

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company KMH Realisations (2009) Limited (formerly Karen Millen Holdings Limited)	Company number 02992143
In the High Court of Justice (full name of court)	Court case number 11568/2009

(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
PO Box 810
66 Shoe Lane
London
EC4A 3WA

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

From (b) 2 September 2009	To (b) 1 March 2010
----------------------------------	----------------------------

(b) Insert date

Signed

PSB
Joint / Administrator(s)

Dated

30 March 2010**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public record

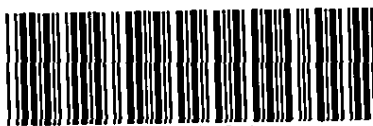
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When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

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COMPANIES HOUSE

- ✓ KMH Realisations (2009) Limited (formerly Karen Millen Holdings Limited) (In Administration)
 - ✓ Rubicon Retail Limited (In Administration)
- ✓ SSGH Realisations (2009) Limited (formerly The Shoe Studio Group Holdings Limited) (In Administration)
 - ✓ Mohave Limited (In Administration)
 - ✓ Noel Acquisitions Limited (In Administration)
 - ✓ Rubicon Retail Finance Limited (In Administration)
 - ✓ Sierra Acquisitions Limited (In Administration)
 - ✓ Sierra Holdings Limited (In Administration)
 - ✓ Sonora Holdings Limited (In Administration)

(together the "Companies")

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

30 March 2010

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

The Administrators act as agents of the Companies without personal liability

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

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ABBREVIATIONS

In this report the following abbreviations are used.

"Act" or "Insolvency Act"	Insolvency Act 1986 (as amended)
"Administrators"	Neville Kahn, Lee Manning and Phil Bowers, licensed insolvency practitioners of Deloitte LLP and Joint Administrators of the Companies
"Anoushka G"	AGF Realisations (2009) Limited (formerly Anoushka G Fashions Limited) (In Administration)
"Aurora Transaction"	The sale of the business and assets of the Pre-pack Companies and Anoushka G to Aurora (see following)
"Aurora"	Aurora Fashions Holdings Limited and its subsidiaries
"Deloitte"	Deloitte LLP
"DLA"	DLA Piper UK LLP
"Dune"	Dune, trading as Shoe Studio Limited (formerly Virafield Limited)
"Dune Transaction"	The sale of the business and assets of SSG Realisations (2009) Limited to Dune
"Group"	Mosaic Fashions Limited and its subsidiaries
"Kaupthing" or "Secured Lender"	Kaupthing Bank hf, the secured lender to the Group having fixed and floating charge security over most of the entities, with the exception of Anoushka G
"m"	Millions
"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, TWG Realisations (2009) Limited (formerly The Warehouse Group Limited), WL Realisations (2009) Limited (formerly Warehouse Limited), Rubicon Retail Finance Limited, Rubicon Retail Limited, Rubicon Retail Fashion Limited, Rubicon Retail Holdings Limited, SSGH Realisations (2009) Limited (formerly The Shoe Studio Group Holdings Limited), BS Realisations (2009) Limited (formerly Bertie Shoes Limited), SGH Realisations (2009) Limited (formerly Studio Group Holdings Limited), SGB Realisations (2009) Limited (formerly Studio Group Brands Limited), PTG Realisations (2009) Limited (formerly Pied A

	Terre Group Limited), RS Realisations (2009) Limited (formerly Rayne Shoes (1994) Limited) and RV Realisations (2009) Limited (formerly Roberto Gianni Limited) (all in Administration)
"Pre-pack Companies"	WF Realisations (2009) Limited (formerly Warehouse Fashion Limited), OS Realisations (2009) Limited (formerly Oasis Stores Limited), (CS Realisations (2009) Limited (formerly Coast Stores Limited), KM Realisations (2009) Limited (formerly Karen Millen Limited), KMH Realisations (2009) Limited (formerly Karen Millen Holdings Limited), Mosaic Fashions Limited and Mosaic Fashions Finance Limited (all in Administration)
"Prescribed Part"	The amount available for distribution to unsecured 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"	PR Realisations (2009) Limited (formerly Principles Retail Limited) (In Administration)
"Rules" or "Insolvency Rules"	Insolvency Rules 1986 (as amended)
"SSG"	SSG Realisations (2009) Limited (formerly The Shoe Studio Group Limited) (In Administration)

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 2.47 of the Rules to provide creditors with an update on the progress of the Administrations of the Companies since the Administrators' first six monthly report sent to creditors on 30 September 2009

Given the information provided to creditors in our previous reports, we have not included detailed background information in respect of the Companies and have focussed on the progress of the Administrations.

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

1.2 Details of the appointment of the Administrators

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

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

1.3 Details of the Extension to the 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.

The initial period of the Administrators appointment was 12 months to 1 March 2010. A six month extension has been granted to 1 September 2010 with the consent of the secured creditor. The extension was sought as the Companies are awaiting the receipt of intercompany dividends from other Group Companies (see Section 4.3).

2. THE JOINT ADMINISTRATORS' PROPOSALS

2.1 Introduction

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

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

The Administrators' proposals in order to achieve this objective covered the following areas-

- Conduct of business and affairs
- Dealing with claims
- Committee and Remuneration
- Extension and Exit procedures

Further details of the proposals can be found in the "Administrators' Statement of Proposals Report" sent to creditors on 24 April 2009

2.2 Progress on and achievement of the approved proposals

With regard to the proposals of the Companies, in the last six months the Administrators have undertaken the following actions:

- applied to Court for permission to agree the claims of the unsecured creditors, and subsequently pay a dividend to unsecured creditors. A hearing date has been set at the High Court on 27 April 2010; and
- continued to log new creditor claims, in preparation to agreeing them

3. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

There have been no receipts or payments to any of these Companies since the period covered by our previous report.

4. DISTRIBUTIONS TO CREDITORS

4.1 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	387.1

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

To date the Administrators have returned £214.5m to the Secured Lender from various companies in the Mosaic Group.

4.2 Preferential creditors

There are no known preferential creditors.

4.3 Unsecured creditors

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

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

- Mosaic Fashions Limited
- Mosaic Fashions Finance Limited

The Administrators are currently in the process of applying to court to seek approval to agree claims and pay a distribution to the unsecured creditors of these companies pursuant to Paragraph 65(3) of Schedule B1 of the Insolvency Act. A hearing date has been set at the High Court on 27th April 2010.

Once the companies listed above have paid a dividend to their respective unsecured creditors, funds will be received by the Companies covered by this report by way of a dividend paid on intercompany loans. The receipt of these dividends will enable the Companies to pay a dividend to their respective unsecured creditors, by way of the Prescribed Part.

4.4 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.

5. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

5.1 Exit

As outlined in paragraph 1.3, the term of the Administrations have been extended to 1 September 2010.

Initially the Administrators were of the view that it would not be necessary to place the Companies into Creditors Voluntary Liquidation. However, as the Companies are awaiting the receipt of intercompany dividends, if other Group companies are unable to make a distribution by July 2010 then there will be insufficient time remaining in Administration to declare and pay a dividend to unsecured creditors

In the event this were to happen the Administrators believe it would be necessary to place the Companies into Creditors Voluntary Liquidation as no further extension to the Administrations would be sought.

5.2 Investigations

We have carried out investigations into the conduct of the Directors and a return was submitted to the Department for Business, Innovation and Skills (BIS) (formerly the DTI)

5.3 SIP 13 – Transactions with connected parties

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

5.4 EC Regulations

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

6. JOINT ADMINISTRATORS' FEES AND EXPENSES

The Administrators have not drawn fees or expenses in respect of work carried out on the Administrations of the Companies.

However, should such approval be required in the future it will be obtained from the Secured Lender.

List of Mosaic Companies in Administration

Appendix 1

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

Company Name	Rubicon Retail Finance Limited (in administration)	Mohave Limited (in administration)	Noel Acquisitions Limited (in administration)	Sierra Acquisitions Limited (in administration)	Sierra Holdings Limited (in administration)
Company Number	04275988	05074656	04871393	04235394	04226585
Date of Incorporation	23 August 2001	16 March 2004	19 August 2003	15 June 2001	1 June 2001
Previous Name	N/A	N/A	N/A	Sierra Acquisitions Plc Honeybronze Public Limited Company	Webelectro Limited
Trading Names	N/A	N/A	N/A	N/A	N/A
Share Capital (Authorised, allotted, called up and fully paid)	1 Ordinary share of £1	64,800,020 Ordinary shares of £1 each	22,209,692 Ordinary shares of £1 each	1,351,256 Ordinary shares of £1 each	1,000,000 Ordinary shares of £1 each
Directors	All Companies - Richard Glanville, 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 Richard Glanville Heatons Secretaries Ltd	Jessica Wilks Heatons Secretaries Ltd	Jessica Wilks Richard Glanville	Jessica Wilks Richard Glanville
Details of Officers' Holdings	All Companies - none				
Shareholders	Rubicon Retail Holdings Ltd	Sonora Holdings Ltd	Mosaic Fashions Finance Ltd	Sierra Holdings Ltd	Noel Acquisition 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)	11560 of 2009	11562 of 2009	11558 of 2009	11566 of 2009	11550 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				

Company Name	KMH Realisations (2009) Limited (in administration)	SSGH Realisations (2009) Limited (in administration)	Rubicon Retail Limited (in administration)	Sonora Holdings Limited (in administration)
Company Number	02992143	03226978	04807687	05075052
Date of Incorporation	18 November 1994	19 July 1996	23 June 2003	16 March 2004
Previous Name	Karen Millen Holdings Ltd Mixworld Ltd	The Shoe Studio Group Holdings Ltd Nine West UK Holdings Ltd	Studio Group Limited Answermagic Limited	N/A
Trading Names	N/A	N/A	N/A	N/A
Share Capital (Authorised, allotted, called up and fully paid)	2,000,000 A Ordinary Shares of 50p each 1,125,758 B Ordinary shares of 50p each 874,242 C Ordinary shares of 50p each	1,353,161 Ordinary shares of £1 each	220,500 A Ordinary shares of £1 each 514,500 Ordinary shares of £1 each	136,983,943 A Ordinary shares of £1 each 64,800,020 Ordinary shares of £1 each
Directors	All Companies - Richard Glanville, Derek John Lovelock, Margaret Eve Lustman, Mike Shearwood In addition for Mosaic Fashions Limited only - Jon Asger Johannesson, Stewart John Binnie, Gunnar Sigurdsson			
Company Secretary	Jessica Wilks Richard Glanville	Jessica Wilks	Jessica Wilks	Jessica Wilks Richard Glanville Healtons Secretaries Ltd
Details of Officers' Holdings	All Companies - none			
Shareholders	Mohave Ltd	SSGH Realisations (2009) Ltd	Mosaic Fashions Finance Ltd	Mosaic Fashions 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)	11568 of 2009	11554 of 2009	11565 of 2009	11569 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			

Mosaic Group Structure Chart

