

## The Insolvency Act 1986

**Administrator's progress report****2.24B**

Name of Company Dorsub (RSH) Limited (Formerly Richard Shops Holdings Limited)	Company number 01738921
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 2407 of 2011

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

We, Philip Francis Duffy of MCR, The Chancery, 58 Spring Gardens, Manchester, M2 1EW and Paul David Williams of MCR, 43-45 Portman Square, London, W1H 6LY,

Joint Administrators of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 29 March 2011

(b) 28 September 2011

Signed

Joint Administrators

Dated

21 October 2011

**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

MCR  
43-45 Portman Square  
London  
W1H 6LY

7 7240



A10

24/10/2011  
COMPANIES HOUSE

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Completed and signed this form please send it to the Registrar of Companies at  
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DX 33050 Cardiff

MONDAY

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**Dorsub (RSH) Limited (Formerly Richard Shops Holdings Limited)  
(In Administration)**

**Joint Administrators' Progress Report to Creditors  
for the period from 29 March 2011 to 28 September 2011  
pursuant to Rule 2.47(1) of the  
Insolvency Rules 1986 (as amended)**

**21 October 2011**



CORPORATE  
RESTRUCTURING

**Names of Joint Administrators:** Philip Francis Duffy  
Paul David Williams

**Date of appointment:** 29 March 2011

**Date of report:** 21 October 2011

**Appointed by:** the directors of the Company

**Court reference:** High Court of Justice, Chancery Division, Companies  
Court, London, Court number 2407 of 2011

**MCR**  
**43-45 Portman Square**  
**London**  
**W1H 6LY**



CORPORATE  
RESTRUCTURING

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## DEFINITIONS

Dorsub (RSH) Limited (In Administration)	the Company
Philip Duffy and Paul Williams, both of MCR	the Joint Administrators
The Insolvency Act 1986 (as amended)	the Act
The Insolvency Rules 1986 (as amended)	the Rules
Report to Creditors together with our Statement of Proposals dated 11 May 2011	together "the Proposals"
37/37A Coney Street, York	the Property
Jones Lang LaSalle Limited (formerly King Sturge LLP)	JLL
Statement of Affairs, documentation supplied by the director outlining the Company's financial position as at 29 March 2011	SoA
Creditors' Voluntary Liquidation	CVL
Mastcraft Limited	Mastcraft
EC Regulation on Insolvency Proceedings 2000	EC Regulation



## **1. INTRODUCTION**

- 1.1 The Joint Administrators were appointed Joint Administrators of the Company on 29 March 2011 by the directors of the Company pursuant to Paragraph 22 of Schedule B1 to the Act.
- 1.2 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators are being exercised by either of the Joint Administrators.
- 1.3 The purpose of this report is to provide creditors with details of the progress of the Administration, in accordance with Rule 2.47(1) of the Rules, for the six month period to 28 September 2011.

## **2. JOINT ADMINISTRATORS' REPORT AND STATEMENT OF PROPOSALS**

- 2.1 The Joint Administrators issued the Proposals on 11 May 2011.
- 2.2 In accordance with Paragraph 51 of Schedule B1 to the Act, a creditors' meeting was held at 43-45 Portman Square, London, W1H 6LY on 2 June 2011. The Joint Administrators' Proposals were approved at that meeting.
- 2.3 As advised in the Proposals, the Joint Administrators must perform their functions with the purpose of achieving one of the following hierarchical objectives:
- Rescuing the company as a going concern; or
  - Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration); or
  - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.4 The purpose of the Administration was to achieve the second objective. The Administration may facilitate the assignment of leases, if required by the Company's landlords, which would assist them in reducing their indebtedness. If the Company had been wound up, this would not have been possible.

## **3. PROGRESS OF THE ADMINISTRATION**

- 3.1 The manner in which the affairs and business of the Company have been managed since the appointment of Joint Administrators and will continue to be managed and financed are set out below.

### **Leasehold Property**

- 3.2 As previously reported, the Company was party to a head-lease and two sub-leases in respect of the Property.
- 3.3 The Property consists of two units, one of which is sub-leased to a high street retailer and the other is sub-leased to a Chinese Restaurant. The sub-tenants continue to trade from the Property, as far as the Joint Administrators are aware. The Joint Administrators have advised the landlord that they and the Company have no interest in the Property.

- 3.4 The Joint Administrators appointed independent agents, JLL, to value the lease and advise them on property related matters. JLL indicated that the lease is unlikely to hold any premium value for the Company. The Joint Administrators therefore offered a surrender of the lease to the landlord. To date, the lease has not been surrendered.

**Cash Held**

- 3.5 As previously reported, as at 29 March 2011, the Company's cash at bank totalled £106,990. This has now been received into the Administration bank account

**Trade Debtor**

- 3.6 As previously reported, the SoA lists outstanding debtors totalling £5,858, which relates to the two sub-tenants at the Property. The Joint Administrators have been liaising with the director in respect of these. To date, £2,144 has been paid to the Company's parent company by one tenant and the Joint Administrators are in the process of realising these funds. The balance of £3,714 is being pursued from the other sub-tenant.

**VAT Recoverable**

- 3.7 The SoA states that there is VAT recoverable of £11,250. The Joint Administrators have ascertained that the VAT is not recoverable as the VAT was not accounted for or paid to HM Revenue & Customs by the Company.

**Bank Interest**

- 3.8 Bank interest of £238 has been received to date. Where possible, the funds held by the Joint Administrators have been placed in deposit accounts in order to achieve the highest rate of interest available.

**4. INVESTIGATIONS**

- 4.1 The Joint Administrators' investigations into the Company's affairs are currently ongoing. Should any of the Company's creditors have information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, please contact this office.
- 4.2 The Joint Administrators have a statutory obligation to file a report with the Department for Business, Innovation & Skills regarding the conduct of all directors of the Company that served in the three years prior to the appointment. The content of this report is confidential and was submitted to the Insolvency Practitioners Compliance Unit on 14 September 2011.

**5. DIVIDEND PROSPECTS / PRESCRIBED PART**

**Secured Creditors**

- 5.1 The Company does not have any secured creditors.

**Preferential Creditors**

- 5.2 No preferential claims have been received in respect of the Company.

- 5.3 The Company did not have any employees and it is therefore anticipated that there will be no preferential creditors.

#### **Non-Preferential Creditors**

- 5.4 According to the SoA, non-preferential creditors' claims total £683,661 (please note the Joint Administrators' comment below). The non-preferential creditors' claims are summarised as follows.

	£
Rental arrears	67,500
Contingent claims	564,075
Other creditors	52,086
<b>Total</b>	<b>683,661</b>

- 5.5 The Joint Administrators note that there is a minor error in the SoA in that the unsecured creditor figure is quoted as £683,661 in the list of creditors and £681,575 in the summary. The Joint Administrators understand that £683,661 is the correct figure.
- 5.6 Prior to the Joint Administrators' appointment, the Company was involved in a dispute with Mastcraft Limited ("Mastcraft") regarding a dilapidations claim at a property formerly tenanted by the Company. Mastcraft has submitted a claim of £93,771, however, Mastcraft's claim in the SoA is recorded at only £50,000. The Joint Administrators are in correspondence with Mastcraft's solicitors regarding Mastcraft's claim.
- 5.7 It should be noted that a contingent claim to the value of £564,075 has been put in the SoA, however, this relates entirely to the Property. As the Joint Administrators believe that the Property remains tenanted, they do not consider that the landlord of the Property will have a damages claim for breach of contract.
- 5.8 Based upon the current information available, there will be sufficient realisations to enable a dividend to be paid to the non-preferential creditors of the Company.

#### **6. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

- 6.1 A Receipts and Payments account, for the period 29 March 2011 to 28 September 2011, is attached at Appendix 2, along with a cumulative Receipts and Payments account to date.

#### **7. STATEMENT OF PRE-ADMINISTRATION COSTS**

- 7.1 As previously reported, MCR incurred time costs of £2,841 plus VAT prior to the Joint Administrators' appointment. This work included a review of the financial position of the Company, discussing the options available with the directors and preparing the relevant documentation for the Company to be placed into Administration. None of these time costs were paid by the Company prior to the Joint Administrators' appointment. It was necessary to incur these costs prior to the Company being placed into Administration as it assisted the directors with forming a view that the Company was insolvent.
- 7.2 At the initial meeting of creditors held on 2 June 2011, the Joint Administrators' proposal to draw the pre-administration costs and expenses of £2,841 plus VAT and disbursements, in accordance with Rules 2.67A(3) and 2.33(2)(ka) of the Rules, was approved. Accordingly,



time costs of £2,841 plus VAT and disbursements of £11 plus VAT have since been paid as an expense of the Administration.

## 8 JOINT ADMINISTRATORS' COSTS AND EXPENSES

- 8.1 In accordance with Rule 2.106 of the Rules, the Joint Administrators' remuneration was fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration, at the creditors' meeting held on 2 June 2011.
- 8.2 For the period from 29 March 2011 to 14 October 2011 the Joint Administrators have incurred time costs of £40,476 and disbursements of £209. An analysis of the Joint Administrators' time costs and disbursements is attached at Appendix 3, in accordance with Statement of Insolvency Practice 9.
- 8.3 In accordance with the resolution passed at the creditors' meeting, the Joint Administrators have drawn remuneration of £33,500 and disbursements of £129
- 8.4 Information regarding the fees of Administrators called a Creditors' guide to Administrators' fees can be found at [www.mcr.uk.com](http://www.mcr.uk.com). Should you require a copy, please contact this office.
- 8.5 The Joint Administrators have also incurred the following expenses in dealing with the Administration:

Description	Payee	Details of work provided	Amount Incurred (exc VAT) (£)
Agent's Fees	Jones Lang LaSalle Limited	Valuation of leases	1,500 00
Legal Fees	BrookStreet Des Roches LLP	General ad hoc legal matters and assistance with the Mastcraft's claim	1,312 50
Statutory Advertising	Courts Advertising Limited	Advertising of the meeting of creditors and the Joint Administrators' appointment in line with statutory requirements	227 70
Bordereau	Willis (UK) Limited	Provision of Joint Administrators' bond	210 00
HMCS Filing Fees	Her Majesty's Court Services	Filing of appointment documents	30 00
Companies House Services	Companies House	Purchase of company searches	14 00
Solicitors Swear Fees	Magrath LLP	Swearing of appointment documents	10 00

- 8.6 The Joint Administrators' choice of agents instructed was based on their perception of the ability and experience to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Administrators' fee arrangement with them
- 8.7 In accordance with Rule 2.48A of the Rules, secured creditors and unsecured creditors (with the concurrence of at least 5% in value of total unsecured creditor claims) may make a request in writing for further information about the remuneration or expenses set out in this progress report. This should be done within 21 days receipt of this report, after which the Joint Administrators have 14 days to respond

- 8 8 In addition to the above, any secured creditor, or any unsecured creditor (with the support of at least 10% in value of the total unsecured creditors or with the permission of the court), may apply to the Court on the grounds that the remuneration or basis fixed for the Joint Administrators' remuneration or the expenses incurred by the Joint Administrators are considered to be excessive. In accordance with Rule 2.109 of the Rules, this application must be made no later than 8 weeks after receipt of the Progress Report, where the charging of the remuneration or the incurring of expenses in question occurs.

## **9. EC REGULATION**

- 9.1 It is the Joint Administrators' opinion that the EC Regulation apply and these proceedings are main proceedings as defined in Article 3 of the EC Regulation. The centre of main interest of the Company is in England.

## **10. CREDITORS' MEETING**

- 10 1 In accordance with Paragraph 51 of Schedule B1 to the Act, a creditors' meeting was held at 43-45 Portman Square, London, W1H 6LY on 2 June 2011.
- 10.2 The Proposals were approved at the meeting

## **11. CONCLUSION AND ENDING THE ADMINISTRATION**

- 11.1 As set out in the Proposals, the Administration will automatically come to an end after one year, unless an extension is granted by the Court or with the creditors' consent
- 11.2 The Joint Administrators' will shortly be taking steps to move the Company into CVL, as it is likely that there are sufficient funds to enable a dividend to be paid to the unsecured non-preferential creditors of the Company

## **12. NEXT REPORT**

- 12.1 Pursuant to Paragraph 83(3) of Schedule B1 to the Act, Form 2.34B, being a notice to move from Administration to CVL, will be filed with the Registrar of Companies. Upon the filing of this form, the Joint Administrators will be appointed Joint Liquidators of the Company and the Administration will come to an end. A further report to creditors will be issued at this point.
- 12.2 If you have any queries or require any further assistance, please do not hesitate to contact Emma Peskett of this office

  
**Philip Duffy**  
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Philip Duffy and Paul Williams, who act as agents for the Company and without personal liability. The Joint Administrators are licensed by the Insolvency Practitioners Association.

## **APPENDIX 1**

### **Statutory Information**

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## STATUTORY INFORMATION

**Date of incorporation** 12 July 1983

**Registered number** 01738921

**Company directors** Richard Leeroy Burchill  
Gillian Hague  
Mark Anthony Healey

**Company secretary** Kimberly Donna Rodie

**Shareholders** Richards Investments Limited

**Trading address** N/A – dormant company

**Registered Office**

Current:	Formerly:
43-45 Portman Square London W1H 6LY	Colegrave House 70 Berners Street London W1T 3NL

**Previous names:** Richard Shops Holdings Limited (to 25 October 2010)

Financial information	Year ended 29 August 2009 (Audited) £'000	Year ended 29 August 2008 (Audited) £'000
Income from fixed asset investments	-	3,202
Dividend – interim paid	(43,067)	-
(Sustained loss) /retained profit for the year	(43,067)	3,202



## **APPENDIX 2**

### **Joint Administrators' Receipts and Payments Account**



**Dorsub (RSH) Limited (Formerly Richard Shops Holdings Limited)**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs £	From 29/03/2011 To 28/09/2011 £	From 29/03/2011 To 21/10/2011 £
	<b>ASSET REALISATIONS</b>	
5,858 00	Debtors	NIL
11,250 00	Recoverable VAT	NIL
106,990 20	Cash Held	106,994.42
	Bank Interest Gross	239 76
<u>124,098.20</u>		<u>107,234 18</u>
	<b>COST OF REALISATIONS</b>	
	Pre-Administration Costs	(2,841.00)
	Pre-Administration Disbursements	(11.00)
	Joint Administrators' Remuneration	(31,000 00)
	Joint Administrators' Disbursements	(129 60)
	Agent's / Valuer's Fees	(1,500.00)
	Legal Fees	(1,312 50)
	Statutory Advertising	(152 10)
	Bank Charges	(4 44)
		<u>(36,950 64)</u>
	<b>UNSECURED CREDITORS</b>	
(67,500.00)	Rental arrears	NIL
(564,075.00)	Contingent claims	NIL
<u>(52,086 00)</u>	Other creditors	<u>NIL</u>
(683,611.00) *		NIL
	<b>DISTRIBUTIONS</b>	
(1 00)	Ordinary Shareholders	NIL
<u>(1 00)</u>		<u>NIL</u>
<u><b>(559,513.80)</b></u>		<u><b>70,237.74</b></u>
	<b>REPRESENTED BY</b>	
	VAT Receivable	7,889 24
	Floating / Main Current Account	9,659.51
	Deposit Account	50,234 79
		<u><b>67,783.54</b></u>

\* Note - see comments at paragraph 5 5 of the Joint Administrators' report

## **APPENDIX 3**

### **Analysis of Time Charged and Expenses Incurred**

## Dorsub (RSH) Limited (In Administration)

### Analysis of Joint Administrators' time costs for the period 29 March 2011 to 7 October 2011

Classification of Work Function	Hours					Total Hours	Time Cost £	Av hourly Rate £
	Partner	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Statutory matters (Meetings, Reports and Notices)	13 20	6 70	19 40	22 10		61 40	18,545 50	302 04
Strategy planning & control	0 10	2 60	9 10	4 80		16 60	4,628 50	278 83
Cashiering & accounting	0 40	3 00	2 60	1 20		7 20	2,307 00	320 42
Case review and Case Diary management	0 10	0 90	2 10	4 00		7 10	1,730 50	243 73
IPS set up & maintenance		1 40		0 60		2 00	706 50	353 25
Dealings with Directors and Management		0 30		1 50		1 80	385 50	214 17
Tax Compliance/Planning		0 40	0 40	0 10		0 90	307 00	341 11
Insurance			0 20	1 10		1 30	245 00	188 46
Statement of affairs	0 10	0 30				0 40	185 00	462 50
<b>Investigations</b>								
CDDA, reports & Communication		0 60	3 60	5 80		10 00	2,291 00	229 10
Financial review and investigations (S238/239 etc)		1 10		0 40		1 50	546 50	364 33
<b>Realisation of Assets</b>								
Freehold and Leasehold Property		5 00	12 20	9 40		26 60	7,311 00	274 85
Book debts			0 50	0 70		1 20	264 00	220 00
Other Tangible Assets		0 20				0 20	87 00	435 00
<b>Creditors</b>								
Communications with Creditors/Employees		0 70	0 50	1 50		2 70	704 50	260 93
Non Pref Creditors/Employee claims handling			0 50			0 50	145 00	290 00
Non Pref Creditor claims adjudication and dist'n		0 20				0 20	87 00	435 00
<b>Total Hours</b>	<b>13 90</b>	<b>23 40</b>	<b>51 10</b>	<b>53 20</b>	<b>0 00</b>	<b>141 60</b>		<b>285 85</b>
<b>Total Fees Claimed (£)</b>	<b>6,717 50</b>	<b>10,071 00</b>	<b>14,794 00</b>	<b>8,894 00</b>	<b>0 00</b>		<b>40,476 50</b>	

### Analysis of Category 1 Disbursements

Function	£
Bordereau	80 00
Statutory Advertising	75 60
HMCS Fee	30 00
Company Search	14 00
Solicitor's Fees	10 00
<b>Total</b>	<b>209 60</b>

### Category 2 Disbursements

There are no category 2 disbursements for this case to date