

TO ALL KNOWN MEMBERS AND ALL CREDITORS
WHO ARE NOT OPTED OUT

8 October 2018

Ref: RHK/JPS/CR/BL/D11

Direct line: 0113 268 2224
Direct fax: 0113 268 2206

Email: bleach@uk.ey.com

Dear Sir or Madam

Guild Realisations Limited (In Creditors' Voluntary Liquidation) ("the Company")

On 12 August 2014, the Company moved from Administration to Creditors' Voluntary Liquidation and R H Kelly, A M Hudson and I were appointed as Joint Liquidators. I now write to provide you with our report on the progress of the liquidation for the period from 12 August 2017 to 11 August 2018.

At Appendix A of this report we provide information about the company and its liquidators. A copy of our receipts and payments account for the period from 12 August 2017 to 11 August 2018 is at Appendix B.

Progress during the period of the report

Rates refunds

As detailed in our last report, we had become aware that there may be further realisations relating to business rate refunds due to the Company.

During the period of this report we have secured these refunds due to the Company, which resulted in realisations of £79k.

Work which remains to be done

Distributions to creditors

Secured Creditors

As previously advised, the Group had secured borrowings of £64.4m from the Lenders.

During the Administration, £15.65m was repaid to the Lenders.

During the Liquidation, a further £0.85m has been repaid to the Lenders.

Whilst we anticipate further distributions to be made to the Lenders, the net realisations from the Company and the Group will be insufficient to enable the Lenders to be repaid in full.

Preferential Creditors

As previously reported a first and final dividend of 100p in the pound was paid to the preferential creditors during the Administration of the Company.

Unsecured non-preferential creditors

Given the expected shortfall for the secured creditors, we do not expect any distribution to unsecured creditors other than by virtue of the Prescribed Part, as set out below.

The Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The Prescribed Part applies to floating charges created on or after 15 September 2003 (and therefore applies in this Liquidation).

The Prescribed Part is the maximum amount of £0.6m (before the costs of dealing with the Prescribed Part).

To date we have received and agreed unsecured claims of £80.1m. Based on the current quantum of agreed claims, we estimate the dividend to unsecured creditors will be less than 1p in the pound. Please note, we continue to receive unsecured claims and therefore remain in the process of adjudicating these. Consequently, the quantum of agreed unsecured claims may increase.

We are currently in the process of adjudicating the unsecured creditor claims and expect to set the last date for proving within the next six months.

Joint liquidators' remuneration

In accordance with Rule 4.127 of the Insolvency Rules 1986, the basis of remuneration fixed in the Administration of the Company continues to apply in the Liquidation. Accordingly, the remuneration of the Joint Liquidators is fixed on the basis of time properly given by the Joint Liquidators and their staff in attending to matters arising in the Liquidation.

During the period covered by this report, we have charged remuneration of £24,475. Of this sum, £Nil has been paid.

At Appendix C to this report there is an analysis and narrative explanation of the time spent.

Joint liquidators' statement of expenses incurred

During the period covered by this report, we have incurred expenses totalling £590.68 plus VAT. The expenses can be summarised as follows:

Type of expense	Paid (as at date of previous report) (£)	Paid in this report period (£)	Outstanding (£)	Total (£)
Postage	Nil	Nil	2,119.02	2,119.02
Printing	Nil	Nil	276.19	276.19
Category 2 disbursements	Nil	Nil	Nil	Nil
Total	Nil	Nil	2,395.21	2,395.21

No Category 2 disbursements have been incurred during the Liquidation to date.

Creditors' rights to further information about, and challenge, remuneration and expenses

The statutory provisions relating to remuneration are set out in Chapter 4 of Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Liquidators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants of England and Wales at <https://www.icaew.com/technical/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides>. To access the document, select 'Previous guides: England and Wales – effective before 6 April 2017', then 'Liquidators' fees', then select the appropriate guide according to the date of winding up of the company. Alternatively, a copy of the guide is available in hard copy upon written request to the Joint Liquidators.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Liquidators' Fees' referred to above.

Yours faithfully
for the Company



J P Sumpton
Joint Liquidator

R H Kelly is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland.

J P Sumpton and A M Hudson are licensed in the United Kingdom to act as insolvency practitioners by The Association of Chartered Certified Accountants.

The Joint Liquidators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy

Guild Realisations Limited (In Creditors' Voluntary Liquidation)

Information about the company and the liquidators

Registered office address of the company:	c/o Ernst & Young LLP 1 Bridgewater Place Water Lane Leeds LS11 5QR
Registered number:	02025406
Date of appointment of the joint liquidators:	12 August 2014
Details of any changes of liquidator:	None
Full names of the liquidators:	Robert Hunter Kelly, Alan Michael Hudson and Jonathan Peter Sumpton
Office holder number(s):	8582, 9200 and 9201
Liquidators' address(es):	Ernst & Young LLP 1 Bridgewater Place Water Lane Leeds LS11 5QR
Telephone number:	0113 298 2224
Name of alternative person to contact with enquiries about the case:	Ben Leach

Guild Realisations Limited (In Creditors' Voluntary Liquidation)

Joint liquidators' receipts and payments account for the period from 12 August 2017 to 11 August 2018:

	12 August 2014 to 11 August 2017	12 August 2017 to 11 August 2018	Total
Liquidation	£		
Receipts			
Funds from the Administration	747,199	18,545	765,744
Republic Fashion ROI Dividend	396,688	0	396,688
Release of LC Funds	367,099	0	367,099
Rate refunds	209,541	79,097	288,638
Paypal funds	43,899	0	43,899
Republic Retail GmbH settlement	24,182	0	24,182
Bank interest received	6,560	2,094	8,654
Sundry Income	1,500	8,277	9,777
Electricity refund	1,249	0	1,249
	<u>1,797,916</u>	<u>108,014</u>	<u>1,905,929</u>
Payments			
Administrators' fees	400,000	0	400,000
Legal fees	19,055	0	19,055
Administration liabilities	13,177	0	13,177
Agents' fees	5,360	11,331	16,691
Administrators' disbursements	2,606	0	2,606
Administrators' costs	1,484	0	1,484
Insurance	1,060	0	1,060
Storage charges	1,196	328	1,524
Water rates	133	0	133
Bank charges	535	0	535
Public notices	85	0	85
	<u>444,691</u>	<u>11,659</u>	<u>456,350</u>
Net realisations	<u>1,353,225</u>	<u>96,355</u>	<u>1,449,580</u>
Distributions			
Secured Creditor	(850,000)	0	(850,000)
Net funds held	<u>503,225</u>	<u>96,355</u>	<u>599,580</u>
Funds Held:			
Cash at bank	504,630	94,023	598,652
VAT control account	139	2,332	2,470
Third party funds for repayment	(1,543)	0	(1,543)
	<u>503,225</u>	<u>96,355</u>	<u>599,580</u>
Prescribed Part			
Receipts			
Prescribed Part	600,000	0	600,000
Interest	4,294	1,929	6,223
Payments			
Legal fees - Prescribed Part	4,525	0	4,525
Net realisations	<u>599,769</u>	<u>1,929</u>	<u>601,698</u>
Funds Held:			
Prescribed Part	599,769	1,929	601,698

Notes

1. Receipts and payments are stated net of VAT.

2 The balance in hand is held as follows:

Interest bearing accounts £1,200,350.27

Guild Realisations Limited (In Creditors' Voluntary Liquidation)

Joint liquidators' time costs for the period from 12 August 2017 to 11 August 2018

	Partner	Executive Director	Assistant Director	Senior Executive	Executive	Analyst/Support Staff	Total hours for the Period	Total cost for the Period (£)	Average hourly rate for the Period (£)	Cumulative time costs to date (£)
Accounting and Administration	6.0	-	-	0.1	21.3	0.5	27.9	6,456.5	231.4	84,975.00
Bank & Statutory Reporting	-	-	3.0	-	3.0	-	6.0	7,135.0	1,189.2	53,572.50
Creditors (Mandatory) / Prescribed Part	-	6.0	-	-	-	-	6.0	4,240.0	706.7	223,628.48
Debtors	-	-	-	-	-	-	-	-	-	1,275.00
Employee Matters	-	-	-	-	3.5	-	3.5	1,032.5	295.0	22,655.00
General	1.0	-	-	-	0.7	-	1.7	871.0	512.4	2,612.50
Investigation/CDDA (Mandatory)	-	-	-	-	-	-	-	-	-	2,514.00
Other Assets (Mandatory)	-	-	-	-	-	-	-	-	-	38,622.29
Other Matters	-	-	-	-	-	-	-	-	-	15,771.00
Property	-	-	2.0	-	-	-	2.0	1,050.0	525.0	24,328.50
Retention of Title	-	-	-	-	-	-	-	-	-	7,340.00
Statutory Duties	-	-	3.0	-	-	-	3.0	1,650.0	550.0	8,005.00
Trading (Mandatory)	-	-	-	-	-	-	-	-	-	102.50
VAT & Taxation	-	-	-	-	2.8	4.5	7.3	2,040.0	279.5	22,856.50
Total hours for the Period	7	6	8	0	31	5	57.4			
Total time cost for the Period (£)	5,425	4,240	4,275	54	9,767	715		24,475		
Average hourly rate for the Period (£)	775	707	534	535	312	143		426		
Cumulative time cost to date (£)	60,814	38,080	63,583	2,234	178,293	165,255				508,258

LIQ03

Notice of progress report in voluntary winding up



For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number	<input type="text"/>
Company name in full	<input type="text"/>

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

2 Liquidator's name

Full forename(s)	<input type="text"/>
Surname	<input type="text"/>

3 Liquidator's address

Building name/number	<input type="text"/>
Street	<input type="text"/>
Post town	<input type="text"/>
County/Region	<input type="text"/>
Postcode	<input type="text"/>
Country	<input type="text"/>

4 Liquidator's name ①

Full forename(s)	<input type="text"/>
Surname	<input type="text"/>

① **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address ②

Building name/number	<input type="text"/>
Street	<input type="text"/>
Post town	<input type="text"/>
County/Region	<input type="text"/>
Postcode	<input type="text"/>
Country	<input type="text"/>

② **Other liquidator**
Use this section to tell us about another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	d	d	m	m	y	y	y	y
To date	d	d	m	m	y	y	y	y

7 Progress report

The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	d	m	m	y	y	y	y
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LIQ03

Notice of progress report in voluntary winding up



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and number match the information held on the public Register.
- You have attached the required documents.
- You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse