Rule 2.33

Form 2.17B

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company	Company number
Comet Group Limited	00278576

In the	Court case number
High Court of Justice, Chancery Division, Companies Court (full name of court)	8347 of 2012

(a) Insert full name(s) and address(es) of administrator(s)

We (a)

Neville Barry Kahn	Nicholas Guy Edwards	Christopher James Farrington
Deloitte LLP	Deloitte LLP	Deloitte LLP
PO Box 810	PO Box 810	1 Woodborough Road
66 Shoe Lane	66 Shoe Lane	Nottingham
London	London	NG1 3FG
EC4A 3WA	EC4A 3WA	

*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 17 December 2012

Signed

Joint Administrator

Dated 17 December 2012

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 researchers of the public record

Carly Barrington
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

Tel 020 7936 3000

DX Number LDE DX599

DX Exchange

THURSDAY

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A18 20/12/2012 #6

COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

Comet Group Limited **Court Case No. 8347 of 2012**

In Administration (the "Company")

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)

17 December 2012

Neville Barry Kahn
Nicholas Guy Edwards
Joint Administrators
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

Christopher James Farrington
Joint Administrator
Deloitte LLP
1 Woodborough Road
Nottingham
NG1 3FG

Neville Barry Kahn, Christopher James Farrington and Nicholas Guy Edwards were appointed Joint Administrators of Comet Group Limited on 2 November 2012 The affairs, business and property of the Company are managed by the Joint Administrators The Joint Administrators act as agents of the Company and contract without personal liability

Disclaimer Notice

- This Statement of Proposals ("Proposal" or "Proposals") has been prepared by Neville Barry Kahn, Christopher James Farrington and Nicholas Guy Edwards the Joint Administrators of Comet Group Limited solely to comply with their statutory duty under Paragraph 49 Schedule B1 of the Insolvency Act 1986 (as amended) to lay before creditors a statement of their proposals for achieving the purposes 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 Proposal 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 any of the Companies listed above
- Any estimated outcomes for creditors included in this Proposal 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 Proposal for any purpose or in any context other than under Paragraph 49 Schedule B1 of the Insolvency Act 1986 (as amended) does so at their 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 Proposal
- The Joint Administrators act as agents for Comet Group Limited and contract without personal liability The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this Proposal or the conduct of the Administrations.

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners

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Appendices

ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"the Joint Administrators"	Neville Barry Kahn, Christopher James Farrington and Nicholas Guy Edwards of Deloitte LLP
"c "	Circa/approximately
"Deloitte"	Deloitte LLP
"the Company"	Comet Group Limited
"Secured Creditors"	Hailey Acquisitions Limited Micro P Limited PNC Business Credit Barclays Bank PLC
"the Court"	The High Court of Justice, Chancery Division
"Banks"	Royal Bank of Scotland PLC Barclays Bank PLC HSBC Bank PLC
"GA"	GA Asset Advisors Limited
"JLL"	Jones Lang LaSalle
"EBIT"	Earnings before interest and tax
"CID"	Confidential invoice discounting
"AIM"	Alternative investment market
"FY[XX]"	Financial year ended [XX]
"HAL"	Hailey Acquisitions Limited
"SPA"	Sale & Purchase Agreement
"RCF"	Revolving credit facility
"RDC"	Regional Distribution Centre
"RPS"	The Redundancy Payments Service
"ROT"	Retention of Title
"EOS"	Estimated Outcome Statement
"PP"	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986 (as amended)
"QFCH"	Qualifying Floating Charge Holder
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)

1. BACKGROUND

1.1 Introduction

This report is prepared pursuant to Paragraph 49 of Schedule B1 of the Act, which requires the Joint Administrators to provide creditors with details of their proposals to achieve the purposes of the Administration

To assist the creditors and enable them to decide on whether or not to vote for the adoption of the proposals, the following information is included in this report

- background of the Company and
- the circumstances giving rise to the appointment of the Joint Administrators

As there are insufficient funds for a distribution to the unsecured creditors other than the PP, a fund set aside for the benefit of unsecured creditors by virtue of Section 176A(2)(a) of the Act, and in accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, the Joint Administrators will not be convening a creditors' meeting, unless required to do so

Should creditors of the Company, whose total debts amount to at least 10% of the total debts of the Company wish to request a meeting be held they should complete the attached Form 2 21B at Appendix 8 and return it within the deadline stated A deposit of £2,000 towards the costs of convening the meeting should be enclosed with the request per Rule 2 37(3) of the Rules

In the event no request (in the prescribed manner) is received within 8 business days of issue of this report, the proposals will be deemed approved and a notice will be filed at Companies House

1.2. Background

The business was established in Hull in 1933 selling batteries and radios, and developed into a multi-product electrical retailer through a nationwide UK network of 235 stores (as at 2 November 2012), transactional websites (principally www comet co uk) and business-to-business ("B2B") activities

The principal products sold by the Company are categorised as Consumer Electronic Goods and White Goods along with related products and services

Consumer Electronic Goods include vision, audio, photographic, communication, games and multimedia products

White Goods include washing machines and tumble dryers, fridges and freezers, gas and electric cookers, microwave ovens, vacuum cleaners and small kitchen and other domestic products such as kettles, toasters and irons

The Company also provided extended care plans, customer support arrangements and financing products for its customers

The Company's operations were supported by two offices, a call centre, distribution centres, repair centres and home delivery platforms at the following locations

- Rickmansworth, Hertfordshire Central functions (e g human resources, finance, IT),
- Hull Central functions (e g human resources, finance, IT),
- Clevedon, Bristol Call centre,
- Skelmersdale, Lancashire Distribution centre and repair centre,
- Harlow, Essex Distribution centre,
- Leeds Repair centre, and
- Nationally 12 home delivery platforms

1.3. Overview of Financial Information

The financial information presented below comprises extracts from the Company's audited accounts for the 12 months to 30 April 2011, unaudited Company accounts for the 12 months to 30 April 2012, and draft management accounts for the 5 months to 30 September 2012 Please note that this information has not been verified by the Joint Administrators or by Deloitte

Summary Profit and Loss Account

	Audited Statutory Accounts for year to 30 April 2011	**Unaudited Statutory Accounts for the year to 28 April 2012**	**Draft Management Accounts for 5 months to 30 September 2012**
	£'000	**£'000**	**£'000**
Turnover	1,478,201	1,279,060	428,478
Cost of Sales	(1,104,266)	(946,702)	(306,604)
Gross Profit	**373,935**	**332,358**	**121,874**
Gross Margin %	25 3%	26 0%	28 4%
Other Expenses	(390,450)	(385,820)	(143,989)
Exceptional Items	(17,501)	(46,841)	(4,284)
Interest Payable	(5,539)	(10,808)	(4,603)
Tax Credit/(Expense)	7,776	15,918	-
Profit/(Loss)	(31,779)	(95,193)	(31,002)

Source Management/Audited Accounts

For the year ending 30 April 2012, revenue fell by c £200m compared to the prior year This was largely due to poor trading conditions and the increasing competition within the electrical retail market Exceptional costs increased by c £29 3m to £46 8m, largely driven by irrecoverable deferred income tax, redundancy and onerous lease costs

Summary Balance Sheet

	Audited Statutory Accounts for year to 30 April 2011	Unaudited Statutory Accounts for the year to 28 April 2012	Draft Management Accounts for 5 months to 30 September 2012
	£'000	£'000	£'000
Fixed Assets			
Tangible assets	98,961	74,595	68,300
Intangible assets	-	11,900	-
Intangible assets	100	100	9,300
	99,061	86,595	77,600
Current Assets			
Stock	209,164	142,279	136,400
Debtors	71,112	54,413	53,100
Cash at Bank (See Notes)	12,647	18,548	-
	292,923	215,240	189,500
Liabilities			
Due within one year (See Notes)	(289,234)	(297,216)	(293,400)
Due after more than one year	(16,016)	(46,434)	(44,700)
Provisions	(13,232)	(11,432)	(13,200)
Pension Deficit	(30,118)	-	-
Total Liabilities	(348,600)	(355,082)	(351,300)
Net Assets / (Liabilities)	43,384	(53,247)	(84,200)

Source Management/Audited Accounts

Notes For the 5 months to 30 September 2012, Cash at Bank has been netted off the debt due within one year

Unaudited Statutory accounts for the year to 28 April 2012 had restated the prior year results These are not reflected in the above figures which are consistent with filings at Companies House

1.4. Management and Employees

As at 2 November 2012, the Company employed 6,895 staff (4,791 Full Time Equivalents) as follows

Retail	4,783
Head Office	407
Clevedon Call Centre	416
Distribution Centres	408
Home Delivery Platform	827
Other	54
Total	**6,895**

Statutory information on the Company, including details of the Directors and Company Secretary, bankers & shareholders is provided at Appendix 1

2. THE CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS

2.1. Events prior to the Administration

In 1984 the business was purchased by Kingfisher Plc In 2003, Comet demerged from Kingfisher Plc, along with its sister electrical companies throughout Europe, and became a fully owned subsidiary of Kesa Electricals Plc (now called Darty Plc)

Between 2008 and 2011, the Company suffered revenue decline of in excess of £100m with annual revenue falling to £1,478 2m for the year ended 30 April 2011 The Company reported a profit of £16 2m for the 15 months ended 30 April 2008, however, it became loss making the following year, reporting annual losses of £5 4m, £3 8m and £31 8m for the subsequent three years

In June 2011, Kesa commenced a formal sale process of Comet, appointing Merrill Lynch to manage the sale process On 9 November 2011, Kesa announced that it had entered into an agreement with Hailey Holdings Limited and Hailey Acquisitions Limited, entities advised by OpCapita LLP, to sell Comet Group PLC (now renamed Comet Group Limited) and its subsidiaries for consideration of £1 In addition, they agreed to pay £50 million to the holding company of Hailey Holdings Limited and Hailey Acquisitions Limited, and retain the liability for the Comet Defined Benefit Pension Scheme The sale completed on 3 February 2012

On completion of the acquisition HAL became the 100% shareholder in and secured lender to the Company Concerns over Comet's ability to survive resulted in the loss of credit insurance cover from its three largest credit insurers immediately prior to the acquisition which resulted in the worsening of its working capital position and tightening of credit lines For the year to 28 April 2012, revenue was £1,279 1m and the Company incurred a loss of £95 2m

Following the acquisition of Comet, the senior management of Comet was enhanced and a turnaround plan commenced, focused on improving profitability and improving Comet's working capital requirements so as to mitigate the impact of the loss of a material portion of credit insurance A number of cost cutting and working capital optimisation initiatives were introduced, including

- Outsourcing non-profitable and working capital intensive parts of the business,
- Reduction and optimisation of stock levels,
- Reducing non-customer facing headcounts,
- Improving efficiency of supply chain and home delivery network,
- Renegotiating commercial supply contracts,
- Rephasing rent payments, and
- Realignment of staff benefits to market norms

While the above initiatives had a beneficial impact on profitability and were sufficient to offset the adverse impact of the loss of credit insurer support in the non-peak trading periods, the Company continued to lose market share in the face of intense competition and supply constraints

The continued loss of market share, lack of credit insurance and limitations on direct supplier support resulted in the Directors of Comet identifying an increased credit requirement for peak trading relative to initial planning The Directors sought to mitigate this requirement through a series of initiatives, including

- Increased use of consignment stock,
- Sourcing products through alternative suppliers,
- Rephasing peak season intake planning,
- Seeking increased credit limits from suppliers, and
- Working with suppliers to secure third party credit insurance

In September 2012, the Directors assisted one of its largest suppliers in securing a £20 million invoice facility and were partially successful in increasing the credit limits with select suppliers on an uninsured basis

When the news of a potential sale of Comet was published in the media in October 2012, the invoice facility was suspended In addition, the last remaining material credit insurer suspended cover for future shipments and supplier credit tightened further

In light of the changes to credit availability and the increased funding required to fund the peak trading period, the Directors of Comet entered into further discussions with its secured lenders

It became clear to the Directors on 31 October 2012 that Comet would not have sufficient additional funding to meet its obligations and in light of the financial position and the fact that the Company was unable to pay its debts or likely shortly to become so, the Board of Directors concluded that it would be in the best interests of the Company and its creditors to place the Company into Administration The Directors filed a notice of intention to appoint Administrators on 1 November 2012

Following the filing of the notice, the Company received correspondence from a number of its suppliers claiming Retention of Title in relation to the goods supplied by them and / or notifying terms and conditions which if applied prohibited the Company from selling those goods

On 1 November 2012, the Directors decided to close the stores for the morning of 2 November to allow the Company, in conjunction with its lawyers, time to consider the number and nature of potential claims against it, as well as ensuring that no goods were sold which could lead to a valid claim

The Board of Directors concluded that in the light of legal advice, the Company should stop selling products and stores should remain closed pending appointment of the Administrators

The Joint Administrators were appointed at 4 30pm on 2 November, 2012 Stores remained closed for the remainder of the day to facilitate communication with all employees regarding the appointment The stores re-opened for trading, under the control of the Administrators, on 3 November 2012

2.2. Details of the Appointment of the Joint Administrators

Neville Barry Kahn, Christopher James Farrington and Nicholas Guy Edwards of Deloitte were appointed Joint Administrators of the Company by the Company's Directors on 2 November 2012, following the filing of a Notice of Intention to Appoint Joint Administrators

The Court having conduct of the proceedings is the High Court of Justice, Chancery Division (case number 8347 of 2012)

For the purposes of Paragraph 100(2) of Schedule B1 of the Act the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly or severally

2.3. Purpose of the Administration

The purpose of an Administration under The Enterprise Act 2002 is split into three parts

1 To rescue a company as a going concern (in other words, a restructuring which keeps the actual entity intact)

2 If the first purpose is not reasonably practicable (or the second purpose would clearly be better for the creditors as a whole), then the Joint Administrators must perform their functions with the objective of achieving a better result for creditors as a whole than would be obtained through an immediate liquidation of the company This would normally envisage a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation)

3 If neither of the first two parts of the purpose are reasonably practicable, the Joint Administrators must perform their functions with the objective of realising property in order to make a distribution to secured and/or preferential creditors as applicable

The Company had significant secured and unsecured creditor liabilities and therefore a restructuring of these creditors would have been required to meet the first objective It was apparent that due to the trading performance of the Company and the insufficient value placed on the Company's assets by third parties in order to effect a restructuring the Joint Administrators concluded that the first option was not possible to achieve

Accordingly, the purpose of the Administration was to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Company This was to be achieved by the Joint Administrators continuing to trade the business of the Company whilst offering the business for sale which it was considered would maximise realisations for the Company's creditors In the event that a sale of the business as a whole could not be achieved, this purpose would still be relevant as the protection afforded by the Administration process against creditor action would permit the Joint Administrators to pursue offering parts of the business for sale in order to maximise realisations of the Company's assets for the benefit of creditors and to realise the Company's stock through the store portfolio at higher prices than could be achieved otherwise by way of a sale in liquidation

2.4. Electronic communication with creditors

In an effort to reduce the costs of the Administration, all communications with creditors, including notice of the Joint Administrators' appointment, updates and progress reports will be posted onto a website, which has been set up specifically for this purpose The web address is www deloitte com/uk/comet

As previously advised to all known creditors, permission has been obtained from the Court to enable the website to be updated without further notice **Please therefore ensure that you**

<u>review the website regularly for updates and further notices and reports.</u> All data will be retained on the website for **12 months** from being uploaded to the site **Creditors who wish to be notified by email each time the website is updated should send an email to that effect to <u>cometcreditors@deloitte co.uk</u>**

The Joint Administrators will provide, without charge, a hard or electronic copy of any document posted onto the website, to those requesting copies, such requests should be made in writing to the Joint Administrators at the London address on the front of this report

3. THE MANNER IN WHICH THE AFFAIRS OF THE COMPANY HAVE BEEN MANAGED AND FINANCED AND WILL CONTINUE TO BE MANAGED AND FINANCED IF THE JOINT ADMINISTRATORS' PROPOSALS ARE APPROVED

3.1. Introduction

Following discussions with the Directors of the Company, the Joint Administrators decided to continue to trade the business through November and into December, marketing the business and its assets for sale as a going concern, whilst maximising stock realisations by benefitting from the key pre-Christmas trading period

The main reasons for adopting this strategy were

- To allow the Administrators to seek a sale of the business and its assets as a going concern, either in whole or in part, thereby improving overall asset realisations,
- Any potential going concern sale would also allow employees and liabilities to be taken on by a purchaser of the business, and
- In the absence of a sale of the business as a going concern, as well as maximising stock realisations, the strategy would allow an opportunity to seek lease premiums from assignments of leasehold stores and sell other assets, including the Company's key brands (Comet, Kitchen Science and Laskys)

On the first day of the Administration, members of the Joint Administrators' team and their representatives attended the Company's various premises to advise employees of the Joint Administrators' appointment and to ensure appropriate security, controls and systems were in place to allow the Company to continue trading

Notices of the appointment of the Joint Administrators were placed in the London Gazette and the Times newspaper in accordance with the provisions of the Act

The Joint Administrators instructed solicitors experienced in insolvency matters to provide advice in respect of legal issues arising during the Administration

The following sections summarise the major actions taken by the Joint Administrators and their staff since their appointment in relation to the Company's ongoing trading, attempts to achieve a sale of the business as a going concern and the sale of other assets

3.2. Sales of the Business

Following the announcement that the Company was in Administration an M&A process was launched seeking a purchaser of the business

On receipt of a standard non-disclosure agreement, parties were provided with an information pack and an accompanying process email which outlined that formal offers were required to be submitted for the business as a whole or stock within the business or the internet, brand and other assets 118 parties expressed an interest in purchasing the whole or parts of the business Of the eleven parties interested in acquiring the business in its entirety, four offers were received however after further consideration and in some instances due diligence the parties withdrew or failed to make an acceptable offer to the Administrators A significant concern of parties was the substantial working capital requirements needed to fund the business going forward

Stock only offers were also received, however, these were declined as they represented significantly lower value than realising stock through on-going store trading

In order to maximise overall recoveries for creditors, the Joint Administrators have continued to market the business for sale in its entirety, and also focused on the sale of the internet and brand

At the time of writing this report, the Joint Administrators are in negotiations with a small number of parties

3.3. Administration Trading

The Joint Administrators appointed GA as retail consultants to assist with maximising stock realisations and the associated day-to-day management of the Company's 235 retail stores and its two regional distribution centres

In support of the stock sale programme, the Joint Administrators also made arrangements with certain stock suppliers to augment the stock already in the business

In common with many retailers, certain of the Company's product sales and profitability are heavily weighted towards the pre-Christmas trading season Stock sold after this period would be at a lower selling price, thereby adversely impacting realisations for creditors The costs of trading the stores beyond Christmas would also significantly increase due to the rental quarter date falling due on 25 December 2012 Therefore, the Joint Administrators implemented a stock sale programme, run in parallel with the sale of business process To date, the inventory has been realised at sales prices significantly in excess of its likely value in liquidation

With the support of staff and the continuity of supply of essential goods and services, the Joint Administrators were able to achieve the continued operation of the business This has included entering into arrangements with landlords, security firms, logistics companies and other key service providers

The Joint Administrators undertook a detailed review of the Company's cost base to ensure staffing and overhead levels were consistent with business activity This resulted in 330 employees being made redundant shortly following the Joint Administrator's appointment (detailed in Section 3 4)

The Joint Administrators continued to provide extended care plans and customer support arrangements by operating the two repair centres and twelve home delivery platforms The home delivery platforms were subsequently wound down and they completed their final deliveries on 2 December 2012

3.4. The Company's Employees

At the date of appointment, the Company employed 6,895 employees (4791 Full Time Equivalents) across its various locations / functions

On 9 November 2012, 330 redundancies were made across the head office and support centres

Subsequent to this, further redundancies were made in both the head office and support functions, and across the retail network as stores were closed Up to 7 December 2012, there had also been over 570 resignations and voluntary leavers, particularly within the store network At that time, 3,922 employees remained at the Company Redeployment opportunities to nearby stores have also been pursued at closing stores

Shortly after the Administration appointment, a dedicated employee telephone helpline was set up, operated by the Company's HR team with support from the Administrators' own employee specialists in order to answer questions from the Company's employees and to provide them with on-going information and assistance during the Administration The helpline provision includes assistance to former employees with making all claims for their statutory redundancy pay, pay in lieu of notice and holiday pay from the Redundancy Payment Office

Given the Company continues to employ a large number of employees, the Joint Administrators expect the helpline to continue to deal with a large number of calls from employees, particularly if a buyer for the business cannot be secured Consequently, the Joint Administrators have made arrangements for the helpline to remain in place into 2013 and until such time as the volume of calls reduces

In addition to the dedicated employee helpline an Employee Assistance Programme has been set up in conjunction with Job Centre Plus. A number of initiatives, as part of wider Employee Assistance programme, have been implemented These include

- The establishment of a dedicated jobs website on which job vacancies from alternative employers will be posted,
- Regional job fairs to be held in January 2013 supported by Job Centre Plus and a number of third parties who offer CV writing and interview technique training, and
- Optional jobs e-mail which the employees can sign up to receive The email will contain the latest list of job vacancies provided by potential employers

We estimate the total costs if all the Company's employees are ultimately made redundant will be £23 2m, which includes the employees' statutory redundancy pay (£11 1m), pay in lieu of notice (£10 6m) and accrued holiday pay (£1 5m) The statutory redundancy pay and pay in lieu of notice will be unsecured claims against the Company, where the RPS will pay these amounts to the employees up to the statutory limits and then make a subrogated unsecured claim against the Company The accrued holiday pay will also be met in the first instance by the RPS, up to the statutory limits, and then reclaimed as a preferential debt by the RPS against the Company The Administrators expect all preferential claims to be paid in full by the Company from assets realised during the Administration

3.5. Retention of Title

Since the date of Administration, the Joint Administrators have received claims from 82 stock suppliers who have sought to enforce retention of title over the stock supplied to the Company These claims if valid, would account for over 85% of the Company's inventory held at the date of Administration

In tandem with our legal advisors, all claims received to date have been reviewed and, where deemed appropriate with achieving the purpose of trading the business for the benefit of creditors, compensatory settlements have been made As detailed in the Receipts and Payments account at Appendix 2, compensatory payments made to 30 November 2012 total £22 8m and expected total retention of title settlement payments of circa £40m will be made

3.6. Debtors

At the date of appointment the debtors ledger totalled £15 3m and to date some £1 4m has been recovered and various disputed claims are being pursued

To the extent that disputes cannot be resolved, the Joint Administrators will consider taking alternative courses of dispute resolution that is likely to involve passing to collection agents and taking legal action against the debtor

The Administrators continue to oversee the debt collection process and are pursuing recoveries in respect of the ledger Winterhill Largo, a debt collection agency, has been instructed to collect circa 250 balances on the ledger

3.7. Property

The Company held a portfolio of 276 properties which primarily comprised of leasehold stores (235 trading stores, 23 vacant or sub-let stores) supplemented by a small number of other properties (including 12 home delivery platforms, two distribution centres, two offices and a call centre) and one freehold property in Glasgow

On 2 November 2012, the Joint Administrators appointed agents to support Deloitte's specialist Real Estate Advisory practice and market the property leasehold interests Given the number of properties, the Joint Administrators have retained a number of the Company's property team to support in collating and co-ordinating information requests and the deed packets that will later be required to conclude lease arrangements

In addition to the parties interested in the sale of the business as a going concern, an immediate marketing campaign resulted in a substantial number of expressions of interest for properties within the leasehold portfolio The Joint Administrators have been successful to date in completing a number of lease assignments, and expect to achieve further lease assignments in due course

Prior to administration, the Company agreed sale terms in relation to the disposal of a freehold property in Glasgow, with completion scheduled for 1 November 2012 Due to the events immediately prior to the Administration appointment the sale was not completed The Joint Administrators achieved completion on 13 November 2012 at the full asking price of £2 325m to a third party

3.8. Other Assets

Shortly following the appointment of the Joint Administrators, JLL were appointed to value the assets located at the Company's premises (fixtures and fittings and computer equipment) and its vehicle fleet

JLL advised that the most beneficial outcome for fixtures and fittings was for them to be sold as part of the exit from the locations

The majority of realisable value was identified as being in the vehicle fleet The Company operated a fleet of 493 cars, vans and trailers, of which 16 cars, 12 vans and 83 trailers were owned by the Company, with the remainder being on contract hire JLL have been instructed to realise the owned vehicles/ trailers

In addition to the stock held for sale through stores, the Company held approximately £2 7m (ex VAT) at cost price of damaged stock comprising refurbished, graded, and repairable stock, as well as that which is beyond economical repair It is not possible to sell the majority of these goods through the normal retail network, and as such a number of specialist parties were identified as potential purchasers for this stock

A similar process has been run to dispose of the Company's repair spares stock A number of parties have been approached, including manufacturers, to establish best value

4. DIRECTORS' STATEMENTS OF AFFAIRS

4.1. Introduction

A Statement of Affairs has been submitted by the Directors of the Company as at 2 November 2012, a summary of which is attached at Appendix 3

In accordance with the standard format of the Statement of Affairs form, no provision has been made in the Statement of Affairs for the costs of the Administration (including agents, legal and other professional fees)

The most recent accounting information available for the Company is summarised at Section 1 3, as drawn from the books and records of the Company and an up to date schedule of creditors, is attached at Appendix 3 The Joint Administrators have not carried out any work of the nature of an audit on the information

There are a number of different classes of creditors within the Company These include

- **Secured creditors** They have fixed and floating charge debenture security over the Company and as such are paid in priority to other creditors This priority is subject to payments to preferential creditors and unsecured creditors under the PP (see Section 4 5) Further details of the Company's security are set out in Section 4 3
- **Preferential creditors** These relate to specific employee wage arrears, holiday pay and certain pension contributions and are paid in priority to unsecured creditors out of net floating charge realisations before the PP and before payment to the secured floating charge holders
- **Unsecured creditors** They rank behind secured and preferential creditors and receive any surplus available from net realisations

Please note that full details of the creditors as set out in the Directors' Statement of Affairs have not been included within Appendix 3 due to the fact that it runs to many pages which would result in this report being too large to download from the website in reasonable time

The Joint Administrators have therefore posted this document separately onto the website www deloitte com/uk/comet from where it can be downloaded Copies of this information can also be sent to creditors on request, either by post or by e-mail

4.2. Notes to the Directors' Statement of Affairs

The Directors have provided detailed explanatory notes to their sworn Statement of Affairs, which are attached at Appendix 3

The following should be noted

- Stock is subject to the Secured Creditors' floating charge and not subject to the Asset Backed Lending facility fixed charge as shown in the Statement of Affairs
- The Statement of Affairs excludes the running costs incurred by the business during the Administration trading period

- Based on our work since our appointment on 2 November 2012, the Joint Administrators' own estimate of the creditors' financial position is set out below We estimate total asset realisations, after meeting the business' operating costs and the costs of Administration, will be circa £52m, such that the claims of the preferential creditors of circa £1 5m will be paid in full and the maximum PP of £0 6m will be available to the Company's unsecured creditors We estimate that the secured creditors will suffer a deficit of circa £96m against their debts of £145m

Summary Estimated Outcome Statement

	£m
Fixed assets	5 3
Inventory	34 4
Cash	16 5
Debtors	6 1
Total asset realisations	**62.2**
Less Administrator, legal and agents fees and disbursements	(10 4)
Assets available to preferential creditors and PP	**51 8**
Less Preferential creditors	(1 5)
Less PP	(0 6)
Assets available to the secured creditors	**49.7**
Less Amounts owed to the secured creditors	(145 4)
Estimated deficit to the secured creditors	**(95 7)**

Notes to the Estimated Outcome Statement

- Fixed asset realisations comprise freehold and leasehold properties, intangible assets (including trade names and brands), fixtures and fittings, office equipment and motor vehicles
- Estimated realisations from the sale of inventory through the Company's 235 retail stores are shown after meeting the costs of operating the two offices, call centre, the two RDCs, two repair centres and twelve home delivery platforms These costs include the wages and salaries of the Company's employees, all the other operational running costs incurred by the business, settling valid retention of title claims (where commercially advantageous to do so) and GA's store management fees
- Cash relates principally to funds held in the Company's various bank accounts, cash in the store tills and cash in transit at the date of the Administration
- Realisations from debtors have been estimated following a comprehensive review of the various accounts receivable ledgers
- Preferential creditors represent the employees' accrued holiday pay as shown in the Company's records at the date of the Administration
- Details of the PP are provided in Section 4 5
- The secured creditors were owed approximately £145m at the date of the Administration and we estimate they will suffer a shortfall against their lending of circa £96m

4.3. Secured creditors

The Company's secured debt at the date of the appointment of the Joint Administrators is set out in the Directors' Statement of Affairs and explanatory notes thereto

4.4. Preferential Claims

The Preferential claims stated in the Directors Statement of Affairs relates to employee holiday pay accrued up until the date of the Administration appointment These have been included in the Directors' Statements of Affairs for £1 5m At the date of the Administration, there was also circa £0 6m owed to employees for wages and salaries earned on 1 November 2012 This has, since been paid as an expense of the Administration, but is included within the Directors' Statement of Affairs as a preferential debt

There are no other known preferential claims outstanding

4.5. The Prescribed Part

By virtue of Section 176A(2)(a) of the Act, the Joint Administrators must make a PP of the Company's net property available for the satisfaction of unsecured debts Net property is the amount of the Company's property which would, but for this section, be available for the holders of floating charges created by the Company

The PP applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors This equates to

- 50% of net property up to £10,000,
- Plus, 20% of net property in excess of £10,000,
- Subject to a maximum of £600,000

Based on current information, it is estimated that £600,000 will be available to distribute to unsecured creditors from the PP

Due to the likely distribution to unsecured creditors under the PP you are requested to submit a Proof of Debt form (attached at Appendix 6), together with supporting documentation, to the London address on the front of this report, marked for the attention of the Joint Administrators

4.6. Unsecured Claims

The value of unsecured creditors as at 2 November 2012 per the Directors' Statements of Affairs (excluding any shortfall to floating charge holders) is c £232 9m, including estimated contingent claims, such as landlords' claims in respect of future rent and dilapidations

There will not be sufficient realisations from floating charge assets to fully repay the Secured Creditors Accordingly, we do not expect any funds to be available to pay a dividend to the unsecured creditors of the Company other than a very small distribution under the PP as noted above, of less than 1p in the pound

4.7. Creditors Meeting

As the Joint Administrators do not expect that there will be any funds available to the unsecured creditors, other than by virtue of a PP distribution as detailed above, a meeting of creditors will not be held A request in the prescribed manner that the Joint Administrators call a meeting can be made by creditors representing 10% or more of the total debts of the Company (individually or jointly) Creditors wishing to submit this request should complete the attached Form 2 21B (at Appendix 8) and return it to the Joint Administrators no later than 31 December 2012

A deposit of £2,000 towards the costs of convening the meeting should be enclosed with the request per rule 2 37(3) of the Rules

5. PRE-ADMINISTRATION COSTS

5.1. Introduction

A statement of Pre-Administration costs is provided at Appendix 4

Pre-Administration costs are defined as the remuneration charged and expenses incurred by the Joint Administrators (or other person qualified to act as such) before the Company entered into Administration but with a view to its doing so

5.2. Approval of costs

There will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Act, that is payment out of the PP, therefore, approval of the unpaid Pre-Administration costs will be sought in accordance with Rule 2 67A(3)(b) of the Rules, which is outlined below

Determination of whether and to what extent the unpaid Pre-Administration costs are approved for payment shall be

- By the approval of each secured creditor of the Company, or
- If the Joint Administrators have made, or intend to make, a distribution to preferential creditors, by the approval of
  - each secured creditor of the Company, and
  - preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval

Approval from the secured creditors and requisite majority of preferential creditors will therefore be sought in respect of the unpaid Pre-Administration costs Please note that the Joint Administrators expect the preferential creditors to be paid in full

6. JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

6.1. Introduction

There will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Act, therefore, fixing the basis of the Joint Administrators' remuneration will be approved in accordance with Rule 2 106(5A) of the Rules, which is outlined as follows

- Where the Joint Administrators have made a statement under Paragraph 52(1)(b) of Schedule B1 of the Act the basis of the Joint Administrators' remuneration may be fixed by approval of
  - each secured creditor, or
  - if the Joint Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval

The secured and preferential creditors will be invited to approve the basis of the Joint Administrators' remuneration to be fixed

(i) by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT,

Please note that the Joint Administrators expect the preferential creditors to be paid in full

In line with Paragraph 52(1)(b) of Schedule B1 of the Act outlined above there is no requirement for unsecured creditors to pass a resolution in respect of Joint Administrators' remuneration

6.2. Joint Administrators' Expenses

As no expenses have been submitted for payment at this stage, no information has been provided This will be covered in the first progress report to creditors after approval of expenses

6.3. Other Professional Costs

To advise on appropriate legal matters and to prepare required legal documentation the Joint Administrators instructed a number of law firms with the appropriate expertise and experience in dealing with this type of Administration to advise on separate matters regarding the Administration The firms instructed are Bingham McCutchen (London) LLP, Mayer Brown LLP, SNR Denton, Macfarlanes LLP, and Eversheds LLP

The Joint Administrators are liaising with each firm in respect of their costs to ensure that these are regularly reviewed and in line with fee estimates provided by them Legal fees of £0 1m plus VAT have so far been paid Details of any further legal fees paid will be provided in our next report to creditors

JLL, a firm of independent property consultants and chattel agents, were instructed by the Joint Administrators to value the Company's fixtures and fittings, and other chattels, and to arrange a sale by auction of the Company's vehicle fleet Their remuneration for the valuation work will be on a fixed fee basis, and for the on-line auction will be on a commission-only basis No fees have yet been paid to JLL

Other independent agents instructed by the Joint Administrators are as follows

- CAPA, to identify and recover any overpayments owed by suppliers and utility providers
- PRGX UK Ltd, to identify and recover any rebates owed by suppliers
- Candatis Associates, to identify and recover any over payments for water rates

The fees of CAPA, PRGX UK Ltd and Canadits Associates will be on commission-only bases relating to recoveries they achieve

The Joint Administrators have also instructed DJD, the Real Estate advisory business of Deloitte LLP, to recover overpayments and rebates of business rates on a commission only basis

To oversee and control the Company's ongoing trading during Administration, the Joint Administrators have appointed GA GA's fees are conditional on GA achieving a pre-determined trading profit from the stock available at the commencement of the Administration

GA are also engaged by the Joint Administrators to provide commercial advice on settlements of the Retention of Title claims from the merchandise suppliers for which they will be remunerated based upon the level at which these claims are ultimately settled
The Joint Administrators have so far paid £0 2m (including VAT) to GA for their work on Retention of Title claims and £1 6m (including VAT) on account of their direct expenses incurred in managing the Company's trading operations

All agents' fees are being and will continue to be carefully reviewed before payment is approved

6.4. 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 leave of the Court, may, in writing, request the Joint Administrators 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 2 47(1)(fa) and 2 48A of the Rules

6.5. 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 leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2 109(4) of the Rules), challenging the amount or the basis of remuneration which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred Such applications must be made within 8 weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2 109 of the Rules

7. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

7.1. Directors' conduct

As part of our statutory duties, the Joint Administrators will consider the conduct of the Directors and any person we consider a shadow or de facto director in relation to their management of the affairs of the Company and the causes of failure and will submit a report to the Insolvency Service, a division of the Department for Business, Innovation and Skills Please note that this is a confidential report and the contents of which cannot be disclosed to creditors

As part of our investigations the Joint Administrators will consider, among other matters, the following

- statutory compliance issues,
- misfeasance or breach of duty, and
- antecedent transactions (including transactions at an under value and preferences)

Creditors who wish to draw any matters to the attention of the Joint Administrators should write to the Joint Administrators at the London address given on the front of this report

7.2. SIP13 (E&W) – Transactions with connected parties

In accordance with the guidance given in SIP13 (E&W), details of the Company's transactions with connected parties during the period of this report and the two years prior to our appointment are provided at Appendix 6

Appendix 6 has been based on information prepared by the management of the Company and the Joint Administrators have not yet fully reviewed all of the transactions detailed and have not, therefore, reached any conclusions

Should creditors have information regarding any such transactions they should forward details in writing to the Joint Administrators to the London address on the front of this report

7.3. Exit Routes from Administration

In accordance with the provisions of the Act incorporated by the Enterprise Act 2002, all Administrations automatically come to an end after one year, unless an extension is granted by the Court or with consent of the creditors

There are several exit routes which are available to the Joint Administrators such as,

- an application to Court (in the event of a Court appointment),
- filing a notice in Court and with the Registrar of Companies confirming that the purpose of Administration has been sufficiently achieved, or
- in the event that the Company has no property the Joint Administrators may notify the Registrar of Companies to that effect at which time the appointment of the Joint

Administrators ceases and three months following that date the Company is deemed to be dissolved

In addition the Joint Administrators could propose to place the Company into Creditors' Voluntary Liquidation, a Compulsory Liquidation or a Company Voluntary Arrangement Reference will be made in the resolutions within this report as to the exit route most suitable to the circumstances of each Administration

The exit route chosen in relation to the Company will largely depend on the circumstances of the Administration Based on current information, the most likely exit route will be to move the Company into Creditors' Voluntary Liquidation in order to make a distribution to unsecured creditors and in order to disclaim any onerous property where appropriate

Alternatively, the Joint Administrators may apply to the Court for the authority to make a distribution to unsecured creditors (under the PP) and then take the requisite steps to dissolve the Company, or if appropriate, to apply to the Court to obtain an order pursuant to Section 176A(5) that Section 176A(2) (PP for unsecured debts) shall not apply

If there is a distribution to unsecured creditors (other than via the PP), the Joint Administrators are discharged from liability in respect of any action of theirs as Joint Administrators pursuant to Paragraph 98(1) of Schedule B1 of the Act upon registration of the notice given pursuant to Paragraph 84 of Schedule B1 of the Act Where there will be no distribution to unsecured creditors, the Joint Administrators will seek their discharge from the Secured Creditors and preferential creditors

7.4. EC Regulations

As stated in the Administration Order in respect of the Company, Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation

7.5. Third Party Assets

Should you believe that you own items that may have been present at any of the Company's trading premises at the date of appointment please contact the Joint Administrators as soon as possible

8. STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)

Comet Group Limited
In Administration
(the "Company")

Court Case No. 8347 of 2012

The Joint Administrators' proposals are as follows

1 the Joint Administrators continue to manage the affairs and the realisation of the assets of the Company and the settlement of all Administration expenses,

2 the Joint Administrators continue with their enquiries into the conduct of the Directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company,

3 the Joint Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against the Company unless the Joint Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution,

4 the Joint Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,

5 that, in the event the creditors of the Company so determine, at a meeting of creditors, a Creditors Committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of that Company,

6 that, if a Creditors' Committee is not appointed, the secured and preferential creditors of the Company shall be asked to fix the basis of the Administrators' remuneration in accordance with Rule 2 106(5A)(a), to be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT In addition those creditors shall also be asked to agree the Administrators' expenses of which the Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred, plus VAT where applicable,

7 that, if a Creditors' Committee is not appointed, the Administrators' Pre Administration Costs as detailed in Appendix 4 of the Administrators' Proposals be approved by the secured and preferential creditors of the Company And that the Administrators be authorised to draw their Costs, plus VAT, from the Administration estate,

8 that, following the realisation of assets and resolution of all matters in the Administration, and as quickly and efficiently as is reasonably practicable, the Joint Administrators implement the most cost effective steps to formally conclude the Administration This may include the distribution of funds to unsecured creditors (provided Court permission is

obtained) and then the dissolution of the Company or alternatively, seeking to put the Company into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation,

9 that, if the Company was to be placed into CVL, the Joint Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 4 174A of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to the time given in attending to matters arising in the Liquidation As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2 117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and

10 in the absence of Creditors' Committees, the Secured Creditors and Preferential Creditors of the Company agree that the Joint Administrators be discharged from liability per Paragraph 98 of Schedule B1 of the Act immediately upon the Joint Administrators filing their final report to creditors and vacating office

Yours faithfully
For and on behalf of Comet Group Limited

Neville Barry Kahn, Christopher James Farrington and Nicholas Guy Edwards
Joint Administrators of the Company - In Administration

Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

Deloitte LLP
1 Woodborough Road
Nottingham
NG1 3FG

Neville Barry Kahn, Christopher James Farrington and Nicholas Guy Edwards were appointed Joint Administrators of Comet Group Limited on 2 November 2012. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

All licensed Insolvency Practitioners of Deloitte are licensed in the UK to act as Insolvency Practitioners

COMET GROUP LIMITED (IN ADMINISTRATION)

STATUTORY INFORMATION

Company Name	Comet Group Limited	
Previous Names	N/A	
Proceedings	In Administration	
Court	High Court of Justice, Chancery Division	
Court Reference	8347 of 2012	
Date of Appointment	2 November 2012	
Joint Administrators	Neville Barry Kahn and Nicholas Guy Edwards PO Box 810 Deloitte LLP 66 Shoe Lane London EC4A 3WA	Christopher James Farrington Deloitte LLP 1 Woodborough Road Nottingham NG1 3FG
Registered office Address	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR	
Company Number	00278576	
Incorporation Date	8 August 1933	
Company Secretary	None	
Bankers	Royal Bank of Scotland PLC Barclays Bank PLC HSBC Bank PLC	
Auditors	PriceWaterhouse Coopers LLP	
Appointment by	The Directors of the Company	
Directors at date of Appointment	John Charles Clare Carl David Cowling Robert Francis James Darke	

Comet Group Limited (in Administration)
Receipts & Payments Account
For the period 02 November 2012 - 30 November 2012

£	Statement of Affairs	Notes	Balance to 30 Nov 2012
TRADING ACCOUNT			
RECEIPTS			
Sales	70,500,000 [1]		92,865,025
Bank Interest			10,850
Other Income			1,419
			92,877,294
PAYMENTS			
Cost of Sale			(1,603,149)
Purchases			(620,747)
Direct Labour			(6,036,664)
Employee Expenses			(38,191)
Consultancy Fees			(59,131)
Compromise Agreements	see note 1		(22,815,665)
Ransom Costs			(365,907)
Carriage			(1,668,598)
Advertising			(512,023)
Bank Charges			(451,674)
Sundry Expenses			(22,335)
Repair Costs			(29,014)
Coinage			(112,000)
Security			(177,493)
Professional Fees			(1,027,586)
Insurance			(93,685)
			(35,633,860)
Trading Surplus	see note 2		**57,243,433**

Comet Group Limited (in Administration)
Receipts & Payments Account
For the period 02 November 2012 - 30 November 2012

	Statement of Affairs	Notes	Balance to 30 Nov 2012
FIXED CHARGE REALISATIONS			
RECEIPTS			
Intellectual Property /Brand	5,000,000		-
Freehold Property	2,300,000		2,325,000
Deposits with Suppliers	900,000		-
HMRC Bond	see note 3		1,399,850
Penalty Interest			4,128
Fixed Charge Bank Interest			367
PAYMENTS			
Legal Costs			(11,375)
			3,717,970
FLOATING CHARGE REALISATIONS			
RECEIPTS			
Trading Surplus (brought down from above)			57,243,433
Cash at Bank	24,700,000	3	8,260,199
Pre Appointment Cash in Transit	see note 3		1,792,804
Debtors	15,400,000		1,721,844
Leasehold Realisations	Uncertain		149,250
Fixtures & Fittings	700,000		78,090
Rates Refund	3,500,000		53,239
Insurance Refund			16,803
Office furniture & Motor Vehicles	1,100,000		-
			69,315,661
PAYMENTS			
Refunds			(3,902)
Statutory Advertising			(615)
			(4,517)
Balance to Date			**73,029,114**
REPRESENTED BY			
Cash at Bank			80,141,571
Cash in Transit			8,105 600
VAT Receivable			2,834,418
Ringfenced Funds			1,018,656
VAT Payable			(18,606,131)
VAT Payable (Fixed Chg)			(465,000)
			73,029,114

Notes

1 The estimated value of £70 5m shown for stock within the Directors Statement of Affairs is net of estimated Retention of Title compromise payments but excludes any associated costs of selling the stock.

2 The Administration trading surplus will be reduced to approximately £34m following the settlement of trading costs

3 Per the Statement of Affairs, the cash at bank balance of £24 7m comprises cash in transit (£3 1m), cash at bank (8 2m), holdbacks (£8 3m) and trapped cash (£5 1m) This is compared against the Receipts & Payments balance of £8 2m, which relates exclusively to cash at bank. The HMRC Bond (£1 4m) detailed in the Receipts & Payments account is included within the cash at bank figure on the Statement of Affairs

DIRECTORS' STATEMENT OF AFFAIRS

Rule 2 29 Form 2 14B

Statement of affairs

Name of Company	Company number
Comet Group Limited	278576

In the High Court of Justice Chancery Division, Companies Court	Court case number 8347 of 2012

(a) Insert name and address of registered office of the company

Statement as to the affairs of (a) Comet Group Limited Hill House, 1 Little New Street, London EC4A 3TR

(b) Insert date

on the (b) 2nd November 2012 the date that the company entered administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full true and complete statement of the affairs of the above named company as at (b) 2nd November 2012 the date that the company entered administration

Full name Robert Francis James Clarke

Signed

Dated 7 December 2012

A - Summary of Assets

	Assets	Book value £m	Estimated to Realise £m
	Assets subject to first ranking fixed charges over bank deposits:		
1	Bank deposits	11 9	11 9
2	Less due to the fixed charge holder		-5 3
	Surplus under the Bank deposit fixed charges carried down		6 5
	Assets subject to the Asset Backed Lending facility fixed charge		
3	Trade debtors	9 9	6 6
4	Stocks	141 8	70 5
			77 1
5	Less due to the Asset Backed Lending facility fixed charge holder		-29 7
	Surplus under the working capital facility carried down		47 4
	Assets subject to the Revolving Loan Facility fixed charge		
6	Freehold property	0 6	2 3
7	Leasehold property	0 6	Uncertain
8	Intellectual property rights / brand	8 7	5 0
			7 3
9	Less due to the fixed charge holder		-110 4
	Deficit under the Revolving Loan facility recoverable under floating charge		-103 1
	Other pledged assets		
10	Other deposits with suppliers	1 7	1 7
11	Less due to the suppliers		-0 8
	Surplus from deposits		0 9
	Assets subject to floating charge:		
	Surplus under the fixed charge cash and working capital facility and surplus from other pledged assets brought down		54 9
12	Fixtures and fittings, plant and machinery	64 3	0 7
13	Office furniture and equipment and motor vehicles	1 1	1 1
14	Other debtors	8 8	8 8
15	Prepayments and refunds	9 4	3 5
16	Cash and cash equivalents	12 8	12 8
	Estimated total assets available for preferential creditors		81 7

Signature ____________ Date 7/12/2012

A1 - Summary of Liabilities

	£m	Estimated to Realise £m
Estimated total assets available for preferential creditors *(carried from page A)*		**81.7**
Liabilities		
Preferential creditors -		
17 Employees for holiday pay and wage arrears		(2 1)
Estimated surplus as regards preferential creditors		**79 6**
18 Estimated prescribed part of net property		(0 6)
Estimated total assets available for floating charge holders		**79 0**
19 Debts secured by floating charges deficit under the fixed charge brought down		(103 1)
Estimated deficiency of assets after floating charges		**(24.1)**
Unsecured non preferential claims		
20 Unsecured non-preferential claims	(74 3)	
21 Unsecured Employee claims	(24 2)	
22 Contingent Property claims	(135 0)	
23 Less prescribed part	0 6	
		(232 9)
Estimated deficiency as regards non-preferential creditors		**(257.0)**
24 Issued and called up capital	(40 1)	
25 Share Premium	(13 5)	
		(53 6)
Estimated total deficiency as regards members		**(310.6)**

Signature ____________ Date 7/12/2012

Notes to Statement of Affairs

Notes to the Statement of Affairs

Basis of preparation

The Statement of Affairs for Comet Group Limited ("the Company") has been prepared to account for net book values and liabilities under International Financial Reporting Standards ('IFRS') This was the basis used to prepare the Company's management accounts and its draft statutory Financial Statements for the year ending 30 April 2012
The estimated book values are based on the management accounts of the Company to 27th October 2012 rolled forward to 2nd November 2012
The realisable values in the Statement of Affairs have been prepared on the assumption that the administrator maximises returns by selling the assets of the business piecemeal rather than selling the business as a going concern

The estimates of realisable values in the statement do not include any costs of realising the assets, for example paying for the operation of the stores during the administration period

No amounts have been included in relation to steps taken by the administrator to purchase more stock from new suppliers or from existing suppliers (e g consignment stock or stock subject to retention of title claims) to sell at a profit during the administration period

The Statement of Affairs has been prepared on the basis that the security granted to PNC and to HAL is valid The directors express no views on any legal issues there may be concerning the extent, character or validity of the security

Fixed charges and liens

a **Charges and liens over Bank deposit accounts in favour of Barclays Bank plc, HSBC Bank plc and Micro P Limited**

These charges cover
a) exposure to Barclays Bank plc in respect of exposures arising from merchant acquiring services to the Company (e g non delivery of goods paid for but not delivered and faulty product sold pre-administration),
b) exposure to Barclays Bank plc and HSBC Bank plc in relation to two standby letters of credit and a bank guarantee, and
c) exposure in relation to any failure to account for Micro P owned consignment stock held by the Company
The realisable values have been estimated with reference to the likely liability and any offsetting balances held in creditor balances on the balance sheet

b **Charge in favour of Hailey Acquisitions Limited ("HAL") re Asset Backed Lending Facility**

A £30m facility secured on inventory and certain receivables which was provided by PNC Financial Services UK Limited ("PNC") A charge was granted in favour of PNC on 28th March 2012 This charge was registered on 4th April 2012 The loan was assigned to HAL on 31st October 2012

The balance under the facility owing according to HAL comprises

	£m
Principal and interest due at 2nd November 2012	28 5
Legal fees chargeable under the agreement	0 1
Termination fee	0 9
Service fees for future months	0 2
	29 7

HAL's registered address is 6-8 Underwood Street, London N1 7JQ

BD 7/12/2014

Notes to Statement of Affairs

c **Charge in favour of Hailey Acquisitions Limited re Revolving Loan facility ("RLF")**

A fixed and floating charge was granted to HAL on 3rd February 2012 to secure amounts due under the £186 2m Revolving Loan Facility The security on the RLF was registered on 6th February 2012

	£m
Opening balance on completion at 3rd February 2012	115 4
Net repayment of principal from Comet to HAL in period to 2nd November 2012	(9 5)
Balance of Principal at 2nd November 2012	105 9
Accrued interest on principal outstanding at 2nd Nov	2 3
Commitment fee outstanding at 2nd Nov 2012	2 2
Debt owing under RLF at 2nd November 2012	110 4

The opening debt owing to HAL under the Revolving Loan Facility on 3rd February 2012 was drawn down by the Company during the completion process in order to repay an intercompany balance due to Kesa International Limited ('KIL")of £115 1m KIL was a fellow subsidiary with the Company of Kesa Electricals plc
An arrangement fee of £9,329k accrues annually over the five year term of the facility This is added to the balance of principal at each anniversary, so no amount had been added to the facility at 2nd November 2012 An accrual of £1,396k in relation to this fee is included in the book value If HAL chooses to terminate the facility then the entire arrangement fee becomes due The directors do not believe that the RLF has been terminated

__Notes on material asset realisation assumptions__

Property

Freehold property is valued on the basis of a sale transaction that has exchanged and is awaiting completion

Leasehold property The directors have not included an estimated amount in relation to premia receivable for the assignment of leasehold interests The directors experience of lease assignment and surrenders arises from transactions entered into as a going concern The amount realised will depend on the strategy of the administrator and there is a high level of uncertainty as to the outcome

Fixtures, fittings, plant and machinery
The assets in the book value include assets in the following major categories
Display equipment and racking, Electrical and plumbing work, flooring, suspended ceilings, security equipment The net book value will include the depreciated cost of installation The directors understand that the administrator intends to close the stores and warehouses in a relatively short period and therefore do not expect a significant return on the sale of these assets The directors have estimated the proceeds on an amount of £2k per store plus additional amounts for distribution and Information Technology assets

Inventory

The directors assumption on the realisable value of inventory is based on deducting from the current book value of inventory the full value of retention of title claims received by the administrator And the applying the expected realisation percentages to the different classes of stock
The total amount of these claims (including VAT) has also been deducted from the creditor balances
The main assumption on realisable value is based on the directors' recent experience of store closures

Debtors and prepayments

The secured trade debtors are not fully recoverable as some relate to the sale of electronic gift cards and vouchers which have not been honoured following the appointment of the administrators
The main prepayment that the directors expect to recover relates to rates

Notes to Statement of Affairs

Notes on Unsecured Creditors

Customers

The directors have provided a separate list to the Administrator detailing customers who have paid for goods that have not been delivered or collected For security and privacy reasons their personal details are not listed in the Statement of Affairs
The Company's obligation, under the Sale of Goods Act, to refund customers who have purchased faulty product prior to administration, cannot be attributed to individual customers It is likely that this liability will be partly satisfied by amounts withheld from the security deposit by Barclays Bank plc for customers who paid by credit and certain debit cards and in part by manufacturers repairing or replacing product

Employees

The directors believe that amounts are due to employees in relation to

Pay in lieu of notice on the assumption that the administrator is liquidating the assets
Redundancy pay on the assumption that the administrator is liquidating the assets

These amounts have been included in the list of unsecured creditors A separate list of employees who are creditors has been provided to the administrator For security and privacy reasons their personal details are not listed in the Statement of Affairs

Arrears for wages and store bonuses up to £800 per employee together with holiday pay have also been included in the preferential creditor category

The directors have not included any amount in respect of non consultation with employees prior to redundancy Administrators often find it difficult to consult with employees properly during administration and some employees were made redundant in mid November The extent of the liability would depend on a tribunal judgment and is a result of post administration decisions As an indication of the scale of a potential liability, 3 months of payroll (equivalent to a 90 day consultation period) is approximately £21m

Accruals

In the time available the directors have been unable to fully allocate all accruals and liabilities in respect of services provided to a specific supplier We have included estimated amounts in respect of certain liabilities that are not attributed to specific suppliers Most of these liabilities will be payable to creditors already listed

Lease and other property obligations

To be prudent, the directors have assumed that the administrator will not achieve a going concern sale The directors have therefore included certain contingent liabilities in the estimate outcome statement The full amount payable over the remaining term of operating leases is £672m For property leases the directors have reduced this by making an assessment of the period that the Administrator or landlord will take to re-let the properties The actual amount that will be claimed is unknown and will depend on future lettings
The average period to relet is assumed to be approximately 18 months on average

An assessment has been made of potential claims in relation to dilapidations and strip out costs to return stores to their original condition This is a subjective estimate and the directors do not know the extent to which the administrator will clear the stores The amount is equivalent to an average of £60k per store

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BD

Summary of Unsecured Creditors	£m	
Merchandise creditors	82 3	See detailed list
less		
satisfied by stock returned under "Retention of Title" claims	(74 1)	
Expense and other creditors	66 0	See detailed list
	74 3	
Other employee creditors		
Pay in lieu of notice contingent liability at 2nd November	13 3	
Statutory redundancy contingent liability at 2nd November	10 9	
Unsecured employee creditors if all employees are made redundant	24 2	
Contingent Property and Lease claims		
Estimated rent obligation	112 9	
Estimated dilapidations and strip out costs	18 5	
Other operating leases to end of lease	2 7	
Capital accruals for work on stores	0 9	
Total contingent property claims	135 0	

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STATEMENT OF PRE-ADMINISTRATION COSTS

Pursuant to Rule 2.33(2)(ka) of the Insolvency (Amendment) Rules 2010

1 GENERAL

Pre-Administration Costs are defined as the fees charged and expenses incurred by the Joint Administrators (or other person qualified to act as such) before the Company entered into Administration but with a view to its doing so

This Statement gives a detailed analysis of the Pre-Administration Costs for Comet Group Limited incurred by the Joint Administrators

2 APPROVAL

There will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Act, that is payment out of the PP, therefore, approval of the unpaid Pre-Administration costs will be sought in accordance with Rule 2 67A(3)(b) of the Rules, which is outlined as follows

Pre-Administration time costs totalled £146,026 and expenses of £1,753 were incurred

Determination of whether and to what extent the unpaid Pre-Administration Costs are approved for payment shall be

- By the approval of each secured creditor of the Company, or
- If the Joint Administrators have made, or intend to make, a distribution to preferential creditors, by the approval of
  - each secured creditor of the Company, and
  - preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval

Approval of the unpaid Pre-Administration Costs as detailed below will be sought from the secured creditor and requisite majority of preferential creditors

3 ANALYSIS OF TIME INCURRED

The Joint Administrators and their staff worked on a number of areas on 1 November 2012 in order to prepare for the appointment of the Joint Administrators on 2 November 2012. The main work streams carried out included

Administration and Planning:

- Discussions with employees of the Company to obtain information such as details of creditors etc for statutory notification letters to be sent post appointment, Case set-up and Case planning

Investigations:

- *Initial review of the Company's IT systems* as part of the Joint Administrators' statutory duties to consider the conduct of the Directors Please refer to Section 7 1 of this report for further detail

Trading:

- Discussions with employees of the Company to prepare for the Administration trading period This included work on the cash flow, obtaining supplier details etc

Realisation of Assets.

- Discussions with employees of the Company to obtain information in order to put together strategies for the realisation of the Company's assets

Creditors:

- Discussions with employees of the Company to obtain details of the number and location of the Company's employees to prepare for the announcement to the employees of the Joint Administrators' appointment

Other Matters:

- Discussions with employees of the Company to obtain details of VAT and tax matters in respect of the Company

4 ANALYSIS OF EXPENSES INCURRED

Bingham McCutchen (London) LLP and Mayer Brown LLP have both incurred pre-administration costs Details of these costs have been provided to the Joint Administrators by each firm and these are set out below

Bingham McCutchen (London) LLP:

Time costs of £159,436, counsel's fees of £44,665 and other disbursements of £927 The key work streams carried out were in respect of validity of appointment advice, preparation of appointment documentation, Retention of Title, review of Company agreements on matters such as extended warranties, and other case specific matters

Mayer Brown LLP:

Time costs of £79,427 The key aspects of work undertaken during this pre-administration period are set out below

- Employment - Dealing with initial employment queries
- Validity of appointment advice
- Retention of Title work streams such as preparation of draft letters and review of documents

These costs have not yet been approved Approval of the unpaid Pre-Administration expenses as detailed above will be sought from the secured creditor and requisite majority of preferential creditors

PROOF OF DEBT - FORM 4.25

Rule 2.72 **Form 4 25**

PROOF OF DEBT - GENERAL FORM

In the matter of Comet Group Limited
In Administration
and in the matter of The Insolvency Act 1986

Date of Administration 2 November 2012

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	 £ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred.	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Name of Counterparty	Connection	Date of Transaction(s)	Period of Transactions		Details of transaction	Received by Comet / (Paid by Comet) (£)
Hailey Acquisitions Limited	Immediate Parent company	Various	03 February 2012	26 October 2012	Interest paid in relation to the revolving loan facility between Comet Group Limited and Hailey Acquisitions Limited dated 3 February 2012	(5 681 672)
Hailey Acquisitions Limited	Immediate Parent company	Various	23 September 2012	02 November 2012	Interest accrued in relation to the revolving loan facility between Comet Group Limited and Hailey Acquisitions Limited dated 3 February 2012	(2 296 662)
Hailey Acquisitions Limited	Immediate Parent company	Various	03 February 2012	02 November 2012	Commitment fee accrued in relation to the revolving loan facility between Comet Group Limited and Hailey Acquisitions Limited dated 3 February 2012	(2 149 639)
Hailey Acquisitions Limited	Immediate Parent company	Various	03 February 2012	02 November 2012	Interest on commitment fee in relation to the revolving loan facility between Comet Group Limited and Hailey Acquisitions Limited dated 3 February 2012	(57 827)
Hailey Acquisitions Limited	Immediate Parent company	Various	03 February 2012	02 November 2012	Accrued arrangement fee in relation to the revolving loan facility between Comet Group Limited and Hailey Acquisitions Limited dated 3 February 2012 (to be paid in annual instalments) Whilst this arrangement fee is continuing to accrue it has not been added to the Secured Lenders indebtedness	(1,395 639)
Hailey Acquisitions Limited	Immediate Parent company	Various	03 February 2012	02 November 2012	Administration fees paid in relation to the revolving loan facility between Comet Group Limited and Hailey Acquisitions Limited dated 3 February 2012	(80,000)
Hailey Acquisitions Limited	Immediate Parent company	03 February 2012	N/A	N/A	Company entered into Debenture containing fixed and floating charges in favour of Hailey Acquisitions Limited	N/A
Hailey Acquisitions Limited	Immediate Parent company	03 February 2012	N/A	N/A	The Company drew down £115,415,523 under a Revolving Loan Facility from Hailey Acquisitions Limited in order to repay the Company s debt owing to Kesa Holdings Limited	115 415 523
Hailey Acquisitions Limited	Immediate Parent company	03 February 2012	N/A	N/A	Administration fees added to balance for initial drawdown "	7,500
Hailey Acquisitions Limited	Immediate Parent company	28 March 2012	N/A	N/A	Company entered into Scottish law charges in favour of Hailey Acquisitions Limited	N/A
Hailey Acquisitions Limited	Immediate Parent company	Various	N/A	N/A	Net repayments to Hailey Acquisitions Limited by Company between 3 February 2012 and 2nd November 2012	(9 493 589)
Hailey Acquisitions Limited	Immediate Parent company	Various	N/A	N/A	Interest and commitment fees accrued as at 2 November 2012	4,504,128
Hailey Acquisitions Limited	Immediate Parent company	02 November 2012	N/A	N/A	Amount owed by Company to Hailey Acquisitions Limited as at 2 November 2012	110,433,562
OpCapita LLP	Connected through connection with Hailey Acquisition Limited	2 March 2012, 29 June 2012, 6 August 2012	03 February 2012	02 November 2012	Quarterly monitoring fees (£212,500 per quarter) paid in accordance with the Monitoring Services Agreement between OpCapita LLP and Comet Group Limited dated 3 February 2012	(637,500)
Hailey Invesco LLP	Ownership connected to Hailey Acquisitions Limited	20 March 2012, 4 May 2012 3 August 2012	03 February 2012	02 November 2012	Quarterly monitoring fees (£212 500 per quarter) paid in accordance with the Monitoring Services Agreement between Hailey Invesco LLP and Comet Group Limited dated 3 February 2012	(637,500)

Name of Counterparty	Connection	Date of Transaction(s)	Period of Transactions		Details of transaction	Received by Comet / (Paid by Comet) (£)
Kesa GIE	Buying cooperative of Kesa Electricals plc (former ultimate parent company)	Various	01 November 2010	30 April 2012	Recharge cost of Comet staff seconded to Kesa Gie	(69,708,755)
Kesa GIE	Buying cooperative of Kesa Electricals plc (former ultimate parent company)	Various	01 April 2011	30 April 2012	Interest on intercompany balance paid	(427 825)
Kesa GIE	Buying cooperative of Kesa Electricals plc (former ultimate parent company)	Various	01 August 2011	31 January 2012	Recharge seconded staff	60,392
Caprofem	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Various	01 May 2012	31 October 2012	Purchase of product for resale (such as cables and printer ink and small peripherals)	(5,027 835)
Kesa International Limited	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Various	01 November 2010	31 January 2012	Interest on intercompany balance	(4 195 357)
Kesa International Limited	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Various	01 November 2010	31 January 2012	Interest on intercompany balance	36 694
Kesa International Limited	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Various	01 November 2010	31 May 2011	Interest on subordinated loan	(875 988)
Kesa International Limited	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Various	01 November 2010	31 May 2011	Purchase of foreign currency Kesa International Limited purchased the currency from bank counterparties	(77 172 277)
Kesa International Ltd	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Feb 11	01 April 2009	31 March 2010	Group Relief Surrender of tax losses of £13 741 504 for 2009/10	3,847,621
Kesa International Limited	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Oct 10	N/A	N/A	Debt owed by Company to Kesa International Limited at end October 2010	(64 447 863)
Kesa International Limited	Subsidiary of Kesa Electricals plc (former ultimate parent company)	N/A	Nov 10	Jan 12	Net increase in borrowing from November 2010 to January 2012	(64 554 112)
Kesa International Limited	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Jan 12	N/A	N/A	Net debt prior to capitalisation	(129 001 775)
Kesa International Limited	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Jan 12	N/A	N/A	Net debt owed by Company immediately prior to completion	(115 415 523)
Kesa International Limited	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Jan 12	N/A	N/A	Repaid on completion - Kesa Holdings Limited receives net cash of £42 279 112 being net of £115,415 523 owed to Comet	115,415 523
Kesa Electricals plc	Former ultimate parent company	Various	01 November 2010	01 October 2012	Provision of accounting and pension administration services and facilities regarding testing of electrical products	963,400
Kesa Electricals plc	Former ultimate parent company	31 January 2012	N/A	N/A	The Company entered into a Deed of substitution and amendment with Kesa Electricals plc and the Comet Trustee Company Limited "the Trustee" of the Comet Pension Scheme ("the Scheme) whereby Kesa Electricals plc replace the Company as principal employer of the Scheme and the rules of the Scheme were amended to allow the Trustee to enter into a Scheme Apportionment Arrangement	N/A

Name of Counterparty	Connection	Date of Transaction(s)	Period of Transactions		Details of transaction	Received by Comet / (Paid by Comet) (£)
Kesa Electricals plc	Former ultimate parent company	31 January 2012	N/A	N/A	Kesa and the Company entered into a Scheme Apportionment Arrangement ("SAA") with the Company and the Trustee under which the Pensions Act Section 75 liability attaching to the Company as a result of its cessation of participation in the scheme was apportioned to Kesa	c £307m (estimate of Section 75 debt)
Kesa Electricals plc	Former ultimate parent company	31 January 2012	N/A	N/A	Kesa entered into an updated schedule of contributions and recovery plan for the Scheme under which Kesa agreed to make additional contributions to the Scheme in mitigation for the loss of the Company's covenant to the Scheme Kesa agreed with the Trustee to increase the annual deficit recovery payments to £10 0 million per annum from £6 1 million retrospectively to the date of the last triennial valuation date of 31 March 2010 reducing the deficit recovery plan period from March 2018 to March 2015 The retrospective payments calculated from the triennial valuation date resulted in catch-up payments of £3 5 million and £3 65 million in February and May 2012	N/A
Kesa International Limited and Kesa Holdings Limited	Subsidiary of Kesa Electricals plc (former ultimate parent company)	31 January 2012	N/A	N/A	A guarantee was given by Kesa International Limited and Kesa Holdings Limited to the Trustee, guaranteeing all the liabilities of Kesa as the new principal employer under the Scheme	N/A
Kesa Holdings Limited	Former immediate Parent company	29 April 2011	N/A	N/A	Issue of £20 000,000 share capital to Kesa Holdings Limited in return for waiver of subordinated loan by Kesa Holdings Limited	20,000,000
Kesa Holdings Limited	Former immediate Parent company	03 February 2012	N/A	N/A	Issue of £100 000 nominal share capital to Kesa Holdings Limited in return for waiver of intercompany debt of £13 586 452	13,586,452
Kesa Holdings Limited	Former immediate Parent company	03 February 2012	N/A	N/A	Reduction of Comet debt by amount of Pension Contributions payable by the Company in the period from 30 April 2011 to the disposal by Kesa Holdings Limited	7,000 000
Kesa SAS	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Various	31 January 2011	01 November 2012	Consultancy and advisory services as per agreement between Comet Group Limited and Kesa SAS dated 20 May 2010 *These amounts have been converted from Euro to Pound Sterling at the rate prevailing on 2 November 2012 (1 2486 Euro/£)*	(1 288 812)

Name of Counterparty	Connection	Date of Transaction(s)	Period of Transactions		Details of transaction	Received by Comet / (Paid by Comet) (£)
Kesa SAS	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Apr 11	01 May 2010	30 April 2012	Recharge of purchase order system costs *These amounts have been converted from Euro to Pound Sterling at the rate prevailing on 2 November 2012 (1 2486 Euro/£)*	(640,781)
Kesa SAS	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Apr 11	01 May 2010	01 April 2011	Recharge of IT costs	11 578
Kesa SAS	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Various	01 November 2010	31 July 2011	Recharge seconded staff	102,107
Kesa Holdings Luxembourg SARL	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Aug 11	N/A	N/A	Assignment of Trademarks and domain names	N/A
Kesa Turkey Limited	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Feb 11	01 April 2009	31 March 2010	Group Relief Surrender of tax losses of £5 752 222 for 2009/10	1,610 622
Kesa Sourcing Limited	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Feb 11	01 April 2009	31 March 2010	Group Relief Surrender of tax losses of £1 928 399 for 2009/10	539,952
Triptych Insurance NV	Subsidiary of Kesa Electricals plc (former ultimate parent company)	Feb 12	01 April 2010	31 March 2011	Group Relief Surrender of 2010/11 tax losses of £12 365,202 to Triptych Insurance NV for nil consideration Estimated benefit to Triptych Insurance NV of losses surrendered £3 442m	Nil consideration paid
Kesa Electricals plc and group subsidiaries	Former ultimate parent company and its subsidiaries	31 January 2011	N/A	N/A	Company agrees to be jointly liable under group banking facility	N/A
Kesa Electricals plc and group subsidiaries	Former ultimate parent company and its subsidiaries	07 January 2011	N/A	N/A	Company agrees to be jointly liable under US$40m group letter of credit facility	N/A
Kesa Electricals plc and group subsidiaries	Former ultimate parent company and its subsidiaries	03 February 2012	N/A	N/A	The Company requests and Kesa Electricals plc and HSBC agree to the release of the Company from the Kesa group banking and letter of credit facilities	N/A

MEETING FORMS

Form 2.21B

Rule 2 37

Creditor's request for a meeting

Name of Company	Company number
Comet Group Limited	00278576

In the	Court case number
High Court of Justice, Chancery Division Companies Court (full name of court)	8347 of 2012

(a) Insert full name and address of the creditor making the request

I (a)

(b) Insert full name and address of registered office of the company

request a meeting of the creditors of (b)
Comet Group Limited

Hill House
1 Little New Street
London
EC4A 3TR

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and address(es) of creditors concurring with the request (if any) and their claims in the administration if the requesting creditor's claim is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of concurrence

(e) Insert details of the purpose of the meeting

The purpose of the meeting is (e)

Signed

____

Dated

____