



To all known creditors

Joint Administrators' Progress Report
For the period from 24 November 2022 to 23
May 2023

G Realisations 2022 Limited (Company Number 01026430)
Gieves & Hawkes Limited (Company Number 01455128)
(in Administration)

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Glossary

Glossary

Commonly Used Terms	Definition
Act / IA86	Insolvency Act 1986 (as amended)
BEIS	Department for Business, Energy and Industrial Strategy
c.	Approximately
CDDA	Company Directors Disqualification Act 1986
CT	Corporation Tax
CVL	Creditor's Voluntary Liquidation
FTI / FTI UK	FTI Consulting LLP
FTI FS	FTI Financial Services Limited
FTI HK	FTI Hong Kong Limited
HMRC	HM Revenue & Customs
ICAEW	Institute of Chartered Accountants in England & Wales
IR16 / the Rules	Insolvency (England and Wales) Rules 2016 (as amended)
IP	Insolvency Practitioner
LTO	Licence to Occupy
NDA	Non-Disclosure Agreement
PAYE / NIC	Pay-as-you-earn tax / National Insurance Contributions
PPF	Pension Protection Fund
Preferential creditors	First ranking: Principally employee claims for unpaid wages (max £800 per employee), holiday pay and certain unpaid pension contributions. Second ranking: HMRC in respect of certain specified debts.
Prescribed Part	Amount set aside for unsecured creditors from floating charge net realisations in accordance with Section 176A IA86
RPS	Redundancy Payments Service
Schedule B1	Schedule B1 IA86
SIP	Statement of Insolvency Practice
SIP 2	Investigations by office holders in administration and insolvent liquidations
SIP 7	Presentation of financial information in insolvency proceedings
SIP 9	Payments to insolvency office holders and their associates from an estate
SIP 16	Pre-packaged sales in administrations
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
VAT	Value Added Tax

Case Specific References	Meaning
Administration(s)	The Administration(s) of GL and/or GHIL
Joint Administrators / we / us / our	Christopher Jon Bennett Samuel Alexander Ballinger Andrew James Johnson
Appointment date	24 November 2022
APA	Asset Purchase Agreement
The Companies	G Realisations 2022 Limited and Gieves & Hawkes Limited
DLA Piper/DLA	DLA Piper LLP
FCR(s)	Fixed charge receivership appointments over the intellectual property assets owned by GHIL and GHIL BVI
Frasers	Frasers Group plc
GL	G Realisations 2022 Limited (formerly Gieves Limited)
GHL	Gieves & Hawkes Limited
GHIL	Gieves & Hawkes International Limited
GHIL BVI	Gieves & Hawkes International (BVI) Limited
The Group	GL, GHL, GHIL and GHIL BVI collectively
Hilco Capital/Hilco	HUK 110 Limited (the Secured Creditor)
Pension Trustees	The Trustees of the Gieves Group Retirement Benefit Scheme
Period	From 24 November 2022 to 23 May 2023
Proposals	Joint Administrators' Statement of Proposals dated 30 November 2022
Purchaser / SDI Retail Co	SDI (Retail Co 9) Limited (company number 11689077) with Sportdirect.com Retail Limited as Guarantor (a subsidiary of Frasers Group plc). The Purchaser changed its name to Gieves & Hawkes Retail Limited on 30 November 2022.
Secured Creditor / Lender	Creditors with security in respect of their debt in accordance with Section 148 IA86. In this case, the Secured Creditor is Hilco Capital.
Secured Debt	£1.2m secured working capital facility provided by HUK 110 Limited
Shandong Ruyi	Shandong Ruyi Technology Group Co., Ltd
Transaction	Pre-packaged sale of the Companies' assets to the Purchaser
Unsecured creditors	Creditors who are neither secured nor preferential. Principally trade creditors, landlords, intercompany debts and utility providers. HMRC and employee-related claims that do not rank preferentially are also included here.



Purpose of this report

Purpose of this report

- On 24 November 2022, Christopher Bennett, Samuel Ballinger and Andrew Johnson were appointed as Joint Administrators of GL and GHL and became responsible for the managing the affairs, business and property of the Companies. The appointments were made by the Companies’ director.
- Pursuant to Rule 18.6 IR16, we are required to provide creditors with a report setting out what has happened in the Administrations during the six-month period since our appointment.
- This report covers the period from 24 November 2022 to 23 May 2023 and contains:
 - An explanation of the work we have done in the Period and how the Administrations have progressed;
 - An update on the estimated outcome for each class of creditor;
 - Details of the work we still need to do before the Administrations can be concluded;
 - A statement of our receipts and payments and details of expenses we have incurred;
 - An update on our remuneration for acting as Joint Administrators; and
 - Further information required by statute regarding our appointment as administrators.
- Background information on the Companies and events leading up to the Administrations can be found in our Proposals, which continue to be available online (see How to Contact Us).
- If you are unfamiliar with insolvency, we have included as an appendix a brief overview that you may wish to read before continuing to read this report.
- Certain legal notices regarding this report, our appointment and creditors’ rights are also included as an appendix.
- If you have any questions regarding this report or the Administrations generally, please contact us using the details provided.



.....
 Christopher Jon Bennett
 Joint Administrator

The affairs, business and property of the Companies are being managed by the Joint Administrators, who act as agents of the Companies and without personal liability. The Joint Administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under Section 390A(2)(a) IA86. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

How to Contact Us

- Creditors can contact us using the preferred methods below:

Email: Gievesandhawkes@fticonsulting.com

Post:

G Realisations 2022 Limited – In Administration (and/or)
 Gieves & Hawkes Limited – In Administration
 c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street,
 London, EC1A 4HD

Tel: +44 (0)20 3077 0254

- Previous documents and further information can be found online at:

<https://www.fticonsulting.com/emea/cip/gieves-hawkes>

Actions Required by Creditors

- There is a prospect of a small dividend for the unsecured creditors of both GL and GHL. If you have not already done so, please submit a claim on the Turnkey Insolvency Portal, using the details previously provided.



Progress of the Administrations

Background to the Administrations

In our Proposals, we set out the events leading up to the Administrations and the proposed strategy for achieving their purpose. A summary is provided here.

Background to the Companies and the Administrations

- A background on the Companies and the events leading up to the appointment of administrators were included in our Proposals and are not repeated here in detail for the purposes of this report unless considered necessary or beneficial to do so. Therefore, creditors may wish to review this report in conjunction with our Proposals.

Events leading up to the Administrations

- The Group was a well-known British tailor with its flagship store on Savile Row. The Group's shareholder started experiencing financial difficulties in 2019, which were then exacerbated by COVID-19. The Group had been loss making since at least 2017, with net liabilities of £17.5m, excluding intercompany balances.
- A £1.2m working capital loan was obtained from Hilco in June 2022 to ensure the Group had sufficient liquidity to allow for ongoing stock purchases and give it time to address its financial position by running a process to sell Group entities.
- FTI FS was engaged to provide advisory services to the Group, including a sale process that formally launched on 12 July 2022. However, the process (and offers that were received) confirmed that whilst the businesses could potentially be rescued, the Companies themselves would be unable to avoid an insolvency process.

Our initial strategy

- On the basis of offers received and in comparison with alternative options, it was concluded that a pre-pack administration would 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).
- After a period of negotiations and preparations, the Companies' director appointed us as Joint Administrators on 24 November 2022. The Secured Creditor also appointed fixed charge receivers over certain intellectual property assets owned by GHIL and GHIL BVI that would be required by (and sold to) the Purchaser as part of a going concern business transfer. Immediately after our appointment, a sale of the Companies' businesses and assets was completed.
- Details of the Transaction were set out in our SIP 16 Statement and Proposals that were issued to creditors in the week following our appointment. These documents continue to be available on our website and their content is not repeated in detail here. However, a summary is included for convenience on the next page.

Pre-pack administration

- The term 'pre-pack administration' refers to an insolvency process, in which the sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an administrator and the administrator effects the transaction or transactions immediately on or shortly after appointment.
- The administrator must provide creditors with sufficient information (in a SIP 16 Statement) such that a reasonable and informed third party would conclude that the pre-pack sale was appropriate, and that the administrator has acted with due regard for the creditors' interests.

Realising the Assets: Pre-Pack Transaction

The Companies’ business and assets were sold to an unconnected third party for £200,000 which provided a materially better outcome than the alternative options. Work continues in relation to certain post-sale obligations.

Summary of the transaction

- The sale to the Purchaser completed on 24 November 2022 and included the majority of the Companies’ business and assets. The total sale consideration of £0.2m was received on completion and is detailed in the enclosed receipts and payments account by category of asset.
- The Transaction also included the sale of assets owned by GHIL and GHIL BVI, for total consideration in excess of £1.0m. Those proceeds were payable to the joint receivers of GHIL and GHIL BVI on behalf of the Secured Creditor.
- All 66 employees transferred to the Purchaser.

Transactions with connected parties

- In accordance with SIP 13, we are required to disclose any known connected party transactions that occurred in the Period. We confirm that no such transactions have occurred.

Rationale for the sale

- The key reasons for concluding that the sale would be in the best interest of creditors and would assist in the purpose of the Administrations being achieved, include the following:
 - The sale was the best offer received for the business and assets and compared favourably to the alternative options considered;
 - The offer received would likely enable the Secured Creditor and second-ranking preferential creditors to be paid in full, as well as enable a small return to the Companies’ unsecured creditors;

- The sale safeguarded the employment of GL’s 66 staff and significantly mitigated the value of first-ranking preferential claims against GL, that would otherwise have arisen in connection with employee-related liabilities; and
- Claims from customers who had paid a deposit for custom suits would be minimised.

Work undertaken in the Period

- As part of the Transaction, we issued LTOs for all but one leasehold site and we have been liaising with landlords and the Purchaser to assign or vacate the Companies’ leasehold property portfolio.
- DLA had been instructed to provide legal advice on the Transaction and subsequently to assist with the legal transfer or surrender of leases.
- Until such time as a lease is assigned (or property vacated) we have been collecting licence fees from the Purchaser in order to discharge the ongoing post-appointment obligations arising under the leases.
- Other work arising for the sale include dealing with cash in the Companies’ accounts.
- Further details are given on the next page.

Future work

- Our future work in relation to the Transaction will principally include a continuation of managing and assigning property leases (including ongoing insurance requirements), in conjunction with the reconciliation and accounting of licence fee funds that may be repayable to the Purchaser.

c.£103k

Estimated amount available to unsecured creditors of the Companies

A Prescribed Part fund of c.£55k and a surplus of c.£48k are expected to be available for the unsecured creditors of GL and GHL respectively.

66 jobs

Number of jobs saved

All employees were transferred to the Purchaser, significantly reducing the level of claims against GL.

100%

Dividend to preferential creditors

Second ranking preferential creditors are expected to be paid in full at 100p/£

Realising the Assets

Our work in relation to property matters and cash balances is summarised below. We are not expecting any further asset realisations.

<p>Transfer of the Leasehold Property Portfolio</p>	<ul style="list-style-type: none"> ■ All trading sites formed part of the Transaction, except for one site that was already vacant prior to our appointment. The vacant site was offered for surrender on the day of our appointment, however this has not yet been accepted by the landlord. ■ We issued LTOs for the eight sites that continued to be occupied by the Purchaser. The LTOs were for an initial period of six months. ■ During the Period, four sites have been transferred to the Purchaser and two sites have been surrendered. Two sites continue to be operated by the Purchaser under the LTO, which has necessarily been extended during the Period, while negotiations for their transfer remain ongoing. A condition of the extension was for the Purchaser to contribute £20k towards the costs of arranging the extension and incremental costs arising as a result. This amount was received after the Period covered by this report and is therefore not shown on the enclosed Receipts and Payments Account. ■ The direct legal costs of completing lease assignments (or arranging new leases) is borne by the Purchaser under the terms of the LTO. ■ Future work will consist of continuing to settle the liabilities incurred under the leases (funded by the Purchaser) and working with the Purchaser to transfer the two remaining properties. Successfully assigning properties reduces (potentially material) claims from landlords against the Companies and therefore benefits creditors generally, with respect to their participation in any dividend distribution.
<p>Pre-Administration Accounts (cash at bank)</p>	<ul style="list-style-type: none"> ■ According to the director’s Statement of Affairs, GL and GHL held cash balances with estimated to realise value of c.£501k and c.£68k respectively at the time of our appointment. ■ In the Period, we have recovered a c.£500k and c.£68k from regular sweeps of the GL and GHL pre-Administration bank accounts respectively. These balances continue to be reconciled, with any amounts relating to amounts paid by customers of the business for transactions after the date of the sale being paid to the Purchaser. ■ The pre-Administration bank accounts held with HSBC for G Realisations 2022 Limited and Gieves & Hawkes Limited have been closed. ■ The Companies also had a merchant services account prior to our appointment. The bank has retained these funds as a safeguard against any chargeback requests. We understand that all the monies held by the bank relate to sales that were made after the sale of business and assets. We are therefore working with the Purchaser and the bank to release the funds and confirm whether any are due to the Administration estate.
<p>Business Rates</p>	<ul style="list-style-type: none"> ■ In the Period, we have successfully recovered c.£1.4k in business rates refunds for GL. There are no realisations from this source for GHL. ■ We do not anticipate any further business rates realisations from for either of the Companies.

Dealing with Creditors

We have reported regularly to the Secured Creditor and taken steps to assess the level of the Companies' liabilities, including responding to queries received from creditors, to the extent possible.

- We set out below the work done in the Period relating to each class of creditor.
- The current estimates for amounts owed to the various classes of creditors, the anticipated recovery in each case and (where appropriate) the likely timing of distributions are set out later in this report.
- There will be no return to the Companies' shareholders as there will be a material shortfall to the Companies' creditors.

Secured Creditor

- We are providing periodic updates to the Secured Creditor of GL in respect of any queries that they may be of interest to them.
- We understand that GHL has no secured creditors.

Preferential creditors

- Preferential creditors are described in the highlighted box opposite.
- As mentioned in our Proposals, we do not believe that there are any first-ranking preferential creditors as all 66 jobs were transferred to the Purchaser as part of the Transaction.
- HMRC is a second-ranking preferential creditor and we understand that they have a claim of c.£196k in respect of the VAT due from the VAT group, for which both Companies are liable.

Unsecured creditors

- In preparation for our appointment, we set up a dedicated email address and helpline number in order for creditors to contact us, other than by post. We have received a number of queries from creditors on matters relating to their claim or the impact of the Administrations. We have responded to queries to the extent possible and using the information currently available to us.
- We have invited creditors to submit their claims to us using the IPS Turnkey portal as there is a reasonable prospect of a dividend becoming available, as explained later.
- For GHL, we sent unsecured creditors relevant documents regarding a decision by correspondence to approve the basis of our remuneration. We did not receive a response from creditors and therefore will be re-issuing these alongside a further invitation to lodge claims with us.
- We have also issued correspondence to landlords who may have claims that relate to the pre-Administration period.

Preferential creditors

- Preferential creditors are certain categories of unsecured creditors that have preferential status under insolvency legislation.
- They are typically employee-related debts in relation to arrears of wages and unpaid holiday pay, subject to statutory limits. The RPS becomes a preferential creditor in place of the employees once it has paid their statutory entitlements.
- Since December 2020, HMRC is also a preferential creditor for certain specified debts but ranks behind the preferential debts described above.
- Preferential claims are paid from the realisation of assets subject to a floating charge after the costs of the Administration have been paid or provided for.

Managing the Companies' affairs

Until such time as the Companies are dissolved, they must continue to fulfil many of its usual obligations. Whilst appointed to manage the affairs of the Companies, we are responsible for ensuring these obligations are met.

VAT

- Following our appointment, we notified HMRC (for both VAT and tax purposes) that the Companies had been placed into Administration, a consequence of which is the creation of a new period for both tax and VAT reporting that commences on the date of the Administrations.
- Our internal specialists performed a review of the Companies' VAT and tax affairs to understand the position in relation to the filing of returns and whether any tax assets may exist.
- Option-to-tax forms were submitted following our appointment to enable VAT to be reclaimed on costs associated with the Companies' properties.
- When HMRC has processed our initial notification and issued the relevant forms, returns will be prepared and filed until such time as the Companies are deregistered for VAT purposes.

Tax

- When HMRC has processed our initial notification and issued the relevant forms, we will instruct the FTI Tax team to prepare corporation tax returns for the pre-Administration periods ending 31 December 2021 and 24 November 2022. Once completed, these will be lodged with HMRC, allowing them to quantify and submit any claims against the Companies.
- The next tax return will be for the period ending 24 November 2023 and returns will continue to be prepared and filed until no further taxable income is expected to arise.

Books and records

- We have taken possession of the books and records necessary for the administration of the Companies and will store them for the appropriate statutory timelines.
- All other books and records in respect of the ongoing business have been retained by the Purchaser as part of the sales agreement. We retain a right of access under the sale agreement, should we require access to these books and records for any reason.

Employees

- Immediately following our appointment, we notified all 66 of GL's employees of the Transaction and the transfer of their contracts to the Purchaser, along with the business and assets.
- No redundancies were envisaged or necessary, and therefore no notifications were required to be given to the Insolvency Service (Form HR1).
- The liability for amounts due to employees in connection with their employment transferred to the Purchaser; thereby avoiding claims that would have been made against GL had a transfer not been successful.
- Given the transfer of all employees immediately on appointment, no PAYE filings are required for the post-Administration period.

Treasury and accounting

- An account of receipts and payments for the period covered by this report is provided at Appendix B. A separate statement is provided for transactions relating to the LTO.
- For GL, payments in the period correspond to the lease liabilities, insurance and statutory bonding. Receipts largely consisted of the consideration received from the Transaction, pre-Administration cash at bank, and funding for the LTO received from the Purchaser. Other receipts included business rates refunds and bank interest.
- For GHL, receipts correspond to pre-Administration cash at bank and consideration received from the Transaction. Payments relate to statutory advertising and statutory bonding.

Fulfilling our Statutory Duties

As a consequence of the Companies’ insolvency, we have a number of responsibilities that do not necessarily or directly have a financial benefit for creditors but are required by insolvency legislation.

Statutory investigations

- As required by Section 7A CDDA, we have submitted information in regard to the conduct of the Companies’ directors to BEIS. The content of our investigatory findings is confidential, however, it was concluded that there were no recovery actions that could be pursued.
- Our investigation work was performed in accordance with SIP 2 and included a review of:
 - Questionnaires submitted by the directors of the Companies who held office in the three-year period prior to the Administrations;
 - The statements of affairs prepared by the directors of the Companies;
 - The Companies’ Board Minutes in the 12 months leading up to appointment;
 - Correspondence received from creditors (who had been invited to bring any matters to our attention); and
 - Certain of the Companies’ financial information.

Investigations and submission of conduct reports

- An administrator has a duty to investigate what assets there are (including potential claims against third parties including the directors) and what recoveries can be made. This gives rise to the need for an administrators to carry out appropriate investigations, in order to satisfy their specific duties and to allay, if possible, the legitimate concerns of creditors and other interested parties.
- An administrator also has a duty to report to the Department for Business, Energy and Industrial Strategy (‘BEIS’) on the conduct of those that formerly controlled the company.



Other statutory matters

- Immediately after appointment, we issued notices of our appointment to all known creditors and other parties, as required by statute or to assist in the performance of our duties.
- We also prepared and issued our Proposals for achieving the purpose of the Administrations, sought their approval and gave notice of such approval. Deemed approval for GL took effect on 8 December 2022. A deemed consent decision procedure for GHL ended with approval on 15 December 2022.
- In conjunction with our Proposals, we issued our SIP 16 Statement setting out details of the Transaction and why it was the best outcome for creditors in the circumstances.
- Periodic case reviews have been conducted to ensure the strategy continues to be appropriate, case progression is maintained, costs are monitored and statutory tasks are fulfilled. We also arranged for statutory bonding to be put in place.

Objective of the Administrations

- As set out in our Proposals, the statutory objective of the Administrations is objective (b): 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).
- We continue to believe the objective of the Administrations will be achieved by virtue of the pre-pack sale of the Companies’ business and assets and completion of the associated subsequent work.

Joint Administrators’ Remuneration

- In Appendix C, we have provided an update on matters relating to our remuneration and expenses, including the costs that have been incurred, what creditors have approved and how much has been drawn to date.
- We can confirm that no fees have been drawn to date as we are still awaiting HMRC, the preferential creditors of GL, to lodge a claim and following this give their approval; and unsecured creditors of GHL to give their approval.

Fulfilling our Statutory Duties

Insolvency legislation sets a 12-month duration for Administrations unless the duration is extended. At the present time, we do not believe an extension will be required.

Exit route from Administrations

- In our Proposals, we explained the manner in which we anticipated the Administrations would be brought to an end once their purpose had been achieved and our work had been completed.
- For GL, as we do not expect a dividend to be available for unsecured creditors (other than from the Prescribed Part), the mostly likely exit route is one of the following:
 - The Administration will end by filing notice of dissolution with the Registrar of Companies. GL will then automatically be dissolved by the Registrar of Companies three months after the notice is registered.
 - If there are matters remaining that require the attention of a liquidator, the Administration may end by the presentation of a winding up petition to the Court for the compulsory liquidation of GL. We may propose that Christopher Jon Bennett, Samuel Alexander Ballinger and Andrew James Johnson (and/or any subsequent or replacement administrator holding office at that time) be appointed joint liquidators of GL by the Court.
- For GHL, as we expect a dividend to be available for unsecured creditors, the most likely exit route is one of the following:
 - If considered more appropriate for a liquidator to distribute the surplus funds, the Administration will end by placing GHL into Creditors' Voluntary Liquidation, with Christopher Jon Bennett, Samuel Alexander Ballinger and Andrew James Johnson (and/or any subsequent or replacement administrator holding office at that time) being appointed joint liquidators of GHL; and they will be authorised to act either jointly or separately in undertaking their duties as liquidators.
 - The Administration of GHL will end by filing notice of dissolution with the Registrar of Companies. GHL will then automatically be dissolved by the Registrar of Companies three months after the notice is registered
- The Administrations may end at different times and in different ways, however at the present time, we expect both Administrations to conclude before the anniversary of our appointment.

Extension of the Administrations

- On the basis of present information, we believe the Administrations will be capable of being brought to an end prior to their anniversary, meaning that an extension to the period of our appointment beyond the statutory 12-month period, will not be required.
- Should this change, we will seek approval from the relevant class or classes of creditors at the appropriate time.

Discharge from liability

- Pursuant to Paragraph 98 of Schedule B1, our discharge from liability (in respect of our actions as Joint Administrators) takes effect at a time determined by the relevant class of creditors, or the Court. In the circumstances of GL, it is for the Secured Creditor and/or preferential creditors to make that determination. In the circumstances of GHL, it is for the unsecured creditors to make that determination.
- We are likely to propose that discharge should take effect at the time our appointment ceases to have effect. We will seek approval to this at the appropriate time (and from the same classes of creditors responsible for approving our remuneration).

Future reporting

- We are required to provide a further progress report to all creditors within one month of the end of the period ending 23 November 2023, or when the Administrations comes to an end, whichever is sooner.
- All documents will be retained on the website and will remain available until at least two months after the conclusion of the proceedings. If you require any hard copy documents, please contact us using the details provided earlier, and you will be provided (free of charge) a hard copy of documents posted to the website in the future.



Estimated Outcomes for Creditors

Secured and Preferential Creditors

We have made distributions to the Secured Creditor which represents a repayment in full. We anticipate making a distribution to preferential creditors in the coming months.

Secured Creditors

- A working capital loan facility of £1.2m was provided by the Secured Creditor to GL, guaranteed by GHIL and GHIL BVI.
- The validity of the security was confirmed by DLA Piper (an independent law firm engaged by FTI).
- Immediately prior to the Transaction, the Secured Creditor's exposure was £1.2m. An amount of £1.0m was distributed to the Secured Creditor by the joint fixed charge receivers of GHIL and GHIL BVI, from the proceeds of selling intellectual property assets to the Purchaser.
- In addition, in March 2023, floating charge distributions in the amount of £206k have been made to the Secured Creditor from GL. This represents the balance of the working capital loan facility, interest payable under the working capital loan facility balance, and costs incurred by the Secured Creditor in enforcing their security.
- There are no projected future distributions for Secured Creditors as they have now been repaid in full.
- GHL has no secured creditors.

Preferential Creditors

- There are not expected to be any first-ranking preferential claims in GL because of the TUPE transfer of employees. Therefore no distributions to first-ranking preferential creditors are expected.
- In the Statement of Affairs, the director estimated that the (second-ranking) preferential claim from HMRC against GL would be c.£196k. Once a claim has been lodged with us, this will be adjudicated and a distribution be made.
- We anticipate the distribution will be paid in the coming months and is likely to be paid in full by GL at 100p/£.
- No preferential creditors are expected in the Administration of GHL.

Unsecured Creditors and Prescribed Part

We expect a small dividend to be available to the unsecured creditors of GL and GHL. This is expected to be paid in the coming months.

- In an administration, dividends may become available for unsecured creditors from two sources:
 1. The statutory (ring-fenced) Prescribed Part fund; and/or
 2. The surplus remaining after any secured and preferential creditors have been repaid in full.
- For GL, we believe that there is not likely to be any surplus remaining after secured and preferential creditors have been repaid in full. Thus, a distribution to the unsecured creditors will only arise by virtue of the Prescribed Part.
- As GHL has no unsatisfied charges (post 15 September 2003), there will be no requirement to set aside a Prescribed Part fund. Based on current information, we therefore believe there will be a small dividend for unsecured creditors.

Creditor claims

- In the Statement of Affairs, the director estimated that non-preferential unsecured claims against GL and GHL would be c.£41.9m and c.£8.9m respectively.
- To date, claims of c.£14.2m have been received against GL, and £160 against GHL at this time.

Prescribed Part fund / Distributable Surplus funds

- Based on current information, we believe that the value of net property of GL will be c.£260k giving rise to a Prescribed Part fund of c.£55k. The estimated value of net property includes an assessment of future recoveries and the final level of costs, and therefore is subject to change.
- As there is no requirement to set aside a Prescribed Part fund for GHL, any dividend will be paid from asset realisations. In this case, the value of funds available is expected to be c.£48k comprised of the pre-administration cash at bank, bank interest generated from funds held by the estate, the consideration received from the Transaction relating to GHL's assets, and an estimate for the final level of costs. This excludes any realisations from the Prescribed Part in GL, from which GHL is expected to receive a dividend.

Dividends and timing

- For GL, we expect a small dividend to be paid, based on the above Prescribed Part fund estimate of c.£55k. This represents a dividend of c.0.1p/£ based on the estimated value of claims.
- For GHL, we expect a dividend of c.0.5p/£ to be paid, based on a net property value of c.£48k, and claims of c.£8.9m.
- Please note that this guidance is only an indication and should not be used as the main basis of any bad debt provision. The amount distributed will be determined by the final level of admitted claims and the value of the funds available.
- There is not expected to be any return to the unsecured creditors of GL other than by virtue of the Prescribed Part.

The Prescribed Part

- Under Section 176A IA86, where after 15 September 2003 a company has granted floating charge security, a proportion of the 'net property' of the company must be made available for the benefit of the company's unsecured creditors.
- 'Net property' is the net floating charge realisations after the costs of realisation, expenses of the Administration and Preferential Creditors have been paid in full or funds set aside for.
- The Prescribed Part is calculated as follows:
 - 50% of net property up to £10k;
 - Plus 20% of the net property in excess of £10k; and
 - Subject to a maximum of £800k.
- Expenses associated with the Prescribed Part must be paid out of the Prescribed Part, such as the agreement of claims, issuing statutory notices and distributing the funds.



Key Matters Remaining

Work We Still Need To Do

The remaining steps that need to be taken ahead of concluding the Administrations are shown below, in addition to certain periodic statutory duties we must fulfil whilst we remain appointed.

Area	Property 	Other 	Tax / VAT 	Distributions 	Winding-down 
Work Required	<ul style="list-style-type: none"> ■ Liaise with Purchaser and landlords to finalise assignment of the remaining sites. ■ Liaise with our insurance brokers on ongoing requirements for properties where a formal surrender has not been agreed. ■ Reconcile LTO funds such that the net position is zero. 	<ul style="list-style-type: none"> ■ Liaise with the pre-appointment bank and the Companies to recover merchant services funds. ■ Assist the pension trustee with various matters including a VAT reclaim exercise. 	<ul style="list-style-type: none"> ■ Continued preparation and submission of quarterly returns for VAT group. ■ Submit CT Returns for the pre-administration periods ending 31 December 2021 and 24 November 2022. ■ Prepare and lodge CT return for post-administration period to 24 November 2023 or to end of administration, whichever is sooner. 	<ul style="list-style-type: none"> ■ Issue a notice of intended dividend for preferential creditors. ■ Adjudicate preferential claims and make a distribution to preferential creditors. ■ Issue a notice of intended dividend for unsecured creditors. ■ Adjudicate claims submitted and make an unsecured distribution. 	<ul style="list-style-type: none"> ■ Progress any other matters required to wind-down the Companies' affairs generally prior to the Administrations concluding and the Companies being dissolved.
Timing	<ul style="list-style-type: none"> ■ 3 months 	<ul style="list-style-type: none"> ■ 3 months 	<ul style="list-style-type: none"> ■ Ongoing, with last return to be completed before the end of the Administrations 	<ul style="list-style-type: none"> ■ 6 months 	<ul style="list-style-type: none"> ■ 6 months



Appendices

Appendix A: Statutory Information

Company Name: G Realisations 2022 Limited

Previous Names	Gieves Limited Gieves & Hawkes Limited	Administrators' Address	FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD
Trading Names	Gieves & Hawkes	Administrators' Recognised Professional Body	ICAEW
Registered Number	01026430	Functions of Administrators	For the purposes of paragraph 100(2) of Schedule B1, all functions and powers of the administrators may be exercised by all of the administrators jointly or by any administrator separately.
Date of Incorporation	6 October 1971	Appointment Date	24 November 2022
Registered Office	G Realisations 2022 Limited, C/O FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD	Appointer / Applicant	The director of GL, pursuant to Paragraph 22 of Schedule B1
Former Registered Office	Ground Floor, 21-22 Grosvenor Street, London, W1K 4QJ, United Kingdom	Objective being pursued	Achieve a better outcome for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration)
Court Name / Address	In the High Court of Justice, Business and Property Courts in Leeds, Insolvency and Companies List (ChD)	EC Regulation	We consider that these are "COMI proceedings" since the company's registered office and its trading address are in the United Kingdom, such that its centre of main interest is in the United Kingdom.
Court Reference	CR-LDS-000935 of 2022	Changes in Administrator	N/A
Administrators' Names	Christopher Jon Bennett, Samuel Alexander Ballinger and Andrew James Johnson	Current Administration End Date	23 November 2023

Appendix A: Statutory Information

Company Name: **Gieves & Hawkes Limited**

Previous Names	Gieves & Hawkes PLC Gieves Group P L C (The) Fourth Intercede Limited Gieves Group (1980) Limited (The)	Administrators' Address	FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD
Trading Names	Gieves & Hawkes	Administrators' Recognised Professional Body	ICAEW
Registered Number	01455128	Functions of Administrators	For the purposes of paragraph 100(2) of Schedule B1, all functions and powers of the administrators may be exercised by all of the administrators jointly or by any administrator separately.
Date of Incorporation	18 October 1979	Appointment Date	24 November 2022
Registered Office	Gieves & Hawkes Limited, C/O FTI Consulting LLP, 200 Aldersgate Street, London EC1A 4HD	Appointer / Applicant	The director of GHL, pursuant to Paragraph 22 of Sch B1
Former Registered Office	Ground Floor, 21-22 Grosvenor Street, London, W1K 4QJ, United Kingdom	Objective being pursued	Achieve a better outcome for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration)
Court Name / Address	In the High Court of Justice, Business and Property Courts in Leeds, Insolvency and Companies List (ChD)	EC Regulation	We consider that these are "COMI proceedings" since the company's registered office and its trading address are in the United Kingdom, such that its centre of main interest is in the United Kingdom.
Court Reference	CR-LDS-000945 of 2022	Changes in Administrator	N/A
Administrators' Names	Christopher Jon Bennett, Samuel Alexander Ballinger and Andrew James Johnson	Current Administration End Date	23 November 2023

Appendix B: Receipts and Payments Account – LTO Statement (GL)

For the period from 24 November 2022 to 23 May 2023

GBP	Notes	Statement of Affairs	From 24 November 2022 To 23 May 2023
LTO Funding			
LTO License Fees	1,2		546,845.69
Post Transaction Receipts	3		37,104.36
Subtotal			583,950.05
Expenditure			
Rents			(277,690.89)
Service Charge			(22,226.96)
Insurance			(120.82)
Subtotal			(300,038.67)
Surplus / (Deficit)	4		283,911.38

Notes to the LTO Trading Statement

1. Additional funding of c.£127k (plus VAT) was received on 24 May 2023 as a consequence of the LTO being extended beyond the initial six-month agreement with the Purchaser. If any additional funding is needed to continue the management of the leasehold properties, this will be provided by the Purchaser.
2. Any surplus amounts that remain after all of the Companies' leasehold properties have been transferred or are vacated, will be returned to the Purchaser. The surplus in the LTO statement exists due to timing differences in respect of amounts that have been funded that had not been invoiced and/or paid at the end of the period.
3. This represents cash receipts received in respect of the post transaction trading period. Following a reconciliation of LTO payments due, all cash remaining will be due to the Purchaser.
4. All amounts are stated in GBP and exclusive of VAT (unless otherwise stated). VAT relating to the LTO transactions is shown on the next page.

Appendix B: Receipts and Payments Account (GL)

For the period from 24 November 2022 to 23 May 2023

GBP	Notes	Statement of Affairs ¹	From 24 November 2022 To 23 May 2023
Floating Charge Receipts			
Bank Interest	2		1,468.07
Books and Records	3	1.00	1.00
Business Rates Refund			1,421.50
Cash at Bank	4	500,585.26	500,203.24
Company Contracts	3	1.00	1.00
Customer Database	3	1.00	1.00
Plant and Machinery	3	4.00	4.00
Stock	3	221,669.71	221,669.71
Subtotal		722,261.97	724,769.52
Floating Charge Payments			
Bank Charges			(15.00)
Insurance of Assets			(940.80)
Other Expenses			(102.00)
Statutory Advertising			(95.00)
Statutory Bonding			(225.00)
Storage Costs	5		(175.23)
Subtotal			(1,553.03)
Floating Charge Creditor			
Distribution to Secured Creditor	6		(205,555.10)
Floating Charge Balance			517,661.39
Represented By			
VAT Receivable			54.05
Cash held in interest bearing account			554,289.22
Cash held in interest bearing account for LTO Funding			302,692.56
Net LTO VAT Position	7		(55,463.06)
LTO Surplus	7		(283,911.38)
			517,661.39

Notes to the Receipts and Payments Account

- The Statement of Affairs amounts have been taken from the director's Statement of Affairs dated 21 February 2023 and for asset values, represents the director's estimated to realise value (not book value).
- Funds are held with Barclays Bank Plc and all accounts were interest bearing during the Period.
- The realisations are the considerations received with respect to the Transaction on 24 November 2022.
- Cash at Bank refers to the cash realised on appointment.
- Storage costs were incurred which related to the storage of the Companies' books and records and subsequent transfer to FTI.
- An amount of £1.0m was distributed from the FCRs shortly after appointment from the fixed charge realisations. In addition, c.£206k was distributed from the Administration estate to the Secured Creditor. Together, these represented a 100p/£ distribution and includes the balance of the working capital loan facility, interest payable under the working capital loan facility balance, and costs incurred by the Secured Creditor in enforcing their security.
- LTO Surplus includes current cash surplus relating to the management and trading of the LTO. The LTO VAT position reflects the net VAT position in respect of the LTO funding. Following the assignment of the remaining leases a cash reconciliation will be completed. All cash remaining in the LTO account will be due to the Purchaser.

All amounts are stated in GBP and exclusive of VAT (unless otherwise stated). All bank accounts have been reconciled as at the end of the Period.

Appendix B: Receipts and Payments Account (GHL)

For the period from 24 November 2022 to 23 May 2023

GBP	Notes	Statement of Affairs ¹	From 24 November 2022 To 23 May 2023
Floating Charge Receipts			
Bank Interest		-	95.82
Books and Records	2	1.00	1.00
Company Contracts	2	1.00	1.00
Customer Database	2	1.00	1.00
Plant & Machinery	2	4.00	4.00
Pre-Administration Cash		67,521.10	67,514.10
Subtotal		67,528.10	67,616.92
Floating Charge Payments			
Statutory Bonding			(225.00)
Statutory Advertising			(95.00)
Subtotal			(320.00)
Floating Charge Balance			67,296.92
Represented by			
VAT receivable			19.00
Funds held on an interest-bearing GBP account			67,277.92
Total Receipts and Payments			67,296.92

Notes to the Receipts and Payments Account

1. The Statement of Affairs amounts have been taken from the director's Statement of Affairs dated 21 February 2023 and for asset values, represents the director's estimated to realise value (not book value).
2. The realisations are the consideration received with respect to the Transaction on 24 November 2022.

All amounts are stated in GBP and exclusive of VAT (unless otherwise stated). All bank accounts have been reconciled as at the end of the Period. Funds are held with Barclays Bank Plc and all accounts were interest bearing during the Period.

Appendix C: Joint Administrators' Remuneration and Expenses

No fees have been drawn to date for our work on the Administrations of the Companies. We are in the process of obtaining the necessary approvals from creditors.

Basis of our remuneration

- In our Proposals, we explained the basis on which it would be proposed that our remuneration should be fixed, together with details of the work we expected to do in the Administrations and the expenses we expected to incur.
- In the Period, we sought approval that our remuneration should be a fixed:
 - as a set amount (a fixed fee) of £130k for GL; and
 - as a set amount (a fixed fee) of £18k for GHL
- With regards to GL, approval was received for GL from the Secured Creditor on 17 January 2023. We are awaiting HMRC to lodge a proof of their debt, following which we will seek their approval also. A proof of debt is required in any creditors' decision procedure, in order for a vote to be counted.
- At the appropriate time, we will also be seeking approval to increase our remuneration in the Administration of GL due to the additional work arising as a result of the LTO extension. There will be no impact on any class of creditor as the Purchaser will be funding these additional fees (with £20k received to date).
- The actual amount of remuneration that we draw in GL is expected to be less than what we are asking creditors to approve, because in the circumstances of this case, we are proposing to waive our fees to the extent necessary for both the preferential and secured creditors to be paid in full.
- With regards to GHL, on 31 March 2023, we issued notice of a creditors' decision procedure (to be conducted by correspondence), seeking approval to the remuneration set out above. No responses were received by the Decision Date of 19 April 2023. It is our intention to repeat the decision procedure at an appropriate future time.
- We continue to believe the set amount is a fair and reasonable reflection of the work required in the Administrations. Earlier in this report and later in this Appendix, we have given a description of the work carried out during the Period.
- As shown in the enclosed receipts and payments account, in the Period we have not yet drawn any amount relating to our remuneration, as the requisite approvals have not yet been received.

- Our supporting notes to GL's receipts and payments account explain that a charity commitment of £102 has been paid and the fees we draw in due course will be reduced by this amount, such that FTI will have honoured the donation.

Information on creditors' rights

- A creditors' guide to administrations can be found on our website at www.fticonsulting.com/emea/cip/forms-and-information. It includes information to help creditors understand their rights and describes how best these rights can be exercised.
- The website also has a creditors' guide to administrators' fees which is intended to help creditors be aware of their rights under legislation to approve and monitor fees; and explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive. Details of these rights are also set out in Appendix E.
- There are no business or personal relationships with parties responsible for approving remuneration or who provide services where the relationship could give rise to a conflict of interest.

Pre-Administration costs

- Our Proposals contained a statement of pre-Administration costs, being costs that were incurred with a view to the Companies entering Administration. At the time of appointment, unpaid costs related to fees charged by the Joint Administrators (£63,192) and legal expenses incurred by DLA (£74,779).
- In conjunction with determining the basis of our remuneration, the Secured Creditor also gave (on 17 January 2023) approval that the unpaid costs above could be paid as an expense of the GL Administration. With regards to our pre-Administration fees, the approved amount was £63,000.
- Similar to our remuneration, we must also obtain approval from the preferential creditors (HMRC) before any of these amounts can be paid and will do so at the earliest opportunity.
- No pre-Administration costs will be paid by GHL.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Companies' assets, quantifying its liabilities and returning funds to creditors, managing the Companies' affairs and fulfilling our statutory obligations as Joint Administrators.

Earlier in this report, we described the main areas of our work in the Administrations during the Period covered by this report. The table below provides more detail, but is not an exhaustive list of all work performed. Also provided is an indicated of whether the work provided a financial benefit for creditors or whether (for example) it was required by statute.

Area of work	Description of work	Reason and benefit for creditors
Controlling the appointment	<ul style="list-style-type: none"> ■ Strategy and planning: devised and maintained appropriate strategies for achieving the purpose of the Administrations, engagement team meetings and documented key decisions. ■ Case reviews: conducted periodic reviews on the progress of the Administrations. Future reviews will be every six months. ■ Financial Management: prepared and maintained cost budgets, prepared estimated outcome statements, as appropriate for the case. ■ Remuneration: provided information to creditors, sought and continue to seek fee approval in accordance with insolvency legislation requirements 	<ul style="list-style-type: none"> ■ We have a duty to perform our functions as quickly and efficiently as reasonably practicable in the best interests of the creditors as a whole. ■ Whilst not necessarily generating a direct financial benefit for creditors, these areas of our work ensure that our strategies to maximise realisations and minimise costs (and liabilities where possible), are kept under review and amended as appropriate.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Companies' assets, quantifying its liabilities and returning funds to creditors, managing the Companies' affairs and fulfilling our statutory obligations as Joint Administrators.

Area of work	Description of work	Reason and benefit for creditors
Realising the Assets	<ul style="list-style-type: none"> ■ Sale of business: following the immediate sale of the assets, we have fulfilled (and continue to fulfil) our post-sale obligations and undertook the reasonable work required to support the transfer of assets to the Purchaser, such as novation of contracts or leases, communications as necessary with counter-parties, and completion of transfer documentation. ■ Pre-Administration Bank Accounts: liaised with the Companies' bankers to recover amounts held in their accounts, conducted reconciliations so that amounts due to the Purchaser could be transferred, and arranged for the closure of the bank accounts. ■ Business Rates: corresponded with councils to determine whether any business rates refunds were due to the Companies and provided details to enable recovery of these funds. ■ Insurance: arranged insurance for the properties leased under the LTO immediately on appointment, worked with our insurance brokers to agree the scope of any ongoing insurance requirements and managed the policies as required; including cancellation and payment of premiums. ■ Bonding: arranged specific penalty bonding for each of the Joint Administrators following their appointment, paid premiums and reviewed level of bonding periodically. 	<ul style="list-style-type: none"> ■ The sale of business provides a direct financial benefit for creditors and includes the work required after completion pursuant to the terms of the sale agreement, or otherwise. ■ Insurance cover is a necessary financial loss protection for the Companies, their creditors and the Administrators in respect of assets held (and any insurable risks arising) during the course of the Administrations. ■ Similar to insurance, bonding provides financial protection for preferential and unsecured creditors in respect of the actions of the insolvency practitioners and up to the value of the Companies assets estimated to be available for those classes of creditors. Bonding is a statutory requirement for all insolvency practitioners.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Companies' assets, quantifying its liabilities and returning funds to creditors, managing the Companies' affairs and fulfilling our statutory obligations as Joint Administrators.

Area of work	Description of work	Reason and benefit for creditors
Dealing with Creditors	<ul style="list-style-type: none"> ■ Secured creditor: reported periodically to the Secured Creditor; and made a distribution from asset realisations under security entitlements. ■ Preferential claims agreement: liaised with the creditor (HMRC) regarding the provision of supporting information and encouraging them to lodge a proof of debt. ■ Maintained our systems to record and maintain creditor details, claims received, the determination thereon and the payment of dividends. ■ Creditor queries: for all classes of creditors, shareholders and other third parties: we responded to inbound queries received to the extent possible and necessary. 	<ul style="list-style-type: none"> ■ Where available, distributions and dividends represent a repayment to creditors in respect of the amounts owed to them by the Companies and therefore is a tangible financial benefit from the insolvency proceedings. ■ During the course of claims agreement, we perform an proportionate level work with an appropriate degree of scrutiny taking into account the quantum of the dividend available, to avoid incurring unnecessary costs and to avoid adversely impacting the recovery for creditors. ■ Responding to general inbound queries can take considerable time and does not have a direct financial benefit for creditors, except for example (for individual creditors) where it is to provide debt confirmations for the purpose of credit insurance claims. To the extent possible, we encourage creditors to review information already available on our website.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Companies' assets, quantifying its liabilities and returning funds to creditors, managing the Companies' affairs and fulfilling our statutory obligations as Joint Administrators.

Area of work	Description of work	Reason and benefit for creditors
Managing the Companies' Affairs	<ul style="list-style-type: none"> ■ Corporation Tax: We are waiting for HMRC to process our notification of the Companies' insolvency before we can prepare and lodge the pre-Administration returns necessary and periodic tax returns falling due during the Administration through the maintenance of adequate accounting records. ■ VAT: This work included submission of an option-to-tax form in relation to the Companies' property leasehold portfolio and maintaining adequate VAT accounts. We are waiting for HMRC to process our notification of the Companies' insolvency before we can lodge our VAT returns. ■ To facilitate the above work, an initial review was performed by our internal Tax and VAT specialists; and all the information likely to be required will be obtained from the Companies' records and HMRC. ■ Books and records: agreed the strategy for the safeguarding and destruction (when required) of the Companies' records. This included a data capture of certain of the Companies' electronic records, taking possession of the statutory books and other records likely to be required for the purpose of the Administrations; including in respect of our duties to review the conduct of the directors. ■ Bank account management: opened bank accounts (under our control) for the purpose of depositing sale proceeds and other receipts, paying expenses and making distributions to creditors. Accounts have been reconciled on a monthly basis. ■ Receipts, payments and accounting journals: maintained adequate accounting records for the period of the Administrations, including the payment of costs and expenses. 	<ul style="list-style-type: none"> ■ We have a statutory responsibility to complete and submit post-insolvency tax and VAT returns and account for any tax due. ■ As circumstances can often be complex, the involvement of our VAT and tax specialists ensures that the Companies pay the correct amount of tax, to avoid adversely impacting any amounts available for creditors. ■ Dealing with the Companies' books and records does not necessarily give a financial benefit to creditors, although they are essential when any defending actions against the Companies' from third parties and when adjudicating creditor claims. ■ Opening bank accounts for the Administrations avoids the costs and logistics of taking control of the Companies' existing accounts (which are usually closed shortly after appointment). Regular reconciliations of the new accounts assist in maintaining accurate records for the Administrations.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Companies' assets, quantifying its liabilities and returning funds to creditors, managing the Companies' affairs and fulfilling our statutory obligations as Joint Administrators.

Area of work	Description of work	Reason and benefit for creditors
Fulfilling our Statutory Duties	<ul style="list-style-type: none"> ■ Initial letters and notices: issued all necessary correspondence following our appointment to: creditors, directors, Companies House, HMRC and others. As a pre-pack transaction of the Companies' assets occurred, we issued our SIP 16 Statement to creditors and our regulatory body. ■ Statement of affairs: Requested statements from the director, granted extensions to the deadline, responded to queries from the director and filed signed statements with Companies House. ■ Proposals: prepared and issued our statement of proposals (for achieving the purpose of the Administrations) to creditors, members and lodged this with Companies House. Gave notice of the approval of the proposals to the above parties and the Court. ■ CDDA and SIP2 Assessment: gathered information from the director and other sources, conducted an initial assessment of the Companies' affairs and the conduct of its current and former directors; and submitted information to the Insolvency Service (acting for the Secretary of State). 	<ul style="list-style-type: none"> ■ Due to the impact of insolvency on a company's creditors and members, there are statutory requirements to give notice of the appointment of administrators to affected parties. There is no financial benefit to creditors. ■ The various other workstreams arise from statutory requirements due to the Companies being in an insolvency process and similarly do not have any direct financial benefit for creditors. Many requirements are for the purpose of keeping creditors informed about the Administrations and to protect their interests generally.

Appendix C: Joint Administrators' Remuneration and Expenses

An overview of the types of expenses incurred.

Definition of expenses

- Expenses are any payments from the estate which are neither office-holders' remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office-holder and then reimbursed to the office-holder from the estate.
- Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):
 - Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office-holder. Category 1 expenses can be paid without prior approval.
 - Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office-holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- The types of disbursements categorised as Category 1 expenses typically include external supplies of incidental services specifically identifiable to the case such as postage, statutory case advertising, bonding, invoiced travel and external services such as printing, room hire and document storage. Also included would be any properly reimbursed expenses incurred by personnel in connection with the case.
- The types of disbursements categorised as Category 2 expenses typically include mileage, in-house printing and electronic data storage.

Professional advisors and subcontractors

- The table on the next page provides details of professional advisors and subcontractors that we have engaged on this project. The use of subcontractors is in relation to work that we could have done (subject to the exceptions detailed below), but that we have outsourced.
- Our choice of professional advisors and subcontractors was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment.
- We also considered that the basis on which they will charge their fees is appropriate in the circumstances. Other than the legal advice and insurance services, the work could have been undertaken by our teams, but we have outsourced it as we consider it to be more cost effective and the providers have relevant specialist experience. We have reviewed the fees they have charged and are satisfied that they are reasonable in the circumstances of this case.
- Details of the expenses incurred in the Period with these third parties (whether paid or not) is set out later in this Appendix. The amounts paid are shown in the Receipts and Payments account at Appendix B.
- We have also utilised the services of other teams within FTI Consulting LLP to assist with the Administration process. The fees of our Tax team has been included within the basis of our remuneration. We consider that the rates chargeable for these services are in line with general market practice and that the service is at least comparable to similar firms of professional advisors. In addition, by working closely with our internal teams, we believe a more coordinated and cost-effective approach to the Administration workstreams has been possible

Appendix C: Joint Administrators' Remuneration and Expenses

The table shows the professional advisors and subcontractors engaged on the Administrations. Also shown is our firm's policy for the recovery of disbursements and the amounts incurred in the period.

Payee / firm	Service provided	Reason selected	Basis of fees/costs
EPE Reynell	■ Gazette Notices	■ Specialist in dealing with legal advertising	■ Fixed cost per advert
Aon UK Limited	■ Insurance Risk Services	■ Experienced provider of insurance services to insolvency practitioners	■ Insurance Premiums
DLA Piper	■ Legal Advice	■ Experienced and reputable firm with the most reasonable fees as per the quotes requested	■ Time costs
Courts Trustees	■ Pension Advice	■ Specialists in dealing with pension matters	■ Fixed cost per submission

Disbursements

Category	Disbursement	GL Incurred in the Period (£)	GHL Incurred in the Period (£)	Total Incurred (£)
1	Pension scheme advice	100.00	100.00	200.00
1	Courier	10.75	-	10.75
1	Companies House fees	50.00	-	50.00
	Total	160.75	100.00	260.75

- All disbursements are reimbursed at cost.
- Companies House Fees refer to the cost to change the name from Gieves Limited to G Realisations 2022 Limited.

Appendix C: Joint Administrators' Remuneration and Expenses (GL)

The table below should be read in conjunction with the receipts and payments account for Gieves Limited which shows expenses actually paid during the Period and the total paid to date.

Category	Incurring in the Period	Total incurred	Estimated future	Estimated Total	Expenses estimate ¹
Statutory Advertising	95	95	99	194	190
Officeholders' expenses	161	161	100	261	100
Statutory bonding	225	225	-	225	225
Bank Charges	15	15	15	30	-
Insurance	941	941	-	941	970
Storage Costs	175	175	3,230	3,405	-
Legal fees	12,146	12,146	12,854	25,000	18,000
Totals (excluding pre-Administration costs)	13,758	13,758	16,298	30,056	19,485
Legal fees – pre-Administration costs	74,779	74,779	-	74,779	74,779
Total (including pre-Administration costs)	88,537	88,537	16,298	104,835	94,264

1. The expenses estimate was provided to creditors in our Proposals on 30 November 2022.

- Our current estimate of expenses (£30,056) is in excess of the details given to the creditors in our Proposals (£19,485). The principal reasons are as follows:
 - The cost of statutory advertising has increased and we have reflected the updated tariff in our estimates.
 - As shown on the previous page, officeholders' expenses includes the pension advice provided by Courts Trustees (which was shown separately in our Proposals). Other incidental and unforeseen costs have been incurred in the course of our work as shown on the previous page.
 - Bank charges are incurred where payments of an urgent nature are required (at £15 per transaction). Given the minimal amount, no provision was included in our initial estimate.
 - We had not initially expected to incur any costs in respect of third party storage and the costs of transferring them to FTI's records storage provider. The future storage costs may be a liability of the Purchaser and discussions are ongoing. However, a provision has been added in the meantime, for the sake of prudence.
 - We anticipate there may be additional legal fees to be incurred in the Administration. The overall cost is expected to exceed the initial estimate, principally due to additional work that has been necessary, including legal advice relating employee and pension matters that have arisen during the Period.
- The expenses estimate does not represent a cap on the amount of expenses that can be paid, and approval for payment is only required for those that are Category 2 expenses, as previously defined.

Appendix C: Joint Administrators' Remuneration and Expenses (GHL)

The table below should be read in conjunction with the receipts and payments account which shows expenses actually paid during the Period and the total paid to date.

Category	Incurring in the Period	Total incurred	Estimated future	Estimated total	Expenses estimate ¹
Statutory advertising	95	95	99	194	190
Officeholders' expenses	100	100	-	100	100
Statutory bonding	225	225	-	225	225
Bank charges	-	-	15	15	-
Insurance	274	274	-	274	396
Storage costs	-	-	-	-	-
Legal fees	2,251	2,251	-	2,251	2,000
Totals	2,945	2,945	114	3,059	2,911

1. The expenses estimate was provided to creditors in our Proposals on 30 November 2022.

- Our current estimate of expenses is slightly in excess of the details given to the creditors in our Proposals. The principal reasons are as follows:
 - The cost of statutory advertising has increased and we have reflected the updated tariff in our estimates.
 - As shown earlier, officeholders' expenses includes the pension advice provided by Courts Trustees (which was shown separately in our Proposals). Other incidental and unforeseen costs have been incurred in the course of our work as also shown earlier.
 - Bank charges are incurred where payments of an urgent nature are required (at £15 per transaction). Given the minimal amount, no provision was included in our initial estimate.
 - We anticipate there may be additional legal fees incurred in the Administrations and the total is currently expected to be broadly in line with the estimate previously given.
- The expenses estimate does not represent a cap on the amount of expenses that can be paid, and approval for payment is only required for those that are Category 2 expenses, as previously defined.

Appendix D: An introduction to insolvency

If you are unfamiliar with an insolvency process, please read this page which describes the typical work and role of an insolvency practitioner. This is only a general overview and does not necessarily reflect our work in this case.

What is an insolvency process?

There are several types of insolvency process, but all are intended to achieve the same basic objective: to realise assets that the company owns and repay (to the extent possible) what it owes to creditors.

The type of process depends on the circumstances and the amount distributable to creditors (in accordance with statutory priorities) depends on the value of assets, the costs of the process and level of claims received.

What is an insolvency practitioner?

Commonly referred to as an 'IP', an insolvency practitioner is an experienced and qualified individual who is licensed and authorised to act in relation to an insolvent company, partnership or person.

IPs typically use the staff and resources of their own firm to complete the work, supported by third party professionals and other specialists as required.

IPs are routinely monitored by their professional body to ensure continued adherence to standards.

Realising the Assets

The IP evaluates possible options and pursues the best route for maximising value for creditors. Options could include an immediate sale of the business, a period of ongoing trading (prior to a sale) or a closure/wind-down of operations.

The costs of realising the assets can vary significantly, so an IP is looking to maximise the net value (after costs). Securing the ongoing employment of the workforce can materially reduce claims against the company.

Work done on realising the assets has a direct financial benefit for creditors.

Managing the Companies' Affairs

Until such time as the Companies are dissolved, they must continue to fulfil many of its usual obligations, such as submitting VAT/tax returns and keeping adequate accounting records.

Whilst appointed to manage the affairs of the Companies, the IP is responsible for ensuring these obligations are met. Support from VAT/tax specialists in insolvency situations helps to ensure accuracy and minimise liabilities.

Other work might include complying with any licensing or regulatory requirements.

Dealing With Creditors

It can take several months, often longer, but if and when funds become available, the IP will distribute these to creditors once their claims have been received and agreed.

As secured creditors usually have priority rights over the assets, the amount left over for other non-preferential unsecured creditors can often be very small.

IPs keep creditors updated on their work, either through periodic reports or responding to their queries and correspondence.

Fulfilling our Statutory Duties

The impact of an insolvency can be wide ranging, so IPs are required to issue notices and periodic reports to notify those affected parties and keep them updated.

The Companies' affairs and conduct its directors must also be investigated to see whether any asset recovery (or other actions) need to be taken.

Whilst this work does not have any direct financial benefit for creditors, the purpose of insolvency law is to protect the interests of creditors.

Regular internal case reviews ensure the process progresses cost effectively and on a timely basis.

Appendix E: Legal Notices

We have set out below some important notices regarding this report and the appointment of administrators.

■ Opting Out of Correspondence

Creditors have the right to elect to opt out of receiving further communication about the insolvency procedure.

Any creditor may elect to become an opted-out creditor at any time, by delivering a dated notice of the request, in writing to me. An opted-out creditor remains as such for the duration of the proceedings unless the opt out is revoked by a further notice in writing, dated and delivered to us.

A creditor becomes (or ceases to be) an opted-out creditor when the notice is delivered to us.

The opt out will not apply to the following:

- a notice which the Insolvency Act 1986 requires to be delivered to all creditors without expressly excluding opted-out creditors;
- a notice of a change in the officeholder or a notice of a change in our contact details, or
- a notice of a dividend or proposed dividend or a notice which the court orders to be sent to all creditors or all creditors of a particular category to which the creditor belongs.

Opting-out will not affect a creditor's entitlement to receive dividends should any be paid to creditors or a creditors' rights to vote in a decision procedure or to participate in a deemed consent procedure, although any creditor who opts-out will not receive notice of it.

Any creditor who opts out will be treated as having opted out in respect of consecutive insolvency proceedings of a different kind in respect of the same company.

■ Creditors Right to Request Information

Any secured creditor or unsecured creditor with the support of at least 5% in value of the unsecured creditors, or with the leave of the Court, may, in writing, request the Joint Administrators of the Companies to provide additional information regarding remuneration or expenses to that already supplied within this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 IR16.

■ About this report

This report has been prepared by the Joint Administrators solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the administrations.

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 the Companies [or any other company in the Group].

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 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.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

■ Creditors' Right to Challenge Remuneration and/or Expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors, or with the leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 18.36 or 18.37 IR16), challenging the amount or the basis of the remuneration which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such application must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses in question, in accordance with Rule 18.34 IR16.

■ Data Protection

FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of its insolvency practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information on our website at <https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>



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