

The Insolvency Act 1986

2.31B**Notice of extension of period
of administration**

| |
|---------------------------|
| Name of Company |
| The Outdoor Group Limited |

| |
|----------------|
| Company number |
| 00507794 |

| |
|---|
| In the High Court of Justice, Chancery Division, Companies Court |
|---|

| |
|-------------------|
| Court case number |
| 105 of 2012 |

We
Brian Green
KPMG LLP
St James' Square
Manchester
M2 6DS
IP number 8709

David James Costley-Wood
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St James' Square
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Richard Dixon Flemming
KPMG LLP
8 Salisbury Square
London
EC4Y 8BB
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having been appointed Joint Administrators of The Outdoor Group Limited

on 9 January 2012 by High Court of Justice, Chancery Division, Companies Court

hereby give notice that the Administration has been extended, with the consent of the company's creditors until
8 July 2013

Signed


Joint Administrator

Dated

26 November 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 searchers of the public record.

Sophie Pollitt
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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



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30/11/2012
COMPANIES HOUSE

#231

FRIDAY



**The Outdoor Group Limited (in
Administration)**

**Report to creditors pursuant to Rule
2.112(2) and Rule 2.47 of the
Insolvency (Amendment) Rules
2003**

KPMG LLP

14 November 2012

This report contains 15 pages

Appendices contain 6 pages



Notice: About this Report

This Report has been prepared by Brian Green, David Costley-Wood and Richard Fleming, the Joint Administrators of The Outdoor Group Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the Administration and to request an extension of the Administration, and for no other purpose

It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context. This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in The Outdoor Group Limited or other companies in the same group

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors. Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 (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 Report

Brian Green and David Costley-Wood are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Richard Fleming is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association

The Joint Administrators act as agents for The Outdoor 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, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration

Please note that unless stated otherwise, all amounts in this report and appendices are stated net of VAT



The Outdoor Group Limited (in Administration)
Report to creditors pursuant to Rule 2.112(2) and Rule 2.47 of the Insolvency (Amendment) Rules
2003

KPMG LLP
14 November 2012

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The Outdoor Group Limited (in Administration)
Report to creditors pursuant to Rule 2.112(2) and Rule 2.47 of the Insolvency (Amendment) Rules
2003

KPMG LLP

14 November 2012

Glossary

| | |
|------------------------------|--|
| Act | Insolvency Act 1986 (as amended) |
| Administration | The Administration order granted by the High Court of Justice, Chancery Division, Companies Court in respect of The Outdoor Group Ltd dated 9 January 2012 Court case number 105 of 2012 |
| Administrations | The Administration orders for The Outdoor Group Ltd, Blacks Leisure Group Plc, Eurohike Ltd and Just Add Water Ltd |
| Bank/Lloyds/Secured Creditor | Lloyds TSB Bank Plc |
| BLG | Blacks Leisure Group Plc (in Administration) |
| BORL | Blacks Outdoor Retail Limited |
| Company/TOG | The Outdoor Group Limited (in Administration) |
| Companies/the Group | Blacks Leisure Group Plc, The Outdoor Group Limited, Just Add Water Limited and Eurohike Limited (all in Administration) |
| EC Regulations | Council Regulations (EC) No 1346/2000 |
| Eurohike/EURO | Eurohike Limited (in Administration) |
| GSS | KPMG LLP Global Sustainability Services |
| HMRC | Her Majesty's Revenue and Customs |
| JAW | Just Add Water Limited (in Administration) |
| JD | JD Sports Fashion Plc |



The Outdoor Group Limited (in Administration)
Report to creditors pursuant to Rule 2 112(2) and Rule 2 47 of the Insolvency (Amendment) Rules
2003

KPMG LLP

14 November 2012

| | |
|-------------------------------------|---|
| Joint Administrators/Administrators | Brian Green, David Costley-Wood and Richard Fleming of KPMG LLP |
| KPMG | KPMG LLP |
| Millets | The Outdoor Group Ltd trading as Millets |
| Period | 9 July 2012 to 2 November 2012 |
| Progress Report/ Report | This document in its entirety constitutes the Progress Report/Report to creditors |
| Proposals | The Joint Administrators' Statement of Proposals circulated to creditors 2 March 2012 |
| Rule/IR | The Insolvency Rules 1986 (as amended) |
| SPA | Sale and Purchase Agreement dated 9 January 2012 |
| Travers/ solicitors | Travers Smith LLP |
| TUPE | Transfer of Undertakings (Protection of Employment) Regulations 2006 |



1 Executive Summary

- Brian Green, David Costley-Wood and Richard Fleming of KPMG LLP were appointed Joint Administrators of TOG on 9 January 2012 by the Company's directors, pursuant to paragraph 22 of Schedule B1 to the Act
- This Progress Report covers the period from 9 July 2012 to 2 November 2012
- The purpose of this Report is to provide an update as to the progress of the Administration and provide the Company's Secured Creditor with the necessary information to allow them to consider the proposed resolution to extend the period of the Administration by six months to 8 July 2013
- The Joint Administrators also seek a resolution from the Secured Creditor to be discharged from liability upon cessation of their appointment, in respect of any action of the Joint Administrators pursuant to paragraph 98 of Schedule B1 to the Act
- The Joint Administrators' Statement of Proposals were approved on 26 March 2012 and have not been modified. The proposals in relation to the Joint Administrators fees were approved by the Secured Creditor on 26 March 2012
- As previously reported to creditors, a sale of the Company's business and assets to BORL completed immediately on appointment
- During the Period the Joint Administrators have continued to facilitate the assignment of property leases over to BORL, manage the collection of licence fees and payment of rent under the terms of the SPA and deal with the surrender of leases as required
- The Joint Administrators have also secured and realised other assets of the Company including cash, business rates refunds, deferred consideration and prepayments due to the Administration
- No prescribed part will be made available to unsecured creditors due to the existence of a floating charge security which pre-dates the Enterprise Act. Based on the expected level of realisations and the amount owed to the Secured Creditor, it is unlikely that a dividend will be available for unsecured creditors
- Full details of the Joint Administrators' Progress Report are attached together with all the relevant statutory information included by way of Appendices

Yours faithfully

Brian Green
Joint Administrator

2 Statement of Proposals

The Joint Administrators' Statement of Proposals was issued on 2 March 2012

Pursuant to Paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986, the Joint Administrators did not convene a creditors meeting as the Company has insufficient funds to enable a distribution to be made to unsecured creditors

With the exception of the Proposals relating to remuneration and discharge from liability, the Joint Administrators' Proposals were deemed to have been approved on 26 March 2012 pursuant to Rule 2 33 (5A) of the Insolvency Rules 1986

The Joint Administrators' Proposals relating to both pre-appointment and post-appointment fees were approved by the Secured Creditor on 26 March 2012 pursuant to Rule 2 106(5A) of the Insolvency Rules 1986

3 Progress to date

3.1 Sale of business

As previously reported to creditors, a sale of the Group to BORL completed on appointment of the Joint Administrators over BLG, TOG and EURO on 9 January 2012. A court appointment was required for JAW due to a winding up petition having been presented against JAW by HMRC and the fact that it had no secured creditor. Following a court hearing JAW was subsequently placed into Administration on 19 January 2012 and £50,000 of retained sales consideration released.

The total consideration paid for the Group was £20,000,000 cash. The breakdown of cash consideration is as follows:

| | BLG | TOG | JAW | Euro | £'000 Total |
|---|-----------|---------------|-----------|-----------|----------------|
| Stock, cash and debtors | - | 9,932 | - | - | 9,932 |
| Plant and equipment | - | 6,800 | - | - | 6,800 |
| Property leases | 1 | 214 | 4 | 4 | 223 |
| Intellectual property rights and goodwill | 79 | 2,874 | 46 | 46 | 3,045 |
| | 80 | 19,820 | 50 | 50 | 20,000 |

3.1.1 Deferred consideration

As outlined in our previous report, following the recognition of the Administrations in the Isle of Man and Jersey on 9 July and 13 July 2012 respectively, the deferred consideration



of £250,000, held by the Company's solicitors, along with the interest accrued on these funds, was transferred to TOG on 27 July 2012 and has been recognised in the Period

The total consideration paid for the Group, amounting to £20,000,000, has now been received by the Administrations

3.2 Trading cut-off

3 2 1 Pre-appointment accounts

As previously reported to creditors, the Joint Administrators initially allowed BORL to utilise the Group's pre-appointment bank accounts, as per the SPA, due to delays experienced by BORL in setting up new bank accounts and transferring services BORL has now set up its own bank account facilities and no longer utilise the Group's facilities

Under the terms of the SPA, BORL was also entitled to 91 95% of sale receipts received in to the pre-appointment bank accounts between 6 and 8 January 2012

During the Period the Joint Administrators and BORL, have been finalising the reconciliation of the Group's bank accounts, to confirm monies due to the Administration and monies realisable by BORL.

3 2 2 Card Merchants credit balances

At the date of appointment First Data and American Express ("Amex") owed the Company approximately £150,000 and £116,000 respectively Both amounts due relate to credit balances held by the mercantile service providers to cover potential pre-appointment card charge backs

Following ongoing negotiations, First Data paid the total sum of £150,000 to the Administration on 17 August 2012 Subsequently, there are no outstanding amounts due from First Data

Since appointment funds totalling £175,748 have been paid across to the Administration from Amex This figure includes £54,231 of post appointment sales receipts due to BORL This amount has been paid over to BORL in the Period, as such, the Joint Administrators consider there to be no outstanding balance due from Amex

On appointment, Worldpay, another card merchant, owed the Company approximately £19,000 in relation to a security deposit paid by the Company prior to appointment The Joint Administrators have been in on-going discussions with Worldpay regarding the repayment of this security deposit to the Administration An update on the progress of this repayment will be made in the next report to creditors

3.2 3 Security Firm

Loomis are a security firm that collected and banked cash from around 120 stores in the UK As previously reported, the full balance of pre-appointment funds held by Loomis had been collected and there are no outstanding amounts due from Loomis

3 3 Employees

Prior to Administration, the Group employed around 3,500 staff in its stores and over 350 people at its Head Office and distribution centre in Northampton.

Upon completion of the sale of the business and assets, the employees of the Group transferred to BORL in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE")

As outlined in our previous report, due to the large number of employees BORL were unable to set up a facility in time to process the payroll for January and February 2012. Consequently, on the condition that the Administration was put in funds by BORL first, the Administrators agreed to pay the payroll from the pre-appointment bank account as there was already a BACS facility in place. BORL have been operating their own payroll facility from March 2012.

3.4 Communication

The Joint Administrators wrote to all known creditors of the Company on 9 January 2012 advising them of their appointment.

Following this, the Joint Administrators' Statement of Proposals was issued to all creditors of the Company on 2 March 2012.

Notice of deemed approval of the Proposals, as circulated, was sent to all creditors and members on 5 April 2012.

The Administrators' first progress report was circulated to all known creditors of the Company on 2 August 2012.

3.5 Assets

3 5.1 Property

At the date of appointment, BORL were granted a Licence to Occupy by the Joint Administrators and occupied and traded from 297 stores. By 2 November 2012 BORL had vacated 107 stores, completed lease/licence arrangements directly with landlords at 40 stores and continued to occupy and trade from 150 stores by way of the Licence to Occupy.

At the date each of the 107 stores were vacated by BORL, the Joint Administrators wrote to the respective landlords and offered a surrender of the lease. Of these 107 vacated stores, 99 were in the name of TOG and the remaining 8 stores were in the name of other Group companies. To date, landlords of 28 units have accepted these offers of surrender and of these acceptances 27 were in the name of TOG.

Of the remaining 150 stores which continue to be occupied by way of the bare Licence to Occupy, 142 of these are in the name of TOG with the remaining leases in the name of other Group companies. BORL continues to pay a licence fee to the Joint Administrators to cover occupation costs and this in turn is then paid by the Joint Administrators to the respective landlords upon receipt of a valid invoice.

During the Period, licence fees of £4,917,942 have been collected and rent (including additional charges such as service charge and insurance) of £6,193,596 has been paid across to landlords. The differences between the amounts relates to timing differences as to when the licence fee is received and the rent paid. The total licence fees will equal the rent paid over the Administration as a whole.

In addition to the 297 retail units, there were 29 ex Millets and Blacks stores which were classed as 'non-trading' and excluded from the SPA with BORL. Of these 29 stores, 26 were in the name of TOG. An offer of surrender was made to all landlords of these 29 non-trading stores by 10 February 2012 and 7 of these offers of surrender have since been accepted, of which 6 relate to properties in the name of TOG.

An update on the property position will be provided in our next report.

3.5.2 Third Party Assets

In accordance with the terms of the SPA, BORL are solely responsible for any retention of title ("ROT") claims arising. Therefore, any ROT claims and queries received by the Joint Administrators were passed on to BORL to deal with directly.

3.5.3 Book Debts and Prepayments

As previously reported, at the date of appointment there were prepayments and a debtor's ledger with book values totalling £811,000 and £447,000 respectively. Included in prepayments was a £250,000 cash deposit held by the Bank as a guarantee in relation to the First Data Merchant acquirer, which was repaid directly to the Bank.

As stated in our previous report, due to contractual terms, the Joint Administrators have been unable to obtain prepayment refunds in the majority of cases. To date funds totalling £67,331 have been received in respect of prepayments.

Since our last report a further £639 has been receipted into 'book debts' in relation to outstanding debtors on appointment. The Joint Administrators do not anticipate any further substantial debtor recoveries, as previously stated, responses from debtors following our request for payment indicated that a large proportion of debts believed to be outstanding on appointment had in fact been settled prior to this date.

The Company also rented out warehouse space to a number of third parties. On appointment, outstanding rent due in relation to this space totalled approximately £78,000. To date £64,010 has been received in relation to these outstanding rents.

An update on the collection of outstanding rental invoices will be provided in our next report.

3.5.4 Business Rates Refunds

The Joint Administrators have continued to liaise with local rating authorities in respect of any business rates refunds due. Alongside this, Exacta Plc ("Exacta") have been instructed to audit the historical rate demands of the Company and realise any savings where business rates have been paid by the Company at incorrect rates. Exacta have been



engaged on a no win, no fee basis and are paid a commission based on the value of the refund or credit obtained as a result of their investigations

In our initial report we estimated such refunds to be in excess of £750,000 across the entire Group. To date business rates refunds totalling £1,296,031 have been realised across the Group, £1,117,777 of this amount relates to TOG

3.6 Liabilities

3.6.1 Secured creditors

Lloyds hold debentures over the floating charge assets of the Company dated 14 December 1999 and 2 November 2009. A validity of security review has been conducted by the Solicitors which has confirmed that the debentures are valid.

At the date of appointment, the Bank's indebtedness totalled £33.7 million. Of this £200,000 related to a duty deferment guarantee given by the Bank to HMRC in relation to imports. The amount relating to the duty deferment has now been settled by the Bank.

To date distributions to the Bank across the Group total £20,000,000, £19,550,000 of which was distributed from TOG and £50,000 from BLG.

Based on current information it is expected that there will be a shortfall to the Bank.

An update on any future distributions to the Bank will be provided in the next report to creditors.

3.6.2 Preferential creditors

All employees transferred to BORL in accordance with TUPE upon the sale of the business and all outstanding employee wages were paid by BORL. Therefore there are no preferential creditors.

3.6.3 Unsecured creditors

Realisations will not be sufficient to enable a dividend to unsecured creditors and there will be no prescribed part available due to the existence of a pre-Enterprise Act floating charge debenture.

3.7 Expenses for the period

3.7.1 Receipts and payments

The receipts and payments for the period are set out in the attached Receipts and Payments Account (see Appendix 2).

All figures are net of VAT.

3.7.2 Office holders remuneration

A detailed analysis of the office holders' time costs for the period of this report are also attached (see Appendix 3). This shows that in the Period total time costs of £274,620 have been incurred representing 765 hours at an average hourly rate of £359. This

includes work undertaken in respect of tax and VAT advice from KPMG in-house specialists

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Rules.

A creditors' guide to Administrators' fees can be found at

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Nov2011.pdf

However, if you are unable to access this guide and would like a copy please contact Sophie Pollitt at KPMG LLP, St James' Square, Manchester, M2 6DS.

Since the date of appointment to 2 November 2012, the office holders have incurred total time costs of £1,522,445 representing 4,157 hours at an average rate of £366 per hour. This includes Tax, VAT, Health and Safety and Pensions advice from KPMG LLP in-house specialists.

In accordance with Rule 2.106, the Joint Administrators have obtained approval from the Secured Creditor as to the basis of their remuneration. During the Period, pre-appointment fees of £107,660 which includes £7,565 in relation to pre-appointment disbursements, as per the figures stated in the Joint Administrators' Proposals, and post-appointment fees of £576,000 have been drawn.

Creditors are reminded that the quantum of office holder remuneration or other expenses can be challenged by unsecured creditors representing at least 10% by value of total unsecured claims, including that creditor's claim, or by making an application to court in accordance with Rule 2.109 of the Rules. The full text of this rule can also be provided on request.

3.7.3 Expenses for the period

Expenses for the Period total £5,333,848 including amounts not yet paid (see Appendix 4 for details).

3.7.4 Other information

In accordance with Rule 2.48A of the Rules, additional information about the expenses charged for the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities, or by making an application to court. A request must be made within 21 days of receipt of this report.

4 Extension

4.1 Extension of the Administration

Pursuant to paragraph 76(1) of Schedule B1 to the Insolvency Act 1986, the Administration will automatically terminate at midnight on 8 January 2013. The Joint Administrators' term in office may be extended for six months by consent of the Company's Secured Creditor. In accordance with paragraph 78(2) of Schedule B1 to the Insolvency Act 1986, consent is sought from the Company's Secured Creditor.

This Report requests a six month extension to 8 July 2013 in order to finalise the outstanding matters in the Administration.

The Administrators therefore propose the following resolution.

Resolution 1:

- that the period of the Administration be extended by six months from 8 January 2013 to 8 July 2013.

The Joint Administrators also seek approval from the Company's Secured Creditor to be discharged from liability upon cessation of their appointment.

The Administrators therefore propose the following resolution.

Resolution 2:

- that the Joint Administrators be discharged from liability upon cessation of their appointment, in respect of any action of the Joint Administrators pursuant to paragraph 98 of Schedule B1 to the Act.

4.2 Outstanding matters

The Joint Administrators are required to deal with the following issues before they pursue an exit of the Administration.

These include, but are not limited to

- continuing to facilitate the assignment of property leases over to BORL, manage the collection of licence fees and payment of rent under the terms of the SPA and deal with the surrender of leases as required,
- realising remaining assets including outstanding rents from third parties and business rates refunds,
- making final distributions of funds to the Company's Secured Creditor, and
- arranging payment of all Administration liabilities and completion of on-going statutory matters associated with the Administration.



Should the Joint Administrators require a further extension in order to complete the above matters, then it is advised that an application will be made to court

5 Conclusion of the Administration

As it is anticipated that there will be no funds available to distribute to unsecured creditors, the Joint Administrators may seek to move the Company from Administration to dissolution, pursuant to paragraph 84(1) of Schedule B1 to the Act, if this is deemed the most appropriate action on the ending of the Administration

6 Comments on the Appendices

6.1 Appendix 1: Statutory information

Information to creditors required by statute is contained in Appendix 1 to this Report

6.2 Appendix 2: Receipts & payments account for the Period

6.2.1 Receipts

6.2.1.1 Stock

A total of £250,248.02 of deferred consideration plus interest, held in relation to the recognition of the Administrations in the IOM and Jersey, was received in the Period. This deferred consideration relates to stock held by the Company in its stores and its distribution centre at the date of the sale.

6.2.1.2 Book debts

In the Period, £3,659 has been received by the Administration in relation to book debts.

6.2.1.3 Cash at bank

In the Period, funds of £798,781 have been received by the Administration. These primarily consist of funds transferred from the closure of the Lloyds TSB Offshore and Bank of Ireland pre-appointment accounts in the name of TOG, along with amounts due from Amex and First Data, as outlined in the Report.

6.2.1.4 Bank interest

A total of £6,895 has been received in the Period in respect of bank interest.

6.2.1.5 Business rates refunds

Business rates refunds totalling £274,570 have been received in the Period.



6.2.1.6 Sundry refunds

Refunds of £4,930 have been received during the Period, mainly from utility suppliers and local councils

6.2.1.7 Prepayments refunds

Refunds of £750 have been received in the Period in relation to prepayments made by the Company prior to appointment

6.2.1.8 Licence fees

Licence fee monies of £4,917,942 have been received from BORL during the Period which are being used to pay rent due to the landlords

6.2.2 Payments

6.2.2.1 Rent

Rent of £6,193,596 has been paid in the Period out of licence fee monies received from BORL

6.2.2.2 Pre-appointment Administrators' fees

Pre-appointment Administrator Fees totalling £107,660 have been paid in the Period. This relates to work carried out in order to facilitate the appointment of the Joint Administrators

6.2.2.3 Post-appointment Administrators' fees

Fees totalling £576,000 have been drawn in the Period. This relates to work carried out since the appointment of the Joint Administrators and includes work undertaken in respect of tax and VAT advice from KPMG in-house specialists

6.2.2.4 Post-appointment legal fees

Post appointment legal fees totalling £18,274 have been paid during the Period. These legal fees relate to property advice, the recognition of the Administrations in the Isle of Man and Jersey courts and general advice provided throughout the Administration

6.2.2.5 Post-appointment legal disbursements

Post appointment legal disbursements of £1,236 have been paid during the Period

6.2.2.6 Storage Costs

Costs of £414 have been paid in the Period in relation to storage of the Company's books and records

6.2.2.7 Other Property Expenses

Funds totalling £5,005 have been paid during the Period in relation to rent inadvertently paid across to the Administration by sub-tenants of one of the leasehold premises

6.2.2.8 **Bank charges**

The Administrators have paid £255 in respect of bank charges incurred during the Period

6.3 **Appendix 3: Analysis of office holders' time costs for the Period**

The Joint Administrators' time costs for the Period are £274,620 and expenses incurred in the Period are £44 (Appendix 3)

The Joint Administrators' time costs include time spent primarily within the following areas

- A total of £157,375 in time costs has been spent in realising the assets of the Company. This is inclusive of time associated with the following activities
 - assisting JD in migrating the business and assets of the Group over to BORL's operations in accordance with the SPA,
 - establishing a trading cut-off between pre appointment and post appointment operations and assets such as cash,
 - dealing with the surrender of leases and assignment of leases over to BORL and managing the collection of licence fees and payment of rent and services charges under the terms of the SPA,
 - seeking refunds of prepayments and business rates and collecting book debts outstanding on appointment
- A total of £42,222 in time costs has been spent in dealing with creditors and employee related matters. This time is primarily associated with the following activities
 - general creditor correspondence, filing unsecured claims and dealing with queries and specific matters where action was required,
 - liaising with solicitors regarding outstanding liability claims
- A total of £38,169 in time costs has been spent dealing with statutory and regulatory compliance, along with the general planning of the Administration. These time costs include carrying out the following specific tasks
 - completing statutory requirements associated with the Administration, and
 - reporting to debenture holders
- A total of £16,637 in time costs has been spent dealing with Tax and VAT issues, including completing group VAT returns and making the required payments to HMRC



6.4 **Appendix 4: Expenses for the Period**

Expenses for the Period are summarised in Appendix 4, which include the time costs as analysed in Appendix 3

Expenses for this Period total £5,333,848 of which £4,188,152 has been paid in the Period and £1,145,696 of which is accrued. These expenses include accrued legal fees due to Travers Smith LLP relating to property matters and general advice in relation to the Administration, insurance of assets, rent and the Joint Administrators' time costs and expenses.



Appendix 1

Statutory information

| Appointment | |
|----------------------------|---|
| Company name | The Outdoor Group Limited |
| Nature of business | Outdoor clothing retailer |
| Court details | The Administration Order was made on 9 January 2012 in High Court of Justice number 105 of 2012 application by Directors |
| Date of appointment | 9 January 2012 |
| Office holder details | Brian Green and David Costley-Wood are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales Richard Dixon Fleming is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association |
| Registered number | 00507794 |
| Previous registered office | 440-450 Cob Drive Swan Valley Northampton NN4 9BB |
| Present registered office | c/o KPMG LLP St James Square Manchester M2 6DS |
| Basis of remuneration | Time costs |
| Directors | Dominic Joseph Lavelle Julia Reynolds |
| Company Secretary | Mark Beacham |
| Employees | Approx 3,850 |



Appendix 2

Office holders' receipts and payments account for the period 9 July 2012 to 2 November 2012

ABSTRACT OF RECEIPTS AND PAYMENTS - 09/07/2012 to 02/11/2012 Appendix to Form 2.24
The Outdoor Group Limited Page 1

| RECEIPTS | | £ |
|---|--|---------------|
| Brought forward from previous Abstract (if Any) | | 34,914,658.36 |
| Bank interest gross | | 61.17 |
| Stock | | 250,248.02 |
| Book debts | | 3,658.99 |
| Cash at bank | | 798,780.50 |
| Bank interest gross | | 6,833.55 |
| Business Rates Refunds | | 274,569.94 |
| Sundry refunds | | 4,929.50 |
| Prepayment refunds | | 750.00 |
| Licence Fees | | 4,917,941.89 |
| Floating ch. VAT payable | | 976,440.53 |
| Fixed charge VAT control | | 1,764.82 |
| Carried forward to | | 42,150,637.27 |
| * continuation sheet / next abstract | | |
| PAYMENTS | | £ |
| Brought forward from previous Abstract (if Any) | | 31,326,119.29 |
| Pre-appointment Administrator Fees | | 107,660.00 |
| Post-appointment Administrator Fees | | 576,000.00 |
| Post - Appt Legal Fees | | 18,274.00 |
| Post- Appt Legal disbursements | | 1,236.45 |
| Storage costs | | 413.78 |
| Rent | | 6,193,596.07 |
| Other property expenses | | 5,005.00 |
| Bank charges | | 255.00 |
| Floating ch. VAT receivable | | 1,240,305.04 |
| Floating ch. VAT control | | 103,493.89 |
| Carried forward to | | 39,572,558.52 |
| * continuation sheet / next abstract | | |

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed



The Outdoor Group Limited (in Administration)
Report to creditors pursuant to Rule 2.112(2) and Rule 2.47 of the Insolvency (Amendment)
Rules 2003
KPMG LLP
 14 November 2012

The Outdoor Group Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

| Statement of Affairs | From 09/07/2012 To 02/11/2012 | From 09/01/2012 To 02/11/2012 |
|----------------------|-------------------------------------|-------------------------------|
| | FIXED CHARGE ASSETS | |
| | Leasehold property | NIL |
| 2,874,502.00 | Goodwill | 214,500.00 |
| | Bank interest gross | 2,874,500.00 |
| | | 61.17 |
| | | 140.41 |
| | | 3,089,140.41 |
| | FIXED CHARGE COSTS | |
| | Post- Appt Legal fees | NIL |
| | Pre- Appt Legal disbursements | 5,569.60 |
| | | 3,254.51 |
| | | (8,824.11) |
| | FIXED CHARGE CREDITORS | |
| | Fixed charge creditors | NIL |
| | | 3,039,000.00 |
| | | (3,039,000.00) |
| | ASSET REALISATIONS | |
| 7,014,500.00 | Plant & machinery | NIL |
| 6,841,841.00 | Stock | 6,800,000.00 |
| | Contracts | 250,248.02 |
| 3,012,284.00 | Book debts | 9,931,246.02 |
| 76,873.00 | Cash at bank | 1.00 |
| | Insurance refund | 36,234.01 |
| | Business records | 1,408,368.86 |
| | | 3,167.22 |
| | | 1.00 |
| | | 18,179,018.11 |
| | OTHER REALISATIONS | |
| | Bank interest gross | 6,833.55 |
| | Business Rates Refunds | 22,908.84 |
| | Sundry refunds | 1,117,777.03 |
| | Prepayment refunds | 4,929.50 |
| | Licence Fees | 17,077.70 |
| | | 750.00 |
| | | 67,310.72 |
| | | 16,396,151.09 |
| | | 17,621,245.38 |
| | COST OF REALISATIONS | |
| | Pre-appointment Administrator Fees | 107,660.00 |
| | Post-appointment Administrator Fees | 107,660.00 |
| | Agents'/Valuers' fees | 576,000.00 |
| | Post - Appt Legal Fees | NIL |
| | Post- Appt Legal disbursements | 1,700.00 |
| | Storage costs | 18,274.00 |
| | Statutory advertising | 1,236.45 |
| | Rent | 413.78 |
| | Other property expenses | NIL |
| | Insurance of assets | 67.50 |
| | Bank charges | 6,193,596.07 |
| | | 15,554,500.47 |
| | | 5,005.00 |
| | | 5,005.00 |
| | | 106.00 |
| | | 255.00 |
| | | 425.00 |
| | | (6,902,440.30) |
| | | (16,304,010.68) |
| | FLOATING CHARGE CREDITORS | |
| (29,827,186.00) | Floating charge | NIL |
| | | 16,911,000.00 |
| | | (16,911,000.00) |
| | UNSECURED CREDITORS | |
| (54,929,625.00) | Trade & expense | NIL |
| | | NIL |

The Outdoor Group Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

| Statement of Affairs | From 09/07/2012 To 02/11/2012 | From 09/01/2012 To 02/11/2012 |
|--------------------------------------|----------------------------------|----------------------------------|
| | NIL | NIL |
| DISTRIBUTIONS | | |
| (9 110 001 00) Ordinary shareholders | NIL | NIL |
| | NIL | NIL |
| (74,046,812 00) | (644,666 74) | 2,626,549 11 |
| REPRESENTED BY | | |
| Floating ch VAT rec'able | | 2 835 557 92 |
| Fixed charge current | | 41,316.30 |
| Floating charge current | | 2 536 762 45 |
| Fixed charge VAT rec'able | | 1,764 82 |
| Floating ch VAT payable | | (3,259 468 55) |
| Floating ch VAT control | | 472 380 99 |
| Fixed charge VAT control | | (1 764 82) |
| | | 2,626,549 11 |



The Outdoor Group Limited (in Administration)
Report to creditors pursuant to Rule 2 112(2) and Rule 2 47 of the Insolvency (Amendment)
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Appendix 3

Analysis of office holders' time costs for the period 9 July 2012 to 2 November 2012

09/07/2012 to 02/11/2012

| | Partner / Director | Manager | Administrator | Support | Total hours | Time cost | Average hourly rate |
|--|--------------------|---------|---------------|---------|---------------|--------------------|---------------------|
| Administration & planning | | | | | | | |
| Cashiering | | | | | | | |
| General (Cashiering) | | | 78 90 | 7 40 | 86 30 | £19 529 00 | £226 29 |
| Reconciliations (& IPS accounting reviews) | | | 1 40 | | 1 40 | £428 50 | £306 07 |
| General | | | | | | | |
| Books and records | | | 1 20 | | 1 20 | £328 50 | £273 75 |
| Fees and WTP | | | 6 00 | 1 40 | 7 40 | £1 559 50 | £212 09 |
| Statutory and compliance | | | | | | | |
| Appointment and related formalities | | | 4 00 | | 4 00 | £920 00 | £230 00 |
| Bonding and bordereaux | | | 0 50 | | 0 50 | £115 00 | £230 00 |
| Checklist & reviews | | | 21 10 | | 21 10 | £5 507 50 | £261 02 |
| Reports to debenture holder | 1 70 | 26 00 | 31 90 | 0 50 | 60 10 | £24 012 00 | £399 53 |
| Statutory receipts and payments accounts | | | 12 50 | | 12 50 | £2 944 00 | £235 52 |
| Strategy documents | 2 50 | | 4 00 | | 6 50 | £2 772 50 | £425 54 |
| Tax | | | | | | | |
| Post appointment corporation tax | | 7 20 | 9 50 | | 16 70 | £6 629 50 | £396 98 |
| Post appointment VAT | 0 30 | 9 70 | 30 50 | 0 30 | 40 80 | £10 037 50 | £245 28 |
| Creditors | | | | | | | |
| Creditors and claims | | | | | | | |
| General correspondence | | 7 25 | 56 20 | 0 30 | 63 75 | £19 059 50 | £298 97 |
| Statutory reports | 3 70 | 32 75 | 28 00 | | 64 45 | £23 162 50 | £359 39 |
| Investigation | | | | | | | |
| Directors | | | | | | | |
| Debtors drafting and submission | 0 20 | | 0 50 | | 0 70 | £260 00 | £371 43 |
| Realisation of assets | | | | | | | |
| Asset Realisation | | | | | | | |
| Cash and investments | | | 25 70 | | 25 70 | £7 416 00 | £288 56 |
| Debtors | | | 9 00 | | 9 00 | £2 090 00 | £232 22 |
| Deferred consideration | | | 0 50 | | 0 50 | £115 00 | £230 00 |
| Leasehold property | 13 20 | 274 50 | 39 90 | 1 00 | 328 60 | £143 081 50 | £435 43 |
| Open cover insurance | | | 1 90 | | 1 90 | £437 00 | £230 00 |
| Real | | | 7 00 | | 7 00 | £1 610 00 | £230 00 |
| Sale of business | | 5 00 | | | 5 00 | £2 625 00 | £525 00 |
| Total in period | | | | | 765 10 | £274 620 00 | £358 93 |

| | Fees Drawn | Hours / Costs to date | | |
|-----------|------------|-----------------------|---------------|---------|
| B/t | | 3 391 70 | £1 247 825 25 | £367 91 |
| In Period | £576 000 | 765 10 | £274 620 00 | £358 93 |
| C/t | £576 000 | 4 156 80 | £1 522 445 25 | £366 25 |

Does not include pre-appointment fees drawn



Charge out Rates

Charge out rates to the 30 September 2012

| Grade | Rate per hour |
|-------------------|---------------|
| | £ |
| Partner | 725 |
| Associate Partner | 635 |
| Director | 635 |
| Senior Manager | 525 |
| Manager | 420 |
| Assistant Manager | 305 |
| Assistant | 230 |
| Support | 120 |

Charge out rates from 1 October 2012

| Grade | Rate per hour |
|-------------------|---------------|
| | £ |
| Partner | 765 |
| Associate Partner | 670 |
| Director | 670 |
| Senior Manager | 550 |
| Manager | 440 |
| Assistant Manager | 320 |
| Assistant | 240 |
| Support | 125 |

Administrators' disbursements

| | |
|---------------------------------|--------------|
| Category 1 Expenses | £ |
| Telephone, telefax, print costs | 31.00 |
| Total | 31.00 |

| | |
|----------------------------|--------------|
| Category 2 Expenses | £ |
| Mileage | 12.60 |
| Total | 12.60 |

Appendix 4

Schedule of expenses for the period 9 July 2012 to 2 November 2012

| Section | Account | Notes | Accrued | Paid | Total |
|----------------------|---------------------------------------|-------|------------------|------------------|------------------|
| Cost of realisations | Agents'/Valuers' fees | | 14,000 | | 14,000 |
| | Post-appointment legal fees | 1 | 9,350 | 274 | 9,630 |
| | Post-appointment legal disbursements | 2 | - | - | - |
| | Storage Costs | 3 | 27 | - | 27 |
| | Rent | 4 | 841,651 | 4,074,958 | 4,916,609 |
| | Insurance of assets | | 6,000 | - | 6,000 |
| | Other Property expenses | | | 5,005 | 5,005 |
| | Bank charges | | - | 255 | 255 |
| | Pre-appointment Administrators' Fees | | | 107,660 | 107,660 |
| | Post-appointment Administrators' Fees | 5 | 274,620 | | 274,620 |
| | Administrators' Expenses | | 44 | - | 44 |
| TOTAL | | | 1,145,696 | 4,188,152 | 5,333,848 |

Notes: The above table includes accrued expenses both billed and unbilled incurred during the Period, along with payments made in the Period, unless they relate to prior periods and were disclosed as an accrued expense during that period.

The following payments were made during the Period, which either partly or entirely, relate to the prior period:

- 1 Post-appointment legal fees of £18,274 has been paid during this Period, £18,000 of this was accrued for in the prior period.
- 2 Post-appointment legal disbursements totalling £1,236 paid during the Period were incurred in and accrued for in the prior period.
- 3 Storage costs of £414 have been paid in this Period which were already accrued for in the prior period.
- 4 Rent totalling £6,193,596 has been paid across to landlords in the Period. £2,118,638 of this amount relates to the prior period and was accrued for in that period.
- 5 Post-appointment Administrators' fees of £570,000 have been drawn during the Period. These fees relate to time costs incurred in the prior period and were accrued for in that period.

Creditors are reminded that the basis on which fees have been reported has been agreed however to determine if the quantum of the fees to be taken is reasonable the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with rule 2.48A IR86. This request must be made within 21 days receipt of the report. The full text of that rule can be provided on request. In addition creditors are reminded that the quantum can be challenged by unsecured creditor(s) with at least 10% in value excluding that creditors claim by making an application to court in accordance with rule 2.109 IR86. The full text of this rule can also be provided on request.