

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company

Premier Decorative Products Limited

Company number

02630824

In the

High Court of Justice, Chancery Division,
Manchester District Registry

Court case number

2091 of 2006

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

We

(a) Simon Allport and Thomas Andrew Jack

Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY

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

From

To

(b) Insert date

(b) 2 November 2007

(b) 1 May 2008

Signed

Joint / Administrator(s)

Dated

19 May 2008

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.

Michael Hilton

Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY

Tel 0161 333 2630

DX Number

DX Exchange

TUESDAY



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20/05/2008

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COMPANIES HOUSE

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

19 May 2008

Ref CRT/J/TMH/MH/NWM0790,PF16.1

Direct line 0161 333 2630

Please ask for Mike Hilton.

Dear Sirs

Premier Decorative Products Limited (In Administration) ("the Company")

**Court Reference: 2091 of 2006, High Court of Justice, Chancery Division,
Manchester District Registry**

I write in accordance with Rule 2.47 of the Insolvency Act 1986 as amended by the Insolvency (Amendment) Rules 2003 to provide creditors with a report on the progress of the above Administration. This report covers the period from 2 November 2007 to 1 May 2008 and should be read in conjunction with the Joint Administrators' Statement of Proposals dated 14 December 2006 and our previous progress reports dated 30 May 2007 and 29 November 2007.

Premier Decorative Products Limited, registered number 02630824, entered Administration on 2 November 2006 and Simon Allport and Thomas Jack were appointed Joint Administrators. The appointment was made by the Directors of the Company, under the provisions of paragraph 22 (2) of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required as authorised to be done by the Joint Administrators can be done by either of them.

A summary of the statutory information relating to the Company is included at Appendix 4.

Summary of Progress

Sale of business

Following their appointment, the Joint Administrators enabled the Company to continue to trade whilst a going concern sale of the business and assets was sought but as no deliverable offers for the Wallcoverings or Transprints business, either together or separately were received, on 31 December 2006 all operations ceased and almost all the Company's employees were made redundant.

A small number of employees were retained for a limited period to support book debt and trading debtor collections, to assist in preparing plant and machinery for disposal and to protect value in the remaining assets.



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Administration trading

During the period of Administration trading sales were made of approximately £3 million of which £2.9 million has been collected to date. We do not expect to collect any further material amounts in this regard.

Settlements totalling approximately £192,000 have been made in respect of retention of title claims for stock on hand at the date of appointment. In order to secure supplies to enable continued trading in Administration it was also necessary to make a number of ransom payments and to purchase excess stocks, together totalling £327,000.

After the sale of stock on hand the period of trading in the Administration is estimated to be broadly break-even.

Book debts

At the date of our appointment the Company's sales ledger, net of specific provisions for bad and doubtful debts, stood at £2.2 million. Collections to date amount to £1.8 million, representing 82% of the ledger. We are continuing to pursue the balance of book debts which remain.

Plant and machinery

Following the closure of the business we instructed specialist plant agents, GVA Grimley, to undertake the disposal of the Company's plant and machinery. This exercise realised approximately £1.1 million, which has now been received in full. All purchasers have completed the removal of assets and the Company's leasehold premises have been handed back to the landlord.

Transprints designs and cylinders

The sale of certain designs and cylinders relating to the Transprints business was made to Transfertex for the sum of €180,000 on 19 January 2007. A small number of residual designs have been transferred to customers upon settlement of outstanding accounts due to the Company.

Secured Creditors

Bank of Scotland ("the Bank") held first ranking fixed and floating charges over the Company's business and assets. At the date of appointment the Bank's principal indebtedness was approximately £7.3 million, including sums due under cross-guarantees but before post-appointment interest and charges. The Bank has received a distribution of £1.4 million to date.

Preferential Creditors

Preferential creditors' claims in relation to unpaid holiday pay and pension and payroll deductions totalling approximately £266,000 have now been paid in full

Non-preferential Creditors

Non-preferential claims continue to be received and currently amount to approximately £13 million. Given the level of secured indebtedness there is no prospect of any funds being available to enable a distribution to non-preferential creditors

Prescribed Part

The secured lender's floating charge was created prior to 15 September 2003. Consequently, Section 176A of the Insolvency Act 1986 does not apply to this Administration and there is no 'prescribed part' to be set aside for the benefit of unsecured creditors

Receipts and Payments Account

A receipts and payments account for the period 2 November 2007 to 1 May 2008 is attached at Appendix 1. This does not reflect estimated future realisations or other future receipts and payments

Joint Administrators' Remuneration and Disbursements

In the Joint Administrators' Proposals to the Company's creditors sent on 14 December 2006 it was proposed that the Joint Administrators' remuneration be fixed on a time cost basis. At 9 May 2008 total time costs amounted to approximately £777,610

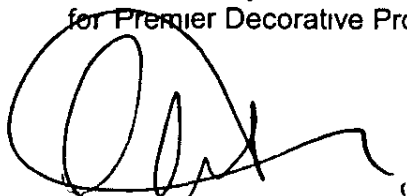
We have received formal authority from the Bank and the Company's preferential creditors to draw remuneration in accordance with Rule 2.106(9)(b) of the Insolvency Rules 1986, as amended by the Insolvency (Amendment) Rules 2003. We have agreed with the Bank to restrict our fees at this time to £375,000. This amount has been drawn by the Joint Administrators

Attached at Appendix 2 is a detailed analysis of time spent and charge out rates for each grade of staff for the various areas of work carried out to 9 May 2008, as required by the Association of Business Recovery Professionals' *Statement of Insolvency Practice No. 9*. At Appendix 3 there is a statement of the Administrators' policy in relation to charging time and disbursements. Also attached at Appendix 2 is an analysis of category 2 disbursements paid to the Joint Administrators' firm

Extension of Administration Order

A further application to Court to extend the Administration Order until 1 November 2008 was made on 25 April 2008 as there were still a number of matters to be finalised, including collection of remaining book debts and agreement of utility claims for the Administration period. The Order was made, extending the Administration until 11 59pm on 1 November 2008. It is anticipated outstanding matters will be finalised within this period.

Yours faithfully
for Premier Decorative Products Limited (In Administration)



S Allport
Joint Administrator

Enclosed Appendix 1 Joint Administrators' Abstract of Receipts and Payments
 Appendix 2 Summary of Joint Administrators' Time Costs and Category 2
 Disbursements
 Appendix 3 Joint Administrators' Policy on Fees and Disbursements
 Appendix 4 Summary of Statutory Information

The affairs, business and property of the Company are being managed by the Joint Administrators, S Allport and T A Jack, who act as agents of the Company only and without personal liability

The Institute of Chartered Accountants in England and Wales authorises S Allport and T A Jack to act as Insolvency Practitioners under section 390(2)(a) of the Insolvency Act 1986

Premier Decorative Products Limited (in Administration)

Joint Administrators' Abstract of Receipts and Payments
for the period from 2 November 2007 to 1 May 2008

Statement of Affairs Estimated to Realise (£)		From 02/11/06 to 01/05/07 (£)	From 02/05/07 to 01/11/07 (£)	From 02/11/07 to 01/05/08 (£)	Total Receipts and Payments (£)
Receipts					
50 000 00	Prepayments & Other Debts	5,690 21	101 082 68		106,772 87
1,000,000 00	Plant and Machinery	750 294 23	315,876 61		1 066,170 84
100 000 00	Stock	291,335 94	5 805 92		297 141 86
1 750,000 00	Debtors not subject to Fixed Charge	1 713 185 00	69,880 33	7,177 56	1 790 242 89
	Administration Sales	2,721,333 60	141 798 98	9 933 16	2 873 065 74
	Contingent Contribution to Trading	720 000 00			720,000 00
	Goodwill	1 00			1 00
	Fixtures and Fittings	1 926 01			1 926 01
	Designs and Cylinders	130 992 63			130 992 63
	Electricity Recharge			4 271 83	4 271 83
	Software Licences			500 00	500 00
	Bank Interest	73 729 08	91,520 80	54,313 97	219,563 85
	Cash At Date of Appointment	4,028 97			4 028 97
		<u>6,412,516 67</u>	<u>725,965 30</u>	<u>76,196 52</u>	<u>7,214,678 49</u>
Payments					
Balance B/F					
	Gross Weekly Salaries	660 997 90	21 293 89		682,291 79
	Gross Salaries	229 930 98	20 304 30		250 235 28
	Employers NIC	99 484 35	4 090 86		103,575 21
	Material Purchases	1 787 241 50	211 60		1 787 453 10
	Retention of Title	181 284 95	11 170 00		192 454 95
	Hire of Equipment	35,173 28			35 173 28
	Carnage	50 536 93	1 490 92		52 027 85
	Repairs and Renewals	8,805 02	3 062 07		11,867 09
	Ransom Payments	326 524 76			326 524 76
	Electricity	116,426 48	53 338 65		169 765 13
	Rent	55 000 00	120 000 00		175 000 00
	Insurance	42 299 14	3 686 79		45 985 93
	Consultancy Fees	55,085 37	3 877 04		58,962 41
	Motor Expenses	11 596 44	34 43		11 630 87
	Security	436 09	902 17		1 338 26
	Waste Disposal	21 412 78	2 320 16		23 732 94
	Sundry Expenses	5 529 55	397 55		5 927 10
	Employers Pension	41 167 17	1,188 64		42 355 81
	Employee Expenses	4,145 82			4,145 82
	Gas		2 863 89	171 269 01	174 132 90
	Telephone	2 986 53	2 787 89	718 47	6,492 89
	Water Rates		8 711 24	9 691 04	18 402 28
	Travel	490 33			490 33
	Administration Fees		250 000 00	125 000 00	375 000 00
	Administration Expenses			22,183 00	22 183 00
	Agents' Commissions - Book Debt	38 552 88	4,628 03	1,456 95	44 637 86
	Agents' Commission - Trading Debts	36 396 01	6 933 29	2 964 24	46 293 54
	Distribution to Preferential Creditors			265 988 46	265 988 46
	Distribution to Floating Chargeholder			1 400 000 00	1 400 000 00
	Legal Fees	50 247 42		11 025 96	61 273 38
	Agents Fees	18 385 54	113 644 09		132,029 63
	Agents Fees - Rates		70 655 20	27 899 46	98 554 66
	Statement Report Costs		1 229 39	1 314 76	2 544 15
	Storage Charges	140 00	1 041 97	159 83	1 341 80
	Site Clearance Costs	17 500 00	7 698 02	1 679 00	26 877 02
	Public Notices	357 91			357 91
	Specific Bond	1 440 00			1,440 00
	Stationery & Photocopying	1 381 25			1 381 25
	Postage	728 28			728 28
	Exchange Loss and Charges	1 016 35			1 016 35
	Bank Charges	1 915 54	416 59	96 36	2 428 49
		<u>3,904,616 55</u>	<u>717,978 67</u>	<u>2,041,446 54</u>	<u>6,664,041 76</u>
	Movement of Funds/Balances in Hand	2 507 900 12	7 986 63	(1 965 250 02)	550 636 73
		<u>6,412,516 67</u>	<u>725,965 30</u>	<u>76,196 52</u>	<u>7,214,678 49</u>

Notes

Receipts and payments are shown net of VAT

All funds are held in interest bearing accounts

The receipts and payments account has been prepared on a cash basis and does not take account of future receipts and payments

The draft Statement of Affairs figures are taken from statements prepared by the Directors of the Company

**Premier Decorative Products Limited
(in Administration)**

**Summary of Joint Administrators' Time Costs and Category 2 Disbursements
for the period from 2 November 2006 to 9 May 2008**

	Partner / Director	Assistant Director	Senior Executive	Executive	Analyst	Total Hours	Time Cost £	Average Hourly Rate £
Job Acceptance & Strategy	12 0	-	-	-	-	12 0	4,491	374
Immediate Tasks	8 0	10 0	-	-	10 2	28 2	6,924	246
Bank & Statutory Reporting	22 5	33 0	-	10 5	24 0	90 0	22,526	250
Property	12 0	12 6	-	53 0	6 0	83 6	18,508	221
Debtors	19 5	49 5	-	353 0	146 0	568 0	98,333	173
Other Assets	12 0	30 0	-	231 5	40 0	313 5	59,001	188
Trading	86 5	125 8	-	690 5	292 7	1,195 5	220,052	184
Retention of Title	8 0	33 7	-	24 5	199 0	265 2	33,744	127
Creditors	8 5	23 5	-	27 0	545 0	604 0	58,658	97
Members	-	-	-	-	-	-	-	-
Investigations	2 0	2 5	-	-	7 0	11 5	2,084	181
Legal Issues	6 5	5 0	-	-	3 0	14 5	4,231	292
Employee Matters	4 0	8 0	199 7	87 4	21 0	320 1	71,041	222
Accounting & Administration	9 0	64 2	122 1	209 9	440 6	845 8	126,709	150
Environmental Issues	8 5	0 5	-	-	-	9 0	3,337	371
Statutory Duties	10 0	9 0	0 6	20 0	37 0	76 6	13,262	173
VAT & Taxation	3 5	26 5	26 6	32 3	58 0	146 9	26,636	181
Other Matters	6 0	15 5	-	-	12 5	34 0	8,074	237
Total Hours	238 5	449 3	349 0	1,739 6	1,842 0	4,618 4		
Time Costs	89,258	140,200	86,567	315,414	146,171		777,610	
Average Hourly Rate	374	312	248	181	79		168	
Category 2 Disbursements	Mileage claims	20,567						

Current charge out rates	Grade	Current Rate	Previous Rate
Corporate Restructuring	Partner	470	430
	Director	385	355
	Assistant Director	335	305
	Senior Executive	260	240
	Executive	190	180
	Analyst	75-115	65 - 105
Indirect Tax	Assistant Director	445	425
	Senior Executive	340	325
	Analyst	85-115	80 - 105

**Premier Decorative Products Limited
(in Administration)**

Office Holders' Charging Policy for Fees

The Creditors' Committee has determined that the Administrators' remuneration should be fixed on the basis of time properly spent by the Administrators and their staff in attending to matters arising in the Administration

The Administrators have engaged managers and other staff to work on the case. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by cashiers dealing with the Company's bank accounts and statutory compliance diaries, secretaries providing typing and other support services and filing clerks. Work carried out by all staff is subject to the overall supervision of the Administrators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown in Appendix 2, as are the current hourly rates used. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report.

Office Holders' Charging Policy for Disbursements

Statement of Insolvency Practice No. 9 ("SIP 9") published by R3 (The Association of Business Recovery Professionals) divides disbursements into two categories.

Category 1 disbursements comprise payments made by the office holders' firm, which comprise specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. These disbursements can be paid from the insolvent's assets without approval from the Committee. In line with SIP 9, it is our policy to disclose such disbursements drawn but not to seek approval for their payment.

Category 2 disbursements comprise payments made by the office holders' firm which include elements of shared or overhead costs. Such disbursements are subject to approval from the Creditors' Committee as if they were remuneration. It is our policy, in line with SIP 9, to seek approval for this category of disbursement before they are drawn. Vehicle usage expenses are currently charged at a rate of £0.13 per mile or £0.40 per mile (depending on the grade of staff concerned) in line with the travel and expenses policy of the office holders' firm.

**Premier Decorative Products Limited
(in Administration)**

Summary of Statutory Information

Name of court	High Court of Justice, Chancery Division, Manchester District Registry
Court reference number	2091 of 2006
Full name of company	Premier Decorative Products Limited
Registered office addresses	c/o Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY
Registered number	2630824
Administrators' names	Simon Allport and Thomas Andrew Jack
Administrators' address	Ernst & Young LLP 100 Barbirolli Square Manchester M2 3EY
Date of appointment	2 November 2006
Full names of the appointors	Directors of the Company
Address of appointors	c/o Premier Decorative Products Limited, Gleadhill House, Dawbers Lane, Euxton, Chorley, Lancashire PR7 6EA
Changes in office holder	n/a
Statement of functions ¹	Simon Allport and Thomas Andrew Jack, act jointly and severally as Administrators of the Company Any and all of the functions of the Joint Administrators may be carried out by each of the Joint Administrators acting individually or acting together

¹ In accordance with paragraph 100 of Schedule B1 to the Insolvency Act 1986