

The Insolvency Act 1986

**Administrator's progress report**

Name of Company  DMI (UK) Limited
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Company number  01068349
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In the HM High Court of Justice Newcastle upon Tyne District Registry  (full name of court)
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Court case number  0018 of 2014
---------------------------------------

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

I/We (a)  
Ian William Kings  
Baker Tilly Restructuring & Recovery LLP  
Tenon House  
Ferryboat Lane  
Sunderland SR5 3JN

Steven Philip Ross  
Baker Tilly Restructuring & Recovery LLP  
Tenon House  
Ferryboat Lane  
Sunderland SR5 3JN

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

(b) Insert date

From  (b) 8 January 2014
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To  (b) 7 July 2014
---------------------------

Signed

  
Joint / Administrator(s)

Dated

26 August 2014

**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

Ian William Kings  
Baker Tilly Restructuring & Recovery LLP  
Tenon House  
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DX Number

+44 (0) 191 511 5000  
DX Exchange

Companies House receipt date barcode

When you have completed and signed this form, please send it to the Registrar of Companies at -  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

WEDNESDAY



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10/09/2014

#219

COMPANIES HOUSE

**IN THE MATTER OF**  
**DMI (UK) LIMITED IN ADMINISTRATION**  
**IN THE HM HIGH COURT OF JUSTICE, NEWCASTLE UPON TYNE DISTRICT**  
**REGISTRY NO 0018 OF 2014**

**JOINT ADMINISTRATORS' PROGRESS REPORT**

**26 AUGUST 2014**

**IAN WILLIAM KINGS AND STEVEN PHILIP ROSS**  
**JOINT ADMINISTRATORS**

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP**  
**TENON HOUSE**  
**FERRYBOAT LANE**  
**SUNDERLAND SR5 3JN**

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## **1. PURPOSE OF REPORT**

This report has been prepared in accordance with insolvency legislation to provide creditors with information relating to the progress of the administration in the period from 8 January 2014 to 7 July 2014

This report has been prepared solely to comply with the statutory requirements of Rule 2.47 of the Insolvency Rules 1986 (as amended). It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the company. Any estimated outcomes for creditors are illustrative and may be subject to significant change. Neither the Administrators nor Baker Tilly Restructuring and Recovery LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this proposal.

## **2. PROGRESS OF THE ADMINISTRATION IN THE PREVIOUS SIX MONTHS**

### **2.1. Realisation of Assets / Sale of Business**

As previously advised, it was not a viable option to continue to trade the Company. As a result, the Company ceased trading on 8 January 2014 and its employees were dismissed on that date.

Since then I have marketed the remaining business and assets for sale and continued to collect the Company's book debts.

#### *Freehold property*

Sanderson Weatherall was retained to market the property for sale and an acceptable offer has been received. Lawyers have been instructed and the sale is progressing.

#### *Plant and machinery*

GVA Grimley have valued the plant and machinery and an acceptable offer has been received. This offer is however, linked to the sale of the freehold property.

The remaining plant and machinery, with a book value of £163,444.00, is expected to realise £Nil due to the cost of decommissioning the same.

#### *Book debts*

The Company's book debts, with a book value of £308,978.00, were expected to realise £245,986.00 in order to provide for doubtful debts, collection costs etc.

To date, a total of £263,560.84 has been recovered in respect of the same. The collection process is on-going.

## **2.2. Investigations**

The Joint Administrators have a duty to submit confidential reports to the Government's Disqualification Unit on the conduct of those persons who acted as directors of the Company in the three year period before the liquidation these have been completed

There are no outstanding lines of enquiry.

## **2.3. Administration and Planning**

Activities undertaken in this category include preparation and filing of statutory documents, cashiering and receipts and payments work, periodic file reviews and non statutory meetings and correspondence with directors and other interested parties

## **3. ASSETS REMAINING TO BE REALISED**

As detailed above, the sale of the freehold property and certain plant and machinery and the collection of remaining book debts are on-going

## **4. EXTENSION OF THE ADMINISTRATION**

The administration may need to be extended in order to finalise the book debt collection and the sale of the Company's freehold property and tangible assets Further correspondence will be issued in due course should an extension to the period of Administration be required

## **5. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS**

Activities undertaken in this category include dealing with employees, preferential, secured and unsecured creditors and preparation of statutory reports to creditors

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix A, including any amount due to under the prescribed part Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes They may be subject to revision and additional costs

The agreement of creditors' claims by the Joint Administrators (or any subsequently appointed Supervisor or Liquidator) is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves

## **6. RECEIPTS AND PAYMENTS SUMMARY**

We attach as Appendix B a summary of our receipts and payments for the period from 8 January 2014 to 7 July 2014

## **VAT Basis**

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately

## **7. COSTS AND JOINT ADMINISTRATORS' REMUNERATION**

The firm's charging, expenses and disbursements policy was provided with the Joint Administrators' proposals. A further copy can be provided on request.

### **7.1. Pre-administration costs**

The Joint Administrators' proposals dated 25/02/2014 detailed un-paid pre-administration costs totalling £9,617 00. The sums below have been approved

<b>Pre-Administration Costs Charged / Incurred</b>			
<b>To whom paid</b>	<b>Amount Approved £</b>	<b>Date Approved</b>	<b>Date paid</b>
Baker Tilly Restructuring & Recovery LLP	9,617 00	14/03/2014	N/a

### **7.2. Joint Administrators' Remuneration and Disbursements**

The Joint Administrators' remuneration was approved, at rates to be agreed between Baker Tilly Restructuring & Recovery LLP and The Pension Protection Fund, by creditors on 14/03/2014. Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix C. An analysis of time incurred in the period is attached at Appendix F. Sums drawn in respect of remuneration in the period covered by this report are shown in the receipts and payments account (Appendix B).

Category 2 disbursements incurred in the period are detailed in Appendix D.

### **7.3. Other Professional Costs**

Appendix E includes details of other professional costs that have been incurred. The receipts and payments abstract at Appendix B sets out which of these costs have been paid. All such costs are subject to review before being paid and any payments made in the period are disclosed in the receipts and payments account at Appendix B.

## **8. CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE EXPENSES**

In accordance with the provisions of Rules 2.48A and 2.109 of the Insolvency Rules 1986, creditors have a right to request further information about remuneration or expenses (other than pre-administration costs) and to challenge such remuneration or expenses.

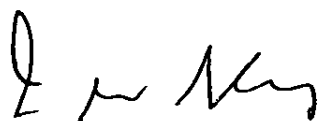
A request for further information must be made in writing within 21 days of receipt of this report

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the administrator are in all the circumstances excessive

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question

A Creditors' Guide to Administrators' Fees, which provides information for creditors in relation to the remuneration of an Administrator, can be accessed by following the links within our website. Please note that a hard copy of any document uploaded to our website can be requested.

Should you have any further queries please do not hesitate to contact me



**Ian William Kings**  
**Baker Tilly Restructuring and Recovery LLP**  
**Joint Administrator**

Ian William Kings is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales  
Steven Philip Ross is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

The affairs, business and property of the company are being managed by the Joint Administrators who act as agents of the company and without personal liability

## Appendix A

### STATUTORY, DIVIDEND AND OTHER INFORMATION

Company Name	DMI (UK) Limited
Joint Administrators	Ian William Kings and Steven Philip Ross
Date of Appointment	08/01/2014
Functions	The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.
Previous Company Names	DIESEL MARINE INTERNATIONAL LIMITED
Company Number	01068349
Date of Incorporation	29/08/1972
Trading Name	NOT APPLICABLE
Trading Address	WEST CHIRTON INDUSTRIAL ESTATE GLOUCESTER ROAD NORTH SHIELDS NE29 8RQ
Principal Activity.	ELECTRO PLATING
Registered Office.	BAKER TILLY RESTRUCTURING AND RECOVERY LLP TENON HOUSE FERRYBOAT LANE SUNDERLAND SR5 3JN Previously WEST CHIRTON INDUSTRIAL ESTATE GLOUCESTER ROAD NORTH SHIELDS NE29 8RQ
Appointor	Directors
Details of any extension	None
Proposed exit route	Creditors' Voluntary Liquidation

Dividend Prospects	Owed	Paid to Date	Estimated Prospects	future
Secured creditor (Bank of Scotland)	£Unknown	£Nil	Shortfall	
Secured creditor (Diesel Marine International Limited)	£203,016	£Nil	Shortfall	
Preferential creditors	£NIL	NIL	NIL	
Unsecured creditors	£8,696,780	NIL	NIL	
Estimated net property	£309,595			
Estimated prescribed part available for unsecured creditors	£64,919			
Whether and why the Administrators intend to apply to court under S176(A)(5) IA86	N/A			



## **Appendix B**

### **JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ABSTRACT FOR THE PERIOD FROM 8 JANUARY 2014 TO 7 JULY 2014**

# Receipts and Payments Abstract: 1046870 - DMI (UK) Limited In Administration

Bank, Cash and Cash Investment Accounts From: 08/01/2014 To: 07/07/2014

SOA Value £	08/01/2014 to 07/07/2014		Total to 07/07/2014	
	£	£	£	£
<b>SECURED ASSETS</b>				
(7,499 00)	Finance company	0 00	0 00	
200,000 00	Freehold property	0 00	0.00	
42,625 00	Plant and machinery	0 00	0 00	
1,500 00	Plant and machinery	0 00	0 00	
		0 00		0 00
<b>COST OF REALISATIONS</b>				
0 00	Agents/Valuers' fees	(1,025 00)	(1,025.00)	
0 00	Legal Fees	(13,879 96)	(13,879 96)	
		(14,904 96)		(14,904 96)
<b>SECURED CREDITORS</b>				
(203,016 00)	Group undertakings	0 00	0 00	
		0 00		0 00
<b>ASSET REALISATIONS</b>				
0 00	Bank Interest Gross	175 98	175 98	
245,986 00	Book debts	263,560 84	263,560 84	
0 00	Rates refund	6,076 81	6,076 81	
0 00	Rent	1,800 00	1,800 00	
24,000 00	Stocks	11,181 95	11,181 95	
		282,795 58		282,795 58
<b>COST OF REALISATIONS</b>				
0 00	Agents/Valuers Fees	(5,714 52)	(5,714 52)	
0 00	Bank Charges	(932 57)	(932 57)	
0 00	Foreign currency loss	(2,728 07)	(2,728 07)	
0 00	Legal Fees	(20,587 60)	(20,587 60)	
0 00	Statutory Advertising	(84.60)	(84 60)	
		(30,047 36)		(30,047 36)
<b>UNSECURED CREDITORS</b>				
(19,246 00)	Corporation Tax	0 00	0 00	
(726 00)	Employees	0 00	0 00	
(436,196 00)	Group undertakings	0 00	0 00	
(62,057 00)	PAYE and social security	0 00	0 00	
(2,443,097 00)	Pension scheme liability	0 00	0 00	
(177,781 00)	Redundancy Payments Service	0 00	0 00	
(390,482 00)	Trade and expense creditors	0 00	0 00	
(11,589 00)	VAT	0 00	0 00	
		0.00		0 00
<b>EQUITY</b>				
(1,000,000 00)	Ordinary shareholders	0 00	0 00	
		0 00		0 00
(4,237,578 00)		237,843 26	237,843 26	
<b>REPRESENTED BY</b>				
	Interest Bearing Current Account		232,565 67	
	VAT Receivable (Payable)		5,277 59	
			237,843 26	
			237,843 26	

## Appendix C

### BAKER TILLY RESTRUCTURING AND RECOVERY LLP JOINT ADMINISTRATORS' CURRENT CHARGE OUT AND DISBURSEMENT RATES

HOURLY CHARGE OUT RATES	
	Current rates £
Partner	320
Directors / Associate Directors	225
Manager	225
Administrators	120 to 175
Support staff	105

"CATEGORY 2" DISBURSEMENT RATES	
Internal room hire	£100 per hour
Subsistence	£25 per night
Travel (car)	42 5p per mile
"Tracker" searches	£10 per case

**Appendix D****BAKER TILLY RESTRUCTURING AND RECOVERY LLP  
JOINT ADMINISTRATORS' CATEGORY 2 DISBURSEMENTS TABLE**

<b>Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest</b>		
<b>Recipient, Type and Purpose</b>	<b>Paid</b>	<b>Unpaid</b>
	<b>£</b>	<b>£</b>
Administrator Mileage	NIL	141.54
<b>Total</b>	<b>NIL</b>	<b>141.54</b>

## Appendix E

### STATEMENT OF EXPENSES INCURRED BY THE JOINT ADMINISTRATORS' IN THE PERIOD FROM 8 JANUARY 2014 TO 7 JULY 2014

Type and Purpose	Incurred in Period
	£
Agents'/valuers fees – Property survey	525 00
Agents'/valuers fees – Recovery of rates refunds	1,519 20
Agents'/valuers fees – Valuation of plant and machinery and report	3,695 32
Agents'/valuers fees – Waste disposal	1,000 00
Legal fees – Provision of legal services and advice to Administrators	20,587 60
Postage – Creditors circular	10 81
Statutory advertising	169 20
Travel costs – Parking	44 80
<b>Total</b>	<b>27,551.93</b>

The table above excludes any tax liability as the amounts due will depend on the position at the end of the accounting period. The statement above may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period together with cumulative figures.

## **Appendix F**

### **JOINT ADMINISTRATORS' TIME COST ANALYSIS**

**FOR THE PERIOD FROM 8 JANUARY 2014 TO 7 JULY 2014**

# Restructuring & Recovery SIP9 Summary Level 2

DMI (UK) Limited

1046870 / 706 - Post appointment ADM

For the period 04/01/2014 to 11/07/2014

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
From Jan 2003										
	<b>Administration and Planning</b>									
	Appointment	00	00	00	00	12.5	0.0	12.5	£ 1,500.00	120.00
	Case Management	35.0	13.3	00	00	1.1	0.4	49.8	£ 14,397.50	289.11
	Pension Scheme	00	00	00	00	1.8	0.0	1.8	£ 287.50	159.72
	Post-appointment - general	2.0	0.6	00	00	0.0	0.0	2.6	£ 775.00	298.08
	Receipts and Payments	00	1.7	00	00	10.6	0.0	12.3	£ 2,237.50	181.91
	Statement of Affairs	1.0	2.8	00	00	2.0	0.0	5.8	£ 1,190.00	205.17
	<b>Total</b>	<b>38.0</b>	<b>18.4</b>	<b>0.0</b>	<b>0.0</b>	<b>28.0</b>	<b>0.4</b>	<b>84.8</b>	<b>£ 20,387.50</b>	<b>240.42</b>
	<b>Investigations</b>									
	Investigations/CDDA	00	00	00	00	5.0	0.0	5.0	£ 600.00	120.00
	<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.0</b>	<b>0.0</b>	<b>5.0</b>	<b>£ 600.00</b>	<b>120.00</b>
	<b>Realisation of Assets</b>									
	Assets - general/other	00	1.5	00	00	0.0	0.0	1.5	£ 337.50	225.00
	Chattels	00	4.5	00	00	0.0	0.0	4.5	£ 1,012.50	225.00
	Debtors & sales finance	00	16.7	00	00	0.0	0.0	16.7	£ 3,757.50	225.00
	Land and Property	1.0	19.0	00	00	0.5	0.0	20.5	£ 4,655.00	227.07
	ROT/ Third Party Assets	00	00	00	00	9.0	0.0	9.0	£ 1,080.00	120.00
	Sale of business	00	18.1	00	00	1.5	0.0	19.6	£ 4,252.50	216.96
	Stock and WIP	00	1.3	00	00	0.0	0.0	1.3	£ 292.50	225.00
	<b>Total</b>	<b>1.0</b>	<b>61.1</b>	<b>0.0</b>	<b>0.0</b>	<b>11.0</b>	<b>0.0</b>	<b>73.1</b>	<b>£ 15,387.50</b>	<b>210.50</b>
	<b>Creditors</b>									
	1st creditors/shareholders meetings and reports	00	00	00	00	2.0	0.0	2.0	£ 240.00	120.00
	Employees	00	2.0	00	00	7.6	0.0	9.6	£ 1,780.00	185.42
	Secured Creditors	00	1.0	00	00	0.0	0.0	1.0	£ 225.00	225.00
	Unsecured Creditors	00	13.4	00	00	1.8	0.0	15.2	£ 3,231.00	212.57
	<b>Total</b>	<b>0.0</b>	<b>16.4</b>	<b>0.0</b>	<b>0.0</b>	<b>11.4</b>	<b>0.0</b>	<b>27.8</b>	<b>£ 5,476.00</b>	<b>196.98</b>
	<b>Total Hours (From Jan 2003)</b>	<b>39.0</b>	<b>95.9</b>	<b>0.0</b>	<b>0.0</b>	<b>55.4</b>	<b>0.4</b>	<b>190.7</b>	<b>£ 41,851.00</b>	<b>219.46</b>
	<b>Total Time Cost (From Jan 2003)</b>	<b>£ 12,480.00</b>	<b>£ 21,577.50</b>	<b>£ 0.00</b>	<b>£ 0.00</b>	<b>£ 7,753.50</b>	<b>£ 40.00</b>	<b>£ 41,851.00</b>		
<b>Total Hours</b>		<b>39.0</b>	<b>95.9</b>	<b>0.0</b>	<b>0.0</b>	<b>55.4</b>	<b>0.4</b>	<b>190.7</b>	<b>£ 41,851.00</b>	<b>219.46</b>
<b>Total Time Cost</b>		<b>£ 12,480.00</b>	<b>£ 21,577.50</b>	<b>£ 0.00</b>	<b>£ 0.00</b>	<b>£ 7,753.50</b>	<b>£ 40.00</b>	<b>£ 41,851.00</b>		
<b>Average Rates</b>		<b>320.00</b>	<b>225.00</b>	<b>0.00</b>	<b>0.00</b>	<b>139.95</b>	<b>100.00</b>	<b>219.46</b>		