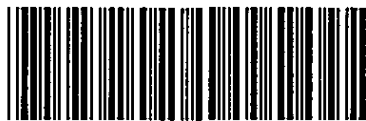




Torex Retail PLC
in Liquidation
High Court of Justice No 4932 of 2010
Progress Report
for the period from 9 September
2011 to 8 September 2012
Pursuant to Rule 4.49(B) of the Insolvency
Rules 1986 (as amended)

KPMG LLP
12 September 2012
This report contains 12 pages

FRIDAY



A1HF6902

A15

14/09/2012

#19

COMPANIES HOUSE



Notice: About this report

This progress report has been prepared by Edward Boyle and Richard Heis, the Joint Liquidators of this company, solely to comply with their statutory duty under the Insolvency Act and Rules 1986 to provide members and creditors with an update on the progress of the liquidation of the estate, and for no other purpose

This report is not suitable to be relied upon by any other person, or for any other purpose, or in any other context including any investment decision in relation to the debt of or any financial interest in this company. Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Act and Rules 1986 (as amended) does so at their own risk. 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 individual creditors.

Edward Boyle and Richard Heis are authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales. The appointments of the Joint Liquidators are personal to them 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 liquidation



Contents

Glossary

- 1 Executive summary**
- 2 Progress of the liquidation**
- 3 Estimated outcome for creditors**
- 4 Future strategy**

Appendices

- 1 Company information**
- 2 Liquidators' receipts and payments account for the period 9 September 2011 to 8 September 2012**
- 3 Analysis of Liquidators' time costs for the period 9 September 2011 to 8 September 2012 and schedule of hourly charge out rates**



Glossary

Act	The Insolvency Act 1986 (as amended)
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
the Company	Torex Retail PLC
Court Order	Court Order made in the High Court of Justice on 9 September 2010
Joint Liquidators	Edward George Boyle and Richard Heis 8 Salisbury Square, London EC4Y 8BB
Rules	The Insolvency Rules 1986 (as amended)
SFO	Serious Fraud Office

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 Rules 1986, all as amended, respectively.



1. Executive summary

- Edward George Boyle and Richard Heis were appointed Joint Liquidators by order of the High Court on 9 September 2010. This appointment followed their release as Administrators of the Company.
- This progress report covers the progress of the liquidation from 9 September 2011 to 8 September 2012.
- In May 2011 the SFO announced that four of the Company's former directors had been charged with offences of conspiracy to defraud.
- Initially a trial date was set for the 3 September 2012. However, this was postponed due to an action by two of the defendants for abuse of process. This action was heard on 14 and 15 May 2012 and was dismissed.
- The case has now been listed to begin on 18 March 2013.
- The Joint Liquidators intend to await the outcome of the SFO's prosecution of these four former directors prior to determining whether to take legal action to seek to recover funds for the estate.
- The Joint Liquidators' receipts and payments account for the period of this report is attached as Appendix 2. The figures are shown net of VAT.
- No fees have been drawn to date in the liquidation. As set out in section 2.3 of this report, fees will be drawn with the approval of the secured creditor.
- Company information as required under Rule 4.49B is attached at Appendix 1.

Edward George Boyle

Joint Liquidator

2. Progress of the liquidation

2.1. Asset realisations

2.1.1 ISA interest - gross

Interest gained on the Insolvency Services Suspense Account amounted to £372 during this period.

2.1.2 Tax paid on ISA Interest

Tax paid on the Insolvency Services Suspense Account amounted to £74 during this period. However due to the recovery of the previous year's tax of £195 a net recovery of £121 was made.

2.2. Costs of realisations

2.2.1 Legal fees

Legal fees of £32,000 were incurred in respect of legal services incurred dealing with disclosure requests in Employment Tribunal proceedings, liaising with the SFO and reviewing potential causes of action

2.2.2 VAT

The Company was previously registered for the purposes of VAT and VAT incurred will be recoverable.

2.2.3 Other

Other self explanatory costs are set out in the attached receipts and payments account.

2.3. Liquidators' remuneration and expenses

2.3.1 Liquidators' remuneration

The statutory provisions relating to remuneration are set out in Rule 4 127. Further information can be found in the Association of Business Recovery Professionals' publication "A creditors' guide to Liquidators fees," a copy of which can be found at

http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP-9-EW-INTER.pdf.

However, if you are unable to access this guide and would like a copy please contact Kirsty Laurie on 0207 311 8381 who will send you a copy

A detailed analysis of time spent from 9 September 2011 to 8 September 2012, together with a schedule of the Liquidators' rates of charging applied throughout the period of the liquidation, as required by the Association of Business Recovery Professionals' Statement

of Insolvency Practice No. 9 ("SIP9"), is attached as Appendix 3. During the period, that time has amounted to 60.9 hours at a total cost of £21,869 at an average hourly rate of £359.

No fees have been drawn to date in the liquidation. The drawing of the liquidators' remuneration will be authorised by the Banks as secured creditors

2.3.2 Liquidators' expenses

Category 1 disbursements do not require approval by the creditors. The type of disbursements that may be charged as Category 1 disbursements in the liquidation generally comprise of external supplies of incidental services specifically identifiable to the case. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

The direct expenses and outlays which have been incurred in this liquidation to date under Category 1 disbursements are statutory advertising of £76

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred which relate to payment due to associated companies for the provision of services to the office holder. In the period there have been no Category 2 disbursements.

Under Rule 4.49E, creditors are advised that within 21 days of receipt of this report a creditor may request additional information about the Liquidators' remuneration and expenses as set out in this report. A request must be in writing, and may be made either by a secured creditor or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

In addition, under Rule 4.131, any secured creditor or any unsecured creditor with either the concurrence of at least 10% in value of creditors, or with the permission of the court may apply to the court to challenge the remuneration charged, the basis of remuneration or the expenses incurred by the liquidator. Any such application must be made no later than eight weeks after receipt of the first report which reports the charging of the remuneration or the incurring of expenses in question.

The full text of Rules 4.49E and 4.131 can be provided on request by writing to Kirsty Laurie at 8 Salisbury Square, London, EC4Y 8BB

3. Estimated outcome for creditors

3.1. Secured creditor

The Banks had an estimated claim in the administration of approximately £209.4 million and received a total of £196.1 million from realisations, leaving them with an estimated shortfall of approximately £13.3 million plus accruing interest

3.2. Preferential creditors

The only preferential creditor was paid in full in the administration



3.3. Unsecured creditors

A maximum prescribed part dividend of 0.43p in the pound was paid in the administration on agreed claims of £132,734,656

4. Future strategy

4.1. Ongoing matters

The SFO have charged four of the Company's former directors, and the case will remain open until it is established if there will be any realisations for the benefit of the creditors

As soon as these matters have been dealt with the Liquidators will issue a final progress report and call a final meeting of creditors to bring this liquidation to an end and obtain their release from office. The Company will then be dissolved approximately three months thereafter.



Appendix 1

Company information

Name	Torex Retail Limited
Registration number	05034556
Previous registered office	Telfer House Range Road Witney, Oxfordshire OX29 0YN
Present registered office	c/o KPMG LLP 8 Salisbury Square London EC4Y 8BB United Kingdom
Liquidators	Edward George Boyle Richard Heis
Liquidators' address	KPMG LLP 8 Salisbury Square London EC4Y 8BB
Date of appointment	9 September 2010



*Torex Retail PLC in Liquidation
High Court of Justice No 4932 of 2010
Progress Report
KPMG LLP
12 September 2012*

Appendix 2

Liquidators' receipts and payments account for the period 9 September 2011 to 8 September 2012.

Torex Retail Plc
(In Liquidation)
Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 09/09/2011 To 08/09/2012	From 09/09/2010 To 08/09/2012
OTHER REALISATIONS		
Petitioner's deposit	NIL	1,000 00
Sundry refunds	NIL	1,203 96
ISA suspense int gross	371 97	1,350 29
Tax on ISA suspense int	121 26	(74 40)
Funds from Administration	NIL	230,406 60
	<u>493 23</u>	<u>233,886 45</u>
COST OF REALISATIONS		
OR remuneration	NIL	2,235 00
Cheque/Payable order fee	0 15	1 30
Legal fees	32,000 00	70,134 68
Statutory advertising	NIL	75 60
Bank charges	72 00	144.00
	<u>(32,072.15)</u>	<u>(72,590 58)</u>
	<u>(31,578.92)</u>	<u>161,295.87</u>
REPRESENTED BY		
VAT receivable		12,867 17
ISA		(175 04)
IB ISA suspense w/e 19/10/11		148,603.74
		<u>161,295.87</u>



*Torex Retail PLC in Liquidation
High Court of Justice No 4932 of 2010
Progress Report
KPMG LLP
12 September 2012*

Appendix 3

Analysis of Liquidators' time costs for the period from 9 September 2011 to 8 September 2012 and schedule of hourly charge out rates.

Torex Retail Limited (in liquidation)

Liquidators' time costs for the period 9 September 2011 to 8 September 2012

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Bankrupt/Director/Member							
Share Registrars		2 50			2 50	£1,050 00	£420 00
Cashiering							
General Cashiering		0 20	0 30		0 50	£175 50	£351 00
Reconciliations (& IPS accounting reviews)			1 40	2 30	3 70	£613 00	£165 68
General							
Fees and WIP			2 00		2 00	£460 00	£230 00
Statutory and compliance							
Appointment and related formalities			0 90		0 90	£207 00	£230 00
Checklist & reviews	0 40	7 50	1 80		9 70	£3,818 00	£393 61
Reports to debenture holders	1 10				1 10	£698 50	£635 00
Statutory receipts and payments accounts				0 30	0 30	£36 00	£120 00
Tax							
Post appointment corporation tax		2 50	15 80		18 30	£5,501 50	£300 63
Creditors							
Creditors and claims							
General correspondence	0 60	1 00	0 50		2 10	£916 00	£436 19
Statutory reports		8 00	6 70		14 70	£4,938 50	£335 95
Investigation							
Investigations							
Review of pre-appt transactions	5 10				5 10	£3,454 50	£677 35
Total in period	7 20	21 70	29 40	2 60	60 90	£21,868 50	£359 09

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 chargeout rates

Torex Retail Limited (in liquidation)

Summary of charge out rates in operation during the course of the liquidation

	to 1 October 2010	to 1 October 2012
	£	£
RESTRUCTURING		
Partner	695	725
Director	610	635
Senior Manager	500	525
Manager	390	420
Senior Administrator/ Assistant Manager	285	305
Administrator	220	230
Support staff	115	120