

BANKRUPTCY REPORT

number: 2

date: April 1, 2014

Company data : SRC-Cultuurvakanties B.V.
Also acting under the names:
SRC Reizen
Travel Club Holland
Studenten Reisclub
Sundance
Sundance Travel
Speciale Reizen Centrale
SRC-Cultuurvakanties
Globe Reisburo
SRC TakeFiveTravel

Bankruptcy number : C/08/13/836 F

Date of bankruptcy order : September 25, 2013

Trustees : Up to January 15, 2014: mr J.A.D.M. Daniels and mr J.T. Stekelenburg
As from January 15, 2014: mr D. Meulenberg and mr J.T. Stekelenburg

Staff members in bankruptcy matters : Up to January 15, 2014: M. Samsen; M.L. Wijlens; A.K. de Beurs, G.J. Bramer; A.C. Vroom
As from January 15, 2014: J. Brinks; S. Kriekaart, E. Touwen and G.F. Zoer

Financial : Up to January 15, 2014: drs. A.B. Terpstra
As from January 15, 2014: mr G.W. Luesink and M.M.S. Feenstra

Bankruptcy judge : mr. M.L.J. Koopmans

Activities of the company : Touroperator
source: extract Trade Register of the Chamber of Commerce

Sales data : The management provided the trustees with the consolidated (draft) annual accounts of OAD Groep Holding B.V. for the Financial year from 1 November 2011 through 31 October 2012. The annual accounts are not signed and have not been published. The consolidated annual accounts incorporates the financial data of the companies belonging to the OAD Groep Holding B.V., among others Oad Groep B.V. and group companies in which OAD Groep Holding B.V. has control.
The net sales in the financial year 2011/2012 amounted to € 575.901.000,00.
The net sales in the financial year 2010/2011 amounted to € 617.070.000,00

Average number of staff	:	131
Period under review	:	21 November 2013 through 24 March 2014
Hours spent in the period under review	:	7 hours and 1 minute
Total hours spent	:	74 hours and 43 minutes
Balance at the end of the period under review	:	€ 569,984.92

1. Survey

- 1.1 Board of directors/organization : Sole shareholder of SRC-Cultuurvakanties B.V. is Oad Groep B.V., of which OAD Groep Holding B.V. is sole shareholder. The manager of SRC-Cultuurvakanties is Oad Groep B.V. The manager is alone/independently authorized. **The Legal concern structure (organogram) as at 1 September 2013 is shown in the annex to this report.**
- 1.2 Profit and loss : Consolidated
Loss of € 3.006.000,00 in the financial year 2011/2012
Loss of € 21.576.000,00 in the financial year 2010/2011
- 1.3 Balance sheet total : consolidated
€ 74.293.000,00 as at 31 October 2012
€ 81.602.000,00 as at 31 October 2011
- 1.4 Legal proceedings : No current legal proceedings.
- 1.5 Insurances : All insurance policies are in the name of OAD Groep Holding B.V., which is not in a state of bankruptcy, or in the name of Oad Groep B.V.. Policies covering the present bankruptcy have been or will be cancelled. A possible return of premium will be added to the estate.
- 1.6 Lease : Lease of the premises at Oude Boteringestraat 37-39 in Groningen: it has been agreed with the restarter (also the lessor) that the lease will terminate on 30 September 2013.
- 1.7 Bankruptcy cause : According to the managers the bad economic conditions and the consequent decline in sales are the main causes of the bankruptcy. The immediate cause of the bankruptcy is the cancellation of the credit agreement by the bank. The bank requested an extra capital injection under a number of conditions. The shareholders were unable to meet this request (in time). According to the managers the means for this capital injection were available but failed to provide the possibility to also meet the sudden demand from a creditor for a bank guarantee. When the bank cancelled the credit agreement, the managers had no other possibility than to file a petition for bankruptcy of Oad Groep B.V. and its subsidiaries. Other parties involved in the bankruptcy mention other causes for the bankruptcy.

After the investigations to be carried out by the trustees an analysis will be made of the causes of the bankruptcy.

2. Staff

2.1 Number at the time of the bankruptcy. : 131

2.2 Number in the year before the bankruptcy. : 130

2.3 Date of notice of dismissal : **26 September 2013**

By order of the trustees, all (former) employees have been provided with annual (income) statements.

Activities in the period under review

Correspondence with (former) employees and with the external salary administrator.

3. Assets

Immovable assets

No immovable assets in this company.

3.1 Description : Not applicable

3.2 Sale proceeds : Not applicable

3.3 Mortgage amount : Not applicable

3.4 Contribution to the estate : Not applicable

Activities in the period under review

Operational assets

3.5 Description :

- the office equipment in the premises at Oude Boteringestraat 37-39 in Groningen
- the illuminated advertising at the premises at Oude Boteringestraat 10 in Groningen
- A Volkswagen Golf

Other operating assets Oad c.s.

During the past period under review the trustees investigated the possibilities of selling the operating assets in the premises of Oad c.s. in Holten. It was decided to work towards an online-auction. The relevant order has been given to Troostwijk Veilingen B.V. (hereinafter: Troostwijk). The auction is scheduled for the end of April/beginning of May and is being prepared.

Parallel to the preparation of the auction of the movables the trustees have been busy securing the digital and physical records. Further information under item 7.1. of this report. It has been agreed with Troostwijk that they will make sure that all digital systems are certified deleted before they are offered for sale.

- 3.6 Sale proceeds : € 600.000,00 (including the goodwill, excluding the aforementioned "other operating assets Oad c.s.")
- 3.7 Contribution towards the estate : **Depending on the result of the matter referred to in 5.1 agreements will be made about a contribution to the estate.**
- 3.8 Soil privilege tax : **It is not clear whether this privilege is applicable (see discussion referred to in 5.1.**

Activities in the period under review

Correspondence, discussions and coordination Troostwijk in respect of the preparation of the auction and connected activities.

Stocks/work in hand

No stocks/work in hand were found in this company.

- 3.9 Description : Not applicable
- 3.10 Sale proceeds : Not applicable
- 3.11 Contribution towards the estate : Not applicable

Activities in the period under review

: None

Other assets

- 3.12 Description : the goodwill, the rights to trade names of SRC and to image and word Marks of SRC, the rights to domain name, telephone and fax numbers and the website of SRC, the current and still to be executed orders, i.e. travel agreements etc.
- 3.13 Sale proceeds : € 600.000,00 (including the operational assets)

Activities in the period under review

: None

4. Accounts receivable

- 4.1 Amount : The outstanding accounts receivable amounts to € 603,74. It is being investigated whether this balance can be collected. **During the period under review investigations into the possibilities of collecting outstanding receivables has been started. The result is not known as yet.**
- 4.2 Proceeds : Not yet known
- 4.3 Contribution towards the estate : **Depending on the outcome of the issue referred to in 5.1 (further) arrangements will be made about a possible contribution to the estate.**

Activities in the period under review

Discussions with former employees of Oad, financial department. The activities regarding securing the records are stated under item 7.

5. Bank/securities

- 5.1 Claims from bank(s) : Rabobank (concern financing), € 11.912.089,00 on bankruptcy date. The trustees repaid the bank from the proceeds of the restarted units. Other proceeds will be released. At a later time the obligation to contribute of the individual Oad companies and possible rights of recourse will be considered. The legal validity of the claims and securities of the Rabobank will be examined.
The latter investigation is still going on. Various items regarding securities still require clarification which means that the trustees have not yet been able to acknowledge the securities. The Rabobank and the trustees still have to agree on how and if these obscurities can be solved or eliminated.
- 5.2 Lease contracts : Not applicable
- 5.3 Description of the securities : Please note: the hereinafter stated securities are all securities the Rabobank had on the companies in the OAD Groep at the time of the bankruptcy order. Not all securities relate to the present bankruptcy.
The securities of the Rabobank include:
A right of pledge on:
- all present and future equipment;
 - all present and future stocks;
 - all present and future rights of intellectual property;
 - all present and future rights/claims on Stichting Internet Domein Registratie Nederland (SIDN) pursuant to domain names registered with SIDN ;
 - all existing rights/claims on third parties existing on the date of registration of the deed of pledge and all rights/claims obtained from the legal relationships existing at the time of registration of the deed of pledge;
- A right of mortgage in respect of:
- the building rights, i.e. the permission to have a roofing for a covered pick-up point of passengers and buses on the premises situated at Sint Jansgildestraat in Beek (municipality Montferland), recorded in the land register municipality of Bergh, section L, number 813;
 - the dwelling with the land and all appurtenances, situated at 7671 HA Neede, 36a and 38 Borculoseweg, recorded in the land register municipality of Neede, section C number 8474;
 - the dwelling with land and all appurtenances, situated 6881 SM Velp, 7 Emmastraat , recorded in the land register municipality of Velp, section H, number 2131;

- a parcel of land at the Enterseweg in Goor, recorded in the land register municipality of Goor, section A number 2463;
- the business property with the land and all appurtenances, situated 7471 ST Goor, 2 Breukersweg, recorded in the land register municipality of Goor, section A number 3171;
- the dwelling with land and all appurtenances, situated at 7471 BR Goor, 72 and 72b Grotestraat, recorded in the land register municipality of Goor, section C number 3431;
- the dwelling with the land and appurtenances, situated at 7451 CM Holten, 5 Oude Deventerweg, recorded in the land register municipality of Holten, section E number 3374;
- a parcel of land situated at Holten, Burgemeester van der Borchstraat, recorded in the land register, municipality Holten, section E number 3575;
- the dwelling with land and all appurtenances, situated at 7451 CM Holten, 1 Oude Deventerweg, recorded in the land register municipality of Holten Section E number 3476;
- the business premises with dwelling, land and appurtenances, situated at 7451 CH Holten, 2, 4 and 6 Burgemeester Borchstraat, recorded in the land register municipality Holten, section E number 3492;
- a parcel of land situated at Holten, Oude Deventerweg, recorded in the land register municipality Holten, section F number 5748.
- the building right, i.e. the permission to have and maintain buildings (business premises with dwelling) on the parcel situated at 7462 BA Rijssen, Walstraat 1, 5 and 9, recorded in the land register municipality Rijssen, section F number 3799;
- the business premises with land and all appurtenances, situated at 1381 BA Weesp, Slijkstraat 20, recorded in the land register municipality Weesp, section A number 5359..

5.4 Separatists position	: See item 5.1.
5.5 Contributions to estate	: Depending on the outcome of the matter mentioned to 5.1 it will be decided if contributions will be made to the estate.
5.6 Retention of title	: No information
5.7 Right of recovery	: No information
5.8 Right of retention	: No information

Activities during the period under review

: **An extensive investigation was carried out into the legal effectiveness of the securities of the Rabobank. Because of the size of the (credit) facility and the diversity of securities requested, the credit facility and securities are based on a voluminous file. Besides there has been extensive correspondence between the trustees and the Rabobank.**

6. Restart/continuation

There has been a restart. **The trustees explain that the restart is the result of negotiations with different parties who expressed their interest in taking over the assets/activities of SRC Cultuurvakanties B.V.. Various parties were given the opportunity to make an offer for the aforementioned assets/activities. The party with whom, having obtained the consent of the bankruptcy judge and the Rabo Bank (being the pledge), an agreement was reached about a takeover of the aforementioned assets/activities, had by far the best offer. It is observed that the proceeds realized in respect of the movables exceeds the assessed value. For the remaining the proceeds mainly concern the intangible assets (especially the customer portfolio). According to the trustees, the amount offered/paid may be called good compared to other offers. The fact that the former owner of SRC Cultuurvakanties B.V. took over the assets/activities (actually purchased them back) means, according to the trustees, that he like no other and contrary to many external parties, has been able to value the company's value, whereas other (external) interested parties, as the trustees had to conclude afterwards, were not really familiar with what they were buying and had reckoned with a higher sale result. An additional advantage of the sale of the assets/activities to the former owner was that the latter was the owner of the premises from where the company was conducted. As part of the transaction it was agreed that the lease be ended immediately by mutual consent without a claim from the party concerned, which under normal circumstances should have been acknowledged as estate debt by the trustees. This in fact results in a saving.**

6.1 Commercial operation/securities : Not applicable

6.2 Financial recording : Not applicable

Activities during the period : None

under review :

7. Lawfulness

7.1 Accounting

: Art 2:10 Civil Code. The management is obliged to keep the accounts showing the rights and obligations of the legal entity at any time. Whether this obligation was met will be investigated by the trustees.

During the period under review an internationally operating office with forensic accountants has been order to carry out a “quick scan” of the way in which the accounting records were kept. Before this “quick scan” can be carried out the physical and digital records have to be secured.

Physical records

At different places in the premises in Holten a considerable amount of records were found, comprising among other things financial records, management information, annual accounts, minutes but also detailed (project) records of certain departments of Oad c.s., like Group Travel, Sports & Incentives, Disney, etc.

Apart from that there is a large quantity of records stored in the premises in Holten (e.g. “Oad files” and management files). As the trustees cannot assess at this moment which files are or may be relevant in the winding-up it has been decided to keep most of the files and to ensure that the relevant records can be traced easily and fast. It has been established that there is a large quantity of material to be archived, which makes storage and indexing a complex task resulting in high costs. The trustees asked three parties to make a quotation for securing, indexing and storage of the records.

Finally, Vada Archieven B.V. in Nijverdal was given the order to carry out these activities. As regards the indexation the trustees will receive a list stating the file and location (file spine/file name). Photographs will be taken of the arrangement of the record as it was so as to be able to reconstruct the location of the records (which room/ where in the room/cabinet). In this way the trustees try to secure that relevant records can be traced back. Furthermore the trustees made arrangements with Vada Archieven B.V. about consulting the archived information either at Vada’s or by (digital/physical) forwarding the relevant documents.

Digital records

Furthermore the trustees are busy securing the digital records of Oad c.s. This is important for collecting receivables, invoicing work in progress (in as far as not done) and for regular examination of the records. In order to map the ICT infrastructure a session was convened with 1) a representative of the trustees, 2) 3 former Oad ICT employees and 3) forensic accountants who will make a back-up of the digital records for the trustees. During those discussions it appeared that the ICT structure and infrastructure is rather extensive and complex which is among other things due to the fact that different systems (partly self-made, partly packages available on the market) were/are used and linked. Another aspect is that the server park is partly located in the premises in Holten and partly with an external party in Enschede.

As it is not clear so far which data are relevant for the winding-up, it has been decided to divide the process in stages. During stage 1 the data are only secured. In stage 2 essential business information, like e.g. the financial records, will be made accessible for consultation.

During the following stages relevant data can be disclosed and consulted in as far as may be necessary. Securing the data (and viewing the data during the next stage) will lead to high costs considering the complexity and size of the system and data. However, since a proper settlement of the bankruptcies is important such investment will be necessary.

7.2 Filing of the annual accounts (publication requirements)

: The Financial year of Oad runs from 1 November to 31 October. From the online trade register of the Chamber of Commerce it appears that the consolidated accounts for the Financial year 2010-2011 were filed by the OAD Groep Holding B.V. on the 6th of December 2012. That means the legal term was exceeded by 6 days. In administrative justice such exceeding is not considered mismanagement which is considered an important cause of the bankruptcy. The annual accounts of the financial year 2011-2012 had not been published at the time of the bankruptcy order. The trustees examine whether the legal publishing term for the annual accounts 2011-2012 has been exceeded and if so what would be the consequences.

- 7.3 Unqualified audit opinion : As regards the annual accounts for the Financial year 2010-2011 an audit report was issued by an independent auditor. As regards the annual accounts for 2011-2012 no audit report had been issued by an independent auditor at the time of the bankruptcy order.
- 7.4 Compulsory payment on shares : The trustees will investigate whether the paying up commitment has been fulfilled.
- 7.5 Mismanagement : The trustees will investigate whether the managers failed to properly fulfill their duties and if so, whether it may be assumed that this was an important cause of the bankruptcy (as referred to in article 2:248 Civil Code), or whether the managers may be considered responsible otherwise. The trustees will carry out the usual investigations within the framework of the bankruptcy. In view of the size of the company and the interests involved in the bankruptcy, the trustees will engage forensic accountants and external lawyers in their investigations. It is to be expected that the investigations will take quite some time.
- As mentioned above to 7.1., an external office has been ordered to make a “quick scan” of the way in which the records were kept. At the same time an external firm of lawyers has been engaged to carry out an investigation into the cause of the bankruptcies.**
- 7.6 Fraudulent acting in respect of creditors : **The trustees will investigate whether there have been legal actions which may have damaged one or more creditors. If necessary, such legal actions will be nullified by an out of court statement. This aspect will be incorporated in the examination of the records.**
- Activities in the period under review : **Correspondence, discussions and coordination archiving companies, former Oad ICT employees (for making an inventory), forensic accountants (for making a back-up).**

8. Creditors

- 8.1 Claims against assets : UWV claim against the assets has not been submitted as yet.
- In the period after bankruptcy various payments were made into the accounts of the bankrupt companies. In each case the trustees assessed if the payment should be considered a so called “obvious error” as referred to in legal precedents. In such cases the amount should be returned without having to wait for the winding-up of the bankruptcy. In many cases however, the payments are not to be qualified as “obvious errors”, which means that there is no reason to immediately pay back the amount.**

- 8.2 Pref. tax receivable : **A tax consultant, practicing in the office of one of the trustees, mr. G.W. Luesink, is busy establishing the fiscal position of the companies in consultation with the tax authorities. There is a dispute about the question as to whether one or more of the bankrupt companies enjoyed tax deductible training. Furthermore it should be examined if there is a claim for turnover tax abroad. Besides aspects regarding corporation tax still have to be examined..**
- 8.3 Pref. claim UWV : The UWV has not yet submitted its claim.
- 8.4 Other pref. creditors : As far as known there are no other preferential creditors.
- 8.5 Number of ordinary creditors. : **So far there is no list of claims from creditors. The claims submitted in all OAD companies, over 10.000, are sorted and listed. Besides the claims are summarily checked if they are claims on a company in which a payment can be expected. The trustees expect they can give a preliminary review of all claims submitted and the respective amounts in the next report. The trustees consider it too early to make an interim list because, considering the fact that many claims still have to be assessed, this would give a wrong picture of the number and amount of the claims submitted. For activities connected with creditors, two employees have been engaged for a period of 6 months.**
- 8.6 Amount ordinary creditors : According to the list of creditors the outstanding balance amounts to approximately € 1.400.000,00. The creditors have been notified and requested to submit their claims.
- 8.7 Will it be a closure : no
- 8.8 Simplified settlement : Probably not
- 8.9 Will there be a distribution to ordinary creditors : At this stage it is not yet known whether a distribution to ordinary creditors is possible. Based on the currently known information, the trustees come to the conclusion that a distribution to the ordinary creditors is not excluded.
- Activities during the period under review : **Discussions and correspondence with the tax authorities. Frequent telephone discussions and correspondence with creditors.**
- 9. Other issues**
- 9.1 Winding up the bankrupt's estate. : The winding up of the OAD estates is expected to take some years.
- 9.2 Approach : Debt collection, carry out the usual investigations in bankruptcy matters.
- 9.3 Next report : **July 1, 2014**

The following annexes are attached to this report.

Public:

1. Legal group structure
2. Interim financial report
3. Review of time recording per time recording group

Confidential:

4. Movements estate account in the period under review
5. List of hours

Zwolle/Holten, 1 April 2014

Mr. D. Meulenberg Mr. J.T. Stekelenburg
(Trustee) (Trustee)

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