

The Insolvency Act 1986

Statement of administrator's proposals

2.17B

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

* 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) Insert date

(b) 26 August 2005

Signed Roger Marsh
 Joint Administrator

Dated 30 August 2005

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

**Dorlux Beds Limited – in Administration
High Court of Justice, Chancery Division, Leeds District Registry
Case No. 828 of 2005**

Joint Administrators' proposals for achieving the purpose of the Administration

26 August 2005

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To All Known Creditors of Dorlux Beds Limited – in administration (“the Company”)

26 August 2005

I wrote to all creditors on 3 August 2005 to explain that Dorlux Beds Limited had entered into administration and that Ian Green and I had been appointed as joint administrators (“the administrators”) on 29 July 2005.

The purpose of an administration is to achieve one of the following objectives:

- (a) Primarily, rescuing the Company as a going concern, or failing that;
- (b) Achieving a better result for the Company’s creditors as a whole than would be likely if the Company were wound up (without first being in administration), or finally;
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

For the reasons detailed in this document, objective (b) was pursued and has been achieved.

This document and its appendices form the administrators’ statement of proposals for achieving the purpose of the administration as required by Paragraph 49 Schedule B1 of the Insolvency Act 1986 (“Sch.B1 IA86”).

This report includes the administrators’ proposals to achieve the purpose for which the administration was granted, which I now believe has been achieved. Please note that you, as a creditor of the Company, will be bound by our proposals if they are approved at the initial meeting of creditors by the requisite majority of creditors. It is therefore important that you read this document carefully. You may put forward any modifications that you wish to see incorporated into the proposals and make your view known on whether they should be accepted.

The formal notice, form 2.20B, to attend an initial creditors’ meeting to consider the administrators’ proposals and whether a creditors committee should be formed, is enclosed with this report. The meeting will take place at 10.00am on 21 September 2005. It will be held at the Crowne Plaza, Wellington Street, Leeds, West Yorkshire, LS1 4DL.

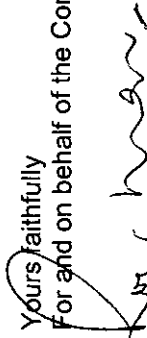
PriceWaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds LS1 4JP
Telephone +44 (0) 113 289 4000
Facsimile +44 (0) 113 289 4460
Direct Fax +44 (0) 113 289 4580

As a creditor, you can attend the meeting, either in person or by submitting a proxy, which you will find attached at Appendix D, along with instructions on how to complete the proxy and by when.

Please let me have details of your claim on the enclosed form as soon as possible. Please note that you are not obliged to attend the meetings and you will not compromise your claim and entitlement to a dividend if you do not attend.

If you have any concerns or questions regarding the background to this case or what is being proposed, please do not hesitate to contact my colleague, Andrew Childe, on 0113 289 4202.

Yours faithfully
For and on behalf of the Company



R Marsh
Joint Administrator

Roger Marsh and Ian David 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. Both are licensed insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

1. The administrators' statement of proposals

a. Brief history of the Company and summary of the administrators' actions to date

Background

The circumstances giving rise to the administrators' appointment

Over a number of years, Dorlux Beds Limited has carried out the manufacture of beds and manufacturers, supplying a number of high street retailers. The business was based in Halifax, West Yorkshire, trading from a leasehold site and employing approximately 140 staff.

The Company took new ownership around four to five years ago, and implemented a turnaround strategy which in turn led to a rationalisation of the business and turnover shrinking from a peak of £17m in 2002 to £11m in 2004.

Whilst this turnaround saw some level of success, a decline in the market and failure to break even in the current financial year, saw losses in the first four months of the year of £220,000. This led to cash flow problems, with the business facing pressure to meet trade and Crown creditor liabilities.

The directors approached PricewaterhouseCoopers ("PwC") to evaluate the solvency of the Company, and advise on the best way forward for the creditors and stakeholders. Whilst an insolvency of the business appeared inevitable, the directors worked with PwC to attempt to sell the business as a going concern to maximise the value of the assets in the business and secure the employment of the 140 staff.

Since my appointment

Immediately following my appointment, the sale of the business and assets was completed to Sleepland Beds Limited ("Sleepland"). This has resulted in enhanced recoveries of the assets of the business and a transfer of the employees to the purchaser under TUPE, preventing significant employee claims that would have arisen from the likely redundancies in a close down scenario.

This decision was taken after an assessment of the likely buyers in the market who were in a position to complete such a purchase in an extremely short timescale. Following negotiations with Sleepland and taking advice from our agents, Eddisons, an offer for the business and assets was finally accepted. Details of the sale are as follows:

Plant and machinery	£315,000
Stock	£415,000
Fixtures and fittings	£10,000
Goodwill	<u>£10,000</u>
	£750,000

A further £50,000 may become payable six months after completion dependant on profitability of Sleepland in its first six months of trading.

1. The administrators' statement of proposals

A licence to occupy the trading site for a period of four months has been granted, and from rental income and from the recharge of prepayments, I anticipate a further amount of £60,000 may be realised.

It should be noted that the book debts of the business are caught under a Debt Purchase Agreement and book debts therefore fall under the ownership of HSBC Invoice Finance. The administrators are however monitoring this position as a surplus may become payable to the administration if HSBC are paid in full.

Dividend prospects

There are no secured creditors in this administration and we have not been made aware of any preferential claims to date. We therefore anticipate that there will be a dividend to unsecured creditors.

The prescribed part (which is that part of any floating charge realisations that should be made available for unsecured creditors) has no application to the administration because there is not a floating charge that was created on or after 15 September 2003. The administrators will therefore not be making an application to court under Section 176A(S) of the IA86 because this does not apply.

Ending the Administration

Under the provisions of the IA86, the administrators have only limited powers to agree the claims of creditors and make distributions without sanction of the Court. In this case there is likely to be a distribution to unsecured creditors. The administrators will therefore propose to apply to Court for consent to distribute to unsecured creditors or will convert the administration into a creditors voluntary liquidation.

If the administration is not followed by a creditors voluntary liquidation, once all of the assets have been realised and the funds distributed, the administrators will file a notice under paragraph 84(1) Sch. B1 IA186, ending the administrations, with the Company being dissolved 3 months thereafter.

The administrators consider it possible that the administration will be concluded within one year. If, however, this becomes unlikely, the administrators propose to consult with any established creditors' committee concerning an application to extend the period of the administration beyond one year, if this is necessary to complete the administration. If no such creditors' committee is appointed, then the administrators propose in their absolute discretion to seek consent of the creditors for an extension to the administration or to make such an application to court.

If the court does not give further time, then the administrators propose, if necessary, to file Form 2.34B which is the form which is filed with the Registrar of Companies converting the administration into a creditors voluntary liquidation. The form is to be filed with the administrators being the liquidators of the Company. The administrators may also convert the administration into a creditors voluntary liquidation at the end of the twelve month period, whether or not an application is made to extend the period of the administration.

The creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and prior to the approval of the proposals.

1. The administrators' statement of proposals

b. Proposals for achieving the purpose of the administration

The administrators make the following proposals for achieving the purpose of the administration.

- i) The administrators will continue to manage the Company's business, affairs and asset realisations in such manner as they consider expedient with a view to achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).
- ii) The administrators will investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985 or IA86. In addition, the administrators shall do all such other things and generally exercise all their powers as administrators as they in their discretion consider desirable in order to achieve the purpose of the administration or to protect and preserve the assets of the Company or to maximise their realisations for any other purpose incidental to these proposals.
- iii) As funds will become available for unsecured creditors, the administrators may at their discretion establish in principle the claims of unsecured creditors for subsequent adjudication by a subsequent liquidator or supervisor of a company voluntary arrangement / scheme of arrangement and that the costs of doing so be met as a cost of the administration as part of the administrators' remuneration.
- iv) A formal creditors' committee will be established if sufficient creditors are willing to act on it. The administrators propose to seek the election of a creditors' committee and to consult with it from time to time on the conduct of the administration and the implementation and development of these proposals. Where the administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of all creditors.
- v) The administrators will consult with the creditors' committee concerning the necessary steps to extend the administration beyond the statutory duration of one year if an extension is considered advantageous. If a creditors' committee is not appointed, the administrators shall either apply to the court or seek a resolution of the appropriate classes of creditors for consent to an extension.
- vi) The administrators may use any or a combination of the "exit route" strategies in order to bring the administration to an end, but in this particular instance the administrators are likely to wish to pursue one of the following options as being the most cost effective and practical in the present circumstances: -
 - (a) Once the asset realisations are complete, the administrators will apply to the Court to allow the administrators to distribute surplus funds to unsecured non-preferential creditors.
 - (b) Once the disposals are complete, the administrators will place the Company in creditors' voluntary liquidation. In these circumstances, it is proposed that Roger Marsh and Ian Green be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7) Sch.B1 IA86 and Rule 2.17(3) IR86, creditors may nominate alternative liquidators, provided that the nominations are made after the receipt of these proposals and before they are approved.

1. The administrators' statement of proposals

- vii) The administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 in respect of any action of theirs as administrators when they cease to be joint administrators of the Company at a time fixed by the creditors' committee, or, if there is no creditors' committee, 14 days after the filing of their final progress report with the Registrar of Companies.
- viii) The administrators also propose that the Company's books and records be destroyed one year after dissolution.
- ix) If no creditors' committee is formed, the administrators will be authorised to draw fees on a time cost basis and draw fees in respect of their Category 2 disbursements from time to time without further consent from the creditors. An extract from Statement of Insolvency Practice 9, creditors' guidance to fees in administrations, is enclosed at Appendix B. The administrators' current charge-out rates are attached at Appendix C, together with details of their time costs to 15 August 2005.

The following resolutions will be put to creditors at the initial meeting of creditors. Creditors are asked to vote upon the following resolutions:-

First - that the administrators' proposals dated 26 August 2005 be adopted.

Second - that a creditors' committee be formed if there are sufficient creditors willing to act.

In the event that a creditors' committee is not appointed:

Third - that the administrators' fees be fixed or by reference to time properly given by the administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that the administrators be authorised to draw their fees on account from time to time.

Fourth - that the administrators be authorised to draw Category 2 disbursements in accordance with their firm's policy as circulated on account from time to time.

c. Statement of affairs

A statement of affairs for the Company was delivered to the administrators on 12 August 2005 and is copied overleaf. The statement was signed by Morgan McCarthy and a statement of concurrence has been provided by Paul Butterfield.

The administrators make the following comments on the statement of affairs:

- No provision has been made for the cost of realising the Company's assets or the administration costs
- The administrators have not carried out anything in the nature of an audit on the information

1. The administrators' statement of proposals

d. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Leeds District Registry Case No: 828 of 2005
Full name:	Dorlux Beds Limited
Trading name:	Dorlux
Registered number:	00803368
Registered address:	Benson House, 33 Wellington Street, Leeds, West Yorkshire, LS1 4JP
Activity:	Bed and mattress manufacturers
Company directors:	Paul Butterfield, Morgan McCarthy
Shareholdings held by the directors and secretary:	Morgan McCarthy, 18,333 ordinary shares of £1 each
Date of the Administration appointment:	29 July 2005
Administrators' names and addresses:	Roger Marsh and Ian Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, West Yorkshire, LS1 4JP
Appointor's name and address:	Company directors
Objective being pursued by the administrators:	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration)
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 or all of the persons appointed or any of the persons for the time being holding that office.
Proposed end of the administration:	Creditors Voluntary Liquidation or extension and dissolution
Whether and why the administrators intend to apply to court under Section 176(A) IA86:	No prescribed part applies.
The European Regulation on Insolvency Proceedings (Council Proceedings)(EC) No. 1346/2000 of 29 May 2000:	The European Regulation on Insolvency Proceedings applies to this administration and the proceedings are the main proceedings
Any other information which the Administrators think necessary to enable creditors to decide whether or not to vote for adoption of the proposals:	None

2. Receipts and payments account

From 29 July 2005 to 24 August 2005

	£
Receipts	
Plant and machinery	325,000.00
Stock	415,000.00
Goodwill	10,000.00
Rent	35,833.33
Balance at bank	312.02
Rates refund	6,994.79
Interest received gross	514.28
	<u>793,654.42</u>
Payments	
Legal fees	8,377.60
VAT receivable	1,460.83
	<u>9,838.43</u>
Total	<u>783,815.99</u>

Statement of affairs

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 name and address of registered office of the company

Statement as to the affairs of Dorlux Beds Limited, Sykes Mill, Keighley Road, Ovenden, Halifax, West Yorkshire HX2 8DD

on the 29 July 2005, the date that the company entered administration.

(b) Insert date

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 29 July 2005, the date that the company entered administration.

Full name MOLAN MCCARTHY

Signed 

Dated 12.8.05

A - Summary of Assets

Assets

Assets subject to fixed charge:

Trade Debtors *

HSBC Invoice Finance (UK) Ltd

Assets subject to floating charge:

Uncharged assets:

Plant, equipment, fixtures, fittings and motor vehicle

Stock

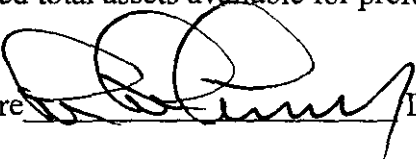
Goodwill

Other Debtors

Cash and Bank

Estimated total assets available for preferential creditors

Signature



Date 12.8.05

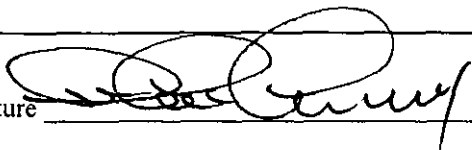
	Book Value £ 000	Estimated to Realise £ 000
Trade Debtors *	1,752	1,441
HSBC Invoice Finance (UK) Ltd	(1,441)	(1,441)
	<u>311</u>	<u>-</u>
Plant, equipment, fixtures, fittings and motor vehicle	433	325
Stock	994	415
Goodwill	-	10
Other Debtors	269	77
Cash and Bank	2	2
Estimated total assets available for preferential creditors	<u>2,009</u>	<u>829</u>

* All trade debtors are owned by HSBC Invoice Finance (UK) Ltd under debt financing arrangements.

A1 – Summary of Liabilities

		Estimated to realise £ 000
Estimated total assets available for preferential Creditors (carried from page A)	£	829
Liabilities		
Preferential creditors:-	£	-
Estimated deficiency/surplus as regards preferential creditors	£	829
Estimated prescribed part of net property where applicable (to carry forward)	£	-
Estimated total assets available for floating charge holders	£	829
Debts secured by floating charges	£	-
Estimated deficiency/surplus of assets after floating charges	£	829
Estimated prescribed part of net property where applicable (brought down)	£	-
Total assets available to unsecured creditors	£	829
Unsecured non-preferential claims	£	2,237
Estimated deficiency after floating charge where applicable (brought down)	£	-
Estimated deficiency/surplus as regards creditors	£	2,237
Issued and called up capital	£	(1,408)
Estimated total deficiency/surplus as regards members	£	18
	£	(1,426)

Signature



Date

12-8-05

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
M McCarthy	22 Cromwell Place, Cranleigh, Surrey	100,000	-	-	-
Trade Creditors	See attached list	1,660,687	-	-	-
Interest Revenue		173,369			
HMA Customs + Excise		259,985			
Goods received not yet invoiced	See attached list	39,640			
GMB Union	22-24 Warple Rd, Lambeth London SW19 4AD	629			
Scottish Widows	Po Box 906, 15 Dalkeith Rd, Edinburgh EH16 5BU	879			
Standard Life - Stakeholder plan	5th Life House, 30 Leith Walk Edinburgh EH1 3AH	220			
Sovereign Health Insurance	26 Morningside Lane Bradford BD1 3TW	15			
Royal Court deductions		942			
Sovereign Health	26 Morningside Lane Bradford BD1 3TW	194			

Signature  Date 12-8-05

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
M McCarthy	22 Cromwell Place, Cranleigh, Surrey GU6 7JF	18 333	£1	Ordinary Shares of £1 each
TOTALS				

M McCarthy

Signature

Date 12.8.05

Statement of concurrence

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 and address of registered office of company to which statement of affairs relates

With regards the Statement of Affairs of Dorlux Beds Limited ("the company") of Sykes Mill, Keighley Road, Ovenden, Halifax West Yorkshire HX2 8DD

(b) Insert date statement of truth on the statement of affairs was made

made on (b) 12 August 2005

(c) Insert full name of person who made the statement of truth on the statement of affairs being concurred with

by (c) Morgan McCarthy

(d) Insert full name and address of person making statement

Statement of Truth

I (d) Paul Matthew Butterfield, 6 Meadowcroft, Off Stainland Road, Barkisland Halifax HX4 0FB

*Delete as applicable

* concur with the Statement of Affairs of the above company and I believe that the facts stated in the Statement of Affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration.

OR

(e) Please list matters in the statement of affairs which you are not in agreement with, or which you consider to be erroneous or misleading, or matters to which you have no direct knowledge and indicate reason for listing them

~~* concur with the Statement of Affairs of the above company, subject to the following qualifications~~

(e) _____

and believe that, subject to these qualifications, the facts stated in the statement of affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration.

Full name PAUL MATTHEW BUTTERFIELD

Signed Butterfield

Dated 12 August 2005

Appendix A Schedule of creditors

NAME	ADDRESS1	ADDRESS2	ADDRESS3	ADDRESS	ADDRESS
ABRABOND LTD	EDWIN AVENUE	HOO FARM INDUSTRIAL ESTATE	KIDDERMINSTER		11,162.94
ALAN MIDDLETON ENGINEERING	PRIMROSE MILL	BROOK STREET	NELSON		721.46
ALFRED BOTTOMLEY LIMITED	10 HOPWOOD LANE	HALIFAX			225.46
AMERICAN & EFIRD (GB) LTD	BANK SIDE MILLS	CHAPELFIELD	RADCLIFFE		10,705.53
ANTHONY DE SCHOOLMEESTER					63.88
ANTHONY MCGRAW					1,300.20
ARCHIBOLD KENRICK & SONS LTD	P O BOX 9	UNION STREET	KENRICK WAY		1,410.00
ARCO LIMITED	P.O.BOX 21	WAVERLEY STREET	HULL		506.49
ARVAL PHH VEHICLE SOLUTIONS	PHH CENTRE	WINDMILL HILL	SWINDON		1,730.71
ASTRA CARPETS LTD	244 OSMASTON ROAD	DERBY			2,091.25
B.H.K.(UK) LTD	DAVY DRIVE	NORTH WEST IND. ESTATE	PETERLEE		2,422.32
BARSON PRESS (LEEDS) LTD	UNIT 1	GELDERD TRADING ESTATE	BROWN LANE WEST		174.43
BB FABRICATIONS	CORONATION WORKS	FOUNDRY STREET NORTH	OVENDEN		1,500.18
BEKAERT MATTRESS TICKING	DEERLIJSEWEG 22	8790 WAREGEM	BELGIUM		13,492.35
BETAKEY CO LTD	14F-1 NO.1 PAO-SHENG RD	YUNG-HO CITY	TAIPEI HSIEN 234		29,897.89
BIFFA WASTE SERVICES LTD	CORONATION ROAD UNIT 8/9 BRANXHOLME IND. EST.	CRESSEX	HIGH WYCOMBE		562.13
BRADFORD LTD	THE OLD IRON MILL	BRADFORD ROAD	BAILIFF BRIDGE		8,936.27
BRADFORD WASTE CHASERS LTD		LESSARNA COURT	BOWLING BACK LANE		16.45
BRADSHAW BEDS LTD	38-58 QUEENS ROAD	NOTTINGHAM	NG2 3AS		0.00
BRITISH TELECOM	MID YORKSHIRE DISTRICT	P.O.BOX	LEEDS		135.83
BUSINESS POST LTD	EXPRESS HOUSE	464 BERKSHIRE AVENUE	SLOUGH		23.50
C.H.E.GROUP PLC	PREMIER HOUSE	112-114 STATION ROAD	EDGWARE		293.75
C.U.K.SECURITY SERVICES LTD	UNIT 4 ACCENT PARK UNIT 8 HIGH LEVEL WAY IND. EST.	BAKEWELL RAOD	ORTON SOUTHGATE		2,727.80
CALDER CABINS		QUEENS ROAD	HALIFAX		272.84
CALDERDALE METROPOLITAN BOROUGH	P.O.BOX 51	PRINCESS BUILDINGS	HALIFAX		55,565.24
CANNON HYGIENE LIMITED	MIDDLEGATE	WHITE LUND INDUSTRIAL ESTATE	MORECAMBE		2,562.58
CAPARO WIRE LTD	P.O.BOX 87	WREXHAM INDUSTRIAL ESTATE	WREXHAM		36,444.29
CARPENTER LTD	DINTING LODGE IND ESTATE	OFF SHAW LANE	GLOSSOP		36,420.04
CARRINGTON WIRE	CARRINGTON HOUSE	LOWFIELDS WAY	LOWFIELDS BUSINESS PARK		28,469.75
CERBERUS SECURITY LTD	CERBERUS HOUSE	127 UPPER WORTLEY ROAD	LEEDS		21,350.37
CHARLES WATSON (HALIFAX) LIMITED	125 PELLON LANE	HALIFAX	WEST YORKSHIRE		203.86
CHARTERBRAE LTD	CONEYGRE INDUSTRIAL ESTATE	TIPTON	WEST MIDLANDS		5,436.71

Appendix A

Schedule of creditors

CLARKSON TEXTILES LTD	LOMESHAYE INDUSTRIAL ESTATE	LINDRED ROAD	NELSON	0.00
CMP INFORMATION LTD	SOVEREIGN HOUSE	SOVEREIGN WAY	TONBRIDGE	10,150.41
COLSON CASTORS LTD	GOLDS GREEN WORKS	BAGNALL STREET	HILL TOP	1,166.78
CONSULTANT CLEANERS LTD	ADMINISTRATION CENTRE	STATION LANE	HECKMONDWIKE	5,859.90
CRAFTWORK UPHOLSTERY LTD	PREMIER HOUSE	BARRAS STREET	LEEDS	237.80
CRANLEIGH FREIGHT SERVICES	EUOPA HOUSE	ALFORD ROAD	CRANLEIGH	1,237.69
D.ROBINSON				24.35
D.W.MCNEIL & SONS	AVONDALE INDUSTRIAL ESTATE	BALLYCLARE	CO ANTRIM	7,402.50
DACRE SON & HARTLEY	75 NORTH STREET	KEIGHLEY	WEST YORKSHIRE	705.00
DANFIELD LIMITED	MOSS INDUSTRIAL ESTATE	ST. HELLENS ROAD	LEIGH	0.00
DAVID HARRISON & SONS LTD	CANAL MILLS	HILLHOUSE LANE	HUDDERSFIELD	433.19
DEL SOL AIR SYSTEMS LTD	BANKFIELD MILLS	HUDDERSFIELD ROAD	MIRFIELD	2,205.77
DELIA KNIGHT				101.38
DEPLOYMENT	METIER HOUSE	133 MANCHESTER ROAD	ROCHDALE	724.04
DESLEE TEXTILES	INDUSTRIEZONE DE	B-8980 ZONNEBEKE-BESELARE	BELGIUM	8,023.51
DORINT SOFITEL MONDIALAM DOM KLN	POLDERHOEK			546.30
	KURT-HACKENBERG-PLATZ 1	D-50667 KOLN		219.02
	UNITS 14 & 15 RIVINGTON COURT			218.86
DOWDING & MILLS	PENNINE HOUSE	HARDWICK GRANGE	WOOLSTON	90.00
DRYDENS	119 MEADOW DRIVE	39/45 WELL STREET	BRADFORD	1,539.85
E. FENNELLY	UNIT 5 SUNSHINE MILLS	WHEATLEY	HALIFAX	
EBS-INSTAFAB		WORTLEY ROAD	WORTLEY	
EEF YORKSHIRE AND HUMBERSIDE ASC	FIELDHEAD	THORNER	LEEDS	705.00
ELSON & ROBBINS LTD	BENNETT STREET	LONG EATON	NOTTINGHAM	26,850.25
EMERY WORLDWIDE	UNITS 6 & 7	BUILDING 301	WORLD FREIGHT TERMINAL	2,533.25
ENGINEERING & FOUNDRY SUPPLIES	PHILLIPS LANE WORKS	PHILLIPS LANE	COLNE	208.45
EQUIFAX PLC	DUNCAN HOUSE	CROSSGATE	SOUTH SHIELDS	242.06
EUROTRENDS	4/5 GREENROYD MILL	SUTTON IN CRAVEN	WEST YORKSHIRE	0.00
FARNELL ELECTRONICS COMPONENTS	ACCOUNTS DEPARTMENT	CANAL ROAD	LEEDS	1,588.39
FILCO LTD	PRINT & SPECIALIST	ENTERPRISE HOUSE	3 HARWILL CROFT	325.71
FIRST NATIONAL VEHICLE CONTRACTS	PACKAGING	BURY	LANCASHIRE	1,853.09
FOCSA SERVICES (UK) LTD	SANKEY STREET	HALIFAX	HX1 4PL	517.53
FOYVALE LIMITED	BATTINSON ROAD	TAYLOR LANE	BRADSHAW	4,704.53
	GREY HOUSE FARM			

Appendix A Schedule of creditors

G. CHAE	HALIFAX	NORTHERN ROAD INDUST. ESTATE	NEWARK	14.58
GATEWAY TEXTILES LIMITED	UNIT 3 NORTHGATE TERRACE	DARREN DRIVE	PRINCE OF WALES IND EST.	2,096.61
GERRY JONES TRANSPORT SERVICES	UNIT 1	LONDON	WC2R 3BX	244,542.99
GSI UK	10 MALTRAVERS STREET	SUNBURY-ON-THAMES	MIDDX	312.83
GXS LTD	1 STATION ROAD	HALIFAX	WEST YORKSHIRE	50.23
H W WHITELEY	HOLMFIELD INDUSTRIAL ESTATE	MARGRAM BUSINESS CENTRE	HORNE STREET	500.55
HALIFAX BEARINGS	UNIT 9	LEEDS	10,000.00	901.34
HALLIWELL	2 PARK LANE	SOVEREIGN BUSINESS CENTRE	LS3 1ES	587.50
HAMMONDS	UNIT 9	STOCKPORT	STOCKINGSWATER LANE	8,265.15
HANDY LTD	GREEN LANE IND.ESTATE	CLUB LANE	LANCS	6,443.70
HANES INTERNATIONAL UK LTD	CALDERDALE BUSINESS PARK	HOVE EDGE	OVENDEN	9,874.66
HEADWAY PLC	5 NEWTON PARK	HOOKERS ROAD	BRIGHOUSE	65.80
HILARY MOUNT	SAWYERS WHARF	12 CALTHORPE ROAD	WALTHAMSTOW	2,636.36
HOFFMAN THORNWOOD PLC	P.O.BOX 5930	CHIPPING NORTON	EDGBASTON	45.00
HSBC BANK PLC	22 NEW STREET	TURKEY MILL	OXFORDSHIRE	23.50
HSBC EQUIPMENT FINANCE (UK) LTD	HOLLINGWORTH COURT	WESTERCROFT LANE	ASHFORD ROAD	60,701.87
I.S.T. TEXTILES LIMITED	3 EDMUND ROAD	NORTHSIDE ROAD	SHEFFIELD	1,572.15
IKON OFFICE SOLUTION	LUMBROOK MILLS	REDWITHER INDUSTRIAL COMPLEX	NORTHOWRAM	442.97
INDUSTRIAL FASTENER SUPPLIER	PO BOX 392	61 STOCKPORT ROAD	LIDGET GREEN	237.90
INDUSTRIAL POWER & SERVICES	FIRST AVENUE	MIRFIELD	WREXHAM INDUSTRIAL ESTATE	755.18
INITIAL TEXTILE SERVICES	MERCURY MILLS	PELLON	ASHTON UNDER LYME	1,480.51
INTERACTIVE PACKAGING SOLUTIONS	PELLON LANE SAW MILLS	ALTHAM	HALIFAX	4,836.01
J T GRIFFITHS & CO LTD	P.O.BOX NO 3	THE OLD CHAPEL	ACCRINGTON	266.63
JAMES CHAMBERS (TIMBER MERCHANTS)	NORTHFIELD	RAVENSCROFT WAY	WEST YORKSHIRE	2,251.30
JAMES DEWHURST LTD	THE OLD CHAPEL	OLDSTONES HOUSE	LEEDS	464,717.97
JOHN COTTON (MIRFIELD) LIMITED	NORTHFIELD	162 DUDWELL LANE	B31 2NY	705.00
JOHN ECKART PHOTOGRAPHY LTD	RAVENSCROFT WAY	LONGSHAW INDUSTRIAL PARK	COLNE	482.86
KALAMAZOO SECURITY PRINT	OLDSTONES HOUSE	HOLME WELL ROAD	RIPPONDEN	34,469.83
L & P SPRINGS UK	162 DUDWELL LANE	LEEDS	HALIFAX	11,442.57
L J M COMPONENTS	LONGSHAW INDUSTRIAL PARK	LEEDS	BLACKBURN	507.60
LANDCARE GARDENING SERVICES	HOLME WELL ROAD	LEEDS	LS10 4SL	539.92
LEDATEC				65.57
LEEDS PLYWOOD & DOORS LTD				

Appendix A Schedule of creditors

LONDON ENERGY LPT	PAYMENT PROCESSING CENTRE	PO BOX 3956	PLYMOUTH	4,591.46
LYRECO UK LTD	DEER PARK COURT	DONNINGTON WOOD	TELFORD	2,715.00
M.SIXSMITH	165 WOODHOUSE LANE	BISHOP AUCKLAND	CO DURHAM	600.52
MACH ONE LOGISTICS	UNIT 4 SUNSHINE MILLS	WORTLEY ROAD	LEEDS	2,350.00
MARKS & SPENCER PLC	2 SOUTHGATE	HALIFAX	WEST YORKSHIRE	52.88
MASTERCARGO INTERNATIONAL LTD	6A CROWN BUILDINGS	THE GREEN	CHINGFORD	2,107.95
MATTRESS PROD TECHNOLOGY	NEWLINE INDUSTRIAL ESTATE	NEWLINE	BACUP	12,596.71
MAZARS LLP	NORWICH UNION HOUSE	HIGH STREET	HUDDERSFIELD	89.30
MODA GROUP LTD	8 COMMON ROAD	BRADFORD	BD12 0SD	12,866.25
MONITOR	54 OLDFIELD ROAD	SALFORD	MANCHESTER	1,704.69
MONKS INTERNATIONAL	HOLDEBEERSTRAAT 8	8780 OOSTROZEBEKE	BELGIUM	3,181.90
MR McCARTHY				6,027.05
MR.A.TAYLOR	33 MYRTLE AVENUE	ILLINGWORTH	HALIFAX	390.69
MR.D.STEVENSON	10 MAGHERACONILUCE LANE	HILLSBOROUGH	CO.DOWN	730.94
NELSON'S LABELS (MANCHESTER)	UNIT 3	WHARFSIDE COMMERCE PARK	WATERSIDE	900.52
NENPLAS PLASTIGLIDE	BLENHEIM ROAD	AIRFIELD INDUSTRIAL ESTATE	ASHBOURNE	16,143.19
NORTHERN PAPER BOARD LTD	ENGINESED LANE	SKIPTON	NORTH YORKSHIRE	1,405.30
ORIGINAL FABRICS LTD	MANOR MILL	HALLAM ROAD	NELSON	45,339.50
OVENDEN PRINTING COMPANY	WEST VIEW HOUSE	30 KEIGHLEY ROAD	OVENDEN	2,101.69
PARCEL FORCE WORLDWIDE	UNITS 2/3 BLENHEIM COURT	PEPPERCORN CLOSE	PETERBOROUGH	2,380.74
PC WORLD BUSINESS	WATERFOLD PARK	ROCHDALE ROAD	BURY	165.00
PETER COOK INTERNATIONAL PLC	CARTERTON	OXFORDSHIRE	OX18 3EU	126.00
PETER RAMSEY & SONS (DENHOLME)	WELLINGTON STREET	STICKER LANE	BRADFORD	3,202.93
PETER TURNER FORK LIFTS LTD	SAWMILL	ELLAND	WEST YORKSHIRE	25,590.47
PHOENIX STEEL SERVICES LTD	EASTGATE	DUDLEY	WEST MIDLANDS	1,078.72
PIETERS TEXTILES	UNITS 3-4 CHARLOTTE STREET	8791 BEVERN-LETE	WAREGEM	382.46
PORTWAYS	GROTE HEIWEG 69	MILNROW	ROCHDALE	38,331.99
PRESSMATIC LTD	LOWER LANE	BLAYDON	TYNE & WEAR	0.00
PRIESTLEY OFFICE EQUIPMENT	UNIT 3/5 COWEN ROAD IND EST	KING STREET	HALIFAX	816.64
R.A.IRWIN & CO LTD	STRAND HOUSE	PORTADOWN	CO ARMAGH	1,635.00
RECTICEL LIMITED	GOBAN STREET	CLOVER NOOK IND PARK	ALFRETON	98,110.69
REDWOOD DISTRIBUTION LTD	BLUEBELL CLOSE	WEST PIMBO	SKELMERSDALE	74,138.07
	1 PADDOCK ROAD			1,041.23

Appendix A Schedule of creditors

RENTOKIL LIMITED	P.O.BOX 23	EAST GRINSTREAD	WEST SUSSEX	430.56
RESOURCE RECRUITMENT & TRANSLINE	22/26 COMMERCIAL STREET	HALIFAX	WEST YORKSHIRE	1,070.98
ROBINSON & HANSON LTD	ALBERT MILL	SADDLEWORTH ROAD	ELLAND	2,247.74
ROWLINSON TIMBER LIMITED	COPIECE ROAD	WILLASTON	NANTWICH	12,241.78
SAFETY-KLEEN UK LTD	TODWICK ROAD IND.ESTATE	BOOKERS WAY	DINNINGTON	68.37
SHEFFIELD CO-OP SOC LTD	ANGEL STREET	SHEFFIELD	S3 8LS	4,706.32
SILVENT UK LTD	5 BUCHANAN UNITS	STEPHENSON ROAD	CLACTON-ON-SEA	77.84
SIVA PLASTICS LTD	SPIRE FIRE HOUSE	HAZEL ROAD	WOOLSTON	31,069.90
SOLID STAMPS LTD	UNIT 14 WILLIAMS IND PARK	GORE ROAD	NEW MILTON	33.33
SONOCO RECYCLING	HOLYWELL GREEN	STAINLAND	HALIFAX	25.85
STANLEY UK SALES LTD	WOODSIDE	SHEFFIELD	S3 9PD	6,711.24
STANSFIELD (YORKSHIRE) LTD	P.O. BOX 15	HEBDEN BRIDGE	WEST YORKSHIRE	4,828.40
TEXTILES FR LTD	UNIT 4B	WHARFEDALE ROAD	EUROWAY TRADING ESTATE	78.43
THE BRADFORD ARMATURE WINDING CO	SMILAW WORKS	429 BOWLING OLD LANE	BRADFORD	558.6
THE BRITANNIC LIFT CO	RIVERVIEW BUILDINGS	BRADFORD ROAD	KEIGHLEY	2,080.93
THE NATIONAL BED FEDERATION LD	VICTORIA HOUSE	VICTORIA STREET	TAUNTON	1,325.65
THE SUNLIGHT SERVICE GROUP LTD	P O BOX 6114	BASINGSTOKE	RG24 8JP	14.13
TNT UK LTD	P.O.BOX 4	RAMSBOTTOM	BURY	48.64
TOTAL SUPPLIES	BECKLAND HILL	EAST MARKHAM	NEWARK	317.25
TRAVIS PERKINS TRADING COMPANY	LIMITED	GIBBET STREET	HALIFAX	106.86
TRENDSETTER MARKETING LIMITED	CRAGHILL WORKS	526 LEEDS ROAD	THACKLEY, BRADFORD	2,185.27
VIFT INTERNATIONAL BV	KAPELSTRAAT 12B	5447 AB RIJKEVOORT	NETHERLANDS	3,246.85
VIKING IND. PROD. LTD				36.19
VITAFoAM LIMITED	SOUDAN STREET	MIDDLETON	MANCHESTER	33,488.60
VODAFONE RETAIL LIMITED	PEMBROKE HOUSE	BANBURY BUSINESS PARK	AYNHO ROAD	102.23
W.R.R.PEDLEY & CO.LTD	ANN STREET	WILLENHALL	WEST MIDLANDS	8,613.13
WARRENS DISPLAY LTD	BURLEY HILL HOUSE	359 BURLEY ROAD	LEEDS	132.19
WILBY INSURANCE BROKERS LTD	GORDON HOUSE	CHARLES STREET	HALIFAX	9,580.80
YORKSHIRE CABLE LTD	TELEWEST LTD	YORKSHIRE BUSINESS PAYMENTS PROC	P O BOX 12007	3,745.48
FINER PACKAGING LIMITED	-	-	-	33.49
NELSONS TRANSPORT (KEIGHLEY) LTD	-	-	-	105.75
VI-SPRING	-	-	-	91.00

Appendix B Common questions and answers (references to "Rules" are to the Insolvency Rules 1986)

How is the Administrators' remuneration fixed?

The following information about the Administrators' fees is from Statement of Insolvency Practice 9 ("SIP 9") issued by the Association of Business Recovery Professionals, Appendix C: A Creditors' Guide to Administrators' Fees (England and Wales) (Revised 1 July 2004).

Introduction

When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

The nature of administration

Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- (a) Rescuing the company as a going concern, or
- (b) Achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration

or, if the administrator thinks neither of these objectives is reasonably practicable

- (c) Realising property in order to make a distribution to secured or preferential creditors.

The creditors' committee

The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide such information as it may require.

Fixing the administrator's fees

The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:

- As a percentage of the value of the property which the administrator has to deal with, or
- By reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

Appendix B Common questions and answers (references to "Rules" are to the Insolvency Rules 1986)

- The complexity (or otherwise) of the case;
- Any responsibility of an exceptional kind or degree which falls on the administrator;
- The effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- The value and nature of the property which the administrator has to deal with.

If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case a resolution of the creditors shall be taken as passed if, and only if, passed with the approval of: -

- Each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors-
- Each secured creditor of the company; and
 - Preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

A resolution of creditors may be obtained by correspondence.

What information should be provided by the administrator?

When seeking fee approval

When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on: -

- The nature of the approval being sought;
- The stage during the administration of the case at which it is being sought; and
- The size and complexity of the case.

Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of

Appendix B Common questions and answers (references to "Rules" are to the Insolvency Rules 1986)

detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent: -

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time being spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be subcontracted out which would normally be undertaken directly by an administrator or his staff.

After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out above. Where the fee is charged on a percentage basis the administrator should provide the details above regarding work which has been sub-contracted out.

Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving

Appendix B Common questions and answers (references to "Rules" are to the Insolvency Rules 1986)

his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

What if a creditor is dissatisfied?

If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

What if the administrator is dissatisfied?

If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

Other matters relating to fees

Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.

If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

Appendix C The Administrators' charging and disbursements recovery policy

Overview of the case

Roger Marsh and Ian Green were appointed administrators of the Company on 21 July 2005 for the objective of:

- (a) Primarily, rescuing the Company as a going concern, or failing that;
- (b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or finally;
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

Office holder's charging and disbursement policy

The time charged to the administration is by reference to the time properly given by the administrators' and their staff in attending to matters arising.

It is the administrators' policy to delegate tasks in the administration to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the administrators themselves.

Set out below are the relevant charge-out rates per hour worked for the administrators' staff actually or likely to be involved on this assignment. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs.

Specialist departments within the administrators' firm such as Tax, VAT, Property and Pensions may charge a small number of hours if and when the administrators require their expert advice. Such specialists' rates do vary but the figures below provide an indication of the maximum rate per hour.

Grade	Relevant maximum charge out rate per hour £	
	Administrators staff	Specialist staff
Partner	310	555
Director	280	455
Senior Manager	222	360
Manager	180	240
Executive – qualified / consultant	140	190
Executive – unqualified	105	-
Analyst	90	130
Support staff	55	60

Appendix C The Administrators' charging and disbursements recovery policy

In common with all professional firms, the scale rates used by the administrators may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. Any material amendments to these rates will be advised to the creditors and / or the creditors' committee in the next statutory report.

The administrator's firm's expenses policy allows for all properly incurred expenses to be recharged to the case.

Fees on time costs basis: Narrative of work carried out for the period 29 July 2005 to 15 August 2005

The key areas of work have been:

- Strategy and planning issues;
- Statutory & Compliance
- Sale of Chattel Assets
- Book Debt Realisations
- Dealing with Retention of Title Claims
- Employee matters.

Dorlux Beds Limited - in administration
Analysis of time costs for the period from 29 July 2005 to 15 August 2005

Appendix C

Classification of work	Partner	Director	Senior Manager	Manager	Executive	Analyst	Support	Total hours	Time cost £	Average hourly rate £
1. Liaison with professional advisors	6.0	0.0	4.0	0.0	0.0	0.0	0.0	10.0	2,740	274
2 Strategy and planning	0.0	0.0	0.0	0.0	3.5	0.0	0.7	4.2	529	126
3 Team management	0.0	0.0	3.7	0.0	0.5	0.0	0.0	4.2	884	210
4 Accounting and treasury	0.0	0.0	0.0	0.0	0.0	1.7	0.0	1.7	153	90
5 Statutory and other compliance	0.0	0.0	12.7	0.0	9.9	16.0	0.0	38.6	5,606	145
6 Sale of business	0.0	0.0	12.5	0.0	0.0	0.0	0.0	12.5	2,750	220
7 Leasehold property	0.0	0.0	6.0	0.0	0.0	0.0	0.0	6.0	1,320	220
8 Book debt realisation	0.0	0.0	7.5	6.0	0.0	0.0	0.0	13.5	2,730	202
9 Insurance	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.5	70	140
10 Other assets	0.0	0.0	0.0	0.0	2.0	0.0	0.0	2.0	280	140
11 Retention of title	0.0	0.0	9.5	0.0	2.0	0.0	48.0	59.5	6,690	112
12 Creditors and liabilities	0.0	0.0	10.0	0.0	2.5	0.0	9.4	21.9	2,847	130
13 Employees/Pensions	0.0	0.0	3.3	0.0	0.0	0.0	0.0	3.3	809	245
14 Tax/VAT	0.0	0.0	0.0	8.8	0.0	0.0	0.0	8.8	1,254	143
Totals to date:	6	0	69	6	21	18	58	178	28,662	161

Charge out rates	Up to per hour (£)	Disbursements* Staff expenses
Partner	310	£ 349
Director	280	349
Senior Manager	220	
Manager	180	
Executive	140	
Analyst	105	
Support	90	
	55	

Maximum rate per hour

Partner	625	Specialist departments within PricewaterhouseCoopers, such as tax, VAT and Pensions, do sometimes charge a small number of hours should I require their expert advice. Their rates do vary, however, the figures given above indicate the maximum rate per hour.
Director	531	
Senior Manager	340	
Manager	220	
Executive	190	
Analyst	140	
Support	65	

**Rule 8.1 Insolvency Act 1986
Proxy (Administration)**

Dorlux Beds Limited – in Administration

Notes to help completion of the form

Please give full name and address for communication

Name of creditor.....
Address

Please insert name of person (who must be 18 or over) or the "chairman of the meeting". If you wish to provide for alternative proxy-holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

Name of proxy-holder
1.....
2.....
3.....

Please delete words in brackets if the proxy-holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy-holder at the meeting of creditors to be held on 21 September 2005, or at any adjournment of that meeting. The proxy-holder is to propose or vote as instructed below [and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion].

Please tick the appropriate boxes

Voting instructions for resolutions

	In Favour	Against
1. That the administrators' proposals dated 26 August 2005 be accepted.		
2. That a creditors' committee be formed if there are sufficient creditors willing to act.		
In the event that a creditors' committee is not appointed:		
3. That the administrators' fees be fixed by reference to the time properly given by the administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that the administrators be authorised to draw such fees on account from time to time.		
4. That the administrators be authorised to draw Category 2 disbursements in accordance with their firm's policy as circulated on account from time to time.		
5. For the appointment of..... representing as a member of the creditors' committee		

This form must be signed

Signature Date

Name in CAPITAL LETTERS

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature:
.....
.....

HOW TO COMPLETE YOUR PROXY

Important Information

Creditors wishing to vote at the meeting must complete and lodge the proxy with the Administrators, unless they are individuals attending the meeting personally or are companies authorising a representative under Section 375 of the Companies Act 1985.

All creditors who wish to vote at the meeting, whether in person, by proxy, or in some other way, must provide details of their claim against the company to PricewaterhouseCoopers LLP by 12 noon on the business day preceding the meeting.

You will find additional notes on the proxy form itself.

Name of Creditor

Insert the name of the person, company or other body owed money.

Address

Insert the creditor's full address (including postcode).

Name of Proxy Holder

If you, or another authorised representative of your company, are attending the meeting then please put your/his/her name in here.

If someone else is attending on your behalf (for example your solicitor), then please state his or her name here. If you wish you may list more than one proxy holder, in case your first choice is unable to attend.

If you are not attending the meeting or sending a representative you may still vote by appointing the chairman as your proxy holder. To do so insert the words "**chairman of the meeting**" in the space for the proxy holder's name. The chairman will be one of the Administrators, or an employee of the Administrator duly authorised to act as chairman.

Voting Instructions for Resolutions

You do not need to give any voting instructions if you are happy for your proxy holder to exercise his or her own discretion on the use of your vote.

Complete sections 1 to 4 to instruct your proxy-holder how to vote on the acceptance or rejection of the Administrator's proposals and the resolutions as stated on the form. Only complete section 5 if you wish to vote for a specific creditor to be appointed to the creditors' committee, otherwise leave this section blank.

There may be other resolutions proposed at the meeting (eg. to modify the proposals or appoint other creditors to the committee). If you are content for your proxy holder to vote on any such resolution as he or she thinks fit, you need take no further action. If you do not wish your proxy holder to vote on any such resolutions you should delete the words in square brackets in the middle of the form. Please note that if you delete these words without completing section 1 or 2 your proxy holder will not be able to vote at all.

Signature

The proxy must be signed by a duly authorised representative of the creditor, usually a director in the case of a company, and his or her relationship to the creditor or capacity to sign should be stated (eg Director, Credit Controller, etc).

**Dorlux Beds Limited – in administration
Statement of claim form**

Appendix E

Creditor's name and address.	
Total amount of your claim, including any VAT at the date of the administration order.	£
Please provide details of any documents that substantiate your claim including where applicable, details of any reservation of title in respect of goods to which the debt relates. If relevant, please attach a statement of account.	
What goods or services did you provide?	
Is all or part of your claim preferential as defined in the Insolvency Act 1986? (see footnote). If so, please provide details where indicated, otherwise leave this section blank.	Category Amount (s) claimed as preferential £
If you have security for your debt, please provide details of the type and value of the security, the date it was given, and provide details of how you have valued your security. If no security held, leave this section blank.	
We have a duty as administrators to consider the conduct of the directors prior to our appointment. Are there any particular matters relating to the purchase of goods and services from yourselves, or any other matters that you feel should be reviewed? If so, please provide brief details on this form, or on a separate sheet if there is insufficient room.	
Signature of creditor or person authorised to act on behalf of the creditor.	Date
Name in block capitals.	
Position with or relation to the creditor (e.g. director, company secretary, solicitor).	

Categories of preferential creditors are defined in section 386 of the Insolvency Act 1986 (amended by the provisions of section 251 of the Enterprise Act 2002) as contributions to occupational pension schemes; remuneration and accrued holiday pay of employees; amounts due in respect of monies advanced to pay remuneration and accrued holiday pay; amounts ordered to be paid under the Reserve Forces (Safeguard of Employment) Act 1985 and levies on coal and steel production

Notice of a meeting of creditors

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 the administrator(s)
- (b) Insert full name and address of registered office of the company
- (c) Insert details of place of meeting
- (d) Insert date and time of meeting

Notice is hereby given by (a) Roger Marsh and Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP

that a meeting of the creditors of (b) Dorlux Beds Limited of Benson House, 33 Wellington Street, Leeds, LS1 4JP

is to be held at (c) The Crowne Plaza, Wellington Street, Leeds, West Yorkshire

on (d) 21 September 2005 at 10.00a.m.

The meeting is:

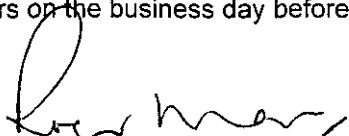
(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ("the Schedule");

*Delete as applicable

I invite you to attend the above meeting.

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented.

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of your claim.

Signed 
Joint Administrator

Dated 24 August 2005

A copy of the proposals is attached.

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 289 4202
DX Number	DX Exchange

Companies House receipt date barcode

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