

The Insolvency Act 1986

Administrator's progress report

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

Name of Company

Dawson International Trading Limited

Company number

SC162162

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

IAWe (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

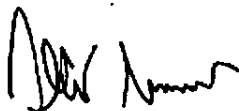
to

(b) Insert date(s)

(b) 15 August 2016

(b) 14 February 2017

Signed



Administrator

Dated

28 February 2017

Contact Details:

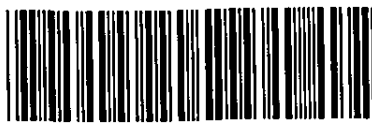
You do not have to give any contact
information in the box opposite but if
you do, it will help Companies House to
contact you if there is a query on the
form.

The contact information that you give
will be visible to searchers of the
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SATURDAY



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Administrator's
progress
report for the
period 15
August 2016
to 14 February
2017

Dawson International Trading
Limited - in Administration

27 February 2017

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+DC81391052.html>. We hope this is helpful to you.

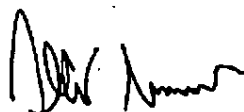
Please also note that an important legal notice about this progress report is attached (Appendix 5).

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1 Executive summary

- This progress report covers the period from 15 August 2016 to 14 February 2017.
- As previously reported, all of the Company's assets have now been sold and no further realisations are anticipated. The only outstanding issue preventing the completion of the administration is the legacy environmental issue, which is complex and could take a considerable period of time to resolve (Section 2 - Progress to date).
- Based upon the Directors' statement of affairs and the level of asset realisations a dividend will be payable to DITL's unsecured creditors. The dividend amount will also depend on any costs that may be incurred in connection with, or unsecured claims relating to, the legacy environmental issue (Section 3 - Dividend prospects).
- 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+DC81391052.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

All of the Company's assets have now been sold and no further realisations are anticipated.

The only outstanding issue preventing the completion of the administration is the legacy environmental issue.

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 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 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 potentially take a further 12 months for it to be completed. We hope that this work will confirm the results of the work that we previously commissioned Arcadis 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 also undertaken to write to us by the end of March 2017, setting out their views on which party/parties are liable for remediating the historical contamination. This will be helpful for establishing whether or not

the Company or the Administrator has any liability for continuing to operate the Pump and Treat system or whether any potential liability could arise if it is switched off.

As previously reported, we have previously been in correspondence with the landowner of the site in an attempt to reach a commercial settlement with him regarding the ongoing operation of the Pump and Treat system. Whilst we are firmly of the opinion that neither the Company nor the Administrator are liable for the historic contamination or remediating it, we had considered paying the landowner a "risk premium" as an expense of the administration in exchange for him taking over responsibility for the ongoing running of the Pump and Treat system. Unfortunately, the landowner's demands were far too high in the context of the ongoing running costs of the Pump and Treat system, the level of risk involved and the value of the land.

Disappointingly, the landowner also refused our invitation to take part in the all-parties facilitated meeting with the Environment Agency notwithstanding the Administrator's offer to meet his share of the third party facilitator's costs. Consequently, we do not believe that there is any realistic prospect of negotiating a sensible commercial settlement with the landowner and we do not intend entering into any further dialogue with him regarding a commercial settlement unless he materially reduces his expectations regarding the level of risk premium that the Administrator might be prepared to pay.

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 issue will be key to us progressing 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).

Summaries of the most significant realisations during the period are provided below.

There were no significant asset realisations during the period other than bank interest of £3,667.60.

As reported in our previous report, a final intercompany dividend of £3,199.39 was received from DIHL.

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.

Environmental issue legal fees

During the period fees totalling £11,442.50 were paid to our advisors, Burges Salmon, in respect of legal advice regarding the legacy environmental issue.

Environmental issue expenses

A total of £5,178.41 was incurred in respect of the Surveillance Officer during the period.

Environmental issue employee expenses

Costs totalling £1,241.13 were incurred in respect of the environmental issue, including:

- £824.58 to Northumbrian Water in respect of lab analysis of water samples;
- £290.46 to James H Wood engineers for maintenance of the pump and treat system;
- £53.55 to Northumbrian Water in respect of trade effluent discharge fees;
- £40.00 to Shunters Limited for the carriage of water samples for analysis; and
- £32.54 to Scottish Power in respect of the utilities for operating the system.

Solicitors' fees

During the period fees totalling £2,585.00 were paid to CMS Cameron McKenna LLP in relation to the extension of the administration and the renewal of caveats.

3 Dividend prospects

3.1 Secured creditors

The Company's pre-appointment trade debtors were subject to an invoice discounting facility with GECF. The facility was in credit on appointment and GECF had no secured claim. GECF formally reassigned the remaining debtor balances to the Company and they were then sold to SSL.

3.2 Preferential creditors

We estimate the amount of preferential claims to be £3,000.

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100p in the £. The timing and amount of any dividend are dependent upon the realisations and associated costs of the administration.

3.3 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when the environmental issue is resolved.

The dividend amount will depend upon the quantum of unsecured creditors' claims, which includes claims in respect of the deficits on the defined benefit pension schemes operated by the Company. The dividend amount will also depend on any costs that may be incurred in connection with, or unsecured claims relating to, the legacy environmental issue.

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 claims amount to £58.7 million for the Staff Scheme and £37.5 million for

the Works Scheme. The quantum of the PPF's claims will dilute the overall level of dividend available to unsecured creditors.

4 Administrator's remuneration, outlays and disbursements

Remuneration and outlays

During the administration the creditors have provided approval for:

- remuneration and outlays of £726,767.15 - £19,377.50 of which was drawn during the period and £13,723.25 which will be drawn shortly; and
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statements of Insolvency Practice 9) to be charged in accordance with KPMG's policy as set out in Appendix 3.

Time costs

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 August 2016 to 14 February 2017. We have also attached our charging and disbursements policy.

From 15 August 2016 to 14 February 2017, we have incurred time costs of £53,139.25. These represent 126.30 hours at an average rate of £420.74 per hour.

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

Disbursements

During the period, we have not incurred any disbursements.

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:

- 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 preferential and unsecured creditors; and
- Attending to all other statutory and administrative matters.

5.2 Extension of the administration

The administration is currently due to end on 14 August 2017.

Whilst we will endeavour to finalise the outstanding matters as soon as possible, given the complexity of the environmental issue, it is unlikely to be resolved by 14 August 2017. As a result, we may need to submit an application to Court to extend the period of the administration. If you object to such an extension please write to us at KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG United Kingdom by no later than 5pm on Friday 31 March 2017. If we do not hear from creditors by this date, we will assume that there are no objections to the extension and will make an application if and when necessary.

5.3 Future reporting

We intend to provide a further progress report within six weeks of 14 August 2017, or earlier if the administration has been completed or an extension request is required.

Appendix 1 Statutory information

Company information

Company name	Dawson International Trading Limited
Date of incorporation	12 September 1995
Company registration number	SC162162
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 2017

Appendix 2 Administrator's receipts and payments account

Dawson International Trading Limited - in Administration

Trading accounts

Statement of Affairs (£)	From 15/08/2016 To 14/02/2017 (£)	From 15/08/2012 To 14/02/2017 (£)
POST-APPOINTMENT SALES		
Sales	NIL	1,665,671.50
Post - Early Settlement Discount	NIL	(2,758.28)
	NIL	1,662,913.22
PURCHASES		
Yarn	NIL	(657,637.24)
Other disposable materials	NIL	(8,597.98)
Exporting Costs	NIL	(50.00)
Petty cash	NIL	(1,093.25)
	NIL	(667,378.47)
OTHER DIRECT COSTS		
Direct labour	NIL	(624,086.60)
	NIL	(624,086.60)
TRADING EXPENSES		
Designer agent fees	NIL	(3,575.01)
IT expenses	NIL	(7,433.52)
Rates	NIL	(5,158.36)
Water rates	NIL	(3,077.24)
Heat & light	NIL	(28,751.30)
Telephone/Telex/Fax	NIL	(3,650.91)
Carriage	NIL	(24,790.49)
Professional fees	NIL	(762.50)
Bank charges & interest	NIL	(23,307.79)
Repairs and maintenance	NIL	(5,031.07)
Sundry expenses	NIL	(8,370.31)
Commission on sales	NIL	(116,429.12)
Vehicle running costs	NIL	(1,716.78)
Advertising	NIL	(588.06)
Stationery & postage	NIL	(765.35)
	NIL	(233,407.81)
Trading surplus/(deficit)	NIL	138,040.34

Dawson International Trading Limited - in Administration**Abstract of receipts & payments**

Statement of affairs (£)		From 15/08/2016 To 14/02/2017 (£)	From 15/08/2012 To 14/02/2017 (£)
ASSET REALISATIONS			
441,000.00	Plant & machinery	NIL	404,430.00
123,000.00	Stock	NIL	1,050,300.00
566,000.00	Stock - work in progress	NIL	NIL
1,678,000.00	Book debts	NIL	NIL
	Pre-appointment book debts	NIL	2,093,503.89
	Goodwill	NIL	400,000.00
912,000.00	Cash at bank	NIL	1,048,338.24
	Cash in Hand	NIL	626.61
		NIL	4,997,198.74
OTHER REALISATIONS			
	Bank interest, gross	3,667.60	80,727.38
	VAT refund	NIL	79,584.58
	Sundry refunds	NIL	5,444.54
	Trading surplus/(deficit)	NIL	138,040.34
	Bank charges	NIL	(3,721.70)
	Other refunds	NIL	3,794.91
105,000.00	Loans and advances	NIL	NIL
579,000.00	Other property	NIL	NIL
	Intercompany dividends	3,199.39	162,152.08
		6,866.99	466,022.13
COST OF REALISATIONS			
	Specific bonds	NIL	(1,200.00)
	Administrators' fees	(19,377.50)	(713,043.90)
	Agents'/Valuers' fees	2,313.41	(2,186.59)
	Legal fees	(2,585.00)	(62,591.66)
	Environmental issue legal fees	(11,442.50)	(81,184.54)
	Environmental issue employee costs	(5,178.41)	(49,162.00)
	Environmental issue expenses	(1,241.13)	(68,265.11)
	Stationery & postage	NIL	(208.75)
	Storage costs	NIL	(100.40)
	Statutory advertising	NIL	(151.34)
	Other property expenses	NIL	(1,714.80)
	Insurance of assets	(275.00)	(3,178.15)

Dawson International Trading Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 15/08/2016 To 14/02/2017 (£)	From 15/08/2012 To 14/02/2017 (£)
	Bank charges	(120.00)	(2,172.29)
	Pringle site costs	NIL	(2,102.00)
		(37,906.13)	(987,261.53)
	PREFERENTIAL CREDITORS		
(95,600.00)	Employees' wage arrears	NIL	(85,637.76)
(80,000.00)	Employees' holiday pay	NIL	NIL
(4,000.00)	Conts. to pension schemes	NIL	NIL
		NIL	(85,637.76)
	UNSECURED CREDITORS		
(518,000.00)	Trade creditors and accruals	NIL	NIL
(329,000.00)	Other liabilities	NIL	(13,730.54)
(222,000.00)	Sales agents	NIL	NIL
(4,136,000.00)	Inter-co Dawson International PLC	NIL	NIL
(152,000.00)	PAYE and National Insurance	NIL	NIL
(329,000.00)	Environmental	NIL	NIL
(117,700,000.00)	Pension schemes	NIL	NIL
		NIL	(13,730.54)
(119,161,600.00)		(31,039.14)	4,376,591.04
	REPRESENTED BY		
	Floating charge current		4,374,244.94
	PAYE/NIC		(149.33)
	Floating ch. VAT rec'able		2,495.43
			4,376,591.04

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](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 Bonthron 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 Trading Limited – in Administration		
Grade	From 01 Oct 2015 £/hr	From 01 Nov 2016 £/hr
Partner	595	625
Director	535	560
Senior Manager	485	510
Manager	405	425
Senior Administrator	280	295
Administrator	205	215
Support	125	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 Tuesday 11 April 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 Bonthron at KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG United Kingdom.

Narrative of work carried out for the period 15 August 2016 to 14 February 2017

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ preparing statutory receipts and payments accounts; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ monitoring and reviewing the administration strategy, particularly with regard to the legacy environmental issue; ■ regular reviews of progress, including regular team update meetings and calls; ■ reviewing and authorising junior staff correspondence and other work; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	<ul style="list-style-type: none"> ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle 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	<ul style="list-style-type: none"> ■ preparing and submitting VAT426 forms to HM Revenue & Customs to reclaim post appointment input VAT; ■ liaising with tax colleagues to prepare and submit corporation tax returns for the year ended 14 August 2016; ■ dealing with post appointment tax compliance.
General	<ul style="list-style-type: none"> ■ 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.
Health and safety	<ul style="list-style-type: none"> ■ liaising with internal health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; ■ liaising with both internal and external legal and environmental advisors in relation to the legacy environmental issue on the site of the former Pringle of Scotland factory in Berwick upon Tweed; ■ liaising with our Surveillance Office in respect of the operation of the pump and treat system; ■ ensuring adequate repair and maintenance of the pump and treat system is performed; ■ corresponding with the Environment Agency; ■ arranging and attending a facilitated meeting with the Environment Agency and their advisors; ■ performing required sampling in line with the terms of the abstraction license.
Employees	<ul style="list-style-type: none"> ■ preparing payroll payments for the retained Surveillance Officer; ■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns; ■ communicating and corresponding with HM Revenue and Customs.
Creditors and claims	<ul style="list-style-type: none"> ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ drafting our progress report.
Reporting	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of the Pension Protection Fund regarding the progress of the administration and case strategy.

Time costs

SIP 9 – Time costs analysis (15/08/2016 to 14/02/2017)

	Hours				Total	Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support			
Administration & planning							
Cashiering							
Fund management			0.40		0.40	112.00	280.00
General (Cashiering)		1.00	4.30		5.30	1,638.50	309.15
Reconciliations (& IPS accounting reviews)		0.40			0.40	194.00	485.00
General							
Books and records			0.40		0.40	82.00	205.00
Fees and WIP	1.20	3.00	0.30		4.50	2,171.00	482.44
Statutory and compliance							
Checklist & reviews		0.50			0.50	202.50	405.00
Reports to creditors		4.20			4.20	1,785.00	425.00
Strategy documents	1.20	0.20			1.40	739.00	527.86
Tax							
Post appointment corporation tax		0.90	4.25		5.15	1,369.00	265.83
Post appointment PAYE		0.10	4.40		4.50	1,346.50	299.22
Post appointment VAT		2.10			2.10	870.50	414.52
Creditors							
Creditors and claims							
General correspondence			1.20		1.20	250.00	208.33
Statutory reports	11.80	7.40	1.60		20.80	10,193.00	490.05
Employees							
Correspondence		0.30	18.90		19.20	4,775.00	248.70
Pension funds		0.60	0.25		0.85	354.25	416.76
Pensions reviews			3.50		3.50	872.50	249.29
Realisation of assets							
Asset Realisation							
Environmental issue	7.80	43.40			51.20	25,869.00	505.25
Other assets		0.30			0.30	121.50	405.00
Trading							
Trading							
Purchases and trading costs		0.40			0.40	194.00	485.00
Total in period	22.00	64.80	39.50	0.00	126.30	53,139.25	420.74

SIP 9 – Time costs analysis (15/08/2016 to 14/02/2017)

	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total	
Brought forward time (appointment date to SIP 9 period start date)					2,691.85	777,226.50
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)					126.30	53,139.25
Carry forward time (appointment date to SIP 9 period end date)					2,818.15	830,365.75

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

All time shown in the above analysis is charged in units of six minutes.

Appendix 4 Glossary

Administrator/we/our/us	Blair Nimmo
Court	Court of Session, Edinburgh
Company	Dawson International Trading Limited
DIHL	Dawson International Holdings (UK) Limited
DIPLC	Dawson International PLC
Group	DIPLC and its subsidiaries
KPMG	KPMG LLP
PPF	Pension Protection Fund
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 Trading Limited – 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.

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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 Administrator 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 appointment 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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