Rule 2.38 **Form 2.20B(Scot)**

The Insolvency Act 1986

Administrator's progress report

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

Name of Company	Company number
Dawson International PLC	SC054505

(a) Insert full name(s) and address(es) of administrator

I/~~We~~ (a) Blair Carnegie Nimmo
KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

administrator of the above company attach a progress report for the period

	from	to
(b) Insert date(s)	(b) 15 February 2017	(b) 14 August 2017

Signed

Administrator

Dated 22 August 2017

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

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THURSDAY

S6DIPCUJ
SCT 24/08/2017 #2
COMPANIES HOUSE

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Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2

KPMG

Administrator's progress report for the period 15 February 2017 to 14 August 2017

Dawson International PLC - in Administration

22 August 2017

Document Classification - KPMG Confidential

Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 4).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, http://www.insolvency-kpmg.co.uk/case+KPMG+DC816C5204.html. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 5).

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1 Executive summary

- This progress report covers the period from 15 February 2017 to 14 August 2017.
- The key outstanding matters to be dealt with in the administration include:
  - Realising value from the Company's US subsidiary, DIIKI;
  - Realising the Company's 9% equity stake in King Deer, a cashmere fibre business based in Inner Mongolia;
  - Resolving a potential legacy environmental issue at the former Pringle of Scotland site in Berwick upon Tweed which was formerly used by one of the Company's subsidiaries (Section 2 - Progress to date).
- Based upon the Directors' statement of affairs and the level of asset realisations achieved it is anticipated that a dividend will be payable to DIPLC's unsecured creditors. The dividend amount will depend on the level of asset realisations from DIIKI and King Deer as well as any costs that may be incurred in connection with, or unsecured claims relating to, the legacy environmental issue (Section 3 - Dividend prospects).
- As the total unsecured creditors' claims will exceed the level of total asset realisations, there is no prospect of a return to DIPLC's shareholders (Section 3 - Dividend prospects).
- During the period, the Court granted a 12 month extension to the period of the administration. The administration is current due to end on 14 August 2018.
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals which were issued to the Company's creditors and can be found at http://www.insolvency-kpmg.co.uk/case+KPMG+DC816C5204.html. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.

Blair Nimmo
Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

2.1 *Strategy and progress to date*

Strategy

The key outstanding matters to be dealt with in the administration include:

- Realising value from the Company's US subsidiary, DIIKI;
- Realising the Company's 9% equity stake in King Deer, a cashmere fibre business based in Inner Mongolia;
- Resolving a potential legacy environmental issue at the former Pringle of Scotland site in Berwick upon Tweed, which was formerly used by one of the Company's subsidiaries

Sale of business

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

The UK business comprised Barrie, which was a trading division of DITL. Barrie manufactured high quality cashmere garments which were sold to customers worldwide.

The US business comprises DCLLC, trading as Dawson Forte, which was a cashmere business based in Boston, Massachusetts, Dawson Forte sourced cashmere garments from Chinese manufacturers and supplied them to US retailers.

Barrie – owned by DITL

As previously reported, the sale of the business and assets of Barrie to SSL was completed on 16 October 2012. The total consideration was approximately £4.5 million.

DIHL is a wholly owned subsidiary of DIPLC and DITL is a wholly owned subsidiary of DIHL. Due to 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' Statement of Affairs for DIPLC and DITL shows an inter-company loan of approximately £1.5 million due by DITL. DIPLC will therefore rank as an unsecured creditor in the administration of DITL and receive a dividend. The level of dividend available to unsecured creditors in DITL is unclear at present.

Dawson Forte – owned by DCLLC

DIIKI, a wholly owned subsidiary of DIPLC, is the holding company for the Group's US operation. This included DCLLC, which owned the Dawson Forte business. Neither DIIKI nor DCLLC entered administration and continued to trade under the control of the management

team in the US with separate banking facilities with Bank of America. A sale of the Dawson Forte business and assets was successfully completed in May 2014.

As previously reported, DIIKI, and the Group's other US entities, filed for Chapter 11 bankruptcy relief on 27 May 2016. The bankruptcy proceedings are being dealt with by the US directors and their legal advisors with oversight from a Bankruptcy Trustee and the Bankruptcy Court.

The Bankruptcy Court set a bar date for creditors submitting claims in the Chapter 11 proceedings of 15 August 2016. We submitted a claim on behalf of DIPLC in respect of the intercompany loan.

The bar date for claims from governmental bodies was 23 November 2016. We understand that the quantum of the environmental claims received from the various government bodies were significantly in excess of expectations. We have been advised by the US management team and their advisors, Maguire Woods, that negotiations are ongoing with the various government bodies in respect of their claims. Any agreement in respect of claims will need to be finalised before a bankruptcy plan can be submitted.

DIIKI, and the Group's other US entities, operated a US pension scheme, the Dawson Consumer Products Inc Employees Pension Plan, a defined benefit pension plan. The US management team are continuing to pursue a standard termination of this defined benefit pension plan and are in discussion with the Pension Benefit Guaranty Corporation ("PBGC") regarding a proposal to place circa $3.3 million on an escrow account to bring the US pension matter to a close. If agreed, any residual funds would then be available to meet any further costs of the Chapter 11 proceedings and to facilitate a small distribution to creditors, namely US environmental creditors and DIPLC. As with the environmental claims, a resolution for the US Pension Scheme will need to be agreed before the bankruptcy plan can be completed.

At the date of filing for Chapter 11 bankruptcy relief (27 May 2016), the US entities held cash of approximately $5.3 million (within DCLLC following the sale of the Dawson Forte business in 2014). These assets (net of costs) will be distributed to the creditors of the US entities including:

- the US pension scheme;
- various intercompany balances between the US entities;
- an intercompany balance of approximately $1.5 million due by DIIKI to DIPLC; and
- several legacy environmental liabilities within various US entities.

As at May 2017, we understand that the cash reserves in the Bankruptcy estate have reduced to approximately $4.4 million. This decline is due to advisor fees and ongoing pension scheme costs and contributions, etc. As part of the US Bankruptcy process, these costs have been approved by the Bankruptcy court. We anticipate that cots will continue to be incurred until a Bankruptcy Plan is finalised.

Until the Bankruptcy Plan has been finalised, the potential return to DIPLC from DIIKI remains unclear and will depend upon a number of factors including, inter-alia:

- The quantum of the US pension plan liabilities and the associated legal and professional costs of dealing with it;

- Whether the US directors pursue a standard termination of the pension plan rather than distressed termination where the pension liability and costs could be higher;
- Potential contingent claims in respect of the legacy environmental liabilities and which US entities are responsible for them;
- DIPLC's ranking as an unsecured creditor of DIIKI in respect of the inter-company debt;
- Any US taxation issues;
- Whether or not the principal of substantive consolidation applies (i.e. whether the assets and liabilities of all the US entities are treated as one pot or treated separately); and
- The legal and professional costs associated with the Chapter 11 bankruptcy process.

We continue to monitor progress of the Chapter 11 proceedings and liaise with the US management team and directors on a regular basis. However, given the level of funds on hand in the Bankruptcy Estate, the ongoing costs and the quantum of other creditor claims, we do not now anticipate a material return to DIPLC.

King Deer

As previously reported DIPLC owns a minority 9% equity stake in a Chinese cashmere fibre business, King Deer. Realising value from this investment had proved to be difficult due to the fact that DIPLC only owns a minority stake and the shares are illiquid.

We engaged our colleagues in KPMG Corporate Finance in China, to assist us with realising value from DIPLC's investment.

Our Corporate Finance colleagues advised that the most likely method for realising the investment would be to achieve a sale of DIPLC's shareholding to one of King Deer's other shareholders and in April 2017, an invitation for offers was circulated.

As a result of this invitation for offers we entered into dialogue with King Deer's largest shareholder, Inner Mongolia Haosen Cashmere Products Co Limited ("Haosen"). We are pleased to report that after a period of protracted negotiations we agreed Heads of Terms with Haosen and we have now signed an Equity Transfer Agreement. There remain a number of formalities to attend to in China to finalise the sale of DIPLC's investment but we are hopeful that these can be fully resolved within the next three months. For reasons of commercial sensitivity we cannot disclose further details of the transaction at this time, but we will provide creditors with a further update in our next progress report once the transaction has been completed.

Environmental issue

As previously reported the Company may potentially have a legacy environmental liability as a result of the former ownership of the Pringle of Scotland factory in Berwick upon Tweed by one of the Group's former subsidiaries, DPOSL Limited. This relates to an historic spillage of PCE chemical that occurred between the mid-1970s and early 1990s and the installation/operation of a Pump and Treat system that was designed to remediate the contamination and which has continued to operate since the Company was placed into Administration. Given the complicated history of the site ownership, this issue has been

extremely complex and we have been liaising with the Company's solicitors and environmental advisers to assess the possible extent of the Company's liability.

In an attempt to progress and resolve matters, we have been in regular correspondence with the Environment Agency. Throughout this process, we have been disappointed by the Environment Agency's handling of this matter as the lack of clarity on their part and the uncertainty this has caused, particularly regarding the implications of the Administrator switching off the Pump and Treat system, has meant that we have been unable to take steps to progress the administration and facilitate the payment of a dividend to creditors. We escalated matters to the Head of the Environment Agency and were able to arrange a facilitated all parties meeting in February 2017.

Whilst this meeting was inconclusive, some progress has now been made. At the behest of the Local Authority, the Environment Agency has now commissioned environmental consultants to perform further investigative work on the site with a view to determining whether the site should be designated as a "special site" and brought into the Contaminated Land Regime. The Environment Agency advised that it needs to seek funding from DEFRA to undertake this investigative work and that it could potential take a further 12 months for it to be completed. They have subsequently advised that they have now obtained the required funding and we understand that the work is ongoing. We hope that this work will confirm the results of the work that we previously commissioned Arcadis (Our Environmental consultants) to do and which we previously shared with the Environment Agency. The Arcadis work concluded that the Pump and Treat system is ineffective because it is only abstracting a very small volume of groundwater and Arcadis recommended that the Pump and Treat system be switched off and decommissioned.

Following the facilitated meeting, the Environment Agency has written to us, setting out their views on which party/parties are liable for remediating the historical contamination. We are in discussions with our legal advisors regarding our response and our next steps, which may include seeking directions from Court.

Any costs or claims relating to this potential environmental liability may impact the level of dividend available to the Company's unsecured creditors and whilst progress has been made, this matter could still take a considerable period of time to resolve. Removing the uncertainty caused by this issued will be key to us providing the administration and facilitating payment of a dividend to creditors. In the meantime, the Company continues to operate the Pump and Treat system in line with the terms of the abstraction license.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

There were no significant asset realisations during the period other than bank interest of £4,065.56.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Agents' fees

Agents fees totalling £5,864.27 were incurred during the period, including £5,808.00 paid to KPMG Advisory China for their assistance with out attempts to realise the King Deer investment.

Legal fees

A total of £5,762.66 was paid to Merits & Tree Law Offices, our Chinese legal advisers, in relation to their assistance with the sale of the King Deer investment.

Rates

A total of £2,469.80 was paid to Northumberland Council in respect of the 2017/18 annual rates for the pump and treat site in Berwick upon Tweed.

3 Dividend prospects

3.1 Secured creditors

We are not aware of any secured claims against the Company.

3.2 Preferential creditors

We are not aware of any preferential claims against the Company.

3.3 Floating charge creditor

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

3.4 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a dividend.

The dividend amount will depend upon the remaining asset realisations (namely the intercompany balance with DIIKI and the investment in King Deer) and costs incurred in resolving the legacy environmental issue, together with the final overall quantum of creditors' claims.

As previously reported, the Group operated two defined benefit pension schemes, the Staff Scheme and the Works Scheme. The Schemes entered the PPF following an assessment period. The PPF's claim amounts to £10.3 million for the Staff Scheme. The quantum of the PPF's claim will dilute the overall level of dividend available to unsecured creditors.

3.5 Shareholders

The total unsecured creditors' claims, including the PPF claim, will exceed the level of total asset realisation in DIPLC and therefore there is no prospect of a return to DIPLC's shareholders.

4 Administrator's remuneration, outlays and disbursements

Remuneration and outlays

During the administration the creditors have provided approval for:

- remuneration and outlays of £413,975.60, £13,723.25 of which was drawn during the period: and
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) to be charged in accordance with KPMG's policy as set out in Appendix 3.

Time costs

From 15 February 2017 to 14 August 2017, we have incurred time costs of £55,884.75. These represent 120.65 hours at an average rate of £463.20 per hour.

A detailed analysis of the time spent is provided at Appendix 3.

Disbursements

During the period, we have not incurred any disbursements.

Additional information

We have attached (Appendix 3) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 15 February 2017 to 14 August 2017. We have also attached our charging and disbursements policy.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Liaising with the US directors and monitoring the Chapter 11 process and any recovery from the intercompany balance with DIIKI;
- Realising the Company's 9% equity investment in King Deer;
- Endeavouring to resolve the legacy environmental issue at the former Pringle of Scotland factory in Berwick upon Tweed;
- Preparing and submitting VAT and corporation tax returns to HMRC;
- Adjudicating on creditors' claims, and paying a dividend to unsecured creditors; and
- Attending to all other statutory and administrative matters.

5.2 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement unless it is extended with the permission of creditors or the Court.

As a result of the remaining issues which required to be dealt with, four 12 month extensions to the administration period have previously been granted by order of the Court.

The Court granted a further 12 month extension to the period of the administration.

The administration is currently due to end on 14 August 2018.

5.3 Future reporting

We will provide a further progress report within six weeks of 14 February 2018.

Appendix 1 Statutory information

Company information	
Company name	Dawson International PLC
Date of incorporation	15 November 1973
Company registration number	SC054505
Present registered office	KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG

Administration information	
Administration appointment	The administration appointment granted in the Court of Session, Edinburgh
Appointor	Directors
Date of appointment	15 August 2012
Administrator's details	Blair Nimmo
Current administration expiry date	14 August 2018

Appendix 2 Administrator's receipts and payments account

Dawson International PLC - in Administration

Trading accounts

OTHER DIRECT COSTS		
Direct labour	NIL	(66,941.95)
	NIL	(66,941.95)
TRADING EXPENSES		
IT expenses	NIL	(13.97)
Travel and staff expenses	NIL	(7,066.35)
Sundry expenses	NIL	(362.77)
	NIL	(7,443.09)
Trading surplus/(deficit)	**NIL**	**(74,385.04)**

Dawson International PLC - in Administration

Abstract of receipts & payments

	ASSET REALISATIONS		
94,000.00	*Future contract realisations*	NIL	93,750.00
1,000,000.00	Investment - King Deer	NIL	NIL
125,000.00	Inter-co - Dawson International Trading	NIL	NIL
3,679,000.00	Cash at bank	NIL	3,683,278.88
	Joseph Dawson AG	NIL	31,972.05
		NIL	3,809,000.93
	OTHER REALISATIONS		
	Bank interest, gross	4,065.56	94,083.69
	Sundry refunds	NIL	11,264.05
	Trading surplus/(deficit)	NIL	(74,385.04)
		4,065.56	30,962.70
	COST OF REALISATIONS		
	RNS fees	NIL	(150.00)
	Specific bonds	NIL	(800.00)
	Books and Records costs	NIL	(3,096.18)
	Translation Fees	NIL	(108.76)
	Administrators' fees	(13,723.25)	(413,975.60)

	Agents'/Valuers' fees	(5,864.27)	(57,306.79)
	Agents'/Valuers' fees (2)	NIL	(213.87)
	Legal fees	(5,762.66)	(30,563.43)
	Legal fees (2)	NIL	(1,563.00)
	Telephone/Telex/Fax	NIL	(76.30)
	Statutory advertising	NIL	(1,122.59)
	Rates	(2,469.80)	(12,141.80)
	Other property expenses	NIL	(15.00)
	Insurance of assets	NIL	(9,830.00)
	Bank charges	(89.91)	(299.68)
		(27,909.89)	(531,263.00)
	PREFERENTIAL CREDITORS		
(3,200.00)	Employees' wage arrears	NIL	(3,200.00)
(25,000.00)	Employees' holiday pay	NIL	NIL
(40,000.00)	Conts. to pension schemes	NIL	NIL
		NIL	(3,200.00)
	UNSECURED CREDITORS		
	Employees	NIL	(8,971.45)
(311,000.00)	King Deer	NIL	NIL
(11,300,000.00)	Pension scheme	NIL	NIL
(1,058,000.00)	Joseph Dawson AG	NIL	NIL
(18,000.00)	Inter-co Dawson International Holdings	NIL	NIL
		NIL	(8,971.45)
(7,857,200.00)		**(23,844.33)**	**3,296,529.18**

REPRESENTED BY	
Floating charge current	3,295,234.48
Floating ch. VAT control	2,890.28
DITL intercompany	(1,595.58)
	3,296,529.18

Appendix 3 Administrator's charging and disbursements policy

Administrator's charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Administrators' Remuneration Scotland" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

https://www.r3.org.uk/media/documents/technical_library/SIPS/Creditors'_Guide_to_Administrators'_Remuneration_Scotland.pdf

If you are unable to access this guide and would like a copy, please contact David Bonthrone on 0131 527 6939.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for: Dawson International PLC – in Administration	
Partner	625
Director	560
Senior Manager	510
Manager	425
Senior Administrator	295
Administrator	215
Support	131

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any disbursements during the period.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

The Category 2 disbursements have not been approved.

Creditors' right to challenge our remuneration and outlays

If you wish to challenge the basis of our remuneration, the remuneration approved, or the outlays approved during the period covered by this progress report, you must do so by making an application to Court within eight weeks of the accounting period and no later than 9 October 2017 or within 14 days of receiving this progress report.

Applications by any creditor must be made with concurrence of at least 25% in value of unsecured creditors (including the creditor making the challenge).

The full text of the relevant rules can be provided on request by writing to David Bonthrone at KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG United Kingdom.

Narrative of work carried out for the period 15 February 2017 to 14 August 2017

The key areas of work have been:

Statutory and compliance	■ preparing statutory receipts and payments accounts; ■ drafting an extension report to accompany the application to Court to extend the administration period by a further 12 months; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	■ monitoring and reviewing the administration strategy; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ reviewing and authorising junior staff correspondence and other work; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	■ preparing and processing vouchers for the payment of post-appointment invoices; ■ reconciling post-appointment bank accounts to internal systems; ■ *ensuring compliance with appropriate risk management procedures in respect of receipts* and payments.
Tax and VAT	■ preparing and submitting VAT426 forms to HM Revenue & Customs to reclaim post appointment input VAT; ■ dealing with post appointment VAT compliance
Shareholders	■ responding to enquiries from shareholders regarding the administration; ■ providing copies of statutory reports to the shareholders.
General	■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ drawing remuneration in accordance with the basis and amount which has been *approved together with outlays including disbursements as determined by the creditors.*
Asset realisations	■ liaising with KPMG Advisory China and the COO of King Deer regarding DIPLC's investment; ■ reviewing the draft sale and purchase agreement prepared by our legal advisors in China; and ■ liaising with the UD directors regarding the Chapter 11 process and the recovery of the intercompany balance due by DIIKI.
Health and safety	■ liaising with both internal and external legal and environmental advisors in relation to the legacy environmental issue of the site of the former Pringle of Scotland factory in Berwick upon Tweed; ■ liaising with our Surveillance Officer in respect of the operating of the pump and treat system; ■ ensuring adequate repair and maintenance of the pump and treat system is performed; ■ corresponding with the Environment Agency; ■ performing the required sampling in line with the terms of the EA abstraction license.
Creditors and claims	■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ drafting our progress report.
Reports	■ providing written and oral updates to representative of the Pension Protection Fund regarding the progress of the administration and case strategy.

Time costs

SIP 9 – Time costs analysis (15/02/2017 to 14/08/2017)	[illegible]	[illegible]	[illegible]	[illegible]	Total	[illegible]	Average Hourly Rate £
Administration & planning							
Bankrupt/Director/Member							
Share Registrars		1.80			**1.80**	782.00	434.44
Cashiering							
General (Cashiering)			1.60		**1.60**	472.00	295.00
Reconciliations (& IPS accounting reviews)			0.80		**0.80**	236.00	295.00
General							
Books and records			0.40		**0.40**	86.00	215.00
Fees and WIP		0.50	0.20		**0.70**	305.50	436.43
Statutory and compliance							
Appointment and related formalities	2.00	0.90	0.20		**3.10**	1,742.50	562.10
Checklist & reviews		3.10			**3.10**	1,317.50	425.00
Reports to debenture holders		0.50			**0.50**	212.50	425.00
Strategy documents	1.20				**1.20**	672.00	560.00
Tax							
Post appointment VAT		1.70			**1.70**	722.50	425.00
Creditors							
Creditors and claims							
General correspondence		1.20	0.70		**1.90**	762.50	401.32
Statutory reports	4.70	20.70			**25.40**	12,075.50	475.41
Realisation of assets							
Asset Realisation							
Cash and investments	7.30	37.10			**44.40**	21,377.00	481.46
Debtors		3.90			**3.90**	1,657.50	425.00
Goodwill	2.00				**2.00**	1,120.00	560.00
Environmental issue	0.90	24.00	2.25		**27.15**	11,876.25	437.43
Other assets		0.50			**0.50**	212.50	425.00
Purchases		0.50			**0.50**	255.00	510.00
Total in period	**18.10**	**96.40**	**6.15**	**0.00**	**120.65**	**55,884.75**	**463.20**

SIP 9 – Time costs analysis (15/02/2017 to 14/08/2017)							
	[illegible]						
	[illegible]						[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	Total	[illegible]	[illegible]
Brought forward time (appointment date to SIP 9 period start date)					1,514.80	541,412.75	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)					120.65	55,884.75	
Carry forward time (appointment date to SIP 9 period end date)					1,635.45	597,297.50	

Appendix 4 Glossary

Administrators/we/our/us	Blair Nimmo
Court	Court of Session, Edinburgh
DIHL	Dawson International Holdings (UK) Limited
DIPLC	Dawson International PLC
GECF	GE Capital Commercial Finance Limited
Group	DIPLC and its subsidiaries
KPMG	KPMG LLP
PPF	Pension Protection Fund
SSL	Sport in Scotland Limited
Staff Scheme	Dawson International Staff Retirement Benefit Plan
Works Scheme	Dawson International Retirement Benefit Scheme

Any references in this progress report to sections, paragraphs or rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Scotland) Rules 1986 respectively.

Appendix 5 Notice: About this report

This report has been prepared by Blair Nimmo, the Administrator of Dawson International PLC – in Administration (the 'Company'), solely to comply with his 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 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 outcomes for creditors.

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

Blair Carnegie Nimmo is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland.

I am bound by the Insolvency Code of Ethics.

The Administrator acts as an agent for the Company and contracts without personal liability. The appointments of the Administrator is personal to him 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.

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