

Rule 1.26/
1.54

The Insolvency Act 1986
Notice to Registrar of
Companies of Supervisor's
Abstract of Receipts and
Payments
Pursuant to Rule 1.26(2)(b) or
Rule 1.54 of the
Insolvency Rules 1986

Form 1.3

**R.1.26(2)(b)/
R.1.54**

For Official Use

--	--	--

To the Registrar of Companies

Company Number

03022974

Name of Company

Disability West Midlands

I / ~~We~~
Andrew Appleyard
Canterbury House
85 Newhall Street
Birmingham
B3 1LH

supervisor~~s~~ of a voluntary arrangement taking effect on

04 November 2005

present overleaf my/~~our~~ abstract of receipts and payments for the period from

04 November 2005

to

03 November 2006

Number of continuation sheets (if any) attached

☐

Signed



Date

21/11/06.

Haines Watts
Canterbury House
85 Newhall Street
Birmingham
B3 1LH

Ref: DISA02F/PA

For Official Use

Insolvency Section | Post Room

WEDNESDAY



ADSDJKXS

AO1

29/11/2006

COMPANIES HOUSE

94

RECEIPTS		£
Brought forward from previous Abstract (if any)		0.00
Postages		1.32
Trust Monies from Administrator		88,963.67
Funds from Barclays		9,940.50
P H Clay Legacy		31,290.00
Legacy Mrs Herridge		8,000.00
Motor Vehicles		4,200.00
Book Debts		28,880.00
Cash at Bank		1,664.85
General funds From Administration		217,677.76
Bank Interest Net of Tax		8,950.66
Carried forward to		399,568.76
* continuation sheet / next abstract		
PAYMENTS		£
Brought forward from previous Abstract (if any)		0.00
Purchases (1)		6,864.58
Direct Labour		23,511.84
Travel		408.00
Telephone		551.04
Vehicle Running Costs		1,254.97
Coalition of Disabled People Birmingham		2,000.00
Administrators Fees		8,933.00
Office Holder's Fees		250.00
Accounting Assistance		1,641.00
Agents/Valuers Fees		595.74
Legal Fees		2,250.25
Insurance of Assets		106.88
Pension Conts Liability from Admin		915.24
Suspense a/c		330.75
Input VAT		2,451.49
PAYE & National Insurance		14,868.87
Pension Conts		1,878.21
Carried forward to		68,811.86
* continuation sheet / next abstract		

* Delete as appropriate

* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the supervisor since he was appointed.



TO ALL CREDITORS

5th Floor
Canterbury House
85 Newhall Street
Birmingham
B3 1LH

Tel +44 (0) 121 212 4477
Fax +44 (0) 121 212 4459

Email: bri.birmingham@hwca.com
Website: www.hwca.com

28 November 2006

Our Ref: DISA01C/24

Dear Sirs

Disability West Midlands – In Administration and Company Voluntary Arrangement (“DWM”)

In accordance with Rule 2.47 of the Insolvency Rules 1986, as amended, I enclose my progress report to creditors on the conduct of the Administration to date.

Yours faithfully

Andrew Appleyard
Administrator/ Supervisor

Enc:

The Administrator is managing the affairs, business and property of the company. Andrew Appleyard of Haines Watts was appointed Administrator of the company on 18 April 2005. The Administrator contracts as agent of the company and without personal liability.

Andrew Appleyard is an Insolvency Practitioner Licensed by the ACCA

Credere Limited t/a Haines Watts Business Recovery & Insolvency

Registered in England & Wales - Company Registration Number 05719911

Registered Office: Sterling House, Maple Court, Maple Road, Tankersley, S75 3DP

**Disability West Midlands – In Administration****Administrator's Progress Report****1. Statutory details**

Details of Appointing Court	Birmingham District Registry
Court Reference Number	2370 of 2005
Administrator's Name	Andrew Appleyard
Administrator's Address	Haines Watts 5 th Floor Canterbury House 85 Newhall Street Birmingham B3 1LH
Date of Appointment	18 April 2005
Appointor	Company
Extensions to time period of Administration	13 April 2007 (Court order dated 17 October 2006)

2. Matters Achieved to date**Validity of a Company Voluntary Arrangement**

As previously reported, the company Voluntary Arrangement was entered into in order to allow DWM to continue in a reduced form, whilst distributing certain funds to creditors.

Shortly after the Company Voluntary Arrangement was approved, a firm of solicitors at an insolvency conference raised a doubt as to whether a Company Voluntary Arrangement can validly bind certain employee claims due to inconsistencies between the Insolvency Act 1986 (the Act from which CVAs are derived) and the Employment Rights Act. If certain employee claims are not bound then this will leave these creditors outside the arrangement and will mean that the arrangement is likely to fail. The principal potentially unbound claim is for redundancy payments



which have been paid to the employees by the Department of Trade & Industry "DTI" who now occupies the employees' position as a creditor. The potential problem with the validity of CVAs involving certain employees' claims affects other cases as well as DWM.

We have taken advice from a Barrister on another larger case who confirmed there was an inconsistency between the Insolvency Act 1986 and the Employment Rights Act but he could not give certain advice as to the legal ramifications of the inconsistency. We have now sought a judicial ruling in the subject with the original hearing being set down for 5 April 2006. However at the request of the DTI this hearing was adjourned until September 2006. However, by agreement we were able to bring the hearing forward to 4 July 2006. Unfortunately, Directions were not handed down on the date of the Court Hearing. However, it was hoped that they were to have been received within 2 months. I am now advised, however, that due to a backlog in Court and the complexity of the case matter, Judgement may well not be handed down until January 2007.

It is important to determine if the CVA is valid for under the terms of the CVA certain assets have been ascribed for the benefit of CVA creditors and other assets fall outside the CVA and will be for the benefit of non-CVA creditors (i.e. those arising post CVA.) Until the validity of the CVA is determined I have retained my role as Administrator and will seek a discharge from that role if the CVA is validated.

Continuity of the Charity

The CVA was undertaken to achieve two purposes:

- (1) An efficient method of distribution of the funds to creditors
- (2) To achieve the rehabilitation of DWM as a charity

Unfortunately, despite everyone's best efforts, DWM was not awarded its major grant for 2006/2007 and as a result could not continue to function. DWM closed in March 2006 and all staff have been made redundant.

Asset Realisations

Since the date of the CVA acceptance the following realisations have been made:

(i) Assets Falling within the CVA

- (1) The balance of New Outlook grant monies of £28,880.00 have now been received.

(ii) Assets Outside the CVA

There has been a sale of sundry office equipment and computers and sale a Ford Focus motor car for £4,200.



(iii) Sundry Assets

We have had notification of the following assets which may or may not fall within the CVA if the CVA is found to be valid.

- (1) DWM has been left a legacy in a will. In the period of this report, I received £8,000 and a further sum of £27,255.74 has since been received. The final small balance of monies receivable will depend on the costs of the solicitors who act as executors.
- (2) I have received a further sum of money of £31,290 in relation to an old bequest managed by another charity. Until the exact terms of the original bequest are determined, it is not possible to say if these monies are trust monies or if they can be used to pay creditors either within or outside the CVA

3. Administrator's/ Supervisor's Fees

The approval of the drawing of my fees in a time cost basis as both Administrator and Supervisor was approved by creditors at respective meetings. I have set out below details of my fees up to and after the date of the CVA.

Hours						Time Cost £	Average hourly rate £
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration and statutory compliance	19.50	21.85	0.20	4.75	49.30	10297.00	208.86
Investigations	0.00	0.00	0.00	0.00	0.00	N/A	N/A
Realisation of assets	19.50	0.00	1.00	6.00	26.50	5597.00	211.21
Trading	60.25	1.75	0.00	0.00	62.00	15467.50	249.48
Creditors	3.50	14.75	0.50	9.85	28.60	4774.25	166.93
Case Management	45.00	4.50	1.00	0.00	50.50	10045.00	239.90
Total hours	147.75	45.85	2.70	20.60	216.90		212.91
Total fees due (£)						46180.25	



4. Receipts and Payments Account

Attached is a current statement of Receipts and Payments for the period of the Administration.

5. Conclusion

I will continue either as Supervisor or Administrator to maximise realisations for creditors and to achieve the earliest possible distribution of funds.

If you require any further information or clarification on any matter, please do not hesitate to contact my office.

Andrew Appleyard
Administrator and Supervisor

Date: 28 November 2006