

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company

RS Realisations (2009) Limited

Company number

02917969

In the High Court of Justice
Chancery Division, Companies Court

(full name of court)

Court case number

11586/2009

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

We (a)

Neville Barry Kahn, Lee Antony Manning and Philip Stephen Bowers
Deloitte LLP
Athene Place
66 Shoe Lane
London EC4A 3BQ*Delete as
applicable

attach a copy of our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) 24 April 2009

Signed

PSB
Joint / Administrator(s)

Dated

27 April 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 researchers of the
public recordNichola Burns
Deloitte LLP
PO Box 810
66 Shoe Lane
London EC4A 3WA020 7936 3000
DX Number

DX Exchange

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

TUESDAY



ASSP39E9

28/04/2009

COMPANIES HOUSE

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**Warehouse Fashion Limited (In Administration)
Oasis Stores Limited (In Administration)
Coast Stores Limited (In Administration)
Karen Millen Limited (In Administration)
Karen Millen Holdings Limited (In Administration)
Mosaic Fashions Limited (In Administration)
Mosaic Fashions Finance Limited (In Administration)
SSG Realisations (2009) Limited (In Administration)
(formerly The Shoe Studio Group Limited)
Principles Retail Limited (In Administration)
and certain other non-trading/dormant entities
(the "Other Administration Companies")**

**JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO
PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

24 April 2009

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



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COMPANIES HOUSE

Disclaimer Notice

- This Statement of Proposals has been prepared by Neville Kahn, Lee Manning and Phil Bowers, the Administrators of the Mosaic Group Companies, solely to comply with their statutory duty under paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the Administrations, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This Proposal has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in any of the Companies listed above.
- Any estimated outcomes for creditors included in this Proposal are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this Proposal for any purpose or in any context other than under paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Administrators do not assume any responsibility and will not accept any liability in respect of this Proposal.
- The Administrators act as agents for the Mosaic Group Companies and contract without personal liability. The appointments of the Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this Proposal or the conduct of the Administrations.

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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 Companies |
| "Anoushka G" | Anoushka G Fashions Limited (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) |
| "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 |
| "Bondholders" | Icelandic Bondholders [do we need to define?] |
| "Deloitte" | Deloitte LLP |
| "DLA" | DLA Piper UK LLP |
| "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 all 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" | 18 companies in the Mosaic Group that are either non-trading or dormant entities, which comprises: Sierra Holdings Limited, Noel Acquisitions Limited, Mohave Limited, Sierra Acquisitions Limited, Sonora Holdings Limited, The Warehouse Group Limited, 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 Realisations (2009) Limited (formerly Roberto Vianni 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) |
| "Shoe Studio" | SSG Realisations (2009) Limited (formerly The Shoe Studio Group Limited), (In Administration) |

1. BACKGROUND

1.1 Introduction and Purpose

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 the Companies on 2 March 2009, by order of the High Court with the power to manage the affairs, business and property of the Companies.

The purpose of this report is to assist the creditors in understanding the position of the Mosaic Group Companies, the actions of the Administrators undertaken since their appointment and to set out the Administrators' proposals in order to achieve the objectives of the Administrations of the Companies. This report is prepared pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986.

This report contains the following information:

- Background to the Companies' businesses;
- The circumstances giving rise to the Administrations;
- The manner in which the affairs of the businesses have been, and are proposed to be, managed by the Administrators;
- The Directors' Statements of Affairs; and
- Other information to assist creditors.

1.2 No Creditors' meeting

Under paragraph 52 (1) (b) of the Insolvency Act 1986, the Administrators are not required to call a creditors meeting if a company has insufficient funds to make a distribution to the unsecured creditors other than by virtue of the Prescribed Part, unless 10% of the value of the company's unsecured creditors request it.

The Administrators consider that there will be insufficient funds for a distribution to the unsecured creditors of The Pre-Pack Companies, Shoe Studio and Principles other than the Prescribed Part. The unsecured creditors of the Other Administration Companies are not expected to receive any distribution as none of these entities have any assets that may be distributed to creditors. As a result no creditors' meetings will be convened for these companies.

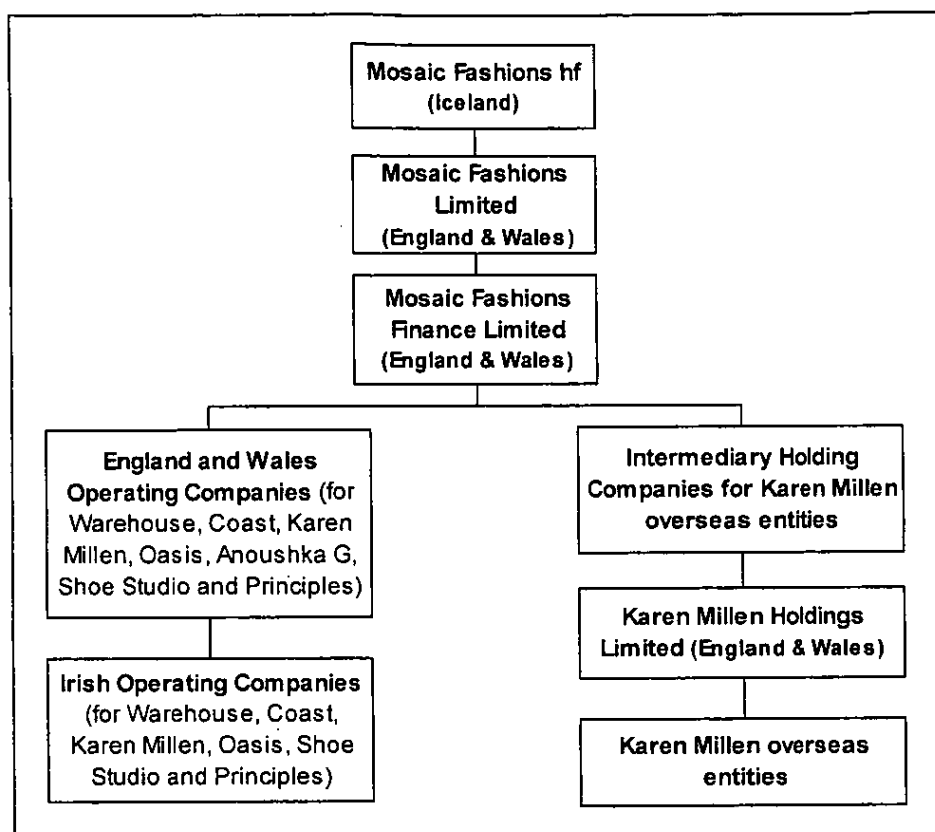
Should creditors of any of these companies whose total debts amount to at least 10% of the total debts of that company individually wish to request that a meeting be held they should contact the Administrators by return.

1.3 Statutory information

Statutory and other information relating to the Companies, including details of the Directors, Company Secretary and shareholders, is provided at Appendix 2.

1.4 Group Structure

A summary group structure is set out below with a full structure chart at Appendix 3.



The Group was owned by a number of Icelandic shareholders through Mosaic Fashions hf, a company registered in Iceland and now in an Icelandic insolvency process. This entity included the Bondholders debt of £52.0m.

Mosaic Fashions Limited acted as the UK holding company and also owned certain of the head office fixed assets. Mosaic Fashions Finance Limited acted as the banker and financing entity of the Group and was borrower in respect of all Kaupthing secured debt.

Each core brand had an England and Wales operating entity which owned an Irish trading subsidiary, with Anoushka G just having an England and Wales operating entity. In addition, Karen Millen also had operating entities in a number of overseas jurisdictions together with some joint venture arrangements.

The Administrators were appointed over 28 companies within the Group and act independently in respect of each appointment. However, a joint report for creditors has been produced to provide a better understanding of the impact of Administrations within the Mosaic Group and the subsequent actions taken by the Administrators.

1.5 Business, History and Locations

The Mosaic Group was a leading player in the UK high street fashion sector aimed at the female market, with 6 core clothing brands including a footwear offering. The business was put together through a series of acquisitions and operated through more than 1,500 UK outlets, 250 owned outlets abroad, plus franchises and joint ventures in 38 countries (including owned stores, the business was present in 44 countries). The core trading brands included:

Oasis - Fashion brand, targeting women aged 18 to 35, offering a broad spectrum of clothing, accessories and footwear which was founded in 1991. The brand traded from 288 stores and concessions in the UK, and operated internationally in 24 countries with 40 stores and concessions, 83 franchise stores and joint ventures in China, Germany and Sweden.

Warehouse – Founded in 1976 as a young fashion brand for women aged 18 to 30, it operated in the upper end of the middle market, delivering trend-led product through an in-house design team. Warehouse operated from 328 stores and concessions in the UK. Outside the UK, Warehouse operated in 16 countries with franchise stores, company stores, concessions and joint venture outlets.

Coast – Founded in 1996, Coast was a premium brand offering design led occasion wear with a strong presence in department stores. It traded in 225 stores and concessions in the UK. Outside of the UK, it operated 17 concessions in Ireland and 29 franchises in 14 countries, plus 2 joint ventures.

Karen Millen – Established in 1981 as a luxury brand offering clothing footwear and accessories. Historically Karen Millen was UK focused, but 50% of sales were non-UK, with the brand positioned at the top end of the UK high street and alongside designer labels internationally. It traded from 97 standalone stores and concessions in the UK and outside of the UK, traded from 52 standalone stores and concessions plus 80 franchise outlets covering 38 countries.

Principles - Operated in the middle market with emphasis on good value, stylish products and service, with a broad product range. It was launched in 1984 and operated from 94 stores and approximately 300 concessions in the UK, plus an additional 83 international standalone outlets and concessions (Holland and Ireland), 47 franchise outlets in 18 countries and 14 joint ventures.

Shoe Studio – Operated as the largest multi-branded fashion footwear retailer on the UK high street and was seen as a strategic partner for most major UK department stores. It held a licence for Nine West in UK as well as operating own brands (Pied a Terre, Bertie, Roland Cartier and Roberto Vianni), providing footwear for several clothing brands. It traded from 279 outlets in the UK, mainly through department store concessions and was also present in Ireland, Denmark and Holland in 25 concessions and 3 stores via a joint venture in Sweden.

In addition the Group traded Anoushka G, which was a small brand with minimal turnover of some £1m each year.

The Group had the following office based locations at (1) Paul Street, London including Group management and functions for the operations of Coast, Oasis, Karen Millen and Anoushka G, (2) Rathbone Place, London for the management and operations of Warehouse, Principles and Shoe Studio and (3) a joint service centre at Stanton Harcourt, Oxfordshire.

1.6 Employees

Principles: At the date of the Administrators' appointment Principles employed 2,344 permanent staff. Approximately 125 of the staff were employed in the head office and the remainder were employed in stores and concessions throughout the UK.

Shoe Studio: At the date of the Administrators' appointment the Shoe Studio employed 1,670 permanent staff. Approximately 90 of the staff were employed in the head office and the remainder were employed in the stores and concessions throughout the UK.

The Pre-Pack Companies and Anoushka G: At the date of the Administrators' appointment the Pre-Pack Companies and Anoushka G (including head office and shared services functions) employed 6,625 permanent staff.

2. THE CIRCUMSTANCES GIVING RISE TO THE APPLICATIONS FOR ADMINISTRATION

2.1 Events prior to the Administration

Since Autumn 2008 the Mosaic Group had been experiencing significantly deteriorating earnings due to a sharp fall in consumer spending and the loss of the Group's hedging instrument following the Administration of Kaupthing Singer & Friedlander (£30m cost to the Group).

As a result the Mosaic Group forecast an additional cash requirement in March 2009 and potentially required new money of at least £30m to fund working capital, with a further £175m to fund capital and interest payments relating to the Secured Lender and Bondholders.

Therefore during January/February 2009 the Mosaic Group took a number of actions including:

- Controlling cash flow throughout its operations;
- Putting in place separate sale processes for Shoe Studio, Principles and the remainder of the Mosaic Group; and
- Meeting with key stakeholders in an attempt to reach a consensual solution including a debt for equity swap.

During the sale processes for Shoe Studio and Principles it became apparent that there would be limited value from share sales of either of these two entities as both brands were underperforming.

There were 7 indicative offers made on a debt free basis for the remainder of the Mosaic Group. However, the Secured Lender was owed £387.2m and at the indicative levels offered there would have been a very significant shortfall against their indebtedness.

At this time the Mosaic Group met with its key stakeholders, including its Icelandic equity providers, the Bondholders and Secured Lender to seek a consensual solution. Following various meetings with these parties the Mosaic Group concluded that no new money or other consensual solution would be forthcoming.

On 27 February 2009 the Secured Lender confirmed that it was unable to support the Mosaic Group with new money, leaving the Directors of the Companies with no option other than to consider a filing for Administration.

Following an approach, the Secured Lender indicated it would be prepared to finance a purchase of the Aurora Transaction – which included four of the core brands out of Administration. This transaction was committed to on the basis that it was to be implemented immediately after insolvency (i.e. a pre-packaged insolvency sale) to seek to limit any damage to the brands and the ongoing business operations which would have been encountered on a trading insolvency.

Faced with the potentially low and uncertain trading outcome in insolvency, or a pre-packaged sale at an amount of £216m (when market testing showed value significantly under the offer of £216m), the Administrators considered that it was appropriate to conclude the Aurora Transaction as a pre-packed insolvency sale.

On 2 March 2009 the Directors filed an application to the High Court of England and Wales to appoint the Joint Administrators to the Companies. The Administrators immediately implemented the pre-packaged sale in respect of the Aurora Transaction and separately took control of the Shoe Studio and Principles businesses.

2.2 Overview of Company Financial Information

The Group's accounting year end is 31 January and at the date of the Administrations draft audited accounts had not been completed for the year to 31 January 2009 for all of the Companies. The following are summary consolidated management accounts for the Group as a whole at 31 January 2008 and 2009. Detailed entity balance sheet information at 2 March 2009 is provided later in the report with the Directors' Statements of Affairs.

This information has been provided by the management of the Companies and has not been verified by the Administrators or Deloitte.

| Summary Group Consolidated Profit and Loss Account | | |
|---|--|--|
| | 12 months ended 31 Jan 2008 | 12 months ended 31 Jan 2009 |
| | Management Accounts | Management Accounts |
| | £'000 | £'000 |
| Group Trading Profit | 42,680 | 11,290 |
| Exceptionals and other costs | (4,043) | (6,523) |
| Earnings Before Interest and Tax | 38,637 | 4,767 |
| Interest Costs | (41,188) | (40,039) |
| Other Financing Related costs | (11,459) | (14,329) |
| Goodwill Amortisation | (16,268) | (16,268) |
| Profit Before Taxation | (30,278) | (65,869) |
| Taxation Charges on Profit | 13,863 | 8,005 |
| Retained Profit | (16,415) | (57,864) |

| Summary Group Consolidated Balance Sheet | | |
|---|--|--|
| | 12 months ended 31 Jan 2008 | 12 months ended 31 Jan 2009 |
| | Management Accounts | Management Accounts |
| | £'000 | £'000 |
| Assets | | |
| Fixed Assets | 91,913 | 86,436 |
| Goodwill | 434,056 | 415,480 |
| Stock | 74,097 | 80,079 |
| Trade Debtors | 86,041 | 64,647 |
| Other Assets | 19,498 | 23,199 |
| Total Assets | 705,605 | 669,841 |
| Liabilities | | |
| Trade Creditors and Accruals | (86,503) | (75,457) |
| Other Creditors | (67,787) | (75,381) |
| Net Debt | (350,591) | (368,203) |
| | (504,881) | (519,041) |
| Net assets | 200,724 | 150,800 |

Source: Management Information

2.3 Details of the Appointments of Administrators

Following an application to the High Court made by the Directors of the Companies, Neville Kahn, Lee Manning and Phil Bowers of Deloitte LLP, PO Box 810, 66 Shoe Lane, London

3. THE MANNER IN WHICH THE AFFAIRS OF THE BUSINESS HAVE BEEN MANAGED AND FINANCED AND WILL CONTINUE TO BE MANAGED AND FINANCED

3.1 Introduction

Immediately on appointment the Administrators implemented the Aurora Transaction and took control of the trading operations of Shoe Studio and Principles, including continuing negotiations to seek to sell the businesses and assets of Shoe Studio and Principles.

In order to achieve the above the Administrators took the following actions:

- Put a team at Paul Street, London to focus on the implementation and transition issues relating to the Aurora Transaction, in particular property related matters in respect of over 300 leases, and other immediate actions;
- Assembled two teams at Rathbone Place, London, with each taking control of trading and seeking a sale of the business and assets of Shoe Studio and Principles respectively; and
- Set up a central team to deal with Administration e-mails and telephone calls from customers, suppliers and other stakeholders, as well as all other regulatory matters for the Companies.

In addition VAT, tax, Employee and cashiering specialists were used to deal with these aspects of the Administrations respectively.

3.2 The Aurora Transaction

On appointment the business and assets of the UK operations of Warehouse, Coast, Oasis, Karen Millen and Anoushka G, and shares of their overseas subsidiaries, were sold to Aurora for £216m.

The assets purchased included operational assets (stock, debtors, fixtures and fittings), shares in foreign subsidiaries, intellectual property, various contracts, a licence to occupy stores, certain intra-group balances, the joint venture assets of the purchased brands, cash and any other known or contingent debtors or claims of these businesses.

The entities which owned the above assets included Warehouse Fashion Limited, Oasis Stores Limited, Coast Stores Limited, Karen Millen Limited, Karen Millen Holdings Limited, Mosaic Fashions Limited, Mosaic Fashions Finance Limited and Anoushka G Fashions Limited.

The £216m consideration has been apportioned across the above entities. All entities, except Anoushka G, are subject to fixed and floating charge security. The maximum prescribed part of £0.6m, subject to costs for agreeing claims, will be available for the unsecured creditors of each of these entities under the apportioned consideration. The sales consideration for Anoushka G is £0.5m and this is available, subject to costs, for the Anoushka G unsecured creditors.

3.3 Shoe Studio – Sale

Since December 2008 the Shoe Studio business had been marketed for sale and a number of parties had expressed an interest. Once it became clear that Administration was unavoidable, it was agreed to seek to conclude a sale of the business as soon as possible after the appointment to preserve the value in the business.

Following appointment on 2 March 2009 the Administrators continued to negotiate with various interested parties and offers were received from four of them. Each was prepared on differing bases, but an offer from Virafeld Limited (trading as Dune) provided the best financial outcome and resulted in a sale of the majority of the business and assets. Therefore, following agreement with the Secured Lender, on 4 March the Administrators concluded negotiations with Virafeld Limited and agreed a contract for the sale of the business and assets for £3.75m.

EC4A 3WA were appointed Joint Administrators of the Mosaic Group Companies by the High Court of Justice, Chancery Division, Companies Court on 2 March 2009.

Pursuant to Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the Administrators confirm that they are authorised to carry out all functions, duties and powers by any of them, jointly or severally.

2.4 Purpose of the Administration

The purpose of Administration is set out in paragraph 3(1) of Schedule B1 of the Insolvency Act 1986. The Administrator of a company must perform his functions with the objective:

- Firstly, to rescue a company as a going concern (in other words an outcome which keeps the corporate entity intact).
- Secondly, if the first purpose is not reasonably practicable (or the second purpose would clearly be better for the creditors as a whole), then the Administrator must perform his functions with the objective of achieving a better result for creditors than would be obtained through an immediate liquidation of the company.
- Thirdly, if neither of the first two parts of the purpose are reasonably practicable, the Administrator must perform his functions with the objective of realising property in order to make a distribution to secured and/or preferential creditors.

As detailed in section 2.1, the Companies were seeking a consensual restructuring prior to insolvency.

In view of (1) the lack of success of a consensual restructuring pre-insolvency, (2) the requirement for any restructuring to be supported by the key secured and unsecured creditors and (3) the time and new money funding requirement to achieve a rescue of the company as a going concern the first objective was not likely to be achieved.

The Administrators therefore concluded that the second objective, 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 while continuing to trade Shoe Studio and Principles to seek either sales as going concerns or sales of assets to maximise recoveries. This was the objective the Administrators pursued.

Warehouse, Karen Millen, Oasis and Anoushka G to Aurora, as well as the sale of Shoe Studio to Virafield Limited (trading as Dune).

The majority of employees of Principles Retail Limited and 95 employees of Shoe Studio have been made redundant. They have been provided with The Redundancy Payments Application Form, and their claims are being processed for onward submission to the Redundancy Payments Office.

We have received a high level of queries from suppliers to the Pre-Pack Companies as well as to Principles and Shoe Studio including:

- Over 5,000 emails from customers and suppliers of Principles;
- Over 200 emails from suppliers to the Pre-Pack Companies;
- Over 300 emails from customers and suppliers of Shoe Studio; and
- Over 800 emails from landlords.

In addition to the emails, the Administrators' staff have received over 2,000 letters in connection with the Administrations of the Companies and have been answering approximately 150-200 calls a day from creditors, suppliers and landlords to the Companies.

A large number of customers of Principles, as well as some Shoe Studio customers, have queries surrounding gift vouchers that are no longer useable, refunds/exchanges of purchases and how to deal with faulty or damaged goods.

3.8 Summary of Next Steps

The Administrators continue to work on:

- Recovery of debtors for Shoe Studio and Principles.
- Monitoring the trading of the 17 Principles stores and assisting with unlocking Principles stock to minimise the financial impact to Principles suppliers and provide stock to support a number of overseas concessions/franchise operations. The Administrators believe that these actions will improve overseas debtor collections for Principles.
- Dealing with queries from landlords, suppliers, employees, other creditors and former customers across all Companies.
- Tax and VAT work.

The transaction provided for the transfer of the majority of the employees to the new business with a view to the continuation of the concession business operated through more than 300 outlets. It excluded the 11 standalone stores and these were closed on 4 and 5 March 2009.

3.4 Shoe Studio – Post Sale Actions

The two key following matters that continue to be dealt with by the Administrators team are:

- Agreement and collection of the concession debtors, as the debtors were not sold to Virafield Limited; and
- Dealing with landlords of the standalone stores and head office.

3.5 Principles – Sale of Assets

Since January 2009 Principles had been marketed for sale and a number of parties had expressed an interest, although no party was prepared to offer value for the shares of Principles Retail Limited. Those parties who had advanced to the stage of offer shortly before the Administrators appointment were asked to indicate whether they could provide an offer for the business and assets with a view to completion within a few days of appointment.

This resulted in two formal offers:

- The first was an indicative offer for £1.5m for all stock and a number of stores, with the transfer of part of the business as a going concern. This offer was subject to conditions, including obtaining finance, and was therefore not capable of immediate implementation.
- The second was an offer for all available stock at over 60p in the £, which equated to a net £3.8m (after discounts and deal costs, but before any reservation of title settlements) plus a guaranteed £0.5m debtor collection. This net offer of £4.3m was capable of immediate completion and the interested party was in funds to complete.

After consultation with the Secured Lender, and in view of the conditionality attached to the first offer and the significantly lower realisations, the Administrators concluded a sale of the stock on the terms of the second offer on 6 March 2009. This unfortunately led to the closure of the majority of the stores and concessions as set out below.

3.6 Principles – Trading and Store Closures

Following the stock sale transaction outlined above the Administrators commenced negotiations with all concession parties to seek to agree additional sales of stock and recovery of debtors, and also closed stores/concessions down and made staff redundancies as appropriate.

Of the 87 Principles stores, 70 have been closed and 17 remain trading. It is the intention of a third party to take responsibility for trading these stores and releasing Principles stocks, currently subject to lien or similar claims, to assist Principles suppliers, concession hosts and franchise parties.

3.7 Stakeholders and Regulatory Matters

Upon appointment, the Administrators' staff undertook the statutory requirements of filing notification of their appointment over all 28 companies at Companies House and advertising the appointment of Administrators in The Times and The London Gazette.

An exercise was undertaken to identify all known creditors of the companies, and each was sent a letter of notification of the appointment of Administrators enclosing a proof of debt form. Notification was also sent to all other interested parties, including enforcement officers who had distrained against the companies.

In accordance with new best practice guidelines for Insolvency Practitioners, all creditors were given an explanation of the events surrounding the pre-packaged sale of Coast,

The values shown above are estimates based upon the Company's accounting records and are subject to third party confirmation. It should also be noted that the above amounts are stated before any post appointment charges and accrued interest.

The senior term, multicurrency revolving facilities and mezzanine loans were made on 12 October 2006 and were between Mosaic Fashions hf. (as the Parent), Mosaic Fashions Finance Limited (as the Company), certain subsidiaries of the Company and the Secured Lender (as Arranger, Agent, Original Lender, Security Trustee and Original Issuing Bank).

The PIK facility was made on 28 December 2007 between Mosaic Fashions hf (as the Parent), Mosaic Fashions Finance Limited (as the Company), certain subsidiaries of the Company and the Secured Lender (as PIK Arranger, Original Lender, PIK Agent and Security Trustee).

The Secured Lender has fixed and floating charge debenture security over the assets of all the England and Wales asset owning entities, except Anoushka G.

4.4 Preferential Creditors

The Administrators consider that there are likely to be sufficient funds for a distribution in full to all preferential creditors of Principles and Shoe Studio. There are no known preferential creditors within The Pre-Pack Companies, Anoushka G or Other Administration Companies.

For employee creditors in respect of the balance of claims for employee claims after payment of statutory entitlements by the Redundancy Payments Office, there is no requirement for proofs of debt to be returned for such claims as these claims will be dealt with automatically as part of the Administration process following payments made to employees by the Redundancy Payments Service.

4.5 The Prescribed Part

The Prescribed Part (Section 176A of the Act and 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 per cent. of net property up to £10,000, 20 per cent of net property in excess of £10,000 and is subject to a maximum amount of £600,000.

The Prescribed Part applies to The Pre-Pack Companies, Principles and Shoe Studio as there are charges created and registered at Companies House following the Prescribed Part Order coming into force on 15 September 2003. The Administrators consider that there are sufficient funds for distributions to the unsecured creditors of The Pre-Pack Companies, Principles and Shoe Studio under the prescribed part.

As the Other Administration Companies are believed to have no assets, the Administrators do not anticipate making a distribution to the unsecured creditors of these entities.

4. DIRECTORS' STATEMENT OF AFFAIRS AND CREDITOR SUMMARY

4.1 Statement of Affairs and the Administrators' Comments

Statements of Affairs have been received in respect of all Mosaic Group Companies, and are attached in Appendix 4 in an abbreviated format. A list of creditors will be provided on request. The Administrators comments on the Directors' Statement of Affairs are as follows:

- The Directors have recently apportioned the £216m Aurora Transaction consideration across the Companies and assets, in accordance with the terms of the sale and purchase agreement. The Administrators have not yet reviewed and concluded upon the apportionment, and this apportionment may be subject to change.
- The Directors have prepared the Statements of Affairs of all the Companies by bringing the books and records of the Companies up to date at 2 March 2009. This has been a detailed and complicated exercise and, where appropriate, some assumptions have been made which the Administrators consider appropriate in the circumstances.
- The Directors' estimate of preferential creditors comprises arrears of employee salaries and holiday entitlements at the date of the Administrators' appointment.
- No provision has been made in the Statement of Affairs for the costs of Administration.

4.2 Creditor Summary

There are a number of different classes of creditors of the Mosaic Group Companies. These include:

- **Secured creditors:** They have either legal charges and/or fixed and floating charge debenture security given by the Companies and are therefore paid in priority to other creditors. This priority, in relation to floating charge security, is subject to payments to preferential creditors (see below). An estimate of the amounts due to secured creditors is shown below.
- **Preferential creditors:** These relate to employee liabilities for arrears of wages, salary and holiday pay. Preferential creditors are paid in priority to the secured floating chargeholders.
- **Unsecured creditors:** These creditors rank behind secured and preferential creditors and receive any surplus available from net realisations after payment of the secured and preferential creditors and expenses of the Administration.

The Administrators believe that there will only be sufficient funds for a distribution to the unsecured creditors of the Pre-Pack Companies, Principles and Shoe Studio under the Prescribed Part (see below). No distribution is anticipated to the unsecured creditors of the Other Administration Companies.

4.3 Secured Creditors

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

| Secured Parties | £m |
|---|--------------|
| 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 |
| Total Secured Lender Debt | <u>387.1</u> |

Where the Administrators have been appointed by an order of the Court, the Administration can only be terminated by an application to Court made by the Administrators.

The Administrators are not yet in a position to conclude the appropriate exit route from the Administrations, but any application to court may include a request for any of the following:

- Where the Company has no property which may be distributed to creditors, an order that the Company be dissolved and the appointment of the Administrators ceases; or
- Where the Administrators consider that there will be sufficient funds for a distribution to the unsecured creditors of the Company under the Prescribed Part, an order under paragraph 65(3) of Schedule B1 of the Insolvency Act 1986 to permit the Administrator to distribute funds to unsecured creditors; or
- Where the Administrators consider that there will be sufficient funds for a distribution to the unsecured creditors of the Company under the Prescribed Part, an order that the Company be placed into Creditors' Voluntary Liquidation.

At this stage the Administrators do not feel it is necessary to apply to Court for an extension of the 12 month Administration period. However this will be subject to regular review throughout the 12 month period.

The Administrators will continue to review these matters and will report further in the six monthly progress report to creditors.

5.5 Future Reporting

The Administrators will provide progress reports to creditors at six monthly intervals up to the date the Administrators cease to act setting out the progress that has been made in these various matters, together with the Companies' receipts and payments account for such period.

5.6 EC Regulations

As stated in the Notices of Appointment of Administrators in relation to the Company, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation.

5.7 Further information

Further information on the Administration process can be found in the following guide:
"Administration: a guide for unsecured creditors" which available from the following website:
[Http://tinyurl.com/3juyjs](http://tinyurl.com/3juyjs) .

5. OTHER INFORMATION TO ASSIST CREDITORS

5.1 Fees and Expenses

There will be no funds available to the unsecured creditors of any of the Mosaic Group Companies (except for Anoushka G) other than by virtue of Section 176A(2)(a) of the Act, which is applicable in respect of the Pre-Pack Companies, Principles and Shoe Studio. Therefore, fixing of Administrators' remuneration will be approved in accordance with Rule 2.106 of the Rules, which is outlined below.

Where the Administrators have made a statement under paragraph 52(1)(b) that the only distribution to unsecured creditors will be in respect of the Prescribed Part, the Administrators' remuneration may be fixed by approval of each secured creditor; or if the Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval.

As a result the Administrators will seek to agree their fees directly with the Secured and Preferential Creditors, as appropriate, and there is no requirement for unsecured creditors to pass a resolution in respect of Administrators' remuneration.

The Administrators' proposals include a proposal that their remuneration and disbursements for services provided by the Administrators' firm (defined as 'Category 2' disbursements in Statement of Insolvency Practice Number 9) shall be fixed by reference to time properly given by them and their staff in attending to matters in the Administration in accordance with the provisions of the Insolvency Act and Insolvency Rules. This proposal will be agreed by the Secured and Preferential Creditors as above.

5.2 Report on Directors' Conduct

As part of their statutory duties, the Administrators will consider the conduct of the directors and any person they consider to be, or have been, a shadow or de facto director during the three years prior to the date of the Administrators' appointment, in relation to their management of the affairs of the Companies and the causes of their failure. The Administrators are bound to submit confidential reports to the Department of Business, Enterprise & Regulatory Reform (formerly the DTI).

As part of normal investigations in such cases, the Administrators will consider, amongst other matters, any instances of the following:

- Statutory compliance failings;
- Misfeasance or breach of duty; and
- Transactions at an undervalue and preferences.

Creditors who wish to draw any such matters to the attention of the Administrators should write to the Administrators at the address on the front page of this report.

5.3 Connected Party Transactions in the two years prior to appointment

In accordance with the guidance given in Statement of Insolvency Practice Number 13 the details of the Company's transactions with connected parties in the two years prior to the Administrations must be reported.

The Company entered into ordinary course intra-group trading arrangements including those referred to below. The Administrators will continue to review the connected party transactions and report as appropriate.

5.4 Exit Routes from Administration

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.

10. should it not be considered appropriate to place Companies 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 to court under paragraph 84, Schedule B1 of the Act to end the Administration(s) and for the Company(s) to be dissolved;
11. 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.

For and on behalf of the Mosaic Group Companies



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

6. STATEMENT OF PROPOSALS

The Administrators' make the following proposals set out above for achieving the purpose of the Administrations and in particular:

Conduct of business and affairs

1. the Administrators shall continue to manage the affairs and assets of the Companies in such manner as they consider expedient with a view to achieving a better result for the Companies' creditors as a whole than would be likely if the Companies had been liquidated;
2. the Administrators shall continue to realise the assets of the Companies, 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 Administrations;
3. to investigate and as appropriate pursue any claims the Companies 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 Administrations 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.

In the Administrations of the Pre-Pack companies, Principles, Shoe Studio and Other Administration Companies it will be for the secured creditors, and preferential creditors where applicable, to fix the basis and level of the Administrators' fees and Category 2 disbursements;

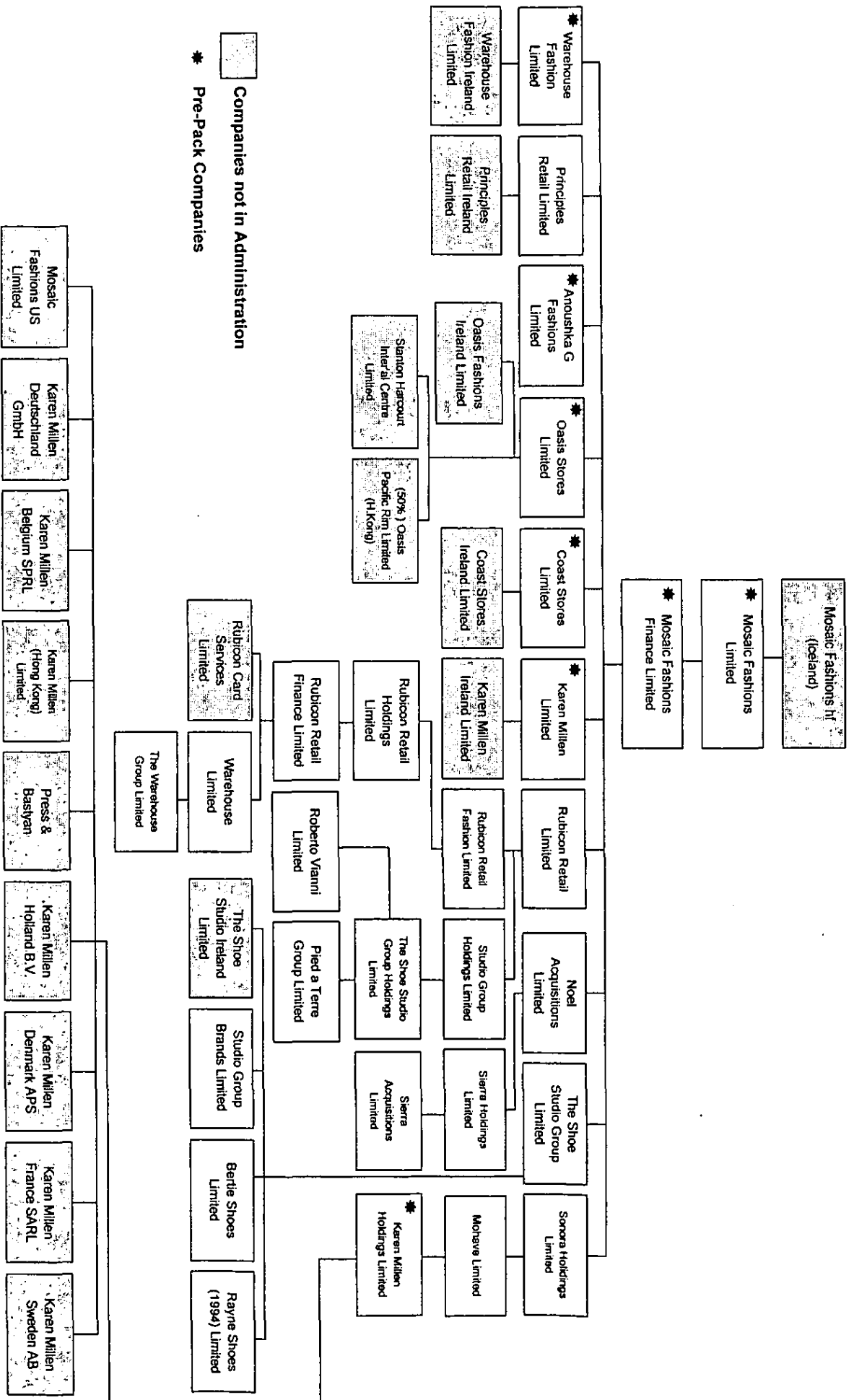
Extensions and Exit procedures

8. the Administrators shall continue the Administrations for such period of time as necessary to achieve the purpose for which the Administration orders were made, and if necessary make an application to the court to extend the term of the Administrations beyond the one year statutory term;
9. the Administrators may take steps to apply to court to place the Companies into creditors' voluntary liquidation. The Administrators will become the Joint Liquidators of the Company(s) 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;

List of Mosaic Group Companies in Administration

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

[illegible]



| | | | | | | | |
|--|---|---|---|---|---|---|---|
| Company Name | SGB Realisations (2009) Limited (in administration) | SGH Realisations (2009) Limited (in administration) | SSGH Realisations (2009) Limited (in administration) | SSG Realisations (2009) Limited (in administration) | The Warehouse Group Limited (in administration) | Warehouse Fashion Limited (in administration) | Warehouse Limited (in administration) |
| Company Number | 02893840 | 04117606 | 03226978 | 01239836 | 00841325 | 04251137 | 01087185 |
| Date of Incorporation | 2 February 1994 | 30 November 2000 | 19 July 1996 | 8 January 1976 | 16 March 1965 | 12 July 2001 | 15 December 1972 |
| Previous Name | Studio Group Brands Ltd Vivaldi Shoes Ltd The Shoe Studio Ltd | Studio Group Holdings Ltd Tigerraven Ltd | The Shoe Studio Group Holdings Ltd Nine West UK Holdings Ltd | The Shoe Studio Group Ltd Vivaldi Shoes Ltd | N/A | Fallonpark Ltd | Warehouse Utility Clothing Company Ltd(The) |
| Trading Names | N/A | N/A | N/A | Pied A Terre Nine West Bertie Shoes | N/A | Warehouse | N/A |
| Share Capital: (Authorised, allotted, called up and fully paid) | 2 Ordinary shares of £1 each | 1,000,000 Ordinary shares of £1 each | 1,353,161 Ordinary shares of £1 each | 2,149,998 Ordinary shares of £1 each | 768,572 Ordinary shares of 25p each | 10,000 Ordinary share of 25p each | 556,942 Ordinary shares of £1 each |
| Directors | All Companies - Richard Granville, Derek John Lovelock, Margaret Eve Lustman, Mike Shearwood In addition for Mosaic Fashions Limited only - Jon Asgeir Johannesson, Stewart John Binnie, Gunnar Sigurdsson | | | | | | |
| Company Secretary | Jessica Wilks | Jessica Wilks | Jessica Wilks | Jessica Wilks | Jessica Wilks | Jessica Wilks | Jessica Wilks |
| Details of Officers' Holdings | All Companies - none | | | | | | |
| Shareholders | SSGH Realisations (2009) Ltd | Rubicon Retail Ltd | SGH Realisations (2009) Ltd | Mosaic Fashions Finance Ltd | Warehouse Ltd | Mosaic Fashions Finance Ltd | Rubicon Retail Finance Ltd |
| Bankers | All Companies - Barclays Bank PLC and Kaupthing Bank hf | | | | | | |
| Auditors | All Companies - KPMG Audit Plc | | | | | | |
| Registered Office | All Companies - Hill House, 1 Little New Street, London, EC4A 3TR | | | | | | |
| Former Registered Office | All Companies - The Triangle, Stanton Harcourt Industrial Estate, Stanton Harcourt, Witney, Oxfordshire, OX29 5UT | | | | | | |
| Trading Address | All Companies - N/A | | | | | | |
| Court Ref: (High Court, Chancery Division, Companies Court) | 11583 of 2009 | 11553 of 2009 | 11554 of 2009 | 11570 of 2009 | 11580 of 2009 | 11561 of 2009 | 11581 of 2009 |
| Date of Appointment | All Companies - 2 March 2009 | | | | | | |
| Person who made the application | All Companies - 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 | | | | | | |
| Joint appointment provisions pursuant to paragraph 100(2) of Schedule B1 of IA86 | All Companies - 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 | | | | | | |

A - Summary of Assets

£

| | |
|---|--|
| Assets subject to fixed charge | |
| Leases | |
| Investments | |
| Intangibles | |
| Assets Available for Fixed Charge Holder | |
| Debt Secured by Fixed Charge Holder | |
| Shortfall to Fixed Charge Holder | |
| Assets subject to floating charge | |
| Stock | |
| Investments | |
| Plant, machinery fixtures & fittings | |
| Trade debtors | |
| Other debtors | |
| Prepayments | |
| Cash | |
| Intercompany | |
| HMRC | |
| Rights apportionment | |
| Assets Available for Preferential Creditors | |

A1 - Summary of Liabilities

| | |
|---|--|
| Preferential creditors | |
| Estimated deficiency/surplus as regards preferential creditors | |
| Estimated prescribed part of net property where applicable (cwcd) | |
| Estimated total assets available for floating charge holders | |
| Debts secured by floating charges | |
| Estimated deficiency/surplus of assets after floating charges | |
| Estimated prescribed part of net property where applicable (bdn) | |
| Total assets available to unsecured creditors | |
| Unsecured non-preferential claims (including inter company) | |
| Estimated deficiency/surplus as regards creditors | |
| Issued and called up capital | |
| Estimated total deficiency/surplus as regards members | |

| Coast Stores Ltd | Karen Millen Ltd | Anoushka G Fashions Ltd | Principles Retail Ltd |
|------------------|----------------------|-------------------------|-----------------------|
| Book Value | Estimated to Realise | Book Value | Estimated to Realise |
| 1,077,741 | 1 | 454,510 | 1 |
| 75,111,105 | 347,542 | - | 573,444 |
| 76,188,846 | 347,543 | 454,510 | 573,445 |
| | (385,000,000) | | (385,000,000) |
| | (384,652,457) | | (384,426,555) |
| 10,928,850 | 10,928,850 | 9,998,169 | 9,998,169 |
| 11,918,163 | 1 | 4,736,053 | 1 |
| 7,162,391 | 13,400,000 | 10,100,839 | 10,000,000 |
| 3,763,402 | 3,763,402 | 6,075,109 | 6,075,109 |
| 323,335 | 38,851 | 868,561 | 588,245 |
| 1,807,442 | 1,314,300 | 2,305,135 | 1,606,283 |
| 352,415 | 352,415 | 48,824 | 48,824 |
| 92,067,684 | 343,605 | 82,091,211 | 8,751,797 |
| | 900,000 | - | 700,000 |
| 128,323,682 | 31,041,425 | 116,223,901 | 37,768,428 |
| | (96,198) | | (95,142) |
| | 30,945,227 | | 37,673,286 |
| | (600,000) | | (600,000) |
| | 30,345,227 | | 37,073,286 |
| | (384,652,457) | | (384,426,555) |
| | (354,307,230) | | (347,353,269) |
| | 600,000 | | 600,000 |
| | (353,707,230) | | (346,753,269) |
| | (85,807,460) | | (64,292,040) |
| | (439,514,690) | | (411,045,309) |
| | (89,068,001) | | (150,950) |
| | (528,582,691) | | (411,196,259) |
| | | | (2,960) |
| | | | 697,040 |
| | | | - |
| | | | 697,040 |
| | | | - |
| | | | 697,040 |
| | | | - |
| | | | 697,040 |
| | | | (1,739,675) |
| | | | (1,042,636) |
| | | | (1) |
| | | | (1,042,636) |
| | | | (798,153,811) |
| | | | (150,952) |
| | | | 15,187,144 |
| | | | (600,000) |
| | | | 14,587,144 |
| | | | (384,950,000) |
| | | | (370,362,856) |
| | | | 600,000 |
| | | | (369,762,856) |
| | | | (428,390,954) |
| | | | (798,153,810) |
| | | | (1) |
| | | | (798,153,811) |
| | | | 15,338,096 |

A - Summary of Assets

£

| | |
|---|--|
| Assets subject to fixed charge | |
| Leases | |
| Investments | |
| Intangibles | |
| Assets Available for Fixed Charge Holder | |
| Debt Secured by Fixed Charge Holder | |
| Shortfall to Fixed Charge Holder | |
| Assets subject to floating charge | |
| Stock | |
| Investments | |
| Plant, machinery fixtures & fittings | |
| Trade debtors | |
| Other debtors | |
| Prepayments | |
| Cash | |
| Intercompany | |
| HMRC | |
| Rights apportionment | |
| Assets Available for Preferential Creditors | |

A1 - Summary of Liabilities

| | |
|---|--|
| Preferential creditors | |
| Estimated deficiency/surplus as regards preferential creditors | |
| Estimated prescribed part of net property where applicable (ctwd) | |
| Estimated total assets available for floating charge holders | |
| Debts secured by floating charges | |
| Estimated deficiency/surplus of assets after floating charges | |
| Estimated prescribed part of net property where applicable (bdn) | |
| Total assets available to unsecured creditors | |
| Unsecured non-preferential claims (including inter company) | |
| Estimated deficiency/surplus as regards creditors | |
| Issued and called up capital | |
| Estimated total deficiency/surplus as regards members | |

| Mosaic Fashions Ltd | Mosaics Fashions Finance Ltd | Warehouse Fashion Ltd | Oasis Stored Ltd |
|----------------------|------------------------------|-----------------------|----------------------|
| Book Value | Book Value | Book Value | Book Value |
| Estimated to Realise | Estimated to Realise | Estimated to Realise | Estimated to Realise |
| 126,007 | - | 43,125 | 1,858,854 |
| - | - | - | - |
| - | - | 19,970,895 | - |
| - | - | 20,014,020 | - |
| 126,007 | - | 503,935 | 1,858,854 |
| (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| (385,000,000) | (385,000,000) | (384,496,065) | (384,999,999) |
| 103,960,022 | - | 11,491,555 | 12,358,611 |
| 12,440,174 | 754,871,003 | 3,133,464 | 5,007,778 |
| 1,692,648 | - | 10,052,549 | 11,474,003 |
| 391,093 | - | 5,385,764 | 8,820,525 |
| 2,819,244 | 18,681 | 146,704 | 68,352 |
| - | 28,583,275 | 3,186,472 | 4,530,875 |
| 144,121,124 | 330,075,638 | - | - |
| 13,889,442 | 80,930,000 | 196,319,696 | 285,384,798 |
| - | - | - | - |
| 900,000 | - | 900,000 | 1,400,000 |
| 279,313,747 | 1,194,478,597 | 230,380,015 | 327,644,942 |
| 7,813,444 | 29,986,036 | 34,210,496 | 61,864,214 |
| (123,220) | (372,353) | (145,274) | (178,205) |
| 7,690,224 | 29,613,683 | 34,065,222 | 61,686,009 |
| (600,000) | (600,000) | (600,000) | (600,000) |
| 7,090,224 | 29,013,683 | 33,465,222 | 61,086,009 |
| (385,000,000) | (385,000,000) | (384,496,065) | (384,999,999) |
| (377,909,776) | (355,986,317) | (351,030,843) | (323,913,990) |
| 600,000 | 600,000 | 600,000 | 600,000 |
| (377,309,776) | (355,386,317) | (350,430,843) | (323,313,990) |
| (283,315,910) | (1,442,751,807) | (172,839,811) | (141,703,133) |
| (660,625,686) | (1,798,138,124) | (523,270,654) | (465,017,123) |
| (46,953,379) | (8,828,900) | (2,401) | (5,245,718) |
| (707,579,065) | (1,806,967,024) | (523,273,055) | (470,262,841) |

A - Summary of Assets

£

Assets subject to fixed charge

Intangibles

Assets Available for Fixed Charge Holder

Debt Secured by Fixed Charge Holder

Shortfall to Fixed Charge Holder

Assets subject to floating charge

Stock

Investments

Plant, machinery, fixtures & fittings

Trade debtors

Other debtors

Prepayments

Cash

Intercompany

HMRC

Total

A1 - Summary of Liabilities

Preferential creditors

Estimated deficiency/surplus as regards preferential creditors

Estimated prescribed part of net property where applicable (cfwd)

Estimated total assets available for floating charge holders

Debts secured by floating charges

Estimated deficiency/surplus of assets after floating charges

Estimated prescribed part of net property where applicable (bdn)

Total assets available to unsecured creditors

Unsecured non-preferential claims (including inter company)

Estimated deficiency/surplus as regards creditors

Issued and called up capital

Estimated total deficiency/surplus as regards members

| Karen Millen Holdings Ltd | | Sierra Holdings Ltd | | Noel Acquisitions Ltd | | Mohave Ltd | |
|---------------------------|----------------------|---------------------|----------------------|-----------------------|----------------------|--------------------|----------------------|
| Book Value | Estimated to Realise | Book Value | Estimated to Realise | Book Value | Estimated to Realise | Book Value | Estimated to Realise |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| | (385,000,000) | | (385,000,000) | | (385,000,000) | | (385,000,000) |
| | (385,000,000) | | (385,000,000) | | (385,000,000) | | (385,000,000) |
| - | - | - | - | - | - | - | - |
| 250,000 | 1 | 1,318,756 | - | 92,492,426 | - | 97,440,979 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 173,730,398 | - | 7,276,732 | - | 405,687,998 | - | 39,455,566 | - |
| - | - | - | - | 25,625,000 | - | 5,364,000 | - |
| 173,980,398 | 1 | 8,596,488 | - | 523,805,424 | - | 142,260,545 | - |
| | | | | | | | |
| - | - | - | - | - | - | - | - |
| 1 | 1 | - | - | - | - | - | - |
| | | | | | | | |
| 1 | 1 | - | - | - | - | - | - |
| (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| (384,999,999) | (384,999,999) | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| (384,999,999) | (384,999,999) | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| (22,980,002) | (22,980,002) | (3,907,305) | (3,907,305) | (378,935,598) | (378,935,598) | (90,790,914) | (90,790,914) |
| (407,980,001) | (407,980,001) | (388,907,305) | (388,907,305) | (763,935,598) | (763,935,598) | (475,790,914) | (475,790,914) |
| (2,000,000) | (2,000,000) | (1,000,000) | (1,000,000) | (22,209,692) | (22,209,692) | (64,800,022) | (64,800,022) |
| (409,980,001) | (409,980,001) | (389,907,305) | (389,907,305) | (786,145,290) | (786,145,290) | (540,590,936) | (540,590,936) |

A - Summary of Assets

| £ | The Shoe Studio Group Ltd |
|---|--------------------------------------|
| | Book Value Estimated to Realise |
| Assets subject to fixed charge | - |
| Leases | - |
| Investments | 2,509,982 |
| Intangibles | 397 |
| | 1 |
| Assets Available for Fixed Charge Holder | 1 |
| Debt Secured by Fixed Charge Holder | (385,000,000) |
| Shortfall to Fixed Charge Holder | (384,999,999) |
| Assets subject to floating charge | |
| Stock | 17,769,627 |
| Investments | 3,749,996 |
| Plant, machinery fixtures & fittings | - |
| Trade debtors | 5,087,881 |
| Other debtors | 2 |
| Prepayments | 4,954,329 |
| Cash | 538,903 |
| Intercompany | 3,369,573 |
| HMRC | 23,023 |
| Rights apportionment | 94,353,515 |
| | 170,128 |
| Assets Available for Preferential Creditors | - |
| | - |
| | 126,096,851 |
| | 5,743,149 |
| | (116,803) |
| | 5,626,346 |
| | (600,000) |
| | 5,026,346 |
| | (384,999,999) |
| | (379,973,653) |
| | 600,000 |
| | (379,373,653) |
| | (79,619,902) |
| | (458,993,555) |
| | (2,149,998) |
| | (461,143,553) |

A1 - Summary of Liabilities

| |
|---|
| Preferential creditors |
| Estimated deficiency/surplus as regards preferential creditors |
| Estimated prescribed part of net property where applicable (cfwd) |
| Estimated total assets available for floating charge holders |
| Debts secured by floating charges |
| Estimated deficiency/surplus of assets after floating charges |
| Estimated prescribed part of net property where applicable (bdn) |
| Total assets available to unsecured creditors |
| Unsecured non-preferential claims (including inter company) |
| Estimated deficiency/surplus as regards creditors |
| Issued and called up capital |
| Estimated total deficiency/surplus as regards members |

A

Assets subject to fixed charge Intangibles

Assets Available for Fixed Charge Holder

Debt Secured by Fixed Charge Holder

Shortfall to Fixed Charge Holder

Assets subject to floating charge

Stock

Investments

Plant, machinery, fixtures & fittings

Trade debtors

Other debtors

Prepayments

Cash

Intercompany

HMRD

Total

Preferential creditors

Estimated deficiency/surplus as regards preferential creditors

Estimated prescribed part of net property where applicable (cfwd)

Estimated total assets available for floating charge holders

Debts secured by floating charges

Estimated deficiency/surplus of assets after floating charges

Estimated prescribed part of net property where applicable (b0n)

Total assets available to unsecured creditors

Unsecured non-preferential claims (including inter company)

Estimated deficiency/surplus as regards creditors

issued and called up capital

Estimated total deficiency/surplus as regards members

Appendix 4b - Other Administration Companies
Page 3 of 5

A - Summary of Assets

£

| |
|--|
| Assets subject to fixed charge |
| Intangibles |
| Assets Available for Fixed Charge Holder |
| Debt Secured by Fixed Charge Holder |
| Shortfall to Fixed Charge Holder |
| Assets subject to floating charge |
| Stock |
| Investments |
| Plant, machinery, fixtures & fittings |
| Trade debtors |
| Other debtors |
| Prepayments |
| Cash |
| Intercompany |
| HMRC |
| Total |

A1 - Summary of Liabilities

| |
|---|
| Preferential creditors |
| Estimated deficiency/surplus as regards preferential creditors |
| Estimated prescribed part of net property where applicable (cpwd) |
| Estimated total assets available for floating charge holders |
| Debts secured by floating charges |
| Estimated deficiency/surplus of assets after floating charges |
| Estimated prescribed part of net property where applicable (bdn) |
| Total assets available to unsecured creditors |
| Unsecured non-preferential claims (including inter company) |
| Estimated deficiency/surplus as regards creditors |
| Issued and called up capital |
| Estimated total deficiency/surplus as regards members |

| Sierra Acquisitions Ltd | Sonora Holdings Ltd | The Warehouse Group Ltd | Warehouse Ltd |
|-------------------------|----------------------|-------------------------|----------------------|
| Book Value | Book Value | Book Value | Book Value |
| Estimated to Realise | Estimated to Realise | Estimated to Realise | Estimated to Realise |
| - | - | - | - |
| - | - | - | - |
| (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| 256,649,465 | 204,706,182 | - | - |
| - | - | - | - |
| 256,649,465 | 269,506,204 | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| - | - | - | - |
| (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| (93,462,052) | (14,326,594) | - | (500) |
| (478,462,052) | (399,326,594) | (385,000,000) | (385,000,500) |
| (1,318,756) | (201,783,965) | (192,143) | (557,000) |
| (479,780,808) | (601,110,559) | (385,192,143) | (385,557,500) |

A - Summary of Assets

| | Pied A Terre Group Ltd | | Rayne Shoes Ltd | | Roberto Vianni Ltd | |
|--|------------------------|----------------------|-----------------|----------------------|--------------------|----------------------|
| £ | Book Value | Estimated to Realise | Book Value | Estimated to Realise | Book Value | Estimated to Realise |
| Assets subject to fixed charge | - | - | - | - | - | - |
| Intangibles | - | - | - | - | - | - |
| Assets Available for Fixed Charge Holder | - | (385,000,000) | - | (385,000,000) | - | (385,000,000) |
| Debt Secured by Fixed Charge Holder | - | (385,000,000) | - | (385,000,000) | - | (385,000,000) |
| Shortfall to Fixed Charge Holder | - | - | - | - | - | - |
| Assets subject to floating charge | - | - | - | - | - | - |
| Stock | - | - | - | - | - | - |
| Investments | - | - | - | - | - | - |
| Plant, machinery, fixtures & fittings | - | - | - | - | - | - |
| Trade debtors | - | - | - | - | - | - |
| Other debtors | - | - | - | - | - | - |
| Prepayments | - | - | - | - | - | - |
| Cash | - | - | - | - | - | - |
| Intercompany | 235,019 | - | 2 | - | 2 | - |
| HMRC | - | - | - | - | - | - |
| Total | 235,019 | - | 2 | - | 2 | - |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | (385,000,000) | | (385,000,000) | | (385,000,000) |
| | | (385,000,000) | | (385,000,000) | | (385,000,000) |
| | | (385,000,000) | | (385,000,000) | | (385,000,000) |
| | | (385,000,000) | | (385,000,000) | | (385,000,000) |
| | | (385,000,000) | | (385,000,000) | | (385,000,000) |
| | | (2) | | (2) | | (2) |
| | | (385,000,002) | | (385,000,002) | | (385,000,002) |

A1 - Summary of Liabilities

| | |
|---|---------------|
| Preferential creditors | - |
| Estimated deficiency/surplus as regards preferential creditors | - |
| Estimated prescribed part of net property where applicable (cfwd) | - |
| Estimated total assets available for floating charge holders | - |
| Debts secured by floating charges | (385,000,000) |
| Estimated deficiency/surplus of assets after floating charges | (385,000,000) |
| Estimated prescribed part of net property where applicable (bdn) | - |
| Total assets available to unsecured creditors | (385,000,000) |
| Unsecured non-preferential claims (including inter company) | - |
| Estimated deficiency/surplus as regards creditors | (2) |
| Issued and called up capital | (385,000,002) |
| Estimated total deficiency/surplus as regards members | (385,000,002) |

A - Summary of Assets

| £ | Studio Group Holdings Ltd | Bertie Shoes Ltd | The Shoe Studio Group Holdings Ltd | Shoe Group Brands Ltd |
|---|---------------------------|------------------|------------------------------------|-----------------------|
| | Book Value | Book Value | Book Value | Book Value |
| Assets subject to fixed charge | | | | |
| Intangibles | 344,605 | - | - | - |
| Assets Available for Fixed Charge Holder | 344,605 | - | - | - |
| Debt Secured by Fixed Charge Holder | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| Shortfall to Fixed Charge Holder | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| Assets subject to floating charge | | | | |
| Stock | - | - | - | - |
| Investments | 23,808,151 | - | - | - |
| Plant, machinery, fixtures & fittings | - | - | - | - |
| Trade debtors | - | - | - | - |
| Other debtors | - | - | - | - |
| Prepayments | - | - | - | - |
| Cash | - | - | - | - |
| Intercompany | - | 277,271 | - | 2 |
| HMRC | 1,068,000 | - | 69,795,675 | - |
| Total | 24,876,151 | 277,271 | 69,795,675 | 2 |
| Preferential creditors | - | - | - | - |
| Estimated deficiency/surplus as regards preferential creditors | - | - | - | - |
| Estimated prescribed part of net property where applicable (cfwd) | - | - | - | - |
| Estimated total assets available for floating charge holders | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| Debts secured by floating charges | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| Estimated deficiency/surplus of assets after floating charges | - | - | - | - |
| Estimated prescribed part of net property where applicable (bdn) | (385,000,000) | (385,000,000) | (385,000,000) | (385,000,000) |
| Total assets available to unsecured creditors | (22,525,574) | - | (1,948,002) | - |
| Unsecured non-preferential claims (including inter company) | (407,525,574) | (385,000,000) | (386,948,002) | (385,000,000) |
| Estimated deficiency/surplus as regards creditors | (1,000,000) | (1,850,000) | (1,353,159) | (2) |
| Issued and called up capital | (408,525,574) | (386,850,000) | (388,301,161) | (385,000,002) |
| Estimated total deficiency/surplus as regards members | | | | |

A1 - Summary of Liabilities