



**Torex Retail PLC**

5034556

**in Liquidation**

**High Court of Justice No 4932 of 2010**

**Progress Report**

**for the period from 9 September**

**2012 to 8 September 2013**

**Pursuant to Rule 4.49(B) of the Insolvency  
Rules 1986 (as amended)**

**KPMG LLP**

**4 October 2013**

THURSDAY



QIQ \*Q2J500TN\* #86  
17/10/2013  
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.



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## **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.
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 2012 to 8 September 2013.
- 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 was subsequently heard in March 2013 and Messrs Loosemoore, Moore & Woodbridge were convicted.
- The Joint Liquidators had awaited the outcome of the SFO's prosecution of the directors to determine whether to take legal action to recover funds for the estate. After due consideration, the Joint Liquidators decided that it would not be cost effective to attempt to pursue an action and that they would therefore close the liquidation.
- 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.
- Company information as required under Rule 4.49B is attached at Appendix 1.

*Ed Boyle*

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 £804

#### **2.1.2 Tax paid on ISA Interest**

Tax paid on the Insolvency Services Suspense Account amounted to £90

### **2.2. Costs of realisations**

#### **2.2.1 Legal fees**

During the period, legal fees of £11,969 were incurred in respect of legal services incurred, 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](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 James Rivers on 0207 311 8091 who will send you a copy

A detailed analysis of time spent from 9 September 2012 to 8 September 2013, 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, is attached as Appendix 3. During the period, that time has amounted to 43 hours at a total cost of £18,079 at an average hourly rate of £339

The sum of £66,492 has been drawn during the period in respect of the Joint Liquidators' remuneration, which has been approved 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 James Rivers at KPMG LLP, 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.

A distribution of £83,884 has been paid to the Banks during the liquidation, still leaving them with a shortfall in excess of £13 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 of £600,000 was set aside in the administration, and was used to pay a dividend of 0.43p in the £ during the administration on the agreed claims of the unsecured non-preferential creditors of £132,734,656.

## **4. Final meetings**

The final meetings are convened in accordance with statutory requirements at which a copy of this report will be presented, and as such there is no requirement for you to attend, unless you wish to do so. The information available at the meetings will be identical to that contained in this report. However, I shall be grateful if you would complete and return the enclosed form of proxy by no later than 12 noon on 3 December 2013.





## 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



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## **Appendix 2**

**Liquidators' receipts and payments account for the periods 9 September 2012 to 8 September 2013**

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

Statement of Affairs	From 09/09/2012 To 08/09/2013	From 09/09/2010 To 08/09/2013
<b>OTHER REALISATIONS</b>		
Petitioner's deposit	NIL	1,000.00
Sundry refunds	NIL	1,203.96
Interest on tax refund	0.06	0.06
ISA suspense int gross	804.18	2,154.47
Tax on ISA suspense int	(89.69)	(164.09)
Funds from Administration	NIL	230,406.60
	<u>714.55</u>	<u>234,601.00</u>
<b>COST OF REALISATIONS</b>		
OR remuneration	NIL	2,235.00
Cheque/Payable order fee	1.55	2.85
Liquidator's fees	66,492.00	66,492.00
Legal fees	11,968.70	82,103.38
Statutory advertising	NIL	75.60
Bank charges	88.00	232.00
	<u>(78,550.25)</u>	<u>(151,140.83)</u>
	<u>(77,835.70)</u>	<u>83,460.17</u>
<b>REPRESENTED BY</b>		
NIB 06/08/13 ISA		(263.04)
NIB ISA suspense 06/08/13		83,723.21
		<u>83,460.17</u>



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## **Appendix 3**

**Analysis of Liquidators' time costs for the periods from 9 September 2012 to 8 September 2013 and schedule of hourly charge out rates.**

# Torex Retail Limited (in liquidation)

## Liquidators' time costs for the period 9 September 2012 to 8 September 2013

	Partner/ Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Cashiering			1.50	0.10	1.60	£408.00	£255.00
General cashiering			0.70	3.40	4.10	£617.00	£150.49
Reconciliations (& IPS accounting reviews)							
General	0.40		0.30		0.70	£340.00	£485.71
Books and records		1.00			1.00	£420.00	£420.00
Share Registrars		1.00			1.00	£440.00	£440.00
Fees and WIP							
Statutory and compliance			0.20		0.20	£48.00	£240.00
Appointment and related formalities		3.00	2.20		5.20	£1,786.00	£343.46
Checklist & reviews	1.50				1.50	£1,005.00	£670.00
Closure and related formalities				0.20	0.20	£24.00	£120.00
Statutory receipts and payments accounts	0.40				0.40	£261.00	£652.50
Strategy documents							
Tax	0.20	1.60	16.75		18.55	£4,908.50	£264.61
Post appointment corporation tax		2.00			2.00	£860.00	£430.00
Post appointment VAT							
Creditors and claims			0.40		0.40	£96.00	£240.00
General correspondence	1.10				1.10	£719.50	£654.09
Secured creditors		5.50	6.40		11.90	£3,887.00	£326.64
Statutory reports							
Investigations	3.30				3.30	£2,211.00	£670.00
Review of pre-appt transactions							
Asset Realisation			0.20		0.20	£48.00	£240.00
Leasehold property							
Total in period					33.35	£18,079.00	£338.88

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	to current
	£	£	£
<b>RESTRUCTURING</b>			
Partner	695	725	765
Director	610	635	670
Senior Manager	500	525	550
Manager	390	420	440
Senior Administrator/ Assistant Manager	285	305	320
Administrator	220	230	240
Support staff	115	120	125