In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10

Notice of administrator's progress report

Companies House

FRIDAY

A6KD38CB
A07 01/12/2017 #392
COMPANIES HOUSE

A6JAND76
A21 16/11/2017 #27
COMPANIES HOUSE

1 Company details

Company number	09668975
Company name in full	DITECSA UK LIMITED

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

2 Administrator's name

Full forename(s)	PETER
Surname	O'HARA

3 Administrator's address

Building name/number	WESLEY HOUSE
Street	HUDDERSFIELD ROAD
	BIRSTALL
Post town	BATLEY
County/Region	WEST YORKSHIRE
Postcode	WF17 9EJ
Country	

4 Administrator's name ❶

Full forename(s)	N/A
Surname	

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	N/A
Street	
Post town	
County/Region	
Postcode	
Country	

❷ **Other administrator**
Use this section to tell us about another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	31 03 2017
To date	30 09 2017

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X X
Signature date	d d m m y y y y

Our Ref: POH/MJS
Your Ref:

20th October 2017

To the Creditors

O'Hara & Co

Wesley House
Huddersfield Road
Birstall
Batley
WF17 9EJ

Tel: 01924 477449
Fax: 01924 475262

Dear Sirs

DITECSA UK LIMITED IN ADMINISTRATION

Pursuant to Rule 18.6 of the Insolvency (England & Wales) Rules 2016, I write to provide you with a progress report on the above matter. Enclosed for your attention is a copy of my up to date receipts and payments account and a time costs summary in Statement of Insolvency Practice 9 format. This report should be read in conjunction with my report and proposals for achieving the purpose of the administration of the above company sent to creditors on the 26th May 2017.

1. **Details of Appointment**

Name of Company:	Ditecsa UK Limited
Company number:	09668975
Court reference:	High Court of Justice, Chancery Division, Leeds District Registry, no 330 of 2017
Registered office:	Wesley House Huddersfield Road Birstall Batley WF17 9EJ
Administrator:	Peter O'Hara
Date of appointment:	31st March 2017
Authorising Body:	Insolvency Practitioners Association IP number 6371

2. **Asset Realisations**

A Chattel Assets and Stock

My agents, C W Harrison & Co were able to retrieve chattel assets from a site at Wellingborough at which the Company had been undertaking works. Those assets realised the sum of £3,182 as indicated in the attached summary of receipts and payments.

No other assets were realised from the Worksop or Manchester site.

B Other Realisations

The solicitors acting for the Company at the date of administration (Hawkeswell Kilvington) were holding £4,553.86 on account of costs. These funds have been used to meet ongoing legal costs. I have also received the deposit of £1,550 in respect of the Petitioner's Deposit on the application to court.

C Cash at Bank

In the statement of affairs, it was anticipated that the bank accounts held the sums of £433,778 and £212,128 euros. I have received the sum of £622,545 in total from the bank.

D LINDE Contract – Manchester

As previously reported, the Company was involved in a contract to construct a bio-mass plant at Manchester on behalf of LINDE. Whilst the contract was substantially completed, some final works were required which were undertaken by Ditecsa SA Limited, the holding company of Ditecsa UK Limited. The works have now been finally concluded and the amount outstanding under the contract has been submitted for payment. I instructed quantity surveyors Cooper & Hall, to deal with this matter on my behalf. As a result of their efforts, LINDE have made an interim payment of £279,170. A final additional claim of 161,867 euros plus VAT was recently submitted for payment.

An apportionment of the value of the contract between Ditecsa UK Limited and Ditecsa SA Limited has still to be agreed.

E SIRO (CEREALTO) Contract – Worksop

The main purpose of the administration is to enable the Company to pursue an adjudication in respect of a contract undertaken by the Company at a site in Worksop with SIRO UK Limited (now rebranded CERALTO UK Limited).

I have appointed the abovenamed Cooper & Hall to quantify the Company's claim and prepare the supporting evidence and documentation for the purposes of the adjudication. I have also retained the services of Claire Swann who was an employee of Ditecsa UK Limited to assist Cooper & Hall in their efforts to formulate the claim.

I have also instructed Hawkswell Kilvington solicitors to pursue the adjudication on behalf of the Company.

The claim is extensive and complex and has resulted in a number of progress and strategic planning meetings being necessary between myself and the professionals concerned. It was decided that before the matter progressed to formal adjudication, the claim should be discussed quantity surveyor to quantity surveyor with a view to narrowing down the issues in dispute to be determined at the adjudication.

The complexity of the formulation of the case has also resulted in the adjudication being adjourned. Initially the adjudicator's decision was due by the 21st April 2017 but that was unrealistic in circumstances where the Company had been placed into administration and needed time to formulate its claim. The adjudication was adjourned initially until the 31st July but has subsequently been postponed until January 2018 to enable the case to be properly formulated and presented to the adjudicator.

The quantity surveyors investigations have brought to light the following issues:

1 The scale of the difference between the works originally contracted to be supplied by the Company for the project and the variations and extras subsequently requested by SIRO UK Limited is significant. It is anticipated that the Company's claim will be in excess of the £1,174,264 estimate referred to in the statement of affairs.

2 Discrepancies have become apparent in relation to some subcontractors claims for works undertaken. These discrepancies may have an effect on the ultimate level of claims to be admitted in the administration.

Creditors

Secured

There are no secured creditors

Preferential

Whilst the director's estimated statement of affairs anticipated arrears of pay/holiday pay to be approximately £3,000, no claim has yet been received. This may be due to the fact that the Company had only one employee as at the date of the administration and as indicated earlier she has been retained by the Company for the time being. Consequently it is anticipated that there will be no claim by this class of creditor.

Unsecured

The director's statement of affairs anticipated claims in the region of £4,653,156. To date I have received claims totalling £2,349,213. The following issues remain outstanding:

1 As indicated (see paragraph 2E2), claims are being verified by the quantity surveyors and I reserve the right to challenge any overstated claim.

2 The above figures do not include any claim from Ditecsa SA. Ditecsa SA have informed me that SIRO had obtained a performance bond from Banco Santander which SIRO have enforced, Banco Santander has made payment as required by Spanish law and Ditecsa SA has been required to reimburse the bank under its guarantee. I am seeking evidence to verify the above facts but it is anticipated that Ditecsa SA's claim as a creditor of the Company will increase as a result of this payment although the ultimate effect will depend on the outcome of the adjudication of the claim against SIRO UK Limited. The amount guaranteed was £550,000.

3. Administrator's Proposals

The Administrator's proposals were circulated to creditors on 26th May 2017. A meeting of creditors was conducted by correspondence pursuant to Paragraph 58 of Schedule B1 of the Insolvency Act 1986, and the proposals were approved on 9th June 2017. Certain creditors challenged the validity of those proposals but, as creditors are aware, the High Court of Justice validated my proposals on the 28th July 2017.

4. Administrators' Remuneration

A Pre Administration Costs

I received the sum of £20,000 from the Company to meet my anticipated costs.

I incurred and have been paid pre appointment time costs of £14,190 as agreed in the Administrator's proposals from this deposit for costs. The balance of funds is included in the receipts and payments account attached.

B Post Appointment Costs

My post appointment time costs are reflected in the attached Statement of Insolvency Practice 9 time costs summary and total £81,935. I have not drawn any fees on account against these costs to date.

At present the remuneration expected to be charged by me is unlikely to exceed the fees estimate previously approved by creditors.

As reflected in the attached receipts and payments account, I have also made various payments in relation to disbursements, including agents' fees to C W Harrison & Son of £2,322, legal fees to Hawkswell Kilvington Solicitors and Wilkinsons Solicitors and Clarion (petitioning creditors' solicitors) in a total sum of £18,004, quantity surveyor fees to Cooper & Hall of £24,324, insurance costs (employer liability insurance) to Marsh of £110, bonding costs of £1,030 and £143 for statutory advertising..

In addition, as I have retained the services of Claire Swann. I have incurred direct salary costs of £14,299 plus £3,955 PAYE/NIC together with her expenses (rent and telephone) as set out in the attached statement of affairs together with £50 paid to date to the Company's accountants to maintain the payroll for this employee.

5. **Conclusion**

I trust the above is self-explanatory although should you require any further information, please do not hesitate to contact me. In the meantime, I can confirm that the Administration Order will automatically end on 30th March 2018. In the event that the purposes of the Administration cannot be completed by 30th March 2018, I will either seek an extension of time to complete the Administration or, alternatively, place the Company into an alternative insolvency proceeding to enable any remaining issues to be resolved.

Yours faithfully

Peter O'Hara
Administrator

Ditecsa UK Limited
(In Administration)

ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 31/03/2017 To 30/09/2017 £	From 31/03/2017 To 30/09/2017 £
RECEIPTS			
Plant & Machinery		3,182.00	3,182.00
Work in Progress (Manchester)	Uncertain	279,170.82	279,170.82
Work-In-Progress (Worksop)	1,174,264.00	0.00	0.00
Book Debts (Manchester)	Uncertain	0.00	0.00
Book Debts (Worksop)	1,730,798.00	0.00	0.00
Yorkshire Water Refund		20.21	20.21
Cash at Bank (Euro Account)	212,128.00	0.00	0.00
Cash at Bank (Sterling Account)	433,778.00	622,545.35	622,545.35
Cash in Hand of Solicitors		4,553.86	4,553.86
Contribution to Costs		20,000.00	20,000.00
Petitioners Deposit		1,550.00	1,550.00
		931,022.24	931,022.24
PAYMENTS			
Purchases (1)		521.55	521.55
Direct Labour		14,299.40	14,299.40
Employees Expenses		5,407.04	5,407.04
Rents		4,000.00	4,000.00
Telephone		1,404.88	1,404.88
PAYE/NIC		3,955.40	3,955.40
Payroll Expenses		50.00	50.00
Specific Bond		1,030.00	1,030.00
Pre-Appointment Time Costs		14,190.00	14,190.00
Quantity Surveyors Fees		24,324.90	24,324.90
Agents Fees (Chattel Assets)		2,322.70	2,322.70
Legal Fees		11,214.10	11,214.10
Counsels Fees		1,500.00	1,500.00
Petitioners Legal Fees		5,290.00	5,290.00
Statutory Advertising		143.00	143.00
Insurance of Assets		110.00	110.00
Employee Arrears/Hol Pay	(3,000.00)	0.00	0.00
Trade & Expense Creditors	(3,741,249.00)	0.00	0.00
Employees	(1,500.00)	0.00	0.00
Inter-Company	(822,526.00)	0.00	0.00
HM Revenue & Customs (PAYE / NIC)	(1,753.00)	0.00	0.00
HM Revenue & Customs (VAT)	(85,590.00)	0.00	0.00
HM Revenue & Customs (CIS)	(538.00)	0.00	0.00
Ordinary Shareholders	(10,000.00)	0.00	0.00
		89,762.97	89,762.97
Net Receipts/(Payments)		841,259.27	841,259.27

MADE UP AS FOLLOWS

Time Entry - SIP9 Time & Cost Summary

D396 - Ditecsa UK Limited
All Post Appointment Project Codes
To: 30/08/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	92.10	0.00	16.20	22.80	131.10	37,775.00	288.14
Case Specific Matters	0.00	0.00	7.30	0.00	7.30	1,970.00	269.86
Creditors	38.70	0.00	22.80	4.20	65.70	17,730.00	269.86
Investigations	5.30	0.00	11.20	0.00	16.50	4,650.00	281.82
Realisation of Assets	38.70	0.00	13.40	0.00	52.10	15,032.50	288.53
Trading	4.10	0.00	13.00	0.00	17.10	4,777.50	279.39
Total Hours	**178.90**	**0.00**	**83.90**	**27.00**	**289.80**	**81,935.00**	**282.73**
Total Fees Claimed						**0.00**	
Total Disbursements Claimed						**0.00**	