

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation

2.34B

Name of Company
Dorlux Beds Limited

Company Number
00803368

In the
High Court of Justice Chancery Division Leeds District Registry
(full name of court)

Court case number
828 of 2005

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

⁵⁰²⁵⁻⁸ We (a) Roger Marsh and Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP ⁹⁰⁹⁵⁻⁵

(b) Insert name and address of registered office of company

having been appointed administrators of (b) Dorlux Beds Limited, c/o PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP

(c) Insert date of appointment

on (c) 29 July 2005 by (d) The directors of Dorlux Beds Limited

(d) Insert name of applicant / appointor

hereby give notice that:

(e) Insert name(s) and address(es) of liquidator(s)

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is proposed that (e) Roger Marsh and Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP will be the liquidators of the company

We attach a copy of the final progress report.

Signed *Roger Marsh*
Joint Administrator

Dated 20 April 2006

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

Vanessa Jennings	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street	
Leeds, LS1 4JP	Tel 0113 289 4955
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



To All Known Creditors

20 April 2006

When telephoning, please ask for Vanessa Jennings on 0113 289 4955

Dear Sirs

Dorlux Beds Limited – in administration (“the Company”)

Further to my report to creditors dated 24 February 2006, I am pleased to now provide you with my final progress report on this administration, in accordance with Rule 2.47 of The Insolvency Rules 1986.

Statutory Information

Statutory information relating to the Company is attached at Appendix A.

Receipts and Payments Summary

A summary of my receipts and payments account for the Company for the period 29 July 2005 to 20 April 2006 is attached at Appendix B.

Acceptance of proposals

The administrators were appointed by the directors of the Company, in order to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up. The administrators believe that this objective has been achieved.

The administrator's proposals were circulated to creditors on 26 August 2005. A creditor's meeting was held on 21 September 2005 and the proposals were approved by the creditors.

Summary of actions taken in the administration since my last report

In my last report I explained that the Company's business and assets were sold to Sleepland Beds Limited, now trading as Dorlux Beds (2005) Limited. This resulted in enhanced recoveries of the assets of the business and a transfer of the employees to the purchaser.

Book debt collections

Since my last report, there has been no further movement in respect of book debts. As previously reported, my colleagues in the Receivables Management Group within PricewaterhouseCoopers LLP have been realising the book debts. £1,940,365 has been collected of which £1,687,609 falls under a Debt Purchase Agreement and therefore has been paid to HSBC Invoice Finance. As HSBC have now been paid in full, a surplus of £252,757 has therefore become payable to the administration.

Other matters outstanding

The terms of the administrators' sale agreement provided for deferred consideration of up to £50,000 to be paid dependent on the level of successful retention of title claims and the level of the purchaser's operating profit in the six months following the sale. Unfortunately no deferred consideration will be payable as the level of successful retention of title claims and the level of operating profit are outside the required thresholds.

The administrators have received an unsecured claim from the owners of the Company's previous trading premises at Sykes Mill, Ovenden, Halifax, who own the property subject to a 15 year lease. The administrators have investigated and evaluated this unsecured claim and sought both legal advice and consulted with agents acting for the administrators. Given the fact that administrators do not have the power to disclaim this lease, and both parties have not been able to agree what the administrators feel is an acceptable surrender value, this is now preventing the administrators from moving towards a payment of a dividend to other unsecured creditors as was their original intention, as outlined in previous correspondence to creditors. After assessing the options available and taking necessary legal advice it seems there is no alternative other than a move to a Creditors Voluntary Liquidation, which will allow the lease to be disclaimed and the landlord's claim to be quantified thereafter.

Joint Administrators' Remuneration

The joint administrators time costs at 20 April 2006 are £140,455, based upon a total of 967 hours at an average hourly rate of £145. Fees of £113,238 have been drawn to date.

Fees have been calculated based upon the time properly spent on the administration by the joint administrators and their various grades of staff according to our firm's usual rates for work of this nature. Disbursements have been charged in accordance with the firm's policy.

It has been the joint administrator's policy to delegate the routine administration to junior staff in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the joint administrators. Senior staff and the joint administrators have dealt with matters of a more complex or significant nature.

A breakdown of the costs incurred for the Company is attached at Appendix C in accordance with Statement of Insolvency Practice 9 ("SIP 9").

In common with all professional firms, scale rates increase from time to time over the period of the administration on each insolvency case. PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structure. Full details of the charge out rates currently charged to this case are detailed at Appendix C.

Disbursements

The joint administrators have incurred post appointment disbursements totalling £2,011. The disbursements are made up as follows:-

Travel	£719
Phone usage	£34
Photocopying & postage	£165
Solicitor's expenses	£527
Archiving costs	£506
Information gathering	£60
TOTAL	£2,011

I can advise that disbursements totalling £1,293 have been drawn to date. The joint administrators' existing policy for disbursements is that:

Postage	At cost – only charged for circulars to creditors or exceptional packages.
Storage	At cost where provided internally.
Photocopying	At 3 pence per side copied, only charged for circulars to creditors and exceptional amounts of copying.
Mileage	At a maximum of 50 pence per mile (up to 2,000cc) or 70 pence per mile (over 2,000cc).
Staff expenses	These are only charged as they relate to the administration and will generally be for subsistence or items charged at cost.

Exit from Administration

Due to the difficulties outlined above in crystallising and agreeing the landlord's claim, it is now my intention to proceed to issue a notice to the Registrar of Companies for the appointment of Roger Marsh and Ian David Green as joint liquidators in order to facilitate the distribution to unsecured creditors.

As such, in accordance with the proposals dated 26 August 2005 I will place the Company into Creditors Voluntary Liquidation ("CVL"). The appointment of the joint administrators in respect of the Company will cease to have effect and the administrators will be discharged from liability.

The CVL will commence once the Registrar of Companies has confirmed receipt of Form 2.34B (Notice of move from administration to CVL) and Form 2.24B (Administrators progress report).

Therefore I will be able to complete the administration within the 12 month period provided by Schedule B1 of The Insolvency Act 1986.

Estimated Outcome for creditors

On the basis of current information I estimate that there will be funds available to pay a dividend to unsecured creditors of between 30p and 35p in the £, and will be dependent on the quantum agreed in respect of the landlords claim and the final level of claims received from unsecured creditors. There are no preferential creditors.

Should you have any queries, please do not hesitate to contact my colleague, Vanessa Jennings.

Yours faithfully
For and on behalf of Dorlux Beds Limited



R Marsh
Joint Administrator

Enclosures: Form 2.34B
Form 2.24B
Appendix A - Statutory information
Appendix B - Receipts and Payments Account
Appendix C – SIP 9 Analysis

Roger Marsh and Ian Green have been appointed joint administrators of Dorlux Beds Limited, to manage the affairs, business and property as its agents and act without personal liability. All are licensed insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The Insolvency Act 1986

**Notice of move from administration
to creditors' voluntary liquidation**

2.34B

Name of Company Dorlux Beds Limited	Company Number 00803368
In the High Court of Justice Chancery Division Leeds District Registry (full name of court)	Court case number 828 of 2005

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

We (a) Roger Marsh and Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP

(b) Insert name and address of registered office of company

having been appointed administrators of (b)
 Dorlux Beds Limited, c/o PricewaterhosueCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP

(c) Insert date of appointment

on (c) 29 July 2005 by (d) The directors of Dorlux Beds Limited

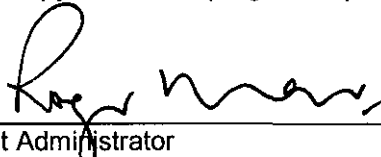
(d) Insert name of applicant / appointor

hereby give notice that:

(e) Insert name(s) and address(es) of liquidator(s)

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is proposed that (e) Roger Marsh and Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP will be the liquidators of the company

We attach a copy of the final progress report.

Signed 
 Joint Administrator

Dated 20 April 2006

Contact Details:

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Vanessa Jennings	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street	
Leeds, LS1 4JP	Tel 0113 289 4955
DX Number	DX Exchange

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Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



Administrator's progress report

2.24B

Name of Company Dorlux Beds Limited	Company Number 00803368
In the High Court of Justice Chancery Division Leeds District Registry (full name of court)	Court case number 828 of 2005

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

We (a) Roger Marsh and Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP

joint administrators of the above company attach a progress report for the period

(b) Insert dates

from (b) 29 January 2006 to (b) 20 April 2006

Signed *Roger Marsh*
 Joint Administrator
 Dated 20 April 2006

Contact Details:

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 Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

Dorlux Beds Limited - in administration

Statutory information

Registered number:	00803368
Registered office:	PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP
Court details:	High Court of Justice, Chancery Division, Leeds District Registry Case No: 828 of 2005
Date of appointment:	29 July 2005
Name of person appointing:	The Directors
Appointed administrators:	Roger Marsh and Ian David Green
Joint administrators' address:	PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP
Division of the administrators' responsibilities:	In relation to Paragraph 100(2) Sch. B1 IA86, during the period for which the administration is in force, any function to be exercised by the persons appointed to act as administrators may be done by any of all of the persons appointed or any of the persons for the time being holding that office.

Dorlux Beds Limited - in administration**Summary of receipts and payments for the period 29 July 2005 to 20 April 2006**

Receipts	£
Factored debts	1,687,609
Book debt surplus	251,214
Plant and machinery	325,000
Stock	415,000
Goodwill	10,000
Rent	89,583
Balance at bank	314
Refunds	73,909
Legal settlements	68
Dividends received	437
Other	2,833
Interest received	15,168
VAT	34,317
Total	2,905,451
Payments	£
Factored debts	1,687,609
Rent	53,750
Insurance	19,867
Legal fees	24,167
Office holders' fees	113,238
Office holder's disbursements	1,293
Statutory advertising	499
Room hire	170
VAT	25,057
Total	1,925,651
Balance	<u>979,801</u>

Appendix C

Dorlux Beds Limited

Time cost analysis for the period from 29 July 2005 to 31 January 2006

	Partner	Director	Senior Manager	Manager	Executive	Analyst	Support	Total time	Total	Average hourly rate
	£	£	£	£	£	£	£	hours	£	£
Strategy & Planning	9.80	0.00	7.20	0.00	17.50	0.00	7.00	41.50	7,072	170
Team management	2.30	0.00	9.20	0.00	5.00	0.00	0.00	16.50	3,437	208
Accounting & Treasury	5.00	0.00	0.90	0.00	13.05	36.68	1.45	57.08	7,210	126
Reporting / Liaising with appointor	6.10	0.00	7.50	20.90	0.00	0.00	5.30	39.80	7,792	196
Statutory & Other compliance	0.00	0.00	33.40	0.00	40.85	56.75	0.00	131.00	18,093	138
Investigations (CDDAetc)	1.00	0.00	3.00	0.00	3.65	0.00	0.00	7.65	1,269	166
Administration	2.30	0.00	2.50	1.60	2.00	17.50	0.00	25.90	3,404	131
Sale of Business	10.00	0.00	12.50	0.00	0.00	0.00	0.00	22.50	6,427	286
Freehold / Leasehold Property	0.00	0.00	53.00	0.00	7.00	0.00	0.00	60.00	12,640	211
Book Debt Realisations	7.20	0.00	21.50	38.50	2.00	30.75	0.00	99.95	16,940	169
Intellectual Property Rights	0.00	0.00	0.56	0.00	0.00	0.00	0.00	0.56	123	220
Insurance / Pension policies	0.00	0.00	1.00	0.00	1.50	0.00	0.00	2.50	210	84
Other Assets	0.00	0.00	3.20	0.00	6.80	0.00	0.00	10.00	2,450	245
Retention of Title	0.80	0.00	24.60	0.20	35.00	241.00	3.65	305.25	32,235	106
Creditors / Liabilities	21.00	0.00	14.50	6.00	19.10	7.30	16.70	84.60	13,914	164
Claims Agreement / Distributions	0.00	0.00	11.00	0.00	0.00	0.00	0.00	11.00	2,420	220
Employees / Pensions	0.00	0.00	2.10	26.40	0.00	0.75	0.00	29.25	1,777	61
Tax / VAT	0.00	0.00	2.44	18.30	1.60	0.00	0.00	22.34	3,042	136
Total	65.50	0.00	210.10	111.90	155.05	390.73	34.10	967.38	140,455	169

Maximum charge out rates for Business Recovery Services

Staff Grade	£ per hour	Staff Grade	£ per hour
Partner	310	Partner	625
Director	280	Director	531
Senior Manager	220	Senior Manager	340
Manager	180	Manager	220
Executive (unqualified)	140 (105)	Executive	190
Analyst	90	Analyst	140
Support	55	Support	65

Specialist departments within PricewaterhouseCoopers, such as tax, VAT and Pensions, do sometimes charge a small number of should I require their expert advice. Their rates do vary, however, the figures given right indicate the maximum rate per hour.