash & profit projections & strategy		0.60			0.60	£207.00	£345.00
Total in period					121.20	£45,441.50	£374.93



Dawson International P.L.C (In administration)  
Joint Administrators' remuneration  
01/10/2012 to 14/02/2013

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
<b>Administration &amp; planning</b>							
Bankrupt/Director/Member							
Reports to OR on conduct				3.25	3.25	£373.75	£115.00
Share Registrars		3.60			3.60	£1,441.50	£400.42
Cashiering							
Fund management		0.20			0.20	£90.00	£450.00
General (Cashiering)			9.30	3.55	12.85	£2,135.25	£166.17
Reconciliations (& IPS accounting reviews)		12.90	14.70	0.50	28.10	£7,536.50	£268.20
General							
Books and records		5.30	7.50		12.80	£3,627.50	£283.40
Statutory and compliance							
Appointment and related formalities	7.80	0.60	0.80		9.20	£4,877.00	£530.11
Checklist & reviews		1.70	12.70		14.40	£3,846.50	£267.12
Statutory advertising		0.70			0.70	£255.50	£365.00
Statutory receipts and payments accounts			0.40		0.40	£74.00	£185.00
Strategy documents	6.60	3.30		1.30	11.20	£5,171.00	£461.70
Tax							
Initial reviews - CT and VAT		1.10	0.80		1.70	£551.50	£324.41
Post appointment corporation tax			0.50		0.50	£125.00	£250.00
Post appointment VAT		8.00	7.20		15.20	£4,737.00	£311.64
<b>Creditors</b>							
Creditors and claims							
General correspondence		14.10	33.80	0.10	48.00	£11,738.00	£244.50
ROT Claims		0.10			0.10	£45.00	£450.00
Statutory reports	10.00	4.70	21.80	0.70	37.20	£12,786.50	£343.72
Employees							
Correspondence		2.00	7.70		9.70	£2,655.00	£273.71
Pension funds	1.60	0.60			2.20	£1,046.00	£475.46
Pensions reviews		0.30	2.70		3.00	£609.00	£203.00
<b>Investigation</b>							
Directors							
Correspondence with directors		5.30			5.30	£1,934.50	£365.00
D form drafting and submission	1.40	2.50	11.60		15.50	£4,627.50	£298.55
Directors' questionnaire / checklist	0.60	1.60			2.20	£875.00	£397.73
Statement of affairs		3.70			3.70	£1,350.50	£365.00
<b>Realisation of assets</b>							
Asset Realisation							
Cash and investments	4.00	33.00	0.30		37.30	£15,476.50	£414.92
Open cover insurance		0.40			0.40	£146.00	£365.00
Other assets	5.40	0.70	9.80		15.90	£4,687.50	£294.81
Plant and machinery		0.20			0.20	£90.00	£450.00
<b>Trading code used when engagement didn't trade</b>							
Trading							
Cash & profit projections & strategy			16.60		16.60	£3,071.00	£185.00
Purchases and trading costs		3.60	8.50		12.10	£2,884.00	£246.61
<b>Total in period</b>					<b>323.50</b>	<b>£98,962.00</b>	<b>£305.91</b>





**Dawson International PLC (in administration)**

In accordance with Rule 2.28 and Rule 2.39 of the Insolvency (Scotland) Rules 1986, enclosed are resolutions for your consideration. Please indicate below whether you are in favour or against the resolution.

This form must be received at

KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

by 17.00 hours on Tuesday 30 April 2013 in order to be counted.

<u>Resolution 1</u>  The Joint Administrators' receipts and payments for the period from 15 August 2012 to 14 February 2013 is agreed.	In Favour <input type="checkbox"/>	Against <input type="checkbox"/>
<u>Resolution 2</u>  That the Joint Administrators can draw remuneration of £144,402 plus VAT and outlays for the period 15 August 2012 to 14 February 2013, being the costs incurred to date.	In Favour <input type="checkbox"/>	Against <input type="checkbox"/>

Signed: .....

Print name: .....

Date: .....

