

The Insolvency Act 1986

**Notice of court order
ending administration****2.33B**

Name of Company OM Recoveries Limited (formerly Olan Mills Limited)	Company number 3892701
In the High Court of Justice [full name of court]	Court case number 10067 of 2006

We, Richard James Philpott
KPMG LLP
2 Cornwall Street
Birmingham B3 2DL
United Kingdom

Myles Antony Halley
KPMG LLP
2 Cornwall Street
Birmingham B3 2DL
United Kingdom

having been appointed administrators of OM Recoveries Limited (formerly Olan Mills Limited) 2 Cornwall Street, Birmingham, B3 2DL on 14 December 2006 by the company's directors hereby give notice that the court has ordered that the administration shall end on 4 June 2007 and a copy of the court order is attached

We attach to this notice a copy of the final progress report

Signed


Joint Administrators

Dated

15 June 2007

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.

KPMG LLP
2 Cornwall Street
Birmingham B3 2DL
United Kingdom

Tel 0121 609 5880

DX Number DX 709850 Birmingham 26

DX Exchange

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

WEDNESDAY



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20/06/2007

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COMPANIES HOUSE

IN THE HIGH COURT OF JUSTICE

Petition No. 03147 of 2007

CHANCERY DIVISION

COMPANIES COURT

18 May 2007

Mr Justice Pumfrey

**IN THE MATTER OF OM RECOVERIES LIMITED (IN ADMINISTRATION)
AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

ORDER

UPON the Petition of OM Recoveries Limited ("the Company"), acting by its joint administrators ("the Joint Administrators"), Mr Richard Philpott and Mr Myles Halley of KPMG LLP, 8 Salisbury Square, London, EC4Y 8BB, which Petition was presented to this Court on 2 May 2007

AND UPON hearing Counsel for the Petitioner

AND UPON READING the witness statement of Richard Philpott

AND the Court being satisfied on the evidence that EC Regulation does apply and that these are main proceedings as defined in Article 3 of the EC Regulation

IT IS ORDERED THAT:

- 1 The fact of this Petition and the relief sought thereby shall be advertised on the www.olanmillsinadministration.co.uk website ("the Advertisement")

- 2 10 days from the day upon which the Advertisement appears, the Company shall be wound up by this Court under the provisions of the Insolvency Act 1986 ("the Act"). unless objection to such winding up is received, in which event the Joint Administrators shall apply to the Registrar for further directions
- 3 These proceedings are main proceedings as defined in Article 3 of the EC Regulation.
- 4 Pursuant to paragraph 79(1) of Schedule B1 of the Act, the administration of the Company shall cease to have effect from the date upon which the Company is wound up.
- 5 The Joint Administrators be released as administrators of the Company pursuant to paragraph 98 of Schedule B1 of the Act 28 days from the date on which they file notice with the Registrar of Companies of this order under paragraph 86 of Schedule B1 of the Act
- 6 The Joint Administrators be appointed joint liquidators of the Company pursuant to section 140 of the Act on the date upon which the Company is wound up
- 7 The costs of and incidental to this Petition shall be paid as an expense of the administration of the Company

Petition No. 03147 of 2007
IN THE HIGH COURT OF
JUSTICE

CHANCERY DIVISION

COMPANIES COURT

18 May 2007

Mr Justice Pumfrey

**IN THE MATTER OF OM
RECOVERIES LIMITED (IN
ADMINISTRATION)**

**AND IN THE MATTER OF
THE INSOLVENCY ACT 1986**

ORDER

CMS Cameron Mckenna LLP
Mitre House
160 Aldersgate Street
London EC1A 4DD

Tel: 020 7367 3000
Fax: 020 7367 2000

Ref: LFY/RAL/0X3683 03699

Solicitors for the Petitioner



*OM Recoveries Limited (formerly Olan Mills Limited)
(in Administration) ("the Company")*

*Final Progress Report to Creditors pursuant
to Rule 2.110 of the Insolvency
(Amendment) Rules 2003*

*KPMG LLP
15 June 2007*

**OM Recoveries Limited (formerly Olan Mills Limited)
(in Administration) ("the Company")**

**Final Progress Report to Creditors pursuant
to Rule 2.110 of the Insolvency
(Amendment) Rules 2003**

15 June 2007

KPMG LLP

OML06C-R1506-CredFinalRep-FJC



*OM Recoveries Limited (formerly Olan Mills Limited)
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KPMG LLP*

Disclaimer

This Report has been prepared by Richard James Philpott and Myles Antony Halley, the Joint Administrators of OM Recoveries Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress 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 OM Recoveries Limited or Olan Mills Holdings Limited.

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

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Richard James Philpott is authorised to act as an insolvency practitioner by Insolvency Practitioners Association. Myles Antony Halley is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The Joint Administrators act as agents for OM Recoveries 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.



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Glossary

Administrators	Myles Antony Halley Richard James Philpott
Administration Order	The Administration Order granted by the High Court in respect of the Companies dated 14 December 2006. Court administration order number is 10067/2006
The Company	OM Recoveries Ltd (Company Registration 3892701)
HSBC	HSBC Bank Plc The references in this report to sections, paragraphs or rules are to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Amendment) Rules 2003 respectively

1.1 Introduction

Creditors have previously been informed that, following the request of the Company, acting by its directors, Myles Antony Halley and Richard James Philpott of KPMG LLP were appointed Joint Administrators of OM Recoveries Limited and Olan Mills Holdings Limited on 14 December 2006 by the High Court of Justice, Chancery Division following an application by the directors. The respective Court case numbers are 10067 of 2006 and 10069 of 2006.

In accordance with Rule 2.110 of the Insolvency (Amendment) Rules 2003 we set out below a final report on the progress of the second six months of the Administration. We also enclose Forms 2.24B providing formal notice to that effect.

The Company had insufficient assets to enable a distribution to be made to unsecured creditors and as a result a meeting of creditors was not convened in accordance with Paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986.

It is our intention that the Company will be moved into compulsory liquidation with immediate effect.

Abstract receipts and payment accounts for the final period of the Administrations are attached at Appendix 1. Other information required by Rule 2.47 of the Insolvency (Amendment) Rules 2003 is attached at Appendix 2. Schedules of the Joint Administrators' time costs and disbursements are attached at Appendix 3. Appendix 4 contains a Guide to Creditors Fees.

In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them.

1.2 Joint Administrators' Proposals

The Company had insufficient assets to enable a distribution to be made to unsecured creditors and as a result a meeting of creditors was not convened in accordance with Paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986.

The Joint Administrators did not receive any requests for an initial creditors' meeting and continue to do all such things as necessary to result in the finalisation of administration matters.

1.3 Progress of the Administration

Since the date of our last report to creditors the following matters are of relevance

The Administrators receipts and payments attached as Appendix 2 shows total realisations of £340,566. There will be no distribution to any class of creditor in this case, with all realisations expended in the costs of the administration.

Messrs Actons, a firm of Nottingham solicitors, have been appointed to act as Trustees of the customer club-plan trust fund of £350,000.

I understand that the purchasers of the business have now opened 23 new stores (including 11 Mothercare concessions) since the sale of the assets of the Company on 11 January 2007. I understand that the purchasers are attempting to meet obligations previously held by the Company where possible.

Following the outcome of the recent 'Trident' decision regarding Administrators' duties to pay rates as an expense of the administration we are currently accruing rates as an administration expense pending further clarification on the status of unoccupied rates liabilities. This has impacted on the level of rates rebates we have been able to realise, which currently stands at c£52k. We do not anticipate that we will be able to generate any further rates rebate realisations.

1.4 Future strategy

In accordance with our proposals we have now filed for the compulsory liquidation of the Company on the basis that there are insufficient funds to enable a distribution to preferential or unsecured creditors of the Company.

The Administrators will also be able to disclaim leases where surrenders have not previously been accepted and mitigate the associated potential rates liability following the "Trident" decision.

1.5 Creditors' Committee

As there are insufficient funds to enable a distribution to creditors of the Company, it was not necessary to convene a meeting of the Company's creditors and therefore no Committee was formed.

1.6 Preferential and Unsecured Creditors

Based on the realisation of the Company's assets there will be insufficient funds available to enable a distribution to unsecured creditors of the Company

I confirm that no distribution has been made to preferential creditors of the Company

1.7 Joint Administrators Time Costs and Disbursements

A full analysis of the Administrators' time costs to 4 June 2007 is attached at Appendix 3. A creditor's guide to fees is enclosed at Appendix 4.

Our firm's time costs to date, at 4 June 2007, are £414,236 plus disbursements. Against this we have drawn fees of £80,000 as already authorised by the Company's secured creditors,

This increase in total costs has been necessarily incurred in continuing to deal with

- the voluminous level of creditor calls and the delivery of further returned customer portraits,
- responding to and dealing with c1100 previous employee redundancies and queries, including the processing of P35's,
- finalising the respective customer trust funds,
- and dealing with statutory and other reporting duties

An analysis of this time is enclosed as Appendix 3 together with a copy of SIP 9 guide to administrators' fees at Appendix 4.

1.8 Discharge from liability

I attach a copy of Form 2.33B with this report confirming the notice of court order ending administration.



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(Amendment) Rules 2003
KPMG LLP*

If you have any queries please do not hesitate to call Felix Connolly on 0121 609 5885



RJ Philpott
Joint Administrator

The joint administrators contract as agents of the company without personal liability

Richard James Philpott is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association. Myles Antony Halley is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.



OM Recoveries Limited (formerly Olan Mills Limited)
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KPMG LLP*

Appendix 1

Statutory Information Olan Mills Limited

Date of Incorporation	13/12/1999
Company Registration No	3892701
Previous Registered Office	PO Box 6000 Darby Close Wellingborough Northants NN8 3JU
Present Registered Office	KPMG LLP 2 Cornwall Street Birmingham B3 2DL
Trading Address	Darby Close Wellingborough Northants NN8 3JU
Authorised Share Capital	6,000,000 Ordinary £1 Shares
Called up Share Capital	1,500,000 Ordinary £1 Shares
Shareholders	Olan Mills Holdings Ltd
Directors during the last 12 months	Sharon Barr (appt 22/11/04) Paul Neck (appt 7/11/05) Paddy Prowse (appt 7/11/05) Paul Rivers (appt 3/8/06) Manny Matharu (appt 4/11/05 res 3/8/06)
Company Secretary	Paul Rivers
Employees	c1100
Directors Shareholdings	n/a
Previous Names	n/a



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Appendix 2

Receipts and Payments

RECEIPTS		£
Brought forward from previous Abstract (if Any)		0 00
Sales - Customer receipts		448 27
Sundry expenses/Petty cash		810 69
Bank interest, gross		8 24
Rent Received		30 00
Plant & machinery		5,999 00
Furniture & equipment		50,000 00
Book debts		101,154 16
Goodwill		1 00
Cash at bank		12,564 36
Bank interest, gross		2,156 72
Software Licence		2,187 75
Sundry income		9,470 47
Rates Refund		52,405 15
Third Party Trading Cont Monies		50,000 00
Cash in Transit		43,492 05
Floating ch VAT payable		9,837 86
Carried forward to		340,565 72
* continuation sheet / next abstract		
PAYMENTS		£
Brought forward from previous Abstract (if Any)		0 00
Opening work in progress		2,626 34
Direct labour		65,602 21
Direct expenses		94 00
Heat & light		8,373 36
Telephone/Telex/Fax		1,289 00
Professional fees		12,380 39
Hire of equipment		220 86
Bank charges		25 29
Administrators' fees		80,000 00
Agents'/Valuers' fees		22,238 97
Legal fees (2)		23,211 07
Telephone/Telex/Fax		1,920 75
Storage costs		200 00
Statutory advertising		3,617 46
Insurance of assets		9,711 29
Wages & salaries		79 83
PAYE & NIC		23,617 55
Bank charges		125 98
VAT Refund (Incorrect Treatment)		4,837 86
Floating ch VAT rec'able		27,313 69
Carried forward to		287,485 90
* continuation sheet / next abstract		

* Delete as appropriate

* Delete as appropriate

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



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Appendix 3

SIP 9 Summary of administrators' time costs

OM Recoveries Limited - in administration

Consolidated time spent by grade	Partner	Senior Manager	Manager	Senior Administrator	Administrator	Support	Total Hours	Total Cost	Average Rate
Charge out rates	440	353	275	195	140	90			
Activity code									
Statutory & compliance									
S10 Pre appointment checks	1 5				4 0		5 5	1,219	222
S11 Appointment documents	2 0		1 0	3 5	20 5	22 5	49 5	6,729	136
S13 Bonding & bordereau	0 5			0 4	4 00	5 0	9 9	1 307	132
S14 Strategy Documents	14 0	46 5		35 0			95 5	29 410	308
S16 Reports to debenture holder	17 5	9 3		61 9	18 3		107 0	25 615	239
S17 Health & safety	4 0			29 6	6 6		40 2	8 455	210
	39 5	55 8	1 0	130 4	53 4	27 5	307 6	71,516	232
Asset realisation									
S21 Leasehold property	6 50		107 0	32 0	6 9	6 0	158 4	40 030	253
S22 Plant and Machinery	1 00			3 0			4 0	1 025	256
S23 Fixtures and Fittings	5 50			17 7			23 2	5 872	253
S24 Vehicles				23 0			23 0	4 485	195
S25 Stock & WIP		21 0		46 5			67 5	16 485	244
S26 Debtors	6 0			11 1	2 0		19 1	5,084	266
S27 Cash and Investments				10 0		0 3	10 3	1,977	192
S29 Sale of Business	5 0	10 0			0 1	0 7	15 8	5 809	368
	24 0	31 0	107 0	143 3	9 0	7 0	321 3	80,767	251
Trading									
S35 Projections and strategy	9 0	11 0		43 5			63 50	16328 0	257
S37 Purchases and costs	2 0	33 0		2 0			37 0	12 926	349
	11 0	44 0	0 0	45 5	0 0	0 0	100 5	29,254	291
Employees									
S40 Employee correspondence	4 0	3 3	67 6	55 4	294 0	13 0	437 3	74,601	171
S41 DTI Redundancy Payment Services			15 0	7 0			22 0	4 125	188
S43 Pension Funds			4 5				4 5	1 238	275
	4 0	3 3	87 1	62 4	294 0	13 0	463 8	79,963	172
Directors									
S45 Questionnaires and checklists	1 5						1 5	660	440
S46 Directors forms submission	2 0	28 0		3 0	7 0		40 0	9 890	247
	3 5	28 0	0 0	3 0	7 0	0 0	41 5	10550 3	254
Creditors and claims									
S50 Notification to creditors	14 0				20 0		34 0	2,797	82
S51 Creditor correspondence		71 0	3 3	167 8	77 4	159 7	479 2	83 904	175
S52 Reports to creditors		20 0		66 7	11 6		98 3	13 007	132
	14 0	91 0	3 3	234 5	109 0	159 7	611 5	99,707	163
Cashiering									
S65 General cashiering	4 0			58 0	6 70	2 3	71 0	14,007	197
Tax									
S70 Initial VAT and Corporation Tax review		7 6					7 60	2,685	353
S71 Post appointment VAT		13 5			6 7		20 20	4,769	236
	0 0	21 1	0 0	0 0	6 7	0 0	27 8	7,453	268
Total hours	100 0	274 2	198 4	677 1	485 8	209 5	1945 00		
Total costs	44,000 0	96,854 5	54,560 0	132,034 5	67,932 5	18,855 0	414,236 50		
Expenses							414,236 50		
Sundry bordereau							806 97		
Car mileage							2 739 50		
Hotel							595 08		
Lunch							289 37		
Meals (breakfast/dinner)							178 08		
Parking and tolls							152 20		
Rail travel							1,044 00		
Taxis							529 52		
Telecommunications							2 248 82		
Other									
							8,603 54		
							422,840 04		

All staff who have worked on this assignment, including the cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff who are employed in central administration function

Time costs and outlays up to 4 June 2007

Appendix 4

A creditors' guide to administrators' fees - England and Wales

1 Introduction

- 1.1 When a company goes into Administration the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees and explains the basis on which fees are fixed.

2 The nature of Administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court. The administrator of a company must perform his functions with the objective of
- rescuing the company as a going concern, or
 - achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
 - realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.2 Administration may be followed by a company voluntary arrangement or liquidation.

3 The creditors' committee

- 3.1 The creditors have the right to appoint a committee with a minimum of three and a maximum of five members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is established at the meeting of creditors which the administrator is required to hold within ten weeks of the Administration order to consider his proposals. The administrator must call the first meeting of the committee within three months of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide such information as it may require.

4 Fixing the administrator's fees

- 4.1 The basis for fixing the administrator's remuneration is set out in rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either
- as a percentage of the value of the property which the administrator has to deal with, or
 - by reference to the time properly given by the administrator and his staff in attending to matters arising in the Administration.
- 4.2 It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is to be fixed as a percentage, to fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters
- the complexity (or otherwise) of the case,

- any responsibility of an exceptional kind or degree which falls on the administrator,
 - the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,
 - the value and nature of the assets which the administrator has to deal with
- 4.3 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.
- 5 **What information should be provided by the administrator?**
- 5.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The administrator should always make available an up to date receipts and payments account. Where the fee is to be charged on a time basis the administrator should be prepared to disclose the amount of time spent on the case and the charge-out value of the time spent, together with such additional information as may reasonably be required having regard to the size and complexity of the case. Where the fee is charged on a percentage basis the administrator should provide details of any work which has been, or is intended to be, contracted out which would normally be undertaken directly by a administrator or his staff.
- 5.2 The payment of expenses and disbursements is not subject to approval by the committee or the creditors. However, where a administrator makes, or proposes to make, a separate charge by way of expenses and disbursements to recover the cost of facilities provided by his own firm, he should disclose those charges to the committee or the creditors when seeking approval of his fees, together with an explanation of how those charges are made up and the basis on which they are arrived at.
- 6 **What if a creditor is dissatisfied?**
- 6.1 If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the Administration.
- 7 **What if the administrator is dissatisfied?**
- 7.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the Administration.
- 8 **Other matters relating to fees**
- 8.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors. If the administrator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.

Whilst every care has been taken in its preparation, this statement is intended for general guidance only.