

The Insolvency Act 1986

**Notice of move from  
administration to  
dissolution****R2.48(1)**Pursuant to paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 and  
Rule 2.48(1) of the Insolvency (Scotland) Rules 1986

Name of Company

Gio Goi Retail Limited

Company number

SC373343

(a) Insert full  
name(s) and  
address(es) of  
administrator(s)We (a) Jane Bronwen Moriarty  
KPMG LLP  
8 Salisbury Square  
London  
EC4Y 8BBColin Michael Trevethyn Haig  
KPMG LLP  
8 Salisbury Square  
London  
EC4Y 8BB(b) Insert name and  
address of registered  
office of companyhaving been appointed administrator(s) of (b) Gio Goi Retail Limited c/o KPMG LLP, Saltire Court, 20  
Castle Terrace, Edinburgh.(c) Insert date of  
appointment

on (c) 16 January, 2013 by (d) Court of Session

(d) Insert name of  
applicant/appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply.

We attach a copy of the final progress report

Signed

*Jane Moriarty*

Joint Administrator

Dated

**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 recordJane Bronwen Moriarty  
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Companies House receipt date barcode



\*S3BZUHMA\*

SCT

12/07/2014

#647

COMPANIES HOUSE

When you have completed and signed this form, please send it to the  
Registrar of Companies at:-Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge,  
Edinburgh, EH3 9FF  
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2



**Gio Goi Limited and  
Gio Goi Retail Limited  
- both in administration**

**Final Progress Report**

Report to creditors pursuant to Rule 2.38, Rule  
2.42 and Rule 2.48 of the Insolvency (Scotland)  
Rules 1986

KPMG LLP

11 July 2014

JW/JRR/GGB/1F



## **Notice: About this report**

- This report has been prepared by Jane Bronwen Moriarty and Colin Michael Trevethyn Haig, the Joint Administrators of Gio Goi Limited (“GGL”) and Gio Goi Retail Limited (“Retail”), solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administrations, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in GGL or Retail. 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 creditors.
- Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.
- Jane Bronwen Moriarty is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in Ireland.
- Colin Michael Trevethyn Haig is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.
- The Joint Administrators act as agents for GGL and Retail and contract without personal liability. The appointments of the Joint Administrators 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 administrations.

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## **Glossary**

Administrators	Jane Bronwen Moriarty and Colin Michael Trevelthyn Haig of KPMG LLP
Bank / Santander	Santander UK Plc, 2 Triton Square, Regent's Place, London, NW1 3AN
Companies	Gio Goi Limited and Gio Goi Retail Limited
Directors	David Douglas and Marc Kilbourn
GGL	Gio Goi Limited
HMRC	HM Revenue and Customs
JD Sports	JD Sports Fashion Plc
Kerry	Kerry Logistics (UK) Ltd
KPMG	KPMG LLP
Pentland	Pentland Group Plc
Retail	Gio Goi Retail Limited
Secured creditors	JD Sports, Santander UK Plc and Pentland Group Plc
VAT	Value Added Tax

The references in this report to Sections, Paragraphs or Rules are to be the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Scotland) Rules 1986 (all as amended) respectively.

## **1 Introduction**

Jane Moriarty and Colin Haig of KPMG were appointed as Administrators of GGL and Retail on 16 January 2013 by the Bank as holder of a qualifying floating charge.

This report has been prepared in accordance with Rule 2.38, Rule 2.42 and Rule 2.48 and covers the period from 16 January 2014 to 9 July 2014. Statutory information as required under Rule 2.38 is attached at Appendix 1, together with an abstract of the Administrators' receipts and payments accounts for the period to 9 July 2014 attached at Appendix 2. All figures in this report are shown net of VAT.

All matters in GGL and Retail have been concluded and it is therefore appropriate for the Administrators to cease to act and file for the Companies' dissolution.

### **1.1 Administrators' proposals**

The Administrators' proposals were circulated to all known members and creditors on 8 March 2013 and were deemed approved without modification in accordance with Rule 2.25(3) on 20 March 2013.

Summaries of the Administrators' proposals for GGL and Retail are attached at Appendix 4.

### **1.2 Purpose of the administrations**

The purpose of the administrations was to achieve a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration) in accordance with Paragraph 3(1)(b).

## **2 Outcome of the administrations**

### **2.1 Strategy and sale of business**

As previously advised, the Administrators traded the business for a short period whilst a purchaser was sought for the business and assets.

The Administrators considered that a going concern sale would likely result in a greater value being achieved as opposed to a wind down of the business and piecemeal realisation of the assets.

The Administrators completed a sale of the assets of the Companies to JD Sports Fashion Plc on 31 January 2013. The details of the JD Sports transaction are confidential.

The Administrators confirm that JD Sports' offer was the highest offer received and resulted in the greatest return for creditors as a whole.

£100,000 was provided by JD Sports at the date of the sale to assist with the day to day costs of trading. In accordance with the agreement, this amount has been repaid to JD Sports as an expense of the administration.

## **2.2 Asset realisations**

### **2.2.1 Terminal Loss Relief claim**

The Administrators and their in-house tax specialists reviewed GGL's pre-administration financial records. We determined that a Terminal Loss Relief claim could be made to recover tax paid by GGL in the pre-administration periods ended 31 March 2009/2010/2011.

Following a successful claim to HMRC by the Administrators' tax specialists the sum of £1.25 million was received.

### **2.2.2 Leasehold properties**

On our appointment, the Companies held two commercial leases and one residential lease. These leases related to the Head office in Kings Cross, London, a showroom in Manchester and a residential property at 16 De Walden Street, London.

We reviewed the leases and concluded that there was no value in any of them. The Administrators offered surrender of the leases back to the respective landlords.

### **2.2.3 Stock**

Wholesale stock was held at a warehouse operated by Kerry. Retail stock (online) was held at a warehouse operated by Pentland. Both Kerry and Pentland were owed amounts in connection with freight forwarding, transport and logistics at the date of appointment.

All stock, including any subject to claims from third parties, was sold to JD Sports.

### **2.2.4 Plant and equipment**

According to the Directors' Statement of Affairs, plant and equipment in GGL and Retail at 16 January 2013 was estimated to realise £7,000 and £5,000 respectively. All plant and equipment was sold to JD Sports as part of the sale agreement.

### **2.2.5 Debtors**

The Directors estimated that the realisable value of debtors in GGL at the date of the Administrators' appointment totalled approximately £685,000.

From appointment to the date of sale, the Administrators realised £239,378 from debtors. These receipts were paid directly to the Bank's Invoice Discounting Facility in accordance with the Bank's fixed charge.

The remainder of the debtor book was sold to JD Sports as part of the sale of business.

#### **2.2.6 Cash at bank**

Following their appointment, the Administrators contacted all of the Companies' banks and requested all balances be remitted to the Administrators. £1,544 was identified and transferred to the Administrators' account.

#### **2.2.7 Tenancy deposit refund**

A tenancy deposit refund of £4,200 has been received by GGL from Foxtons in respect of 16 De Walden Street, London.

#### **2.2.8 Inter-company loan**

The sum of £14,389 was received into GGL following a first and final dividend of 0.0063 pence in the pound from Retail on GGL's claim of £2.281 million.

#### **2.2.9 Other realisations**

In addition to the above, the Administrators have realised other assets, including a discount refund from House of Fraser, bank interest and rates refunds. These are shown in the receipts and payments accounts at Appendix 2 and are self explanatory.

### **2.3 Investigations**

Following the Administrators' investigations into the Companies' affairs, no matters came to light that would increase recoveries for creditors.

## **3 Costs of realisations**

Payments made in this period are set out in the attached receipts and payments accounts (see Appendix 2).

### **3.1 Administrators' remuneration**

The statutory provisions relating to remuneration are set out in Rule 2.39. Further information is given in "A Creditors Guide to Administrators' Fees", a copy of which can be found at the following link:

[http://www.r3.org.uk/media/documents/technical\\_library/SIPS/Creditors'\\_Guide\\_to\\_Administrators'\\_Remuneration\\_Scotland.pdf](http://www.r3.org.uk/media/documents/technical_library/SIPS/Creditors'_Guide_to_Administrators'_Remuneration_Scotland.pdf)

However, if you are unable to access this guide and would like a copy please contact James Rivers on 020 7311 8091.

In accordance with Rule 2.39, the basis for the Administrators' remuneration is fixed as either a commission calculated by reference to the value of the Companies' assets which have been realised or, by reference to time properly given by the Administrators and their staff in each administration.



The Administrators have obtained approval from the Secured creditors (and preferential creditors in GGL) that their remuneration be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the administrations at KPMG charge-out rates which reflect the complexity of the assignments.

Attached as Appendix 3 is a detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out from 16 January 2014 to 9 July 2014, as required by Statement of Insolvency Practice No. 9 (Scotland). A summary is set out in the table below:

**Administrators' time costs for the period 16 January 2014 to 9 July 2014**

Company	Hours	Cost £	Expenses £	Total £
GGL	225	66,324	0	66,324
Retail	57	16,293	0	16,293
<b>Total</b>	<b>282</b>	<b>82,617</b>	<b>0</b>	<b>82,617</b>

*Source: Administrators' records*

The figures above include work undertaken in respect of tax, VAT and employee advice from KPMG in-house specialists. This brings the Administrators' total time costs during the administrations to £493,793 on GGL and £92,821 on Retail.

During the period covered by this report the Administrators have drawn remuneration of £187,382 in GGL and £9,325 in Retail. This remuneration was approved by the Secured creditors (and preferential creditors in GGL) following the Administrators' previous report. The unpaid element of our time costs will be written off.

### 3.2 Legal fees

In the period covered by this report, legal fees totalling £476 and £2,769 have been incurred and paid in GGL and Retail respectively.

This brings total legal costs for the administrations in GGL and Retail to £26,223 and 9,832.

### 3.3 Agent's fees

The sum of £4,000 was paid to Felldale Consultancy Services Limited for their assistance with the Terminal Loss Relief claim.

### 3.4 Other costs

Further costs are detailed in the receipts and payments accounts at Appendix 2 and are self explanatory.

## **4 Outcomes for creditors**

### **4.1 Secured creditors**

As at the date of appointment, the Companies owed the Bank a total of c.£5.5 million.

The Bank's lending was secured by debentures dated 28 and 29 July 2011 for Retail and GGL respectively which contain fixed and floating charges over the assets of the Companies. The Companies also granted a cross guarantee in favour of the Bank dated 28 July 2011.

The Administrators have received legal advice confirming the validity of the Bank's security in respect of GGL and Retail.

As previously reported, on 29 January 2013, JD Sports purchased all title, security and interest of the Bank's debt by way of a deed of assignment.

In addition, GGL granted a debenture to Pentland dated 10 December 2008 which ranked behind the Bank's security. The amount owed to Pentland was £2.0 million as at the date of appointment. There were insufficient funds to make a distribution to Pentland as junior ranked Secured creditor.

In GGL, during this final period, a further £33,269 was paid to JD Sports under its fixed charge and a further £906,723 was paid to JD Sports under its floating charge. This brings total distributions by GGL to £239,713 under its fixed charge and £1.22 million under its floating charge.

In Retail, distributions to JD Sports totalled £90,605 under its floating charge.

For the avoidance of doubt, there were insufficient funds to repay JD Sports in full.

### **4.2 Preferential creditors**

Claims in respect of certain arrears of wages and holiday pay rank preferentially. Preferential creditors at the date of our appointment were made up of employee arrears of wages and holiday pay claims, amounting to £36,831 in GGL. Retail did not have any employees and as such no preferential claims are expected against this company.

The preferential creditors of GGL were paid in full.

### **4.3 Unsecured creditors and prescribed part**

The only dividend available to the unsecured creditors was by virtue of the prescribed part.

The prescribed part provision of Section 176A entitles unsecured creditors to a percentage share of realisations from net floating charge assets after costs of realisations. The

percentage is calculated on a sliding scale up to a maximum amount of £600,000 subject to costs.

The Administrators calculated that GGL and Retail had net floating charge property of £1,531,666 and £105,120 respectively, resulting in a prescribed part of £309,333 and £24,024 in Retail (before costs). Accordingly, the Administrators obtained approval from the Court under Paragraph 65(3) to distribute the prescribed parts to the unsecured creditors of the Companies.

In Retail, on 16 May 2014 a first and final dividend of 0.0063 pence in the pound was declared on the claims of unsecured creditors admitted in the administration of £2,320,014.42. The total amount distributed was £14,635 as shown in the attached receipts and payments account.

In GGL, on 1 July 2014 a first and final dividend of 13.73 pence in the pound was declared on the claims of unsecured creditors admitted in the administration of £2,029,797.54. The total amount distributed was £278,046 as shown in the attached receipts and payments account.

## **5 Other matters**

### **5.1 Investigations**

The Administrators have a duty to investigate the conduct of the Directors and to submit a return to the Department for Business, Innovation and Skills on the conduct of those directors or shadow directors who were in office in the three years prior to the administrations. The Administrators have complied with this obligation; however the contents of their returns are strictly confidential.

### **5.2 Taxation**

KPMG Tax specialists were instructed to prepare the necessary returns in order to finalise the Companies' tax position. These returns have been submitted and HMRC has confirmed that it has no objection to these administrations being closed.

## **6 Final matters**

### **6.1 Administrators' discharge of liability**

In accordance with Paragraph 98(3) the Secured creditors (and preferential creditors in GGL) have approved the Administrators being discharged from liability in respect of any action of theirs as Administrators on registration of this report and form 2.26B(Scot) with the Registrar of Companies.



*Gio Goi Limited and Gio Goi Retail Limited  
- both in administration  
Final Progress Report  
KPMG LLP  
11 July 2014*

## **6.2 Exit from administration**

As all outstanding matters have been completed, the Administrators will exit the administration via dissolution on the filing of this final report and forms 2.26B(scot) with the Registrar of Companies. The Companies will be dissolved three months thereafter.

Jane Moriarty  
Administrator



## Appendix 1

### Statutory information- GGL

Company name and Trading style	Gio Goi Limited		
Administration appointment	Court of Session, Court No P42 of 13.		
Date of appointment	16 January 2013		
Administrators' details	Jane Bronwen Moriarty is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in Ireland.		
	Colin Michael Trevethyn Haig is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales		
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2) of Schedule B1 of the Act		
Application of EC regulations	This Administration is a main proceeding under the EC Regulation on Insolvency Proceedings. Article 3 of the EC Regulation defines main proceedings and the Company is registered in Scotland, has its main centre of interest in Scotland and does not fall within one of the excepted categories. Consequently, the Administration is governed by the Act and not any other European Union Member State's insolvency law.		
Company Directors		<i>From:</i>	<i>To:</i>
	David Douglas	08/04/2005	Present
	Marc Kilbourn	22/03/2006	Present
Company Secretary	N/A		
Date of incorporation	1 February 2005		
Company registration number	SC279226		
Previous registered office	13 Melville Street, Edinburgh, EH3 7PE		
Present registered office	Saltire Court, 20 Castle Terrace, Edinburgh, EH3 7PE		
Trading addresses	3 Bravingtons Walk, Block B Regent Quarter, Kings Cross, London, N1 9AJ;		
	27-29 Church Street, Manchester, M4 1PE		



## Appendix 1 (cont'd)

### Statutory information- Retail

Company name and Trading style	Gio Goi Retail Limited		
Administration appointment	Court of Session, Court No P44 of 13.		
Date of appointment	16 January 2013		
Administrators' details	Jane Bronwen Moriarty is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in Ireland.		
	Colin Michael Trevethyn Haig is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales		
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2) of Schedule B1 of the Act		
Application of EC regulations	This Administration is a main proceeding under the EC Regulation on Insolvency Proceedings. Article 3 of the EC Regulation defines main proceedings and the Company is registered in Scotland, has its main centre of interest in Scotland and does not fall within one of the excepted categories. Consequently, the Administration is governed by the Act and not any other European Union Member State's insolvency law.		
Company Directors		<i>From:</i>	<i>To:</i>
	David Douglas	20/07/2010	Present
	Marc Kilbourn	20/07/2010	Present
Company Secretary	N/A		
Date of incorporation	19 February 2010		
Company registration number	SC373343		
Previous registered office	13 Melville Street, Edinburgh, EH3 7PE		
Present registered office	Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG		
Trading address	3 Bravingtons Walk, Block B Regent Quarter, Kings Cross, London, N1 9AJ		



*Gio Goi Limited and Gio Goi Retail Limited  
– both in administration  
Final Progress Report  
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11 July 2014*

## **Appendix 2**

**Administrators' receipts and payments accounts for the period  
from 16 January 2014 to 9 July 2014**

**Gio Goi Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 16/01/2014 To 09/07/2014	From 16/01/2013 To 09/07/2014
<b>FIXED CHARGE ASSETS</b>		
685,000.00 Sale of assets - book debts	NIL	239,378.00
Bank interest, gross	81.01	335.10
	<u>81.01</u>	<u>239,713.10</u>
<b>FIXED CHARGE CREDITORS</b>		
Fixed charge distribution	33,269.16	239,713.10
	<u>(33,269.16)</u>	<u>(239,713.10)</u>
<b>ASSET REALISATIONS</b>		
Petty Cash	NIL	50.02
Sale of assets	NIL	802,494.65
7,000.00 Furniture & equipment	NIL	NIL
735,000.00 Stock	NIL	NIL
15,000.00 Tenancy Deposit Refund	NIL	4,200.00
Terminal loss relief claim	1,256,530.90	1,256,530.90
2,000.00 Cash at bank	NIL	1,543.89
	<u>1,256,530.90</u>	<u>2,064,819.46</u>
<b>OTHER REALISATIONS</b>		
Bank interest, gross	1,062.24	2,987.11
Contribution from the secured lender	NIL	100,000.00
Sundry refunds	8,325.08	9,193.71
Inter company loans	14,388.82	14,388.82
Discount refund	NIL	42,030.04
	<u>23,776.14</u>	<u>168,599.68</u>
<b>COST OF REALISATIONS</b>		
Repayment of contribution fm sec lender	NIL	100,000.00
Administrators' fees	187,382.07	490,898.07
Administrators' expenses	NIL	2,067.00
Software rental	NIL	5,000.00
Agents'/Valuers' fees	4,000.00	4,630.00
Legal fees	476.00	26,223.11
Corporation tax	64.80	64.80
Data room costs	NIL	500.00
Telephone/Telex/Fax	NIL	2,925.00
Heat & light	NIL	345.92
Storage costs	933.56	952.81
Re-direction of mail	NIL	60.00
Statutory advertising	84.60	84.60
Rates	NIL	4,941.11
Other property expenses	NIL	259.80
Insurance of assets	238.50	770.32
Wages & salaries	NIL	27,261.00
PAYE & NIC	NIL	11,142.03
Bank charges	93.66	93.66
Sub-contractors	NIL	19,878.78
	<u>(193,273.19)</u>	<u>(698,098.01)</u>
<b>PREFERENTIAL CREDITORS</b>		
Employees' holiday pay and wage arrears	36,831.23	36,831.23
	<u>(36,831.23)</u>	<u>(36,831.23)</u>



**Gio Goi Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 16/01/2014 To 09/07/2014	From 16/01/2013 To 09/07/2014
FLOATING CHARGE CREDITORS		
Floating charge distribution	906,723.13	1,219,870.44
	(906,723.13)	(1,219,870.44)
UNSECURED CREDITORS		
(2,253,991.00) Trade & expense	263,304.90	263,304.90
Employees	14,741.34	14,741.34
Corp tax etc/nonpref PAYE	438.64	438.64
Non-preferential NIC	134.58	134.58
	(278,619.46)	(278,619.46)
<u>(809,991.00)</u>	<u>(168,328.12)</u>	<u>(0.00)</u>
REPRESENTED BY		
		<u>NIL</u>

**Gio Goi Retail Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 16/01/2014 To 09/07/2014	From 16/01/2013 To 09/07/2014
<b>ASSET REALISATIONS</b>		
	NIL	158,194.31
5,000.00 Sale of assets - stock	NIL	NIL
69,000.00 Furniture & equipment	NIL	NIL
1,000.00 Stock	NIL	NIL
	NIL	NIL
	<u>NIL</u>	<u>158,194.31</u>
<b>OTHER REALISATIONS</b>		
Bank interest, gross	50.66	379.26
Advance from secured creditors	9,506.61	9,506.61
	<u>9,557.27</u>	<u>9,885.87</u>
<b>COST OF REALISATIONS</b>		
Administrators' fees	9,325.22	50,480.22
Administrators' expenses	NIL	470.00
Legal fees	2,768.72	9,832.27
Corporation tax	9.00	9.00
Court shorthand writer	NIL	493.50
Statutory advertising	84.60	84.60
Insurance of assets	NIL	106.00
Bank charges	14.92	14.92
sub contractors	NIL	1,350.00
	<u>(12,202.46)</u>	<u>(62,840.51)</u>
<b>FLOATING CHARGE CREDITORS</b>		
Floating charge	NIL	90,604.74
	<u>NIL</u>	<u>(90,604.74)</u>
<b>UNSECURED CREDITORS</b>		
(2,313,000.00) Trade & expense	14,634.93	14,634.93
(3,523,000.00) Postponed or deferred	NIL	NIL
	<u>(14,634.93)</u>	<u>(14,634.93)</u>
<u>(5,761,000.00)</u>	<u>(17,280.12)</u>	<u>(0.00)</u>
<b>REPRESENTED BY</b>		
		<u>NIL</u>

## Appendix 3

### Analyses of Administrators' time costs and schedule of charge-out rates

Restructuring	From 16 January 2013 to 30 September 2013 (£/hour)	From 1 October 2013 (£/hour)
Partner	565	565
Director	485	485
Senior manager	450	475
Manager	365	385
Senior Administrator/Assistant Manager	250	265
Administrator	185	195
Support Staff	115	120

#### KPMG Restructuring policy for the recovery of disbursements

Where funds permit the officeholder will look to recover both category 1 and category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

**Category 1 disbursements:** These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

**Category 2 disbursements:** These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Any disbursements paid from the estate are disclosed within the attached summary of disbursements.

Category 2 disbursements that KPMG Restructuring currently charges includes mileage, this is calculated as follows:

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 45p per mile

Use of company car – 60p per mile

Use of partner's car – 60p per mile

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

Gio Goi Limited in administration

Time Cost Analysis for the period 16 January 2014 to 9 July 2014

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Cashiering							
General (Cashiering)		6.50	8.10		14.60	£4,390.00	£300.68
Reconciliations (& IPS accounting reviews)			0.20		0.20	£53.00	£265.00
General			2.20		2.20	£583.00	£265.00
Books and records		2.80	2.00	0.10	4.90	£1,620.00	£330.61
Fees and WIP							
Statutory and compliance		12.10	2.10		14.20	£5,215.00	£367.25
Checklist & reviews		0.30	0.90		1.20	£354.00	£295.00
Closure and related formalities	0.25				0.25	£141.25	£565.00
Statutory advertising				0.30	0.30	£36.00	£120.00
Statutory receipts and payments accounts		3.30	1.30		4.60	£1,615.00	£351.09
Strategy documents							
Tax							
Post appointment corporation tax	1.00	28.30	37.70		67.00	£19,186.00	£286.36
Post appointment VAT		3.30	11.20		14.50	£4,367.50	£301.21
Creditors and claims							
Agreement of preferential claims			6.20		6.20	£1,643.00	£265.00
Agreement of unsecured claims	0.50	4.50	45.90		50.90	£13,135.50	£258.06
General correspondence			5.80		5.80	£1,355.00	£233.62
Payment of dividends		9.10	13.80		22.90	£6,397.50	£279.37
Pre-appointment VAT / PAYE / CT		0.50			0.50	£237.50	£475.00
Secured creditors		1.00			1.00	£475.00	£475.00
Statutory reports	1.00	3.60	2.70		7.30	£2,771.50	£379.66
Employees							
Correspondence		0.60			0.60	£231.00	£385.00
DTI redundancy payments service		0.20	0.30		0.50	£156.50	£313.00
Asset Realisation							
Debtors			0.30		0.30	£79.50	£265.00
Open cover insurance			0.60		0.60	£159.00	£265.00
Pre-appointment tax & VAT refunds		0.30	0.30		0.60	£222.00	£370.00
Cash & profit projections & strategy		4.00			4.00	£1,900.00	£475.00
Total in period	2.75	80.40	141.60	0.40	225.15	£66,323.75	£294.58

Brought forward as at 15 January 2014

1,401.00 £427,469.75 £305.12

Total time costs

1,626.15 £493,793.50 £303.66

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 in central administration functions is not charged directly to the assignment but is reflected in the general level of chargeout rates.

Category 1 disbursements  
None

Category 2 disbursements  
None

Gio Goi Retail Limited in administration

Time Cost Analysis for the period 16 January 2014 to 9 July 2014

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Cashiering							
General (Cashiering)		1.40	4.10		5.50	£1,499.50	£272.64
Reconciliations (& IPS accounting reviews)		0.90	0.40		1.30	£452.50	£348.08
General							
Fees and WIP		0.50	1.00		1.50	£457.50	£305.00
Statutory and compliance							
Checklist & reviews		0.50	1.80		2.30	£669.50	£291.09
Closure and related formalities		0.70	0.30		1.00	£349.00	£349.00
Statutory advertising			0.70		0.70	£185.50	£265.00
Statutory receipts and payments accounts				0.30	0.30	£36.00	£120.00
Strategy documents		3.70	0.40		4.10	£1,530.50	£373.29
Tax							
Post appointment corporation tax		2.80	14.10		16.90	£3,834.50	£226.89
Post appointment VAT		1.20	4.45		5.65	£1,528.25	£270.49
Creditors and claims							
Agreement of unsecured claims	0.25	1.80	6.00		8.05	£2,424.25	£301.15
General correspondence			1.20		1.20	£304.00	£253.33
Payment of dividends		0.50	2.70		3.20	£908.00	£283.75
Statutory reports	1.00	2.30	2.40		5.70	£2,113.50	£370.79
Total in period	1.25	16.30	39.55	0.30	57.40	£16,292.50	£283.84

Brought forward as at 15 January 2014

286.60 £76,528.25 £267.02

Total time costs since appointment

344.00 £92,820.75 £269.83

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 in central administration functions is not charged directly to the assignment but is reflected in the general level of chargeout rates.

Category 1 disbursements  
None

Category 2 disbursements  
None

## **Appendix 4**

### **Summaries of the Administrators' proposals**

Summaries of the Administrators' approved proposals for GGL and Retail are set out below:

#### **Administrators' Proposals – GGL**

The Administrators propose the following:

- To continue to do all such things reasonably expedient and generally exercise all their powers as Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of GGL in accordance with the objective as set out above.
- To investigate and, if appropriate, pursue any claims GGL may have.
- That the Administrators be permitted to pay any realisations to secured and preferential creditors.
- To seek an extension of the administration if deemed necessary.
- If thought fit, the Administrators will move GGL from administration into liquidation. If creditors' voluntary liquidation is deemed appropriate Jane Bronwen Moriarty and Colin Michael Trevethyn Haig will be appointed as Joint Liquidators of the Company without any further recourse to creditors. In accordance with Paragraph 83(7)(a) and Rule 2.47 creditors may nominate a different person as the proposed liquidators, provided the nomination is received before the Proposals are approved. If appointed liquidators, any act required or authorised under any enactment to be done by them may be done by either one of them
- In the likely event that the Administrators deem that liquidation is not appropriate because no dividend, other than the prescribed part provisions, will become available to creditors, and there are no other outstanding matters that require to be dealt with in liquidation, then the Administrators shall file the appropriate notices at Companies House and GGL will subsequently be dissolved.
- That in the event that no creditors' committee is formed, the secured creditors or the secured creditors and the majority of the preferential creditors who respond (in the event that there is intended to be a distribution to the preferential creditors) be asked to agree the Administrators' remuneration, which will be based upon time costs properly incurred at KPMG LLP hourly charge out rates prevailing at the time the work is performed and outlays both as determined in accordance with Rule 2.39 of the Rules. They be authorised to draw fees and outlays from the assets of GGL.
- That the costs of KPMG LLP in respect of forensic, tax, VAT, employees and pension advice provided to the Administrators be based upon time costs at KPMG's hourly charge out rates prevailing at the time the work is performed and shall be paid out of the assets of GGL.



- That the Administrators will seek their discharge from liability in respect of any action of theirs as Administrators pursuant to Paragraph 98(1) of Schedule B1 of the Act from the Secured Creditors and preferential creditors (if appropriate).

### **Administrators' Proposals – Retail**

The Administrators propose the following:

- To continue to do all such things reasonably expedient and generally exercise all their powers as Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of Retail in accordance with the objective as set out above.
- To investigate and, if appropriate, pursue any claims Retail may have.
- That the Administrators be permitted to pay any realisations to secured and preferential creditors.
- To seek an extension of the administration if deemed necessary.
- If thought fit, the Administrators will move Retail from administration into liquidation. If creditors' voluntary liquidation is deemed appropriate Jane Bronwen Moriarty and Colin Michael Trevellyn Haig will be appointed as Joint Liquidators of the Company without any further recourse to creditors. In accordance with Paragraph 83(7)(a) and Rule 2.47 creditors may nominate a different person as the proposed liquidators, provided the nomination is received before the Proposals are approved. If appointed liquidators, any act required or authorised under any enactment to be done by them may be done by either one of them
- In the likely event that the Administrators deem that liquidation is not appropriate because no dividend, other than under the prescribed part provisions, will become available to creditors, and there are no other outstanding matters that require to be dealt with in liquidation, then the Administrators shall file the appropriate notices at Companies House and Retail will subsequently be dissolved.
- That in the event that no creditors' committee is formed, the secured creditors or the secured creditors and the majority of the preferential creditors who respond (in the event that there is intended to be a distribution to the preferential creditors) be asked to agree the Administrators' remuneration, which will be based upon time costs properly incurred at KPMG hourly charge out rates prevailing at the time the work is performed and outlays both as determined in accordance with Rule 2.39 of the Rules. They be authorised to draw fees and outlays from the assets of Retail.
- That the costs of KPMG in respect of forensic, tax, VAT, employees and pension advice provided to the Administrators be based upon time costs at KPMG's hourly charge out rates prevailing at the time the work is performed and shall be paid out of the assets of Retail.
- That the Administrators will seek their discharge from liability in respect of any action of theirs as Administrators pursuant to Paragraph 98(1) of Schedule B1 of the Act from the Secured Creditors and preferential creditors (if appropriate).