

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company Torex Retail PLC	Company number 05034556
In the High Court of Justice (full name of court)	Court case number 4386 of 2007

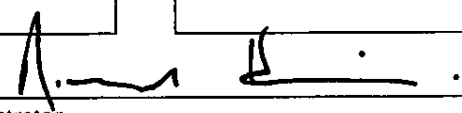
We
Richard Heis
KPMG LLP
8 Salisbury Square
London EC4Y 8BB
United Kingdom

Michael Vincent McLoughlin
KPMG LLP, 8 Salisbury Square
London
EC4Y 8BB
United Kingdom

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

from	to
19 December 2007	18 June 2008

Signed


Joint Administrator

Dated

30 June 2008

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 public record.

Simon Stibbons
KPMG LLP
8 Salisbury Square
London EC4Y 8BB
United Kingdom

DX Number DX 38050 Blackfriars

Tel
DX Exchange

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



A46

04/07/2008

156

COMPANIES HOUSE

FRIDAY



**Torex Retail PLC
(in administration)**

**Report to Creditors pursuant to Rule
2.47 of the Insolvency (Amendment)
Rules 2003**

30 June 2008

KPMG LLP

30 June 2008

This report contains 7 Pages



*Torex Retail PLC
(in administration)*

Report to Creditors pursuant to Rule 2.47 of the Insolvency (Amendment) Rules 2003

KPMG LLP

30 June 2008

Contents

1	Glossary	2
2	Introduction	3
3	Progress of the administration	3
3.1	Sale of business and assets	3
3.2	Leasehold property	3
3.3	Investigations	4
3.4	Tax and VAT	4
4	Receipts and payments	4
5	Creditors	4
5.1	Secured creditors	4
5.2	Preferential creditors	4
5.3	Unsecured creditors	5
6	Administrators' remuneration	5
7	Conclusion of the administrations	5
8	Future Reporting	6

Appendices

- 1 Joint Administrators' abstract of receipts and payments account to 18 June 2008



1 Glossary

Administration Order	The Administration Order granted by the High Court in respect of Torex Retail PLC dated 19 June 2007. Court administration order number 4386 of 2007.
Banks	Lenders under the £190 million credit facility agreement originally dated 12 May 2005 (as amended and restated) between, amongst others, Torex Retail PLC (as borrower) and the Royal Bank of Scotland PLC as facility agent. RBS is situated at 280 Bishopsgate, London EC2M 3UR.
Company	Torex Retail PLC (Previous registered office Telfer House, Range Road, Witney, Oxfordshire OX29 0YN and registered number 05034556).
Court Order	Court Order made in the High Court of Justice on 10 June 2008.
Joint Administrators	Richard Heis and Michael Vincent McLoughlin of KPMG LLP, 8 Salisbury Square, London EC4Y 8BB – appointed on 19 June 2007.
Opcos	All entities sold by the Company to Cerberus on 19 June 2007.
Paragraph 49 Report	Report to creditors pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986, dated 13 August 2007.
Prescribed Part	A distribution of the Company's net property in accordance with Section 176A of the Insolvency Act 1986.
TRHL	Torex Retail Holdings Limited, the Company that purchased the UK Opcos.
Trustee	Bank of New York, acting as trustee for the bondholders.

The references in this report to sections, paragraphs or rules are to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Amendment) Rules 2003 respectively.

2 Introduction

Richard Heis and Michael McLoughlin of KPMG LLP, 8 Salisbury Square, London EC4Y 8BB, were appointed as Joint Administrators of the Company on 19 June 2007 pursuant to the Administration Order issued by the High Court following an application by the Directors

As noted previously, in accordance with Paragraph 100(2) of Schedule B1 Insolvency Act 1986 the functions of the Joint Administrators are capable of being exercised by either one of them

In accordance with Rule 2.47 of the Insolvency (Amendment) Rules 2003, the Joint Administrators now set out their progress report for the six month period to 18 June 2008. This provides an update of the progress of the administration following on from their Paragraph 49 Report and their progress report for the period to 18 December 2007. Should any creditor not have received a copy of either of these reports for any reason we will be glad to provide a copy on request (to sebastian.kopis@kpmg.co.uk)

3 Progress of the administration

3.1 Sale of business and assets

As per our previous reports, we continue to deal with the complex issues surrounding the funds held in escrow following the sale to Cerberus. As noted in our Paragraph 49 Report, since the detailed terms of the sale are confidential, we are unable to comment on these issues in detail.

3.2 Leasehold property

The joint administrators allowed TRHL to remain in occupation of the leasehold premises at Hardwick Business Park and Beaumont House in Banbury under a short term licence agreement.

The licence agreement has now been terminated and we have paid the costs of TRHL's occupation from the licence fee in accordance with the licence agreement. The Joint Administrators have surrendered the leases to both properties and this matter is now finalised.



3.3 Investigations

As noted in our previous report we are unable to comment on any investigations into the affairs of the Company and potential claims

3.4 Tax and VAT

All pre-appointment corporation tax returns have now been filed with HM Revenue & Customs and we are now seeking to agree with HM Revenue & Customs that no queries will be raised into those returns

We have also now filed a corporation tax return for the short period to 30 June 2007, which is the period in which we sold the Opcos

We have submitted the final pre-appointment VAT return and HM Revenue & Customs is currently considering its position in relation to crown set off

4 Receipts and payments

A copy of the Joint Administrators Receipts & Payments account to 18 June 2008 is attached as Appendix 1

5 Creditors

5.1 Secured creditors

Our estimate of the Banks' claim remains £201.7 million (before interest from 19 June 2007). To date the Banks have received a total of £153.6 million (made up of fixed charge distributions of £59.6 million and a floating charge distribution of £5.9 million, as well as £88.1 million paid directly to the Banks by the Opcos). We currently estimate that the Banks will suffer a shortfall of approximately £8.7 million at the end of the administration

5.2 Preferential creditors

We have paid a dividend in the amount of £3,507.69 to the Company's sole preferential creditor in full and final settlement of his claim. Tax on this claim has been paid to HM Revenue and Customs

5.3 Unsecured creditors

The Company's net property was sufficient to make a maximum distribution of £600,000 (less costs) to unsecured creditors in accordance with Section 176A (Prescribed Part rules). This is the maximum amount of the prescribed part under the legislation.

A Court Order obtained on 10 June 2008 directed that the Joint Administrators may pay the Prescribed Part to the unsecured creditors. Accordingly, the sum of £570,000 (£600,000 less the relevant costs of the Joint Administrators and their legal advisors) was paid to unsecured creditors on 27 June 2008 as a first and final distribution of the Prescribed Part. This dividend equates to approximately 0.4 pence in the pound on the claims of unsecured creditors.

It is not anticipated that any further distributions will be paid to unsecured creditors.

6 Administrators' remuneration

As referred to in our previous progress report, in accordance with Rule 2.106 of The Insolvency Rules 1986, in situations where there are insufficient funds to pay a dividend to the unsecured creditors (other than by virtue of Section 176A), the Joint Administrators' costs are approved by the secured and preferential creditors.

The secured creditors approved the Joint Administrators' time costs, but despite our extensive communication with the sole preferential creditor he did not consent to the Joint Administrators' time costs. Consequently, we made a court application for directions that once the preferential creditor had been paid in full, we would no longer require his consent to our time costs.

The Court Order made on 10 June 2008 confirmed our view. We have therefore drawn our time costs for the period up to and including 9 May 2008 (as agreed by the secured creditors) in the sum of £887,806 plus VAT and disbursements.

7 Conclusion of the administrations

The purposes of the Administration are yet to be completed, and consequently the Joint Administrators are not in a position to conclude the administration at this time.

The Court Order extended the administration until 18 September 2010.

Once the outcome of the administration is resolved, the Joint Administrators will take the necessary steps to either put the Company into liquidation or for the Company to simply be dissolved (as set out in our Paragraph 49 Report).



*Torex Retail PLC
(in administration)
Report to Creditors pursuant to Rule 2.47 of the Insolvency (Amendment) Rules 2003
KPMG LLP
30 June 2008*

8 Future Reporting

In accordance with Rule 2.47 of the Insolvency (Amendment) Rules 2003, I intend to provide the creditors with my next report by January 2009

A handwritten signature in black ink, appearing to read 'Richard Heis', followed by a period.

Richard Heis
Joint Administrator

30 June 2008

RECEIPTS		£
Brought forward from previous Abstract (if Any)		69 474,654 93
Book debts		632 37
Bank interest, gross		746,251 18
Sundry refunds		11,844 71
Floating ch VAT control		4 582 42
Carried forward to * continuation sheet / next abstract		70,237,965 61
PAYMENTS		£
Brought forward from previous Abstract (if Any)		65,867,635 33
Heat & light		2,109 56
Insurance		78 75
Professional fees		201,293 34
Repairs and maintenance		257 95
Leasehold property - licence fee		77,343 75
Bank charges		60 00
PAYE income tax etc		701 54
Nat ins contributions		100 53
Employees' wage arrears		2,705 62
Floating ch VAT rec'able		36,274 81
Carried forward to * continuation sheet / next abstract		66,188,561 18

* Delete as appropriate

* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed