

# 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 <small>(full name of court)</small>	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

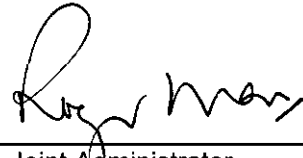
(b) Insert dates

from

to

(b) 29 July 2005

(b) 28 January 2006

Signed   
Joint Administrator

Dated 29.7.2006

### 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

Andrew Childe	
c/o PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street,	
Leeds, LS1 4JP	Tel 0113 288 4202
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

24 February 2006

*When telephoning, please ask for Andrew Childe on 0113 289 4202*

Dear Sirs

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

Further to my report to creditors dated 26 August 2005, I am writing to report on the progress of the administration in accordance with Rule 4.7 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 28 January 2006 is attached at Appendix B. Due to this account relating to a six month period, some of the figures in the report will not match to the figures in the receipts and payment account as they have fallen post 28 January 2006.

### **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 will be 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**

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. Collections are ongoing and a further £5,000 is estimated to be realised.

## Other matters outstanding

The terms of the administrator's 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. The administrators are currently investigating the financial information supporting this calculation, although it is doubtful that any deferred consideration will be payable.

The administrators are also currently investigating an unsecured claim submitted by the owners of the Company's previous trading premises at Sykes Mill, Ovenden, Halifax, in relation to their financial loss as a result of the administration of the Company. The administrators have taken advice from their agents and solicitors, Eddisons and Walker Morris, and have entered into dialogue with this creditor, which is ongoing.

## Report to the Department of Trade and Industry

I am obliged under the Company Director's Disqualification Act 1986 to submit a report to the Secretary of State for Trade and Industry within 6 months of our appointment on all those who have acted as a director of the Company in the last three years. A report has now been submitted.

## Professional advisors

The professional advisors used on this assignment are as follows:

Name	Nature of Work	Basis of Fee Arrangement
Walker Morris	Solicitors	Time costs
Eddisons	Valuers	Time costs

## Joint Administrators' Remuneration

The joint administrators time costs at 15 February 2006 are £128,104, based upon a total of 884 hours at an average hourly rate of £169. 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 £1,317. The disbursements are made up as follows:-

Travel	£623
Phone usage	£34
Photocopying & postage	£102
Solicitor's expenses	£527
Information gathering	£31
<b>TOTAL</b>	<b>£1,317</b>

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

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

### Proposed exit route from the administration

As outlined in the proposals, once the asset realisations are complete and the matters outstanding resolved, the administrators will apply to the Court to allow the administrators to distribute surplus funds to unsecured non-preferential creditors. However, the administrators reserve the right to review the situation and pursue other options if they become more appropriate.

### Estimated Outcome for creditors

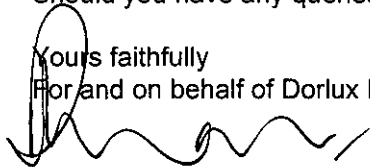
On the basis of current information I estimate that there will be funds available to pay a dividend to unsecured creditors of between 30p and 35p in the £, and will be dependent on the level agreed in relation to the landlords claim and the final level of claims received from creditors. There are no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

### Future Reporting

I will report further to creditors at the end of a further 6 month period or earlier should the administrators cease to act before then.

Should you have any queries, please do not hesitate to contact my colleague, Andrew Childe.

Yours faithfully  
For and on behalf of Dorlux Beds Limited



R Marsh  
Joint Administrator

Enclosures: Appendix A – Statutory Information  
Appendix B – Receipts and Payments Summary  
Appendix C – Details of the Administrators' Time Costs  
Form 2.24B

*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.*

## 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 Court 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 28 January 2006

<b>Receipts</b>	<b>£</b>
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	1,997
Interest received	15,168
VAT	678
<b>Total</b>	<b>2,870,976</b>
<b>Payments</b>	<b>£</b>
Factored debts	1,687,609
Rent	53,750
Insurance	19,867
Legal fees	14,089
Office holders' fees	95,000
Office holder's disbursements	1,020
Statutory advertising	499
Room hire	170
VAT	19,381
<b>Total</b>	<b>1,891,386</b>
<b>Balance</b>	<b><u>979,591</u></b>

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
									£	£
Strategy & Planning	9.80	0.00	7.00	0.00	14.00	0.00	7.00	37.80	6,538	173
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	0.70	0.00	8.55	29.38	1.45	45.08	5,966	132
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	23.40	0.00	30.05	53.25	0.00	106.70	14,076	132
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	1.00	17.50	0.00	24.90	3,264	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	48.50	0.00	6.50	0.00	0.00	55.00	11,580	211
Book Debt Realisations	7.20	0.00	21.50	35.50	2.00	30.75	0.00	96.95	16,400	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	24.20	0.20	32.50	226.25	3.65	287.60	30,469	106
Creditors / Liabilities	18.00	0.00	10.50	6.00	11.60	5.05	16.70	67.85	10,864	160
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
<b>Total</b>	<b>62.50</b>	<b>0.00</b>	<b>190.80</b>	<b>108.90</b>	<b>124.75</b>	<b>362.93</b>	<b>34.10</b>	<b>883.98</b>	<b>128,104</b>	<b>169</b>

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.