

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  
1 City Square  
Leeds  
LS1 2ALWilliam Kenneth Dawson  
Deloitte LLP  
PO Box 500  
2 Hardman Street  
Manchester  
M60 2ATNeil Matthews  
Deloitte LLP  
One Trinity Gardens  
Broad Chare  
Newcastle upon Tyne  
NE1 2HF

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

From


To

(b) Insert date

(b) 1 August 2012

(b) 31 January 2013

Signed

  
Joint / Administrator(s)

Dated

18 FEBRUARY 2013

TUESDAY



\*A22JNRNC\*

A09

19/02/2013

#64

COMPANIES HOUSE

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

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

**SIX MONTHLY PROGRESS REPORT TO CREDITORS PURSUANT TO RULE 2.47 OF  
THE INSOLVENCY RULES 1986 AND THE INSOLVENCY (AMENDMENT) RULES 2010**

**18 FEBRUARY 2013**

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  
Deloitte LLP  
One Trinity Gardens  
Broad Chare  
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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 and ROM Realisations Limited (formerly Romag Limited) (all in Administration)
"PLC"	Romag Holdings plc (in Administration)
"ROM"	ROM Realisations Limited (in Administration)
"SHK"	SHK Limited (formerly in Administration)
"Deloitte"	Deloitte LLP
"the Bank"	Lloyds Banking Group plc
"the Court"	Leeds District Registry
"EOS"	Estimated Outcome Statement
"SIP2 (E&W)"	Statement of Insolvency Practice 2 (England & Wales)
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)

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## **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 Group since our last report to creditors dated 31 July 2012.

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 Administrations 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.

On the basis that there remained assets of the Group which were not realised before 4 April 2012, the one year anniversary of the Administrations, the Administrators submitted a request to the secured creditor seeking to extend the period of each Administration by six months to 4 October 2012, in accordance with Paragraph 76(2)(b) of Schedule B1 of the Act. A further application to the Court, seeking to extend the period of the Administrations by a further 24 months, was subsequently approved on 24 August 2012, pursuant to Paragraph 76(2)(a) of Schedule B1 of the Act. The latest extension expires on 4 October 2014. This is discussed further at section 5.1.

A schedule of statutory information in respect of the Group 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 and 497 of 2011 for PLC and ROM respectively.

The Joint Administrators have now ceased to act in respect of SHK.

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](http://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. 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 by 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	<p>As part of the Administrators' statutory duties, reports on the conduct of the directors of the Group were submitted to The Insolvency Service on 31 January 2012</p> <p>The Administrators shall assist, if necessary, any regulatory authorities with their investigations into the affairs of the Group</p>
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 £5.1m 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	<p>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.</p> <p>The Administrators ceased to act in respect of SHK on 29 March 2012 and the company was subsequently dissolved on 29 June 2012.</p>
8	As there is no prospect of a dividend to the unsecured creditors of PLC, the company 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.

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

#### **3.1 Introduction**

Attached at Appendix 2 are receipts and payments accounts for each company covering the period from 4 April 2011 to 31 January 2013 (together with details of the transactions in the interim period 31 July 2012 to 31 January 2013), in accordance with SIP7 (E&W)

In this section, we have summarised the main asset realisations during the six month period and an estimation of those assets yet to be realised

#### **3.2 Asset realisations**

The only recoveries in the period relate to receipts totalling £17 07 in respect of gross bank interest received by the Group

#### **3.3 Estimated future realisations**

##### **VAT and Terminal Loss Relief Claims**

As discussed in our previous reports, and 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, Q-Cells SE, based in Germany, 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 Group's claim in respect of these matters totalled in excess of €9m

Following their appointment the Administrators instructed Walker Morris to assist in the recovery of this debt. However, in April 2012 Q-Cells SE made an application to the German Court for protection from its creditors, with HWW Wienberg Wilhelm subsequently being appointed as interim insolvency administrators. The appointment of HWW Wienberg Wilhelm was confirmed by the German Court on 2 July 2012

On 21 January 2013 the Administrators agreed a deal to transfer ROM's right, title and interest in this claim to Morgan Stanley & Co International plc. However, in order to not prejudice the commercial interests of the company, the Administrators are unable to provide further details in relation to this assignment at this stage. It is expected that a further update will be available to creditors in our next report

### **3.4 Estimated outcome for creditors**

The Bank, being the secured creditor of the Group, is owed £17.2m of which £6.25m 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 4.3).

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.

## **4. DISTRIBUTIONS TO CREDITORS**

### **4.1 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 £6 25m has been distributed to the Bank under the terms of its security. However the Bank will suffer a significant shortfall on its lending.

### **4.2 Preferential creditors**

There are no preferential claims in the Administrations.

### **4.3 Prescribed Part**

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) ("PP") 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 PP in ROM is likely to achieve the maximum cap of £0 6m, unsecured creditors entitled to participate in the PP distribution are estimated to total in excess of £24 0m. Therefore any distribution to the unsecured creditors in respect of the PP will be minimal.

#### 4.4 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	Total
	£'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
<b>TOTAL</b>	<b>7,871</b>	<b>24,326</b>	<b>32,197</b>

After discharging the costs of the Administrations, 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 4.3

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

### **5.1 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

On 22 March 2012 the Bank, the secured creditor in the Administrations, approved an initial extension to the period of the Administrations of PLC and ROM of six months, expiring on 4 October 2012, to allow the Administrators to continue to realise the remaining assets in the Administrations

A further extension to the period of the Administrations was granted by the Court on 24 August 2012 for a period of 24 months to 4 October 2014. This extension will allow the Administrators to -

- conclude the assignment of the Q-Cells SE debt due to ROM,
- continue to pursue the potential tax and VAT refunds that may become due to the Group, and
- allow the Administrators' investigations into events preceding the Administrations to continue

### **5.2 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

### **5.3 SIP2 – Initial Assessment of Potential Recoveries**

As part of our duties as Administrators, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment included enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Group

Having completed this review, we identified the assets and actions as detailed in paragraph 3.2 and 3.3 of this report

If you have any information that you feel we should be made aware of in relation to the above, please contact us as a matter of urgency

## **5.4 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 have ceased to act in respect of SHK and the company has now been dissolved

## **5.5 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

## **5.6 EC Regulations**

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

## 6. ADMINISTRATORS' REMUNERATION AND EXPENSES

### 6.1 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 3. 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	580	216,924	130,277	374
ROM Realisations Limited	583	248,028	120,732	426

The time is charged in six minute increments and 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 Group'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

"A Creditors' Guide to Remuneration" is available for download at [www.deloitte.com/uk/sip-9-england-and-wales](http://www.deloitte.com/uk/sip-9-england-and-wales)

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 Administrations are as follows

Nature of expenses	PLC £	ROM £	Total £
Mileage	121 82	78 82	200 64
Parking	-	33 52	33 52
Subsistence	50 31	47 34	97 65
Accommodation	86 71	-	86 71
IT – hosting charges	8,904 60	-	8,904 60
Statutory Bond	160 00	1,019 33	1,179 33
Statutory Advertising	405 94	-	405 94
Telephone	-	48 82	48 82
Travel	122 40	602 40	724 80
<b>Total</b>	<b>9,851 78</b>	<b>1,830 23</b>	<b>11,682 01</b>

Expenses drawn to date by the Administrators totals £6,714 77 and £1,830 23 in respect of PLC and ROM respectively

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

## 6.2 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2012/13 charge out rates as summarised below. Manager rates include all grades of assistant manager

Grade	£ 2012 (Jan-Aug)	£ 2012 / 2013 (Sept-Aug 2013)
<b>Partners/Directors</b>	585 to 920	605 to 950
<b>Managers</b>	295 to 700	305 to 720
<b>Assistants and Support Staff</b>	150 to 295	155 to 305

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 September 2012, charge out rates were increased by an average 3% and the charge out rate bandings have been amended, where applicable, to reflect this change

### 6.3 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. GSK Stockmann + Kollegen, a firm of lawyers based in Germany, were instructed to advise the Administrations in relation to the claim for the repayment of the supply deposit and damages claim brought by the Group.

The professional costs to date are summarised in the table below. All professional costs are reviewed and analysed before payment is approved.

Name of advisor	PLC (£)	ROM (£)	Total (£)
Walker Morris	38,210	100,987	139,197
GSK Stockmann + Kollegen	-	3,344	3,344
<b>Total</b>	<b>38,210</b>	<b>104,331</b>	<b>142,541</b>

### 6.4 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.

### 6.5 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 AND ROM REALISATIONS LIMITED**  
**(BOTH IN ADMINISTRATION)**  
**STATUTORY INFORMATION**

<b>Company Name</b>	<b>Romag Holdings plc</b>	<b>ROM Realisations Limited</b>
<b>Previous Names</b>	SHK Limited, Romag Limited, Flairgybe Limited	Romag Limited, Romag Security Laminators Limited, Ingelright Limited, Security Laminators Limited
<b>Proceedings</b>	In Administration	In Administration
<b>Court</b>	Leeds District Registry	Leeds District Registry
<b>Court Reference</b>	496 of 2011	497 of 2011
<b>Date of Appointment</b>	4 April 2011	4 April 2011
<b>Joint Administrators</b>	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
<b>Registered office Address</b>	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
<b>Company Number</b>	02820227	01549869
<b>Incorporation Date</b>	21 May 1993	11 March 1981
<b>Company Secretary</b>	David Eric Banks	Julie Margaret Nelson
<b>Bankers</b>	Lloyds Banking Group plc	Lloyds Banking Group plc
<b>Auditors</b>	Ernst & Young LLP	Ernst & Young LLP
<b>Appointment by</b>	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
<b>Directors at date of Appointment</b>	John Martin Kennair, Peter Riddle Allan, David Eric Banks, David McLaren Gray,	William Littlejohns, Kevin Webster, Keith John Morrison, Joseph Paisley, Julie Margaret Nelson
<b>Directors' Shareholdings</b>	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

**Romag Holdings Plc  
(In Administration)**

**Appendix 2**

**Summary of Receipts & Payments**

<b>RECEIPTS</b>	<b>Statement of Affairs (£)</b>	<b>From 04/04/2011 To 01/08/2012 (£)</b>	<b>From 02/08/2012 To 31/01/2013 (£)</b>	<b>Total (£)</b>
Freehold Land & Property	1,400,000 00	1,400,000 00	0 00	1,400,000 00
Retained Book Debts		11,672 60	0 00	11,672 60
Pre-appointment Import VAT		61,823 70	0 00	61,823 70
Bank Interest Gross		2,345 46	58 62	2,404 08
Pension Refund		187 47	0 00	187 47
		<b>1,476,029 23</b>	<b>58 62</b>	<b>1,476,087 85</b>
<b>PAYMENTS</b>				
Chargeholder		1,193,593 62	0 00	1,193,593 62
Repayment of Pre-appointment Import VAT		61,822 21	0 00	61,822 21
Administrators' Fees		130,276 70	0 00	130,276 70
Administrators' Expenses		6,714 77	0 00	6,714 77
Agents/Valuers Fees (2)		980 00	0 00	980 00
Post-appointment Legal Fees		34,564 40	2,430 00	36,994 40
Post-appointment Legal Disbursements		1,001 28	214 00	1,215 28
Bank Charges		342 72	100 59	443 31
Interest Payable		381 10	0 00	381 10
		<b>1,429,676 80</b>	<b>2,744 59</b>	<b>1,432,421 39</b>
<b>Net Receipts/(Payments)</b>		<b>46,352 43</b>	<b>(2,685 97)</b>	<b>43,666 46</b>
<b>MADE UP AS FOLLOWS</b>				
VAT Receivable		31,454 25	521 80	31,976 05
RBS IB Current A/C		21,001 09	22,328 67	43,329 76
VAT Received From HM R&C		(9,336 75)	(22,302 60)	(31,639 35)
		<b>43,118 59</b>	<b>547 87</b>	<b>43,666 46</b>

**ROM Realisations Limited  
(In Administration)**

**Summary of Receipts & Payments**

RECEIPTS	Statement of Affairs (£)	From 04/04/2011 To 31/07/2012 (£)	From 01/08/2012 To 31/01/2013 (£)	Total (£)
Plant & Machinery	2,635,002 00	2,635,002 00	0 00	2,635,002 00
Stock	1,675,000 00	1,675,000 00	0 00	1,675,000 00
Book Debts	1,289,998 00	1,289,998 00	0 00	1,289,998 00
Tax Refund	650,000 00	471,399 96	0 00	471,399 96
Customer Deposits		114,298 24	0 00	114,298 24
Bank Interest Gross		8,336 81	46 87	8,383 68
Supply Deposit		221,438 46	0 00	221,438 46
Legal Fee Deposit		6,000 00	0 00	6,000 00
VAT Received From HM R&C		25,045 77	0 00	25,045 77
		<b>6,446,519 24</b>	<b>46 87</b>	<b>6,446,566 11</b>
<b>PAYMENTS</b>				
Administrators' Fees		120,731 60	0 00	120,731 60
Administrators' Expenses		1,830 23	0 00	1,830 23
Post-appointment Legal Fees		93,095 60	7,633 62	100,729 22
Post-appointment Legal Disbursements		3,113 08	488 29	3,601 37
Corporation Tax		0 00	2,656 26	2,656 26
Pre-appointment Legal Costs		6,000 00	0 00	6,000 00
Storage Costs		378 38	102 40	480 78
Bank Charges		80 00	36 00	116 00
Customer Deposit - Purchaser Share		57,149 12	0 00	57,149 12
Floating Charge Creditor1		5,056,406 38	0 00	5,056,406 38
		<b>5,338,784 39</b>	<b>10,916 57</b>	<b>5,349,700 96</b>
<b>Net Receipts/(Payments)</b>		<b>1,107,734 85</b>	<b>(10,869 70)</b>	<b>1,096,865 15</b>
<b>MADE UP AS FOLLOWS</b>				
VAT Receivable		43,701 69	922 68	44,624 37
IB Current A/C		1,046,681 78	(8,201 26)	1,038,480 52
RBS - IB Current A/C		17,351 38	(3,591 12)	13,760 26
VAT Payable		(1,120,000 00)	0 00	(1,120,000 00)
VAT Paid to HM R&C		1,120,000 00	0 00	1,120,000 00
		<b>1,107,734 85</b>	<b>(10,869 70)</b>	<b>1,096,865 15</b>

Romag Holdings plc  
(In Administration)

Time costs for the period 4 April 2011 to 31 January 2013

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
<b>Administration and Planning</b>									
Cashiering and Statutory Filing	1 00	714 50	10 90	4 680 50	9 40	2 590 50	21 30	7 965 50	373 97
Case Supervision, Management and Closure	1 40	784 00	17 20	6 676 50	1 40	354 00	20 00	7 814 50	390 73
Initial Actions (e.g. Notification of Appointment, Securing Assets)	1 65	959 25	13 50	4 635 00	-	-	16 15	6 594 25	369 26
General Reporting	8 70	3 806 00	16 40	6 368 00	-	-	23 10	10 174 00	440 43
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	10 75	6 263 75	58 00	22 340 00	10 80	2 944 50	79 55	31 548 25	396 58
<b>Investigations</b>									
Investigations	19 90	11 758 50	283 74	106 030 65	58 60	7 666 00	362 24	125 485 15	346 33
Reports on Directors' Conduct	1 10	616 00	15 50	6 665 00	-	-	16 60	7 281 00	438 61
	21 00	12 374 50	299 24	112 695 65	58 60	7 666 00	378 84	132 736 15	350 38
<b>Trading</b>									
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-
<b>Realisation of Assets</b>									
Book Debts	1 60	896 00	1 00	450 00	-	-	2 60	1 346 00	517 69
Other Assets (e.g. Stock)	4 90	2 915 00	13 50	6 615 00	-	-	18 40	9 530 00	517 93
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	-	-	-	-	-	-	-
	6 50	3 811 00	14 50	7 065 00	-	-	21 00	10 876 00	517 90
<b>Creditors</b>									
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
<b>Other Matters Include</b>									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-
Tax and VAT	2 80	2 479 00	16 30	8 793 00	12 10	2 722 50	31 20	13 994 50	448 64
	2 80	2 479 00	16 30	8 793 00	12 10	2 722 50	31 20	13 994 50	448 64
<b>TOTAL HOURS &amp; COST</b>	45 05	27 168 25	463 39	176 423 15	81 50	13 333 00	579 94	216 924 40	374 05

TOTAL FEES DRAWN TO DATE

130,277 00

[illegible]