

# AM10

## Notice of administrator's progress report



Companies House

TUESDAY



\*A93XDTIP\*

A14

28/04/2020

#271

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

Post town Birstall, Batley

County/Region West Yorkshire

Postcode WF17 9EJ

Country

### 4 Administrator's name ①

Full forename(s)

Surname

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② 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	d	0	d	1	m	1	m	0	y	2	y	0	y	1	y	9
To date	d	3	d	1	m	0	m	3	y	2	y	0	y	2	y	0

### 7 Progress report

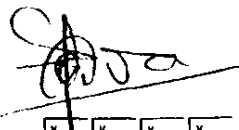
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

d	2	d	1	m	0	m	4	y	2	y	0	y	2	y	0
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AM10

Notice of administrator's progress report



**Presenter information**

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

Contact name **Mike Sharp**

Company name **O'Hara & Co**

Address **Wesley House**

**Huddersfield Road**

Post town **Birstall, Batley**

County/Region **West Yorkshire**

Postcode **W F 1 7 9 E J**

Country

DX **insol@ohara.co.uk**

Telephone **01924 477449**



**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



**Important information**

All information on this form will appear on the public record.



**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**Ditecsa UK Limited  
(In Administration)  
Administrator's Trading Account**

Statement of Affairs £	From 01/10/2019 To 31/03/2020 £	From 31/03/2017 To 31/03/2020 £
PURCHASES		
Purchases (1)	NIL	521.55
	NIL	(521.55)
OTHER DIRECT COSTS		
Direct Labour	NIL	16,425.07
Employees Expenses	NIL	6,427.14
	NIL	(22,852.21)
TRADING EXPENDITURE		
PAYE/NIC	NIL	4,746.60
Payroll Expenses	NIL	200.00
Rents	NIL	4,000.00
Telephone	NIL	1,404.88
	NIL	(10,351.48)
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>NIL</b>	<b>(33,725.24)</b>

**Ditecsa UK Limited**  
**(In Administration)**  
**Administrator's Summary of Receipts & Payments**

Statement of Affairs £	From 01/10/2019 To 31/03/2020 £	From 31/03/2017 To 31/03/2020 £	
ASSET REALISATIONS			
	Bank Interest Gross	143.80	1,036.66
Uncertain	Book Debts (Manchester)	NIL	NIL
1,730,798.00	Book Debts (Worksop)	NIL	NIL
212,128.00	Cash at Bank (Euro Account)	NIL	NIL
433,778.00	Cash at Bank (Sterling Account)	NIL	622,545.35
	Cash in Hand of Solicitors	NIL	4,553.86
	Contribution to Costs	NIL	20,000.00
	Linde Contract	NIL	NIL
	Petty cash realisation	NIL	46.06
	Plant & Machinery	NIL	3,182.00
	Rent Deposits	NIL	5,177.00
	Trading Surplus/(Deficit)	NIL	(33,725.24)
Uncertain	Work in Progress (Manchester)	NIL	429,764.70
1,174,264.00	Work-In-Progress (Worksop)	NIL	NIL
	Yorkshire Water Refund	NIL	20.21
		143.80	1,052,600.60
COST OF REALISATIONS			
	Additional Works in Manchester (Spain)	NIL	24,952.96
	Agents Fees (Chattel Assets)	NIL	2,322.70
	Bank Charges	NIL	15.00
	Carriage Charges	NIL	125.00
	Corporation Tax	NIL	75.62
	Counsels Fees	NIL	1,500.00
	Court Fees	25.00	25.00
	Insurance of Assets	NIL	222.00
	Legal Fees	23,001.00	111,385.08
	O.R. Remuneration	NIL	NIL
	Petitioners Deposit	NIL	(1,550.00)
	Petitioners Legal Fees	NIL	5,290.00
	Pre-Appointment Time Costs	NIL	14,190.00
	Quantity Surveyors Fees	13,872.46	325,007.25
	Rents Payable	NIL	5,500.00
	Specific Bond	NIL	1,520.00
	Statutory Advertising	NIL	143.00
	Wages & Salaries	NIL	NIL
		(36,898.46)	(490,723.61)
PREFERENTIAL CREDITORS			
(3,000.00)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(1,500.00)	Employees	NIL	NIL
(538.00)	HM Revenue & Customs (CIS)	NIL	NIL
(2,291.00)	HM Revenue & Customs (PAYE / NIC)	NIL	NIL
(85,590.00)	HM Revenue & Customs (VAT)	NIL	NIL
(822,526.00)	Inter-Company	NIL	NIL
(3,741,249.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(10,000.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(1,115,726.00)		(36,754.66)	561,876.99
REPRESENTED BY			

**Ditecsa UK Limited**  
**(In Administration)**  
**Administrator's Summary of Receipts & Payments**

Statement of Affairs £	From 01/10/2019 To 31/03/2020 £	From 31/03/2017 To 31/03/2020 £
REPRESENTED BY CONTINUED		
Bank 1 Current		553,837.00
Vat Receivable		8,039.99
		<b>561,876.99</b>

  
\_\_\_\_\_  
Peter O'Hara  
Administrator

Our Ref: POH/MJS  
Your Ref:

9<sup>th</sup> April 2020



Wesley House  
Huddersfield Road  
Birstall  
Batley  
WF17 9EJ

Tel: 01924 477449  
Fax: 01924 475262



**To the Creditors**

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 reports and proposals for achieving the purpose of the administration of the above company sent to creditors on the 26<sup>th</sup> May 2017 and the previous progress reports

**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: 31<sup>st</sup> March 2017  
Authorising Body: Insolvency Practitioners Association  
IP number 6371

By order of the High Court of Justice dated 19<sup>th</sup> February 2020 the administration was extended until the 31<sup>st</sup> March 2021. The reason for the extension was to enable me to continue to pursue the substantial claim in the adjudication against Siro (UK) Limited (now Cerealto (UK) Limited)

## 2. **Asset Realisations**

### ***A Chattel Assets and Stock***

All chattel assets have been realised as set out in my first report to creditors. I have not been made aware of any additional chattel assets and do not expect to make any further recoveries of this nature.

### ***B Rent Deposits***

There are no further rent deposits to be recovered.

### ***C Interest***

Additional bank interest of £143.80 has been received on monies held by me in the administration since the last report

### ***D The Linde Contract***

This matter has been finalised with an injection of £429,764 into the administration and no claim from Linde for breach of contract although further works totalling £24,952 were incurred to meet the costs of completing the works by Ditecsa SA.

### ***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 CEREALTO UK Limited).

As previously indicated, I appointed Cooper & Hall to quantify the Company's claim and prepare the supporting evidence and documentation for the purposes of the adjudication and Hawkswell Kilvington as 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.

The matter was referred to the adjudicator for determination of the issue of liability ie which party was responsible for terminating the contract and whether such termination was in breach of contract. As previously reported that determination found in favour of Ditecsa (UK ) Limited ie it was CEREALTO (UK) Limited which was in breach of contract and should not have denied Ditecsa (UK) Limited access to the Worksop site in January 2017.

It has been intimated by CEREALTO (UK) Limited that it intends to apply to court to overturn that decision. To date no application to court has been made as far as I am aware.

The adjudication did not determine the level of Ditecsa UK Limited's claim against CEREALTO (UK) Limited. The adjudicator recognised that on some issues, Ditecsa UK Limited had not performed in accordance with the contract and damages would have been a suitable remedy to compensate CEREALTO (UK) Limited for such deficiencies.

As CEREALTO (UK) Limited has not initiated any action at this stage, my solicitors are preparing to issue a second adjudication to determine the issue of quantum. This referral is due to be issued this month (April).

I would repeat that I am still willing to negotiate a settlement with CEREALTO (UK) Limited to bring the matter to a swift conclusion. However indications are



that they are not prepared to meet to discuss the matter at this point in time and appear to be preparing to proceed through the court process. If they proceed in this manner, the case could take some considerable time to reach a conclusion.

The formulation of the claim has also involved various members of staff of Ditecsa SA who were involved in the contract. An additional expense of the administration will be the cost of co-opting the involvement of Ditecsa SA and its staff. Various meetings, conference calls and visits from the staff of Ditecsa SA's staff in Spain and elsewhere in Europe have been necessary to understand the mechanics of the contract and legal obligations and requirements of both parties to the building works and the instructions given to the company by CEREALTO by those involved at the time.

Ditecsa SA have indicated that they are willing to allow the funds set aside to meet their costs payable in the administration to be used to fund the continuing action against CEREALTO UK Limited on the strict understanding that they will be payable out of realisations from the claim in priority to unsecured creditors. Unsecured creditors are in no worse a position as a result of this arrangement. If necessary after that, I will investigate possible third party funding to fight the claim.

All costs associated with the pursuit of the claim will be included in the schedule of claim. The addition of these costs and interest are a substantial additional liability I will be pursuing

## **Creditors**

### ***Secured***

There are no secured creditors

### ***Preferential***

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 £6,083,724.

A number of claims are still not admitted as they relate to the Worksop contract and may change depending on whether the adjudicator determines that Ditecsa UK Limited was in breach due to its subcontractors' breaches. The creditors concerned will be contacted in the event that CEREALTO (UK) Limited challenges the claim which Ditecsa UK Limited is pursuing for the quality of the subcontractors' works.

As I have indicated to creditors previously, the advice I have received is that if the adjudication is pursued to its conclusion and is successful, creditors should be paid in full. Creditors have shown great patience to date and the result before the adjudicator has reinforced the pursuit of the claim and the ultimate benefits to creditors. As I have also explained previously, if the adjudication had been discontinued, creditors would have received less than 20p in the £. **It makes financial sense to continue to pursue this claim to its end and thereby seek an injection of funds for creditors which should be a figure with at least seven digits.**

### 3. Administrators' Remuneration

My post appointment time costs are reflected in the attached Statement of Insolvency Practice 9 time costs summary and total £212,617. I have not drawn any fees on account against these costs to date although I have authorisation from creditors to draw up to £221,215.

As can be seen, my costs which have accrued since the 1<sup>st</sup> October 2019 are in the sum of £15,772.

### 4 Conclusion

Unfortunately at this stage I cannot give a definitive timescale for the conclusion of this case but I am mindful that creditors have already waited three years for a resolution of this administration and I am pressing for it to be finalised as quickly as possible. However if court action is issued by CEREALTO UK Limited, I must prepare creditors for a long process. Furthermore, with the current pandemic, it will be difficult to progress action through the courts although the pursuit of the latest adjudication should be easier to achieve and this will be the focus of our action at the present time.

I trust the above is self-explanatory although should you require any further information, please do not hesitate to contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter O'Hara', written over a horizontal line.

Peter O'Hara  
Administrator

**Ditecsa UK Limited**  
**(In Administration)**  
**Administrator's Summary of Receipts and Payments**

<b>RECEIPTS</b>	<b>Statement of Affairs (£)</b>	<b>From 31/03/2017 To 30/09/2019 (£)</b>	<b>From 01/10/2019 To 31/03/2020 (£)</b>	<b>Total (£)</b>
Plant & Machinery		3,182.00	0.00	3,182.00
Work in Progress (Manchester)	Uncertain	429,764.70	0.00	429,764.70
Work-In-Progress (Worksop)	1,174,264.00	0.00	0.00	0.00
Book Debts (Manchester)	Uncertain	0.00	0.00	0.00
Book Debts (Worksop)	1,730,798.00	0.00	0.00	0.00
Rent Deposits		5,177.00	0.00	5,177.00
Yorkshire Water Refund		20.21	0.00	20.21
Cash at Bank (Euro Account)	212,128.00	0.00	0.00	0.00
Cash at Bank (Sterling Account)	433,778.00	622,545.35	0.00	622,545.35
Cash in Hand of Solicitors		4,553.86	0.00	4,553.86
Petty cash realisation		46.06	0.00	46.06
Bank Interest Gross		892.86	143.80	1,036.66
Contribution to Costs		20,000.00	0.00	20,000.00
Petitioners Deposit		1,550.00	0.00	1,550.00
		<b>1,087,732.04</b>	<b>143.80</b>	<b>1,087,875.84</b>
<b>PAYMENTS</b>				
Purchases (1)		521.55	0.00	521.55
Direct Labour		16,425.07	0.00	16,425.07
Employees Expenses		6,427.14	0.00	6,427.14
Rents		4,000.00	0.00	4,000.00
Telephone		1,404.88	0.00	1,404.88
PAYE/NIC		4,746.60	0.00	4,746.60
Payroll Expenses		200.00	0.00	200.00
Specific Bond		1,520.00	0.00	1,520.00
Pre-Appointment Time Costs		14,190.00	0.00	14,190.00
Court Fees		0.00	25.00	25.00
Quantity Surveyors Fees		311,134.79	13,872.46	325,007.25
Agents Fees (Chattel Assets)		2,322.70	0.00	2,322.70
Legal Fees		88,384.08	23,001.00	111,385.08
Counsels Fees		1,500.00	0.00	1,500.00
Corporation Tax		75.62	0.00	75.62
Petitioners Legal Fees		5,290.00	0.00	5,290.00
Additional Works in Manchester (Spain)		24,952.96	0.00	24,952.96
Statutory Advertising		143.00	0.00	143.00
Rents Payable		5,500.00	0.00	5,500.00
Insurance of Assets		222.00	0.00	222.00
Bank Charges		15.00	0.00	15.00
Carriage Charges		125.00	0.00	125.00
Employee Arrears/Hol Pay	(3,000.00)	0.00	0.00	0.00
Trade & Expense Creditors	(3,741,249.00)	0.00	0.00	0.00
Employees	(1,500.00)	0.00	0.00	0.00
Inter-Company	(822,526.00)	0.00	0.00	0.00
HM Revenue & Customs (PAYE / NIC)	(2,291.00)	0.00	0.00	0.00
HM Revenue & Customs (VAT)	(85,590.00)	0.00	0.00	0.00
HM Revenue & Customs (CIS)	(538.00)	0.00	0.00	0.00
Ordinary shareholders	(10,000.00)	0.00	0.00	0.00
		<b>489,100.39</b>	<b>36,898.46</b>	<b>525,998.85</b>
<b>Net Receipts/(Payments)</b>		<b>598,631.65</b>	<b>(36,754.66)</b>	<b>561,876.99</b>

**Ditecsa UK Limited**  
**(In Administration)**  
**Administrator's Summary of Receipts and Payments**

MADE UP AS FOLLOWS

Bank 1 Current	586,051.86	(32,214.86)	553,837.00
VAT Receivable / (Payable)	12,579.79	(4,539.80)	8,039.99
	<b>598,631.65</b>	<b>(36,754.66)</b>	<b>561,876.99</b>

  
\_\_\_\_\_  
Peter O'Hara  
Administrator

# Time Entry - SIP9 Time & Cost Summary

D396 - Ditecsa UK Limited  
All Post Appointment Project Codes  
To: 31/03/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	229.80	0.00	89.10	62.00	381.00	117,355.00	308.02
Case Specific Matters	0.00	0.00	12.20	0.00	12.20	3,440.00	281.97
Creditors	40.10	0.00	60.30	11.30	111.70	30,350.00	271.74
Investigations	13.40	0.00	65.80	0.50	79.70	23,740.00	297.87
Realisation of Assets	73.60	0.00	28.70	0.00	102.30	32,595.00	318.62
Trading	4.40	0.00	14.00	0.00	18.40	5,137.50	279.21
<b>Total Hours</b>	<b>361.40</b>	<b>0.00</b>	<b>270.10</b>	<b>73.80</b>	<b>705.30</b>	<b>212,617.50</b>	<b>301.46</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

# Time Entry - SIP9 Time & Cost Summary

D396 - Ditecsa UK Limited  
All Post Appointment Project Codes  
From: 01/10/2019 To: 30/03/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	12.70	0.00	5.10	4.80	22.60	7,372.50	326.22
Case Specific Matters	0.00	0.00	0.80	0.00	0.80	240.00	300.00
Creditors	0.00	0.00	2.90	0.00	2.90	870.00	300.00
Investigations	2.00	0.00	8.00	0.50	10.50	3,262.50	310.71
Realisation of Assets	7.70	0.00	3.80	0.00	11.50	4,027.50	350.22
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>22.40</b>	<b>0.00</b>	<b>20.60</b>	<b>5.30</b>	<b>48.30</b>	<b>15,772.50</b>	<b>326.55</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	