

No Saviour in Sight as Comet Crashes

Written by Marco Attard
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18 December 2012 is the final day of trading for 79-year old British retailer Comet, after a so far fruitless month-long search for a saviour by administrators Deloitte.



Just 49 out of a total of 236 stores will remain open for the day with a firesale of remaining stock, a final gasp at raising at least some funds. The retailer's website is also all but down except for a location list for the last open stores.

The November Comet collapse is the most high profile British high street failure since Woolworths in 2008.

Potential purchasers are still being mentioned. Appliances Online is the most quoted name at the moment, while Dixons shows interest in a handful of stores as it hires 1000 former Comet staff into temporary roles and gives 200 more permanent jobs.

The failure of an established retailer tends to raise a stink-- administrator reports reveal OpCapita and backers made £12.8 million from Comet for 9 months' worth of financing and "monitoring" even as the retailer continued making losses. And that is before secured creditors (led by OpCapita vehicle HAL) receive a further £49.7m from the sale of remaining Comet stock and assets.

HAL was Comet's secured creditor, having lent \$110m to the retailer by the November 2 collapse.

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As for Deloitte, its share of the carcass amounts to £10.4m.

Lest we forget OpCapita bought Comet from former owners Kesa for all of £2, and even got a dowry worth £50m for its troubles.

As a result, The Telegraph reports, the UK government launches a probe into the matter through the Companies Investigation Branch at the Insolvency Service, led by Business Secretary Vince Cable.

“The collapse of Comet has pushed 150 people in Harlow onto the dole, and has left the taxpayer with a bill of up to £50m,” Cable says. “I am grateful to the Prime Minister and the Business Secretary for looking at this seriously.”

OpCapita says it will assist the inquiry, while HAL declines to comment on the administrator reports.

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Go [Government Launches Probe into Comet Collapse \(The Telegraph\)](#)

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