

The Insolvency Act 1986

Administrator's progress report

Name of Company

Romag Holdings plc

Company number

2820227

In the
Leeds District Registry

(full name of court)

Court case number
496 of 2011(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Daniel Francis Butters
Deloitte LLP
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administrator(s) of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 4 October 2011

(b) 20 March 2012

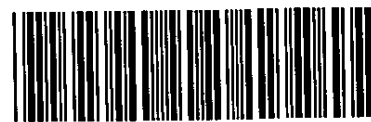
Signed


Joint / Administrator(s)

Dated

11 APRIL 2012

THURSDAY

A11 *A16NTQ1K* 12/04/2012 #340
COMPANIES HOUSE

**ROMAG HOLDINGS PLC
ROM REALISATIONS LIMITED
SHK LIMITED
(IN ADMINISTRATION)
(together “the Companies” or “the Group”)**

**Court No 496 of 2011
Court No. 497 of 2011
Court No. 498 of 2011**

**PROGRESS REPORT TO CREDITORS PURSUANT TO RULE 2.112 AND 2.110 OF THE
INSOLVENCY RULES 1986 AND THE INSOLVENCY (AMENDMENT) RULES 2010**

20 MARCH 2012

This report has been prepared for the sole purpose of updating the Creditors for information purposes. 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 updating them for information purposes, or by any other person for any purpose whatsoever.

Daniel Francis Butters, William Kenneth Dawson and Neil Matthews were appointed Joint Administrators of the Group on 4 April 2011. The affairs, business and property of the Group are managed by the Joint Administrators. The Joint Administrators act as agents of the Group and contract without personal liability.

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

Daniel Francis Butters, William Kenneth Dawson and Neil Matthews
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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"the Administrators"	Daniel Francis Butters, William Kenneth Dawson and Neil Matthews of Deloitte LLP
"the Companies" or "the Group"	Romag Holdings plc, ROM Realisations Limited (formerly Romag Limited) and SHK Limited (all in Administration)
"PLC"	Romag Holdings plc (in Administration)
"ROM"	ROM Realisations Limited (in Administration)
"SHK"	SHK Limited (in Administration)
"Deloitte"	Deloitte LLP
"the Bank"	Lloyds Banking Group plc
"the Court"	Leeds District Registry
"EOS"	Estimated Outcome Statement
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 2.112 of the Rules to request approval for an extension to the initial period of the Administrations of PLC and ROM for a period of six months to 4 October 2012. Our report has also been prepared in accordance with Rule 2.110 of the Rules to provide the creditors of SHK with a summary of the Administration of this company.

This report follows our previous report to creditors dated 2 November 2011.

Given the information previously provided to creditors in our previous reports, we have not included detailed background information in respect of the Group and have focused on progress of the Administration following our previous report to creditors.

The Administrators' proposals, as deemed approved following the issue of a notice under Paragraph 52(1) of Schedule B1 of the Act on 16 May 2011, and the expiry of 8 business days thereafter, are detailed in Section 2.1.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

1.2 Details of the appointment of the Administrators

Daniel Francis Butters, William Kenneth Dawson and Neil Matthews of Deloitte were appointed Joint Administrators of the Group by the directors on 4 April 2011 pursuant to Paragraph 22(2) of Schedule B1 of the Act.

Conduct of the proceedings is the High Court of Justice, Leeds District Registry, case numbers 496, 497 and 498 of 2011 in relation to PLC, ROM and SHK respectively.

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.

1.3 Electronic communication with creditors

In an effort to reduce the costs of the Administrations, all future communications with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose. The web address is www.deloitte.co.uk/romag.

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All creditors' statutory notices will be retained on the website for 3 months after being uploaded to the site.

2. JOINT ADMINISTRATORS' PROPOSALS

2.1 Introduction

As previously reported to creditors, the Administrators concluded that the Group could not be rescued as a going concern as defined in Paragraph 3(1)(a) of Schedule B1 of the Act due to the level of unsecured debt within the Group and the likely loss of key customer and supplier support as a result

Consequently, the Administrators have performed their functions in relation to the Group with the objective set out in Paragraph 3(1)(b) of Schedule B1 of the Act, which is to achieve a better result for the creditors as a whole than would be likely if the Companies were wound up

The Administrators' proposals in order to achieve this objective, which, as previously noted, were deemed approved following the issue of a notice under Paragraph 52(1) of Schedule B1 of the Act on 16 May 2011 and the expiry of 8 business days thereafter, are as follows

- 1 the Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all Administration expenses,
- 2 the Administrators continue with their enquiries into the conduct of the directors of the Companies and continue to assist any regulatory authorities with their investigation into the affairs of the Companies,
- 3 the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against each of the Companies unless the Administrators conclude, in their reasonable opinion, that a Company will have no assets available for distribution,
- 4 the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of each Company so determine, a Creditors Committee be appointed in respect of each or any Company comprising of not more than five and not less than three creditors of that Company or Companies,
- 6 that, if a Creditors' Committee is not appointed, the secured, and if applicable, the preferential creditors of each Company shall be asked to fix the basis of the Administrators' remuneration in accordance with Rule 2.106(5A)(a), to be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT. In addition those creditors shall also be asked to agree the Administrators' expenses of which the Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred, plus VAT where applicable,
- 7 that, following the realisation of assets and resolution of all matters in the Administrations, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administrations. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Companies or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 8 that, if each or any of the Companies were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 4.174 of the Rules and that the

basis of the Liquidators' remuneration be fixed by reference to the time given in attending to matters arising in the Liquidations, and/or as a percentage of realisations and/or as a set fee. As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2.117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors. For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and

- 9 in the absence of Creditors' Committees, the secured and, if applicable, preferential creditors of each Company agree that the Administrators be discharged from liability per Paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors and vacating office

2.2 Progress on and achievement of the approved proposals

We have summarised below the progress and current status in respect of each of the approved proposals

Proposal	Current status
1	The Administrators continue to manage the affairs and remaining assets of the Group and shall continue to settle all Administration expenses
2	The Administrators continue to progress with their enquiries into the conduct of the directors of the Group companies and shall assist, if necessary, any regulatory authorities with their investigations into the affairs of the Group
3	The Administrators have agreed the claims of the secured creditor of the Group. There are no preferential creditors in any of the Administrations. Where necessary, and with the consent of the Court, the Administrators will agree the claims of the unsecured creditors should it become likely that a distribution will be made to this class of creditor
4	The Administrators have made distributions to the secured creditor of the Group of £1.2m and £4.6m in respect of PLC and ROM respectively
5	The creditors of the Group did not elect to appoint a creditors committee
6	The basis of the Administrators' remuneration has been approved by the secured creditor, fixed by reference to time properly given by the Administrators' and their staff in attending to matters arising in the Administrations. The Administrators' disbursements in attending to matters arising in the Administrations have also been approved by the secured creditor
7	The Administrators shall implement the most cost effective steps to formally conclude the Administrations of PLC and ROM, once it is considered that the purpose of these Administrations has been achieved In respect of SHK, given the purpose of this Administration has been achieved, it is the intention of the Administrators to move the company from Administration to dissolution by way of submitting the appropriate notice to the Registrar of Companies, and with the filing of this report
8	As there is no prospect of a dividend to the unsecured creditors of PLC and SHK, these companies cannot be placed into liquidation. At present, the Administrators do not propose to take steps to place ROM into liquidation
9	At the conclusion of each Administration, the Administrators shall take the appropriate steps to obtain discharge from liability per Paragraphs 98 and 99 of Schedule B1 of the Act

	The Administrators have received the necessary approval for discharge of their liability in relation to the Administration of SHK from the secured creditor
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Further information in respect of the realisation of assets, the status of liabilities and the estimated outcome for creditors is contained in the following sections of this report

3. STEPS TAKEN DURING THE ADMINISTRATION OF SHK LIMITED

3.1 Introduction

This section is to provide creditors with a summary of the steps taken during the Administration of SHK only, as an overview of the actions taken by the Administrators pursuant to Rule 2.110 of the Rules.

Creditors should be aware that it is the intention of the Administrators to apply for extensions to the initial twelve month period of the Administrations of both PLC and ROM. As such further information in respect of these entities is provided in Section 4.

3.2 Actions taken during the Administration of SHK

SHK was a dormant company and a non-trading trading entity of the Group. SHK's only asset is an inter-company balance due from PLC, which related to the transfer of assets from a restructuring of the Group a number of years ago. This amount is now unrealisable as a consequence of the insolvency of the Group.

Therefore all actions taken during the Administration have been limited to matters of a statutory nature only, or those required by Deloitte policy.

There have been no realisations in the Administration of SHK.

3.3 Meeting of creditors

As funds were unlikely to become payable to the unsecured creditors of SHK, a meeting of creditors of the company was not held.

3.4 Distributions to creditors

There has been no distribution to any class of creditor in respect of SHK.

3.5 Exit

It is considered that the purpose of the Administration of SHK has now been achieved. Therefore, it is the intention of the Administrators to file the appropriate notice with the Registrar of Companies to move SHK from Administration to dissolution, with effect from the date of the filing of this report.

3.6 Investigations

As part of the Administrators' statutory duties, the Administrators are obliged to provide the Insolvency Service with a report on their investigation into the conduct of the directors of the SHK. However, the contents of this report are confidential and cannot be disclosed to third parties.

3.7 EU regulations

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

4. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT AND ESTIMATED OUTCOME

4.1 Introduction

Attached at Appendix 2 are receipts and payments accounts for the Group covering the period from 4 April 2011 to the date of this report in accordance with SIP7 (E&W). Creditors are advised that an estimated outcome statement for Group is not provided in this report to ensure that the commercial interests of the Group are not prejudiced.

In this section, we have summarised the main asset realisations since of previous report to creditors and an estimation of those assets yet to be realised.

4.2 Asset realisations

The only realisation in the period relates to the repayment received from HM Revenue & Customs in settlement of the terminal loss relief claim submitted by the Administrators in respect of ROM. Whilst confirmation of the repayment has been received from HMRC, at the date of this report the repayment itself has not been remitted to the Administrators' bank account. Therefore this receipt is not yet reflected in the receipts and payments account included at Appendix 2.

4.3 Estimated future realisations

The Administrators continue to progress a number of matters that may result in further recoveries in the Administrations.

VAT and Terminal Loss Relief Claims

Following the repayment received from HM Revenue & Customs relating to the Terminal Loss Relief claim of ROM, the Administrators continue to pursue a claim of an identical nature in respect of PLC. This claim totals £44k.

In relation to VAT, these claims are more complex and involve further work to ascertain the level, if any, of a repayment due to the Group.

Supplier Deposit

As outlined in previous reports, prior to the Administrations the Group had commenced recovery proceedings against one of its former suppliers to recover a substantial supply deposit due to ROM. The Group had also sought to recover damages from this supplier in relation to a breach of contract claim.

The Administrators have instructed Walker Morris to assist in the recovery of this debt. However, creditors are advised that, whilst progress has been made, recovery action remains in its early stages and is likely to take a number of months to conclude. In the interests of preserving the commercial interests of the Group, no further information can be provided to the creditors at this stage.

An additional deposit relating to further supplier to the Group is also being pursued by the Administrators. Again, further details relating to this claim cannot be provided to creditors until this matter has been sufficiently progressed.

4.4 Estimated outcome for creditors

The Bank, being the secured creditor of the Group, is owed £17.2m of which £5.8m has been repaid to date in the Administrations. The Bank will suffer a significant shortfall on its lending.

There are no preferential creditors of the Group.

No funds will become available to enable distribution to be made to the unsecured creditors of PLC. Additionally no funds will become available for the unsecured creditors of ROM, with the exception of funds set aside by virtue of the Prescribed Part (See Section 5.3)

Given there will be insufficient realisations to meet the claims of the secured and unsecured creditors of PLC in full, there is no prospect of any funds becoming available for the shareholders of PLC.

5 DISTRIBUTIONS TO CREDITORS

5.1 Secured creditors

As at the date of appointment the Group had the following facilities with the Bank, the secured lender

- (i) a £15 0m revolving credit facility drawn in full,
- (ii) a Euro denominated mortgage of c €2 8m, and
- (iii) a short term overdraft facility of £0 4m, which was unutilised

The Bank's indebtedness is secured by debentures from each Group company, and also a mortgage deed in favour of the Bank in respect of ROM, providing the Bank with fixed and floating charges over the assets of the Group. The Bank's security is subject to cross-guarantees from each Group entity.

The total indebtedness to the secured creditor at the date of the Administration was £17 238m. To date £5 5m has been distributed to the Bank under the terms of its security. However the Bank will suffer a significant shortfall on its lending.

5.2 Preferential creditors

There are no preferential claims in the Administrations.

5.3 Prescribed Part

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors. This equates to

- 50% of net property up to £10,000,
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000

Creditors should note that the provisions of the PP shall only apply in relation to realisations from debtors and stock relating to ROM. Realisations from all other assets within ROM, and all realisations within PLC, will not be subject to the PP given the secured creditors hold pre-Enterprise Act 2002 security in relation to these assets.

Creditors are advised that, whilst the level of the Prescribed Part in ROM is likely to achieve the maximum cap of £0 6m, unsecured creditors entitled to participate in the Prescribed Part distribution are estimated to total in excess of £24 0m. Therefore any distribution to the unsecured creditors in respect of the Prescribed Part will be minimal.

5.4 Unsecured creditors

The unsecured creditors' position as at 4 April 2011 per the Directors' Statements of Affairs (excluding any shortfall to floating charge holders) is summarised in the table below

	PLC	ROM	SHK	Total
	£'000	£'000	£'000	£'000
Trade creditors	286	2,443	-	2,729
HMRC	14	183	-	197
Hire purchase liabilities	642	-	-	642
Inter-company liabilities	6,929	21,700	-	28,629
TOTAL	7,871	24,326	Nil	32,197

After discharging the costs of the Administration, there will not be sufficient realisations from floating charge assets to fully repay the Bank. Accordingly, we do not expect any funds to become available to pay a dividend to the unsecured creditors of any of the Companies, with the exception of a potential distribution under the PP in ROM, as discussed in Section 5.3

5.5 Shareholders of Romag Holdings plc

As a result of insufficient funds being available to repay the secured and unsecured creditors of PLC, there will be no surplus to allow a distribution to be made to the shareholders of PLC, being the AIM listed parent company of the Group

Therefore shareholders are advised that any investment they hold in PLC should be considered to hold a nil value

6. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

6.1 Extensions to the initial appointment period

In accordance with the provisions of the Act incorporated by the Enterprise Act 2002, all Administrations automatically come to an end after one year, unless an extension is granted by the Court or with consent of the creditors

The Administrators therefore seek the authority of the secured creditor, the Bank, for their approval to extend the period of the Administrations of PLC and ROM for a period of six months to 4 October 2012. This extension is required to allow the Administrators to continue to pursue the various amounts due to these companies in respect of Terminal Loss Relief claims, VAT repayments, supply deposits, and other claims that may arise in relation to the Group

No extension is required in respect of SHK

6.2 Investigations

As part of the Administrators' statutory duties, an investigation into the conduct of the Group's Directors was completed

In this regard, confidential reports for each entity were submitted to The Insolvency Service on 31 January 2012

6.3 Exit

There are several exit routes which are available to the Administrators such as,

- (i) an application to Court (in the event of a Court appointment),
- (ii) filing a notice in Court and with the Registrar of Companies confirming that the purpose of Administration has been sufficiently achieved, or
- (iii) in the event that the Group has no property, the Administrators may notify the Registrar of Companies to that effect at which time the appointment of the Administrators ceases and three months following that date the company is deemed to be dissolved

In addition the Administrators could propose to place the Companies into Creditors' Voluntary Liquidation, a Compulsory Liquidation or a Company Voluntary Arrangement

The exit route chosen in relation to PLC and ROM will largely depend on the circumstances of each Administration. However, the anticipated exit route shall be to move these companies from Administration to dissolution once all assets of the Group have been realised and the purpose of the Administrations achieved

If funds do become available for a distribution under the PP, the Administrators may apply to the Court for authority to make a distribution to unsecured creditors (under the PP) and then take the requisite steps to dissolve the Companies, or if appropriate, to apply to the Court to obtain an order pursuant to Section 176A(5) that Section 176A(2) (PP for unsecured debts) shall not apply

As previously discussed, the Administrators shall now implement the necessary steps to move SHK from Administration to dissolution

6.4 SIP13 (E&W) – Transactions with connected parties

In accordance with the guidance given in SIP13 (E&W), we confirm that there have been no transactions with connected parties during the period of this report or in the two years prior to our appointment

6.5 EC Regulations

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

7. JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

7.1 Joint Administrators' Remuneration

Basis of Remuneration

The basis of the Administrators' remuneration was fixed on 4 July 2011 by the secured creditor, by reference to time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration

Remuneration

Remuneration charged during the period of this report is summarised at Appendix 4. Details of time costs to date, together with a summary of the total hours spent on each case and an average charge-out rate, is provided below

Company	Total hours	Total costs (£)	Fees drawn (£)	Ave hourly rate (£)
Romag Holdings plc	454	163,544	38,943	361
ROM Realisations Limited	413	171,424	100,585	415
SHK Limited	43	16,126	-	378

The work has been categorised into the following task headings and sub categories

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashiering and accounting
- **Investigations** includes investigating the Company's affairs and in particular any antecedent transactions and also reporting on the conduct of its directors
- **Realisation of Assets** includes identifying, securing and insuring assets, sale of business, transition of contracts, property issues, disposal of stocks, collection of debts, realisation of other fixed assets and VAT and taxation matters
- **Trading** includes planning, identifying strategy, preparation of trading forecasts, monitoring of performance against the forecasts, managing operations, dealing with supplier and landlord issues to ensure continuity of operations, accounting and employees (including pensions and other staff benefits)
- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims, secured and employee claims

Total remuneration charged for the period of the appointment is shown at Appendix 5

"A Creditors' Guide to Remuneration" is available for download at http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP-9-EW-INTER.pdf

Should you require a paper copy, please send your request in writing to the Administrators at the address on the front of this report and this will be provided to you at no cost

Expenses

The Administrators' direct expenses for the period of the Administration are as follows

Nature of expenses	PLC £	ROM £	SHK £	Total £
Mileage	37 49	78 82	-	116 31
Parking	-	33 52	-	33 52
Subsistence	-	47 34	-	47 34
Accommodation	86 71	-	-	86 71
IT – hosting charges	5,044 41	-	-	5,044 41
Statutory Bond	160 00	1,019 33	30 00	1,209 33
Statutory Advertising	405 94	-	-	405 94
Telephone	-	48 82	-	48 82
Travel	122 40	918 98	-	1,041 38
Total	5,856.95	2,146 81	30 00	8,033 76

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

To date disbursements of £266 60 and £680 90 has been recovered in respect of PLC and ROM respectively

7.2 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2012 charge out rates as summarised below. Manager rates include all grades of assistant manager

Grade	£
Partners /Directors	585 to 920
Managers	295 to 700
Assistants and Support Staff	150 to 295

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Drivers Jonas Deloitte may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

With effect from 1 January 2012, charge out rates were increased by an average 5% and the charge out rate bandings have been amended, where applicable, to reflect this change.

7.3 Other professional costs

Walker Morris were instructed by the Administrators to advise on appropriate legal matters. In addition, Sanderson Weatherall, a firm of chattel agents, were instructed by the Administrators.

to undertake inventories and valuations of stock, plant and equipment, fixtures and fittings and other chattel assets where appropriate. The professional costs to date are summarised in the table below. All professional costs are reviewed and analysed before payment is approved.

In addition, GSK Stockmann + Kollegen, a firm of lawyers based in Germany, has been instructed to advise the Administrations in relation to the claim for the repayment of the supply deposit and damages claim brought by the Group. GSK's fee in relation to pre-action correspondence and meetings with regards to this claim has been agreed at €5,000, with an additional success fee for any pre-action settlement. In the event of litigation, GSK's fee is likely to be substantially in excess of these amounts.

Name of advisor	PLC (£)	ROM (£)	Total (£)
Walker Morris	32,744	84,416	117,160
Total	32,744	84,416	117,160

7.4 Creditors' right to request information

Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Administrators to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2.47(1)(fa) and 2.48A of the Rules.

7.5 Creditors' right to challenge Remuneration and/or Expenses

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2.109(4) of the Rules), reducing the amount or the basis of remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2.109 of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

ROMAG HOLDINGS PLC, ROM REALISATIONS LIMITED AND SHK LIMITED

(ALL IN ADMINISTRATION)

STATUTORY INFORMATION

Company Name	Romag Holdings plc	ROM Limited	Realisations	SHK Limited
Previous Names	SHK Limited, Romag Limited, Flairgybe Limited	Romag Limited, Romag Security Limited, Ingleight Security Limited	Romag Laminators Limited, Laminators	Romag Holdings Limited
Proceedings	In Administration	In Administration	In Administration	In Administration
Court	Leeds District Registry	Leeds District Registry	Leeds District Registry	Leeds District Registry
Court Reference	496 of 2011	497 of 2011		498 of 2011
Date of Appointment	4 April 2011	4 April 2011		4 April 2011
Joint Administrators	Daniel Francis Butters, William Kenneth Dawson and Neil Matthews Deloitte LLP One Trinity Gardens, Broad Chare Newcastle upon Tyne NE1 2HF	Daniel Francis Butters, William Kenneth Dawson and Neil Matthews Deloitte LLP One Trinity Gardens, Broad Chare Newcastle upon Tyne NE1 2HF		Daniel Francis Butters, William Kenneth Dawson and Neil Matthews Deloitte LLP One Trinity Gardens, Broad Chare Newcastle upon Tyne NE1 2HF
Registered office Address	c/o Deloitte LLP One Trinity Gardens, Broad Chare Newcastle upon Tyne NE1 2HF	c/o Deloitte LLP One Trinity Gardens, Broad Chare Newcastle upon Tyne NE1 2HF		c/o Deloitte LLP One Trinity Gardens, Broad Chare Newcastle upon Tyne NE1 2HF
Company Number	02820227	01549869		00988493
Incorporation Date	21 May 1993	11 March 1981		03 September 1970
Company Secretary	David Eric Banks	Julie Margaret Nelson		Julie Margaret Nelson
Bankers	Lloyds Banking Group plc	Lloyds Banking Group plc		Lloyds Banking Group plc
Auditors	Ernst & Young LLP	Ernst & Young LLP		Ernst & Young LLP
Appointment by	The directors under Paragraph 22(2) of Schedule B1 of the Insolvency Act 1986	The directors under Paragraph 22(2) of Schedule B1 of the Insolvency Act 1986		The directors under Paragraph 22(2) of Schedule B1 of the Insolvency Act 1986
Directors at date of Appointment	John Martin Kennair, Peter Riddle Allan, David Eric Banks, David McLaren Gray,	William Littlejohns, Kevin Webster, Keith John Morrison, Joseph Paisley, Julie Margaret Nelson		John Martin Kennair, David Eric Banks, Peter Riddle Allan, Julie Margaret Nelson
Directors' Shareholdings	JM Kennair - 5,926,521 PR Allan - 134,000 DE Banks - 130,000 DM Gray - 7,500 JM Kennair - 114,712 (non-beneficial) (£0.25 each)	None		None

Romag Holdings Plc
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 04/10/2011 To 20/03/2012 £	From 04/04/2011 To 20/03/2012 £
RECEIPTS			
Freehold Land & Property	1,400,000 00	0 00	1,400,000 00
Retained Book Debts		0 00	11,672 60
Tax Refund	58,000 00	0 00	0 00
Pre-appointment Import VAT		0 00	61,823 70
Bank Interest Gross		826 37	2,178 94
Pension Refund		0 00	187 47
VAT Refund	125,000 00	0 00	0 00
Vat Control Account		9,336 75	9,336 75
		<u>10,163 12</u>	<u>1,485,199 46</u>
PAYMENTS			
Chargeholder		100,000 00	1,193,593 62
Repayment of pre-appointment Import VA		61,822 21	61,822 21
Administrators' Fees		9,985 53	38,942 93
Administrators' Expenses		20 00	266 60
Agents/Valuers Fees (2)		0 00	980 00
Post-appointment Legal Fees		17,207 00	32,744 40
Post-appointment Legal Disbursements		280 86	1,001 28
Bank Charges		160 59	239 77
Interest Payable		381 10	381 10
VAT Receivable		5,497 06	11,533 86
		<u>195,354 35</u>	<u>1,341,505 77</u>
BALANCE - 20 March 2012			<u><u>143,693 69</u></u>

ROM Realisations Limited
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 04/10/2011 To 20/03/2012 £	From 04/04/2011 To 20/03/2012 £
RECEIPTS			
Plant & Machinery	2,635,002 00	0 00	2,635,002 00
Stock	1,675,000 00	0 00	1,675,000 00
Book Debts	1,289,998 00	0 00	1,289,998 00
Tax Refund	650,000 00	0 00	0 00
Customer Deposits		0 00	114,298 24
Supplier Deposits	2,750,000 00	0 00	0 00
Bank Interest Gross		3,232 67	8,296 82
VAT Repayment	350,000 00	0 00	0 00
Legal Fee Deposit		0 00	6,000 00
Post-appointment Legal Disbursements		5,770 60	(3,111 08)
VAT Payable		0 00	1,120,000 00
Vat Control Account		25,045 77	25,045 77
		<u>34,049 04</u>	<u>6,870,529 75</u>
PAYMENTS			
Administrators' Fees		40,014 47	100,585 17
Administrators' Expenses		513 56	680 90
Post-appointment Legal Fees		22,266 00	84,415 60
Post-appointment Legal Disbursements		(5,770 60)	3,111 08
Pre-appointment Legal costs		6,000 00	6,000 00
Storage Costs		128 48	352 78
Bank Charges		60 00	60 00
Customer Deposit - Purchaser Share		0 00	57,149 12
Floating Charge Creditor ¹		150,000 00	4,556,406 38
VAT Receivable		12,630 41	1,157,701 02
		<u>225,842 32</u>	<u>5,966,462 05</u>
BALANCE - 20 March 2012			<u><u>904,067 70</u></u>

Romag Holdings plc
In Administration)

Time costs for the period 4 April 2011 to 20 March 2012

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	0 65	425 75	6 00	2,505 00	6 00	1,629 00	12 65	4,559 75	360 45
Case Supervision, Management and Closure	1 40	784 00	13 10	4,909 00	0 50	95 50	15 00	6,788 50	386 90
Initial Actions (e.g. Notification of Appointment, Securing Assets)	1 65	959 25	13 50	4,635 00	-	-	15 15	5,594 25	369 26
General Reporting	5 50	3,080 00	16 40	6,368 00	-	-	21 90	9,448 00	431 42
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	9 20	5,249 00	49 00	18,417 00	6 50	1,724 50	64 70	25,390 50	392 43
Investigations									
Investigations	17 20	10,192 50	185 15	65,014 50	57 50	7,490 00	259 85	82,697 00	318 25
Reports on Directors' Conduct	1 10	616 00	15 50	6,665 00	-	-	16 60	7,281 00	438 61
	18 30	10,808 50	200 65	71,679 50	57 50	7,490 00	276 45	89,978 00	325 48
Trading									
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-
Realisation of Assets									
Book Debts	1 60	896 00	-	-	-	-	1 60	896 00	560 00
Other Assets (e.g. Stock)	1 10	616 00	13 50	6,615 00	-	-	14 60	7,231 00	495 27
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	-	-	-	-	-	-	-
	2 70	1,512 00	13 50	6,615 00	-	-	16 20	8,127 00	501 67
Creditors									
Employees	-	-	1 00	280 00	-	-	1 00	280 00	280 00
Preferential	-	-	-	-	-	-	-	-	-
Secured	-	-	5 20	2,236 00	-	-	5 20	2,236 00	430 00
Shareholders	1 00	560 00	7 90	2,923 00	-	-	8 90	3,483 00	391 35
Unsecured	3 00	1,680 00	51 25	20,090 50	-	-	54 25	21,770 50	401 30
	4 00	2,240 00	65 35	25,529 50	-	-	69 35	27,769 50	400 43
Other Matters Include:									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-
Tax and VAT	2 80	2,479 00	11 90	7,077 00	12 10	2,722 50	26 80	12,278 50	458 16
	2 80	2,479 00	11 90	7,077 00	12 10	2,722 50	26 80	12,278 50	458 16
TOTAL HOURS & COST	37 00	22,288 50	340 40	129,318 00	76 10	11,937 00	463 50	163,543 50	360 63
TOTAL FEES DRAWN TO DATE									38,943

Rom Realisations Limited

In Administration)

Time costs for the period 4 April 2011 to 20 March 2012

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	0.50	397.50	7.60	3,212.00	4.40	1,192.50	12.50	4,802.00	384.16
Case Supervision, Management and Closure	1.60	896.00	34.80	12,523.50	0.70	189.00	37.10	13,608.50	366.81
Initial Actions (e.g. Notification of Appointment, Securing Assets)	1.65	959.25	28.00	9,325.00	-	-	29.65	10,284.25	346.86
General Reporting	11.00	6,160.00	16.40	6,368.00	-	-	27.40	12,528.00	457.23
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	14.75	8,412.75	86.80	31,428.50	5.10	1,381.50	106.65	41,222.75	386.52
Investigations									
Investigations	2.50	1,400.00	65.80	27,940.00	-	-	68.30	29,340.00	429.58
Reports on Directors' Conduct	1.10	616.00	25.00	10,750.00	-	-	26.10	11,366.00	435.48
	3.60	2,016.00	90.80	38,690.00	-	-	94.40	40,706.00	431.21
Trading									
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	7.00	1,960.00	-	-	7.00	1,960.00	280.00
	-	-	7.00	1,960.00	-	-	7.00	1,960.00	280.00
Realisation of Assets									
Book Debts	1.90	1,064.00	15.00	6,000.00	-	-	16.90	7,064.00	417.99
Other Assets (e.g. Stock)	1.10	616.00	-	-	-	-	1.10	616.00	560.00
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	2.40	1,344.00	37.50	16,125.00	-	-	39.90	17,469.00	437.82
Third Party Assets	-	-	-	-	-	-	-	-	-
	5.40	3,024.00	62.50	22,125.00	-	-	67.90	25,149.00	434.35
Creditors									
Employees	2.00	1,120.00	1.00	280.00	-	-	3.00	1,400.00	466.67
Preferential	-	-	-	-	-	-	-	-	-
Secured	5.00	2,800.00	5.20	2,236.00	-	-	10.20	5,036.00	493.73
Shareholders	0.80	448.00	-	-	-	-	0.80	448.00	560.00
Unsecured	12.60	7,056.00	67.85	25,782.50	-	-	80.45	32,838.50	408.19
	20.40	11,424.00	74.05	28,298.50	-	-	94.45	39,722.50	420.67
Other Matters Include:									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	-	-	3.50	980.00	-	-	3.50	980.00	280.00
Tax and VAT	2.30	1,544.00	42.60	19,460.50	3.90	679.00	48.80	21,683.50	444.33
	2.30	1,544.00	46.10	20,440.50	3.90	679.00	52.30	22,663.50	433.34
	-	-	-	-	-	-	-	-	-
TOTAL HOURS & COST	46.45	26,420.75	357.25	142,942.50	9.00	2,060.50	412.70	171,423.75	415.37

TOTAL FEES DRAWN TO DATE

100,585

SHK Limited
In Administration)

Time costs for the period 4 April 2011 to 20 March 2012

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	-	-	0 30	109 50	0 30	81 00	0 60	190 60	317 60
Case Supervision, Management and Closure	-	-	14 80	5,534 00	-	-	14 80	5,534 00	373 92
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	9 50	3,515 00	-	-	9 50	3,515 00	370 00
General Reporting	-	-	13 40	5,078 00	-	-	13 40	5,078 00	378 96
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	-	-	38 00	14,236 50	0 30	81 00	38 30	14,317 50	373 63
Investigations									
Investigations	-	-	1 40	518 00	-	-	1 40	518 00	370 00
Reports on Directors' Conduct	-	-	3 00	1,290 00	-	-	3 00	1,290 00	430 00
	-	-	4 40	1,808 00	-	-	4 40	1,808 00	410 91
Trading									
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-
Realisation of Assets									
Book Debts	-	-	-	-	-	-	-	-	-
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	-	-	-	-	-	-	-
Creditors									
Employees	-	-	-	-	-	-	-	-	-
Preferential	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-	-	-
Shareholders	-	-	-	-	-	-	-	-	-
Unsecured	-	-	-	-	-	-	-	-	-
Other Matters Include									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-
Tax and VAT	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
TOTAL HOURS & COST	-	-	42 40	16,044 50	0 30	81 00	42 70	16,125 50	377 65

TOTAL FEES DRAWN TO DATE

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