

# 2.24B

The Insolvency Act 1986

## Administrator's progress report

Name of Company AGF Realisations (2009) Limited	Company number 06240184
In the High court of justice (full name of court)	Court case number 11582/2009

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

We  
Neville Barry Kahn, Lee Antony Manning &  
Philip Stephen Bowers  
Deloitte LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From (b) 2 March 2009	To (b) 1 September 2009
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Signed

Joint Administrator

Dated

30 SEPTEMBER 2009

### 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

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

DX Number LDE: DX599

Tel: 020 7936 3000  
DX Exchange

SATURDAY



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COMPANIES HOUSE

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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

**AGF Realisations (2009) Limited  
(In Administration)  
(the "Company")**

**Court Number 11582 of 2009**

**SIX MONTHLY PROGRESS REPORT TO CREDITORS  
PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986**

**30 September 2009**

**This report has been prepared for the sole purpose of advising the Creditors. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by Creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.**

**The Administrators act as agents of the Company without personal liability**

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**Neville Kahn, Lee Manning and Phil Bowers  
Deloitte LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA**

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## ABBREVIATIONS

In this report the following abbreviations are used:

"Act" or "Insolvency Act"	Insolvency Act 1986 (as amended)
"Administrators"	Neville Kahn, Lee Manning and Phil Bowers, licensed insolvency practitioners of Deloitte LLP and Joint Administrators of the Company
"Anoushka G"	AGF Realisations (2009) Limited (formerly Anoushka G Fashions Limited) (In Administration)
"Aurora Transaction"	The sale of the business and assets of the Pre-pack Companies and Anoushka G to Aurora (see following)
"Aurora"	Aurora Fashions Holdings Limited and its subsidiaries
"Deloitte"	Deloitte LLP
"DLA"	DLA Piper UK LLP
"Dune"	Dune, trading as Shoe Studio Limited (formerly Virafield Limited)
"Dune Transaction"	The sale of the business and assets of SSG Realisations (2009) Limited to Dune
"Group"	Mosaic Fashions Limited and its subsidiaries
"Kaupthing" or "Secured Lender"	Kaupthing Bank hf, the secured lender to the Group having fixed and floating charge security over most of the English and Welsh entities, with the exception of Anoushka G
"Mosaic Group Companies" or "the Companies"	All of the companies in Administration as listed in Appendix 1 to this report
"Other Administration Companies"	<p>18 companies in the Mosaic Group that are either non-trading or dormant entities, which comprises:</p> <p>Sierra Holdings Limited, Noel Acquisitions Limited, Mohave Limited, Sierra Acquisitions Limited, Sonora Holdings Limited, TWG Realisations (2009) Limited (formerly The Warehouse Group Limited), WL Realisations (2009) Limited (formerly Warehouse Limited), Rubicon Retail Finance Limited, Rubicon Retail Limited, Rubicon Retail Fashion Limited, Rubicon Retail Holdings Limited, SSGH Realisations (2009) Limited (formerly The Shoe Studio Group Holdings Limited), BS Realisations (2009) Limited (formerly Bertie Shoes Limited), SGH Realisations (2009) Limited (formerly Studio Group Holdings Limited), SGB Realisations (2009) Limited (formerly Studio Group Brands Limited), PTG Realisations (2009) Limited (formerly Pied A Terre Group Limited), RS Realisations (2009) Limited (formerly Rayne Shoes (1994) Limited) and RV</p>

	Realisations (2009) Limited (formerly Roberto Gianni Limited) (all in Administration)
"Pre-pack Companies"	Warehouse Fashion Limited, Oasis Stores Limited, Coast Stores Limited, Karen Millen Limited, Karen Millen Holdings Limited, Mosaic Fashions Limited and Mosaic Fashions Finance Limited (all in Administration)
"Prescribed Part"	The amount available for distribution to preferential creditors pursuant to s176A of the Insolvency Act 1986 and calculated on the net realisations of property subject to a floating charge, up to a maximum prescribed part of £600,000
"Principles"	Principles Retail Limited (In Administration)
"Rules" or "Insolvency Rules"	Insolvency Rules 1986 (as amended)
"SSG"	SSG Realisations (2009) Limited (formerly The Shoe Studio Group Limited) (In Administration)

## **1. INTRODUCTION**

### **1.1 Introduction**

This report has been prepared in accordance with Rule 2.47 of the Rules to provide creditors with an update on the progress of the Administration of the Company since the report of the Administrators' Proposals was sent to creditors on 24 April 2009.

Given the information previously provided to creditors in our first report, we have not included detailed background information in respect of the Company and have focussed on the progress of the Administration since the first creditors meeting on Friday 22 May 2009. The main purpose of the creditors' meeting held on Friday 22 May 2009 was to consider and vote on the Administrators' proposals.

The main purpose of our first report was to assist the creditors in understanding the position of the Company, the actions of the Administrators undertaken since their appointment and to set out the Administrators' proposals in order to achieve the objectives of the Administration of the Company. These are referred to in section 2.1 below.

A schedule of statutory information in respect of the Company is attached at Appendices 1 and 2, as well as a Group structure chart at Appendix 3.

### **1.2 Details of the appointment of the Administrators**

Following an application to the High Court of England and Wales by the Directors of the Mosaic Group Companies, Neville Barry Kahn, Lee Antony Manning and Philip Stephen Bowers were appointed Joint Administrators of 28 of the Companies in the Group on 2 March 2009, by order of the High Court with the power to manage the affairs, business and property of the Companies.

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

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## **2. THE ADMINISTRATORS' PROPOSALS**

### **2.1 Introduction**

The Administrators have performed their functions in relation to the Company as set out in paragraph 3(1b) of Schedule B1 of the Insolvency Act 1986. The Administrators concluded that the objective of the Administrations of the Mosaic Group Companies, of achieving a better result for the creditors than would be obtained through an immediate liquidation of the Companies, could be achieved by:

- implementing the Aurora Transaction through a pre-packaged sale;
- implementing the sale of the business and assets of SSG to Dune, after trading SSG for a short period; and
- continuing to trade Principles for a period of six months in order to maximise recoveries.

The Administrators' proposals in order to achieve this objective, which were approved by the creditors of the Company at the meeting of creditors held on Friday 22 May 2009, are as follows:

### **STATEMENT OF PROPOSALS**

#### **Conduct of business and affairs**

1. the Administrators shall continue to manage the affairs and assets of the Company in such manner as they consider expedient with a view to achieving a better result for the Company's creditors as a whole than would be likely if the Company had been liquidated;
2. the Administrators shall continue to realise the assets of the Company, ~~collect or compromise any outstanding pre and post appointment book debts,~~ utilise realisations of assets where appropriate, and settle any Administration expenses where such expenses are incurred for the purpose of the Administration;
3. to investigate and as appropriate pursue any claims the Company may have;

#### **Dealing with Claims**

4. the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors (where applicable) and the costs of doing so shall be met as a cost of the Administration as part of the Administrators' remuneration;
5. the Administrators may apply to court for permission under paragraph 65(3) of Schedule B1 of the Act to distribute funds to unsecured creditors whilst in Administration (where applicable);

### **Committee and Remuneration**

6. if appropriate, a creditors' committee be established where there are sufficient creditors willing to act on it. If a creditors committee is elected the Administrators will consult with it from time to time to assist as appropriate the Administrators in discharging their functions;
7. the Administrators' remuneration be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly spent by the Administrators and the various grades of their staff calculated at the prevailing hourly rates of Deloitte LLP for work of this nature, and that disbursements for services provided by the Administrators' firm (defined as Category 2 disbursements in Statement of Insolvency Practice No.9) be charged in accordance with the Administrators' firm's policy.
8. That the Administrators disbursements for mileage be fixed by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard mileage rate of up to 40p per mile used by Deloitte LLP at the time when the mileage is incurred. And that the Administrators be authorised to draw their disbursements for mileage from the Administration estate. The approved rates are reviewed annually on 1st April;

### **Extensions and Exit procedures**

9. the Administrators shall continue the Administration for such period of time as necessary to achieve the purpose for which the Administration order was made, and if necessary make an application to the court to extend the term of the Administration beyond the one year statutory term;
10. the Administrators may take steps to apply to court to place the Company into Creditors' Voluntary Liquidation. The Administrators will become the Joint Liquidators of the Company and any act required or authorised to be done by the Joint Liquidators may be done by either any or all of them and any creditors' committee appointed will become a liquidation committee pursuant to Paragraph 83(8)(f) of Schedule B1 of the Insolvency Act. Please note that creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of these proposals and before the proposals are approved;
11. should it not be considered appropriate to place Company into liquidation, after the completion of the realisation of assets and distribution of funds to secured, preferential and unsecured creditors, if applicable, and as quickly and as efficiently as is reasonably practicable, the Administrators may apply for the Company to be dissolved pursuant to paragraph 84, Schedule B1 of the Act;
12. the Administrators be discharged from liability in respect of any action of theirs as Administrators on vacation of office (whether because they vacate office by reason of resignation, death or otherwise, because they are removed from office or because their appointment ceases to have effect) in accordance with paragraphs 98 and 99 of Schedule B1 of the Act.



## **2.2 Progress on and achievement of the approved proposals**

With regard to the proposals of the Company, the Administrators have undertaken the following actions:

- to continue to realise the assets of the Company, collecting outstanding pre and post appointment book debts and settling Administration expenses where such expenses were incurred for the purpose of the Administration;
- investigated and, where appropriate, pursued claims the Company may have;
- applying to Court for permission to agree the claims of the unsecured creditors, and subsequently pay a dividend to unsecured creditors;
- affected a sale of the business and assets of the Company to Aurora.

### **3. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

Attached at Appendix 4 is a Receipts and Payments account covering the period from 2 March 2009 to 1 September 2009.

#### **4. DISTRIBUTIONS TO CREDITORS**

##### **4.1 Secured creditors**

The Group's Secured Lender debt at the date of Administration is estimated as follows:

<b>Secured Parties</b>	<b>£m</b>
Senior – Term Loan A	61.0
Senior – Term Loan B	73.1
Senior – Term Loan C	73.1
Mezzanine Loan	65.0
PIK Facility	20.0
Mezzanine PIK Notes	15.5
Multicurrency Revolving Credit Facility	64.6
Interest accrual	14.8
<b>Total Secured Lender Debt</b>	<b>387.1</b>

The Secured Lender has fixed and floating charge debenture security over most of the England and Wales asset owning entities of the Mosaic Group Companies, with the notable exception of Anoushka G.

To date the Administrators have returned £209m to the Secured Lender from various companies in the Mosaic Group.

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##### **4.2 Preferential creditors**

There are no known preferential creditors.

##### **4.3 Unsecured creditors**

Within the Mosaic Group of Companies the following companies have sufficient asset realisations to enable a distribution to the unsecured creditors comprising the prescribed part (see 4.4 below):

- Principles
- SSG
- CS Realisations (2009) Limited
- OS Realisations (2009) Limited
- KM Realisations (2009) Limited
- WF Realisations (2009) Limited

- Mosaic Fashions Limited
- Mosaic Fashions Finance Limited

The Administrators are currently in the process of applying to court to seek approval to agree claims and pay a distribution to the unsecured creditors of these companies pursuant to Paragraph 65(3) of Schedule B1 of the Insolvency Act.

The Administrators do not anticipate being in a position to pay a dividend until Spring 2010.

As there is no secured creditor of Anoushka G the full value of the assets realised, less the costs of the Administration, will be paid in full to the unsecured creditors.

The Administrators are currently in the process of applying to court to seek approval to agree claims and pay a distribution to the unsecured creditors of the Company pursuant to Paragraph 65(3) of Schedule B1 of the Insolvency Act.

The Administrators do not anticipate being in a position to pay a dividend until Spring 2010.

It is estimated that the dividend available to unsecured creditors will be approximately 6p in the £. This has been calculated using the current level of unsecured claims received, which have yet to be agreed.

## **5. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS**

### **5.1 Extensions to the initial appointment period**

Pursuant to the Insolvency Act, all Administrations automatically come to an end after one year unless an extension is granted by the court or with the consent of the creditors.

The initial period of the Administrators appointment is 12 months to 1 March 2010. It is not considered that an extension to this period will be required.

At present the Administrators do not consider it will be necessary to place the Company into Creditors' Voluntary Liquidation as this will incur further costs that we will seek to avoid.

### **5.2 Investigations**

We have carried out investigations into the conduct of the Directors and a return was submitted to the Department of Business, Enterprise & Regulatory Reform (formerly the DTI).

### **5.3 SIP 13 – Transactions with connected parties**

The Administrators are not aware of any transactions with connected parties and do not intend to pursue the matter further.

### **5.4 EC Regulations**

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

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## **6. JOINT ADMINISTRATORS' FEES AND EXPENSES**

At the meeting of creditors held on 22 May 2009, a resolution was passed by the unsecured creditors authorising the Administrators to draw their disbursements and fees, calculated on a time cost basis, from the Administration estate, as funds allow.

Further analysis of the Administrators' time costs and disbursements will be provided in our covering letter.

**List of Mosaic Companies in Administration**

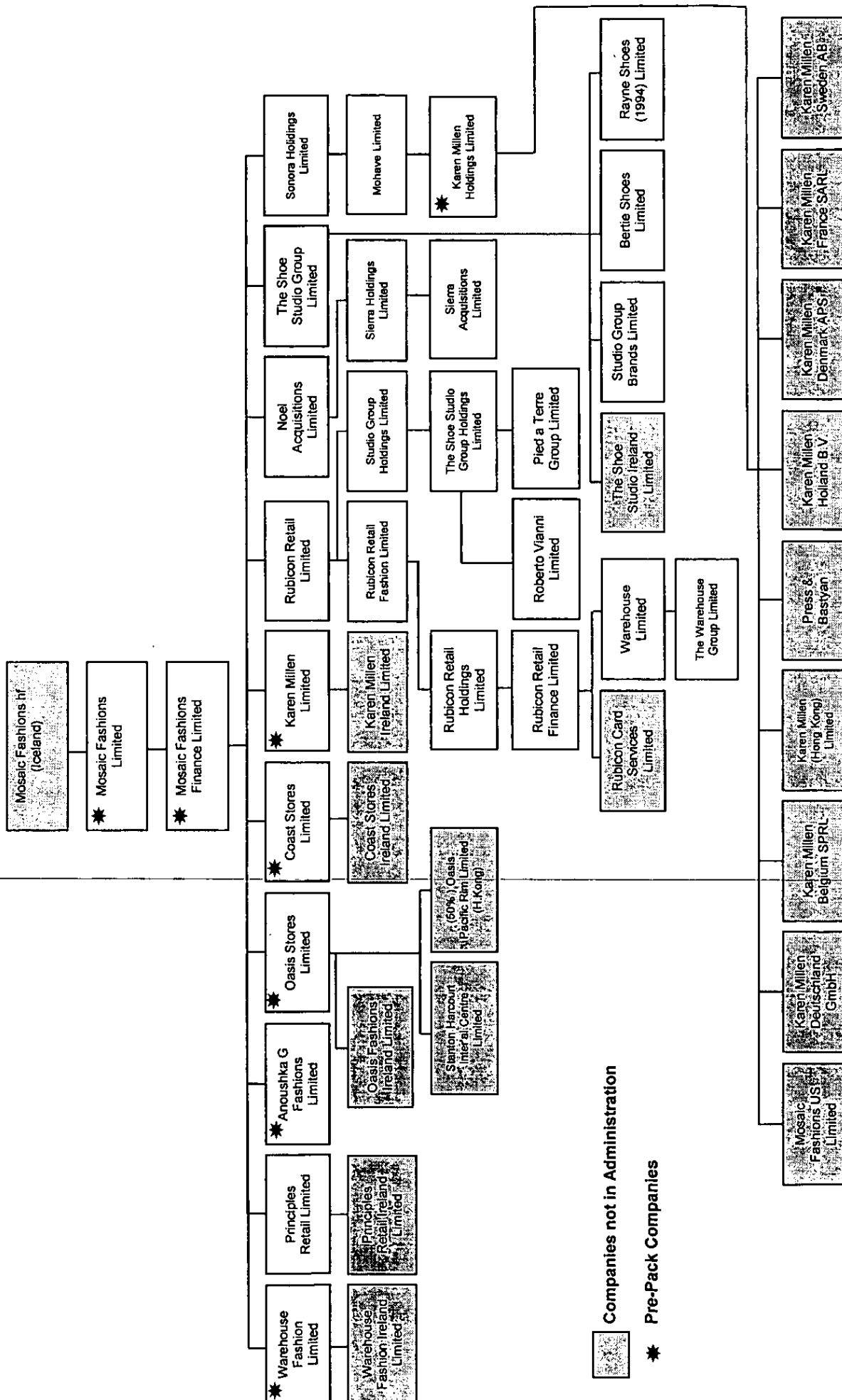
Appendix 1

<b>Company Name</b>	<b>Former Company Name</b>	<b>Court Case Reference</b>
AGF Realisations (2009) Limited	Anoushka G Fashions Limited	11582/2009
Principles Retail Limited	-	11546/2009
SSG Realisations (2009) Limited	The Shoe Studio Group Limited	11570/2009
CS Realisations (2009) Limited	Coast Stores Limited	11563/2009
KM Realisations (2009) Limited	Karen Millen Limited	11548/2009
KMH Realisations (2009) Limited	Karen Millen Holdings Limited	11568/2009
OS Realisations (2009) Limited	Oasis Stores Limited	11559/2009
WF Realisations (2009) Limited	Warehouse Fashion Limited	11561/2009
Mosaic Fashions Limited	-	11552/2009
Mosaic Fashions Finance Limited	-	11549/2009
Sierra Holdings Limited	-	11550/2009
Rubicon Retail Fashion Limited	-	11555/2009
Rubicon Retail Finance Limited	-	11560/2009
Rubicon Retail Holdings Limited	-	11564/2009
Rubicon Retail Limited	-	11565/2009
Noel Acquisitions Limited	-	11558/2009
Mohave Limited	-	11562/2009
Sierra Acquisitions Limited	-	11566/2009
Sonora Holdings Limited	-	11569/2009
TWG Realisations (2009) Limited	The Warehouse Group Limited	11580/2009
WL Realisations (2009) Limited	Warehouse Limited	11581/2009
SSGH Realisations (2009) Limited	The Shoe Studio Group Holdings Limited	11554/2009
SGH Realisations (2009) Limited	Studio Group Holdings Limited	11553/2009
BS Realisations (2009) Limited	Bertie Shoes Limited	11557/2009
RV Realisations (2009) Limited	Roberto Vianni Limited	11579/2009
SGB Realisations (2009) Limited	Studio Group Brands Limited	11583/2009
PTG Realisations (2009) Limited	Pied A Terre Group Limited	11585/2009
RS Realisations (2009) Limited	Rayne Shoes (1994) Limited	11586/2009

**Statutory and Other Information**

<b>Company Name</b>	AGF Realisations (2009) Limited (in administration)
<b>Company Number</b>	06240184
<b>Date of Incorporation</b>	8 May 2007
<b>Previous Name</b>	Anoushka G Fashions Ltd
<b>Trading Names</b>	Anoushka G
<b>Share Capital: (Authorised, allotted, called up, fully paid)</b>	1 Ordinary share of £1
<b>Directors</b>	Richard Glanville, Derek John Lovelock, Margaret Eve Lustman, Mike Shearwood
<b>Company Secretary</b>	Jessica Wilks
<b>Details of Officers' Holdings</b>	None
<b>Shareholders</b>	Mosaic Fashions Finance Ltd
<b>Bankers</b>	Barclays Bank PLC and Kaupthing Bank hf
<b>Auditors</b>	KPMG Audit Plc
<b>Registered Office</b>	Hill House, 1 Little New Street, London, EC4A 3TR
<b>Former Registered Office</b>	The Triangle, Stanton Harcourt Industrial Estate, Stanton Harcourt, Witney, Oxfordshire, OX29 5UT
<b>Trading Address</b>	N/A
<b>Court Ref: (High Court, Chancery Division, Companies Court)</b>	11582 of 2009
<b>Date of Appointment</b>	2 March 2009
<b>Person who made the application</b>	The appointment was made by the Court on the application of the Directors of the Company pursuant to paragraph 12(1)(b) of Schedule B1 of the Insolvency Act 1986
<b>Joint appointment provisions pursuant to paragraph 100(2) of Schedule B1 of IA86</b>	The Administrators are authorised to carry out pursuant to paragraph 100(2) all functions, duties and powers by any of them, of Schedule B1 of the Insolvency Act 1986 jointly or severally





**AGF Realisations (2009) Limited (In Administration)  
Joint Administrators' Receipts and Payments Account  
From 2 March 2009 to 1 September 2009**

	£	
<b>Gross Fixed &amp; Floating Charge Asset Realisations</b>		
Goodwill	191,679	
Fixtures & Fittings	46,284	
Trademarks	13,000	
Debtors	297,467	
Stock	147,903	
Bank Interest Gross	<u>13</u>	
		696,346
<b>Costs of Realisations</b>		
Administrators' Fees	(8,477)	
Administrators' Expenses	(1,600)	
Other Costs	<u>(560)</u>	
		(10,637)
<b>Distribution to Secured Lender</b>		0
<b>Balances in Hand</b>		<u><u>685,709</u></u>