

The Insolvency Act 1986

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

|  |                                    |
|--|------------------------------------|
| Name of Company<br>DOSGL (2008) Realisations Limited<br>(Formerly Duffer of St George Ltd) | Company number<br>2947379          |
| In the<br>Manchester District Registry<br>(full name of court)                             | For court use only<br>3884 of 2008 |

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

We (a) Stephen Gerard Clancy and David John Whitehouse of MCR, 11 St James Square, Manchester, M2 6DN,

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

From

To

(b) Insert date

(b) 17 May 2009

(b) 16 November 2009

Signed

Joint Administrator

Dated

16.11.2009

**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 is:

MCR  
11 St James Square  
Manchester  
M2 6DN

M2 6DN



A17

COMPANIES HOUSE

Completed and signed this form please send it to the Registrar of Companies at:

The Registrar of Companies, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

**DOSGL (2008) Realisations Limited (Formerly Duffer of St George Ltd)  
(In Administration)**

**Joint Administrators' Progress Report to Creditors  
for the period from 17 May 2009 to 16 November 2009  
pursuant to Rule 2.47(1) of the  
Insolvency Rules 1986 as amended**

**19 November 2009**

**Names of Joint Administrators:** Stephen Gerard Clancy  
David John Whitehouse

**Date of appointment:** 17 November 2008

**Date of report:** 19 November 2009

**Appointed by:** Lloyds TSB Commercial Finance Limited trading as Alex  
Lawrie Factors of Boston House, Little Green, Richmond,  
Surrey TW9 1QE as qualifying floating chargeholder

**Court reference:** Manchester District Registry no. 3884 of 2008

**MCR Corporate Restructuring**  
**11 St James Square**  
**Manchester**  
**M2 6DN**

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## **1. INTRODUCTION**

- 1.1 Stephen Gerard Clancy and David John Whitehouse of MCR Corporate Restructuring ("MCR") were appointed joint administrators of DOSGL (2008) Realisations Limited (Formerly Duffer of St George Ltd) ("Duffer" and "the Company") on 17 November 2008 by Lloyds TSB Commercial Finance Limited ("Lloyds"), the holder of a qualifying floating charge under Paragraph 14 of Schedule B1 to the Insolvency Act 1986 ("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 administrators.
- 1.3 The purpose of this report is to provide creditors with details of the progress of the administration since my last report to creditors dated 16 June 2009.
- 1.4 This report should be read in conjunction with the joint administrators' earlier reports to creditors dated 9 January 2009 and 16 June 2009.

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

- 2.1 The joint administrators issued their initial report to creditors together with their statement of proposals ("the Proposals") on 9 January 2009.
- 2.2 In accordance with Paragraph 52(1) of Schedule B1 to the Act, a creditors' meeting was not required to be held as there will be insufficient realisations to enable a distribution to non-preferential creditors. No meeting was convened and in accordance with Rule 2.33(5) of the Insolvency Rules 1986 ("the Rules") the Proposals were deemed to have been approved by creditors, following the expiration of the 12 day period in which a meeting could be requested by creditors.
- 2.3 As advised in the Proposals, the joint administrators must perform their functions with the purpose of achieving one of the following 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 joint administrators have been successful in achieving the second and third objectives.

## **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.

### **Asset Realisations**

- 3.2 At the date of appointment, the Company had effectively ceased trading. The only viable option was to seek a sale of the assets in the short term.
- 3.3 An offer was received from Inhoco 3493 Ltd ("Inhoco") prior to our appointment. The offer was accepted and the sale completed on 17 November 2008.
- 3.4 The consideration was apportioned as follows:

| <b>Asset</b>          | <b>£</b>         |
|-----------------------|------------------|
| Intellectual Property | 1,253,088        |
| Book Debts            | 127,919          |
| Stock                 | 38,000           |
| <b>Total</b>          | <b>1,419,007</b> |

### **Book debts**

- 3.5 The Company's book debts were subject to an invoice finance agreement with Lloyds. The debts were sold to Inhoco on 17 November 2008. Lloyds accepted £127,919 in full and final settlement of their debt.

### **Stock**

- 3.6 The stock was valued by the joint administrators' agents, Edward Symmons LLP. The market value ex situ was estimated at £10,500. Edward Symmons LLP recommended that the joint administrators accept the offer of £38,000 from Inhoco.

### **Cash at bank**

- 3.7 The sum of £12,717 has been received following the closure of the Company's bank account.

### **Royalties**

- 3.8 In August 2007 DOSGL entered into an agreement with a major high street store to sell the St George by Duffer brand which had been sold on an exclusive licence. The final payment of £495,000 plus VAT on the licence has been received.

### **Bank Interest**

- 3.9 Gross bank interest of £611 has been received to date.

## **4. INVESTIGATION**

- 4.1 The joint administrators have a statutory obligation to file a report with the Department for Business, Enterprise & Regulatory Reform 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 15 May 2009.

## 5. DIVIDEND PROSPECTS / PRESCRIBED PART

### Secured Creditors

- 5.1 All secured creditors were discharged in full under the sale agreement.

### Preferential Creditors

- 5.2 The estimated preferential claims are £21,000, and work is now being undertaken to agree these claims.
- 5.3 The preferential creditors' claims consist of employee claims for arrears of pay and holiday pay, the majority of which are likely to be subrogated to the Department of Business, Enterprise and Regulatory Reform following payment to the employees by the Redundancy Payments Office ("RPO").
- 5.4 The RPO submitted a preferential claim totalling £6,465.14 on 21 October 2009 in respect of payments made to the Company's former employees.
- 5.5 Based on the current information, it is anticipated that preferential claims will be paid in full.

### Prescribed Part

- 5.6 Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a prescribed part of the company's net property shall be made available to unsecured creditors.
- 5.7 The Company granted a floating charge to Lloyds on 15 July 2000, accordingly there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors.

### Non-Preferential Creditors

- 5.8 According to the directors' statement of affairs, non-preferential creditors total £1,488,626. The non-preferential creditors can be summarised as follows:

|                           | £                |
|---------------------------|------------------|
| Trade & Expense Creditors | 366,310          |
| HMRC - VAT                | 16,671           |
| HMRC - PAYE/NIC           | 113,457          |
| Directors Loans           | 900,888          |
| Employee Claims           | 91,300           |
| <b>Total</b>              | <b>1,488,626</b> |

- 5.9 Due to the realisation under the licence in respect of royalties, it is anticipated that there will be a distribution to the non-preferential creditors of the Company. The joint administrators will take steps to move from administration to creditors' voluntary liquidation in order for the dividend to non-preferential creditors to be paid.

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

- 6.1 A detailed receipts and payments account, for the period 17 November 2008 to 16 November 2009 is shown at Appendix 2.
- 6.2 As at 16 November 2009, there was a cash balance of £542,952.

## **7 COSTS AND EXPENSES**

- 7.1 The time costs of the joint administrators and their staff are analysed at Appendix 3 in accordance with SIP9. To date, the joint administrators time costs total £110,568 and £45,000 has been drawn as remuneration, and £3,566 for pre-appointment costs.
- 7.2 It is anticipated that a further £13,000 of time costs will be incurred bringing the administration to a close.
- 7.3 In accordance with Rule 2.106(5A) of the Rules, as amended, the joint administrators' remuneration was approved by the preferential creditors. The remuneration is fixed by reference to the time properly given by them and their staffs. The joint administrators intend to draw a further £38,000 plus VAT and disbursements.

## **8. EC REGULATIONS**

- 8.1 It is the joint administrators' opinion that the EC Regulation on Insolvency Proceedings 2000 ("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.

## **9. EXTENSION OF ADMINISTRATION**

- 9.1 The Proposals advised that administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent.
- 9.2 In accordance with Paragraph 76(2)(b) of Schedule B1 to the Act, the joint administrators sought the consent of the preferential creditors to allow the term of the administration to be extended by a period of six months.
- 9.3 Such consent has been obtained from the preferential creditors in accordance with Paragraph 78(2)(b) of Schedule B1 to the Act.
- 9.4 The extension is necessary to deal with the distribution to the preferential creditors and to deal with outstanding tax issues. It is intended that once the tax and preferential creditors have been paid, the joint administrators will file a notice with the Registrar of Companies, pursuant to Paragraph 83 of Schedule B1 to the Act in order to move the Company from administration to creditors' voluntary liquidation in order to pay a dividend to the non-preferential creditors.
- 9.5 The administration has been extended until 16 May 2010. Attached at Appendix 4 is Form 2.31B – Notice of extension of period of Administration.



**10. NEXT REPORT**

- 10.1 The joint administrators are required to provide a progress report within one month of the end of the next six months of the administration. This report will be provided no later than 16 June 2010 or earlier if the administration has been finalised.
- 10.2 If you have any queries or require any further assistance, please do not hesitate to contact my colleague Emma Seaman of this office.



**Stephen Gerard Clancy**  
Joint Administrator

**APPENDIX 1**  
**Statutory Information**

## STATUTORY INFORMATION

|                                |   |  |
|--------------------------------|---|--|
| <b>Date of incorporation</b>   | 11 July 1994  |  |
| <b>Registered number</b>       | 2947379   |  |
| <b>Company directors</b>       | Edmund Anthony Prendergast<br>Marco Philip Cairns<br>Simon Christopher Harris |  |
| <b>Company secretary</b>       | Edmund Anthony Prendergast  |  |
| <b>Shareholders</b>            | Thomas Wern Heidecker<br>Edmund Prendergast<br>Marco Cairns                   | 70 Ordinary A Shares<br>15 Ordinary B Shares<br>15 Ordinary B Shares                 |
| <b>Trading address</b>         | St George's House<br>140 Shoreditch High Street<br>London<br>E1 6JE           |  |
| <b>Registered Office</b>       | Current:<br><br>11 St James Square<br>Manchester<br>M2 6DN                    | Formerly:<br><br>St George's House<br>140 Shoreditch High Street<br>London<br>E1 6JE |
| <b>Any Other Trading Names</b> | n/a   |  |

## **APPENDIX 2**

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

**DOSGL (2008) Realisations Limited (Formerly Duffer of St George Ltd)**  
**(In Administration)**

**Receipts and Payments Account**  
**17 November 2008 to 16 November 2009**

| <b>RECEIPTS</b>                     | <b>Total (£)</b>           |
|-------------------------------------|----------------------------|
| Overpayment                         | 5,875.00                   |
| Intellectual Property               | 1,253,088.16               |
| Book Debts                          | 128,081.42                 |
| Gross bank interest - fixed account | 4.71                       |
| Stock                               | 38,000.00                  |
| Directors' Compromise Agreements    | 15,000.00                  |
| Tax Refund                          | 684.37                     |
| Cash at Bank                        | 12,716.80                  |
| Sundry                              | 15.00                      |
| Bank Interest Gross                 | 651.26                     |
| Royalties                           | 495,000.00                 |
|                                     | <b><u>1,949,116.72</u></b> |

| <b>PAYMENTS</b>                     |                            |
|-------------------------------------|----------------------------|
| Legal Settlement                    | 4.34                       |
| Legal fess - fixed (1)              | 20,000.00                  |
| Agents/Valuers fees - fixed         | 3,862.49                   |
| Fixed bank charges                  | 29.71                      |
| Directors compromise payments       | 15,000.00                  |
| Refund of Overpayment               | 5,287.50                   |
| Dr Heidecker                        | 939,370.00                 |
| TCL Brand Investments Ltd           | 313,718.21                 |
| Lloyds TSB Commercial Finance       | 90,918.92                  |
| Joint administrators' remuneration  | 48,556.00                  |
| Joint administrators' disbursements | 674.00                     |
| Legal fees (1) - floating           | 30,000.20                  |
| Storage Costs                       | 695.38                     |
| Re-Direction of Mail                | 49.80                      |
| Statutory Advertising               | 184.50                     |
| Wages & Salaries                    | 1,552.00                   |
| Bank Charges                        | 23.00                      |
| Wilson Wright & Co                  | 700.00                     |
|                                     | <b><u>1,470,626.05</u></b> |

|                |                          |
|----------------|--------------------------|
| <b>Balance</b> | <b><u>478,490.67</u></b> |
|----------------|--------------------------|

**MADE UP AS FOLLOWS**

|                                  |                   |
|----------------------------------|-------------------|
| VAT Receivable                   | 5,353.97          |
| Floating/main current account    | 542,951.51        |
| VAT payable                      | (74,250)          |
| General VAT control account      | 3,855.82          |
| Fixed charge VAT control account | 579.37            |
|                                  | <b>478,490.67</b> |

## **APPENDIX 3**

### **Analysis of Time Costs**

# Duffer of St George Limited (In Administration)

## Analysis of Joint Administrators' time costs for the period up to 17 November 2008

| Classification of Work Function | Hours           |                 |               |              |         | Total<br>Hours | Time<br>Cost     | Average<br>Hourly Rate |
|---------------------------------|-----------------|-----------------|---------------|--------------|---------|----------------|------------------|------------------------|
|                                 | Partner         | Manager         | Senior        | Assistants   | Support |                |                  |                        |
|                                 |                 |                 |               |              |         |                | £                | £                      |
| General correspondence          | 0.20            |                 | 2.00          |              |         | 2.20           | 379.00           | 172.27                 |
| General admin                   | 0.60            |                 |               | 0.50         |         | 1.10           | 274.50           | 249.55                 |
| Strategy planning & control     | 14.30           | 24.00           |               |              |         | 38.30          | 10,693.50        | 279.20                 |
| Reporting to appointor          | 1.60            |                 |               |              |         | 1.60           | 552.00           | 345.00                 |
| Secured Creditors               | 0.50            |                 |               |              |         | 0.50           | 172.50           | 345.00                 |
| Reporting to company            | 2.10            |                 |               |              |         | 2.10           | 724.50           | 345.00                 |
| Meetings                        | 8.20            |                 |               |              |         | 8.20           | 2,829.00         | 345.00                 |
| <b>Total Hours</b>              | <b>27.50</b>    | <b>24.00</b>    | <b>2.00</b>   | <b>0.50</b>  |         | <b>54.00</b>   | <b>15,625.00</b> | <b>289.35</b>          |
| <b>Total Fees Claimed (£)</b>   | <b>9,487.50</b> | <b>5,760.00</b> | <b>310.00</b> | <b>67.50</b> |         |                | <b>15,625.00</b> |                        |

**DOSGL (2008) Realisations Limited (Formerly Duffer of St George Limited)**

**(In Administration)**

**Analysis of Joint Administrators' time costs for the period 17 November 2008 to 16 November 2009**

| Classification of Work Function               | Hours            |                  |                 |                  |         | Total<br>Hours | Time<br>Cost      | Average<br>Hourly Rate |
|---|------------------|------------------|-----------------|------------------|---------|----------------|-------------------|------------------------|
|   | Partner          | Manager          | Senior          | Assistants       | Support |                |                   |                        |
| Book debts                                    | 3.30             | 8.20             |                 |                  |         | 11.50          | 3,559.50          | 309.52                 |
| Cashiering & accounting                       | 0.70             | 1.50             | 6.80            | 8.80             |         | 17.80          | 3,810.50          | 202.84                 |
| CDDA reports                                  | 2.30             | 0.50             | 6.00            | 0.60             |         | 9.40           | 2,221.50          | 236.33                 |
| Employee matters                              |                  | 1.30             |                 | 29.60            |         | 30.90          | 4,493.50          | 145.42                 |
| Financial review                              | 4.00             | 0.20             |                 |                  |         | 4.20           | 1,436.00          | 341.90                 |
| Fixed charge assets                           | 6.60             |                  |                 |                  |         | 6.60           | 2,442.00          | 370.00                 |
| Floating charge assets                        | 58.90            | 12.10            |                 |                  |         | 71.00          | 28,318.50         | 370.68                 |
| General admin                                 | 3.00             | 1.10             | 0.50            | 65.60            |         | 70.20          | 10,991.50         | 156.57                 |
| General correspondence                        | 5.50             | 3.60             |                 | 12.90            |         | 22.00          | 4,984.00          | 226.55                 |
| Investigations (inc. antecedant transactions) |                  |                  |                 | 1.40             |         | 1.40           | 189.00            | 135.00                 |
| IPS set up & maintenance                      |                  | 0.20             |                 | 2.10             |         | 2.30           | 380.50            | 165.43                 |
| Meetings                                      | 3.40             | 4.00             |                 |                  |         | 7.40           | 2,213.00          | 299.05                 |
| Preferential creditors                        | 0.50             | 0.70             |                 |                  |         | 1.20           | 368.50            | 307.08                 |
| Proposals                                     | 8.00             | 25.00            | 2.90            | 11.10            |         | 47.00          | 12,344.50         | 262.85                 |
| Sale of business                              | 4.50             | 4.20             |                 |                  |         | 8.70           | 2,728.50          | 313.62                 |
| Secured Creditors                             | 2.90             |                  |                 | 0.50             |         | 3.40           | 1,183.00          | 347.94                 |
| Statement of affairs                          |                  |                  |                 | 1.30             |         | 1.30           | 201.50            | 155.00                 |
| Statutory meetings & reports                  | 1.40             | 2.90             | 1.00            | 23.10            |         | 28.40          | 5,100.50          | 179.60                 |
| Strategy planning & control                   | 31.60            | 39.30            | 3.00            | 9.50             |         | 83.40          | 24,216.00         | 290.36                 |
| Unsecured creditors                           | 1.10             | 2.20             |                 | 4.20             |         | 7.50           | 1,586.00          | 211.47                 |
| <b>Total Hours</b>                            | <b>137.70</b>    | <b>107.00</b>    | <b>20.20</b>    | <b>170.70</b>    |         | <b>435.60</b>  | <b>110,568.00</b> | <b>253.83</b>          |
| <b>Total Fees Claimed (£)</b>                 | <b>52,715.00</b> | <b>29,651.50</b> | <b>3,954.50</b> | <b>24,247.00</b> |         |                | <b>110,568.00</b> |                        |

**Analysis of category 2 disbursements**

| Classification of Work Function | Details of Payee | £           |
|---------------------------------|------------------|-------------|
|                                 |                  |             |
| <b>Total</b>                    |                  | <b>0.00</b> |



## **APPENDIX 4**

### **Form 2.31B - Notice of Extension of Period of Administration**

The Insolvency Act 1986  
**Notice of extension of period of administration 2.31B**

|  |   |
|--|---|
| Name of Company<br><br>DOSGL (2008) Realisations Limited<br>(Formerly Duffer of St George Ltd) | Company number<br><br>2947379             |
| In the<br>Manchester District Registry<br>(full name of court)                                 | <i>For court use only</i><br>3884 of 2008 |

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

We (a) Stephen Gerard Clancy and David John Whitehouse of MCR, 11 St James Square, Manchester, M2 6DN,

(b) Insert name and address of the registered office of company

having been appointed administrator(s) of (b) DOSGL (2008) Realisations Limited (Formerly Duffer of St George Ltd)  
 11 St James Square, Manchester, M2 6DN ("the company")

(c) Insert date of appointment

On (c) 17 November, 2008 by (d) Lloyds TSB Commercial Finance Limited trading as Alex Lawrie Factors of Boston

(d) Insert name of appointor/applicant

House, Little Green, Richmond, Surrey TW9 1QE

\*Delete as applicable

hereby give notice that the administration has been extended:

\*with the consent of the company's creditors

(e) Insert date

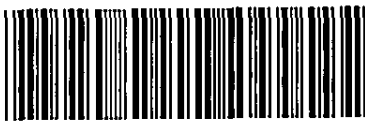
until (e) 17 May 2010

Signed Stephen Clancy  
 Joint Administrator  
 Dated 6 November 2009

**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  
 11 St James Square  
 Manchester  
 M2 6DN  
 Tel: 0161 827 9000



\*A5GNZF84\*

A17 24/11/2009 79  
 COMPANIES HOUSE

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

TUESDAY