

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

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

For Official Use

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To the Registrar of Companies

Company Number

03022974

Name of Company

Disability West Midlands

I / We  
 Andrew Appleyard  
 6th Floor  
 The White House  
 111 New Street  
 Birmingham  
 B2 4EU

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 2006

to

03 November 2007

Number of continuation sheets (if any) attached

☐

Signed



Date

18/12/07

Haines Watts BRI  
 6th Floor  
 The White House  
 111 New Street  
 Birmingham  
 B2 4EU

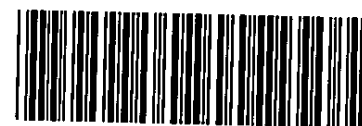
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Insolvency Section

Post Room

FRIDAY



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A35

21/12/2007

549

COMPANIES HOUSE

<b>RECEIPTS</b>		<b>£</b>
Brought forward from previous Abstract (if any)		399,568 76
Legacy Mrs Herridge		27,255 74
Interest Received		4,641 84
Book Debts		1,160 42
Bank Interest Gross		2,041 43
Bank Interest Net of Tax		6,535 77
Carried forward to * continuation sheet / next abstract		441,203 96
<b>PAYMENTS</b>		<b>£</b>
Brought forward from previous Abstract (if any)		68,811 86
Specific Bond		300 00
Administrators Fees		2,890 00
Office Holder's Fees		8,563 50
Legal Fees		5,865 64
Stationery & Postage		40 88
Storage Costs		347 60
Other Property Expenses		60 00
Pension advice		572 50
Inland Revenue		955 29
Department of Employment		3,947 67
Employees Holiday Pay		2,030 00
Input VAT		3,223 54
Carried forward to * continuation sheet / next abstract		97,608 48

\* 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 KNOWN CREDITORS**

6<sup>th</sup> Floor  
The White House  
111 New Street  
Birmingham  
B2 4EU

Tel +44 (0) 121 616 6790

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Email [bri.birmingham@hwca.com](mailto:bri.birmingham@hwca.com)  
Website [www.hwca.com](http://www.hwca.com)

18 December 2007

Our Ref AATCS/DISA01C/DISA02F/15

Dear Sir(s)

**Disability West Midlands ("DWM")  
In Administration – No 2370 of 2005  
and subject to a Corporate Voluntary Arrangement.**

**1 Introduction**

- 1 1 Andrew Appleyard of Haines Watts BRI Limited was appointed Administrator of Disability West Midlands ("DWM") by members of the Board on 18 April 2005
- 1 2 The time period of the Administration has been extended by order of the Birmingham District Registry of the High Court with a current end date of 11 January 2008
- 1 3 Andrew Appleyard of Haines Watts BRI Limited was appointed Supervisor of the Corporate Voluntary Arrangement ("CVA") of DWM by meetings of Creditors and Members held on 17 October 2005 and 4 November 2005
- 1 4 Pursuant to Rule 2 30(2) of the Insolvency Rules 1986, as amended, the Administrator here reports to creditors on progress within the Administration
- 1 5 Pursuant to Rule 1 26(2) of the Insolvency Rules 2006, as amended, the Supervisor of the CVA here reports to creditors on progress within the CVA for the period to 16 October 2007

**2. Receipts and Payments Account, Estimated Outcome Statement**

- 2 1 Attached, at Appendix A, is a Receipts and Payments account for the CVA to date
- 2 2 Attached, at Appendix B, is a Receipts and Payments account for the Administration

Andrew Appleyard is an Insolvency Practitioner Licensed by the Association of Chartered Certified Accountants  
Haines Watts BRI Limited

Registered in England & Wales - Company Registration Number 05532196

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

A list of Directors is available at the Company's Registered Office

Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities



### 3. Realisations

3 1 All realisations in the Administration have been reported upon in previous Progress Reports

3 2 The net funds from the Administration were transferred to the CVA on 4 November 2005

#### 3 3 Trust Monies

3 3 1 As previously reported in addition to the monies held in Trust transferred from the Administration, of £88,963 67, two bequests have been received from the estates of P H Clay and Mrs Herridge These bequests are discussed further at paragraph 5 below

3 3 2 Interest of £7,000 32 has been received upon the funds held in the Trust Monies account

#### 3 4 General Funds

3 4 1 Funds of £9,940 50, being the balance of funds held in the pre Administration bank account, have been received from Barclays Bank Plc

3 4 2 A motor vehicle has been sold for £4,200 00

3 4 3 Book debt monies of £30,040 42 have been received

3 4 4 Cash at Bank of £1,664 85 has been received from Unity Trust Bank

3 4 5 Interest of £16,374 40 has been received to date upon the funds held in the general account

### 4. Validity of the CVA

4 1 As has previously been advised to creditors, 10 days after the approval of the CVA on 4 November 2005, the Supervisor attended an Insolvency Conference in London where the speakers raised doubt as to whether a CVA could validly bind certain employee claims

4 2 The Supervisor sought advice from his lawyers in the matter of DWM, and during December of 2005 and January and February of 2006 Counsel's opinion and that of the Redundancy Payments Directorate of the DTI were also sought

4 3 It became clear that this was a matter which would require directions of the Court and in early March 2006 an Application for Directions was filed at the High Court

4 4 At the request of the Treasury Solicitor the hearing set for 3 April 2006 was adjourned

4 5 The matter was heard by the High Court at two hearings on 10 July 2006 and 28 August 2006



4 6 The Court reserved judgement at the second hearing and a judgement was handed down on 28 February 2007

4 7 The Court directed that all classes of employee claim can be bound by a properly approved CVA.

## **5. Bequests**

5 1 As noted at 3 3 1 above bequests have been received which total £66,545 74

5 2 As previous advised to creditors it was unclear whether these funds fell within those available to CVA creditors or, as a result of them being received after the implementation of the CVA, if they fell outside of funds available to the CVA creditors

5 3 Advice was obtained from Solicitors and Counsel however it was still unclear if the monies were available to CVA creditors

5 4 In the absence of clarity in this matter it was decided to seek directions of the High Court as to the correct treatment of the funds

5 5 Consequently an Application for Directions hearing took place on 26 September 2007 in the Chancery Division of the Birmingham District Registry of the High Court

5 6 The judgement of the Court directed that funds arising from the bequests are not to be made available to the body of CVA creditors but are to be held for the benefit of the ongoing charity The Court also directed that the costs of the Application should be born equally between funds in the CVA and the bequest funds

## **6. Preferential Creditors**

6 1 The claims of the Preferential creditors were settled in full by a dividend totalling £6,932 96, declared and paid on 25 June 2007

## **7. Unsecured Creditors**

7 1 The Administrator's Proposal for the CVA listed 46 creditors (including Preferential Creditors) with claims estimated at £419,409 81

7 2 To date claims have been received and admitted from 28 creditors with claims totalling £408,148 42 8 creditors shown in the CVA Proposal have advised that they will not be submitting claims or are employees whose claims have been met in full by the DTI Redundancy Payments Unit which now stands as an additional creditor

7 3 Contemporaneous with this report letters have been sent to 11 known creditors for whom no claim has yet been admitted It is estimated that these claims could total in excess of £65,000 00

7 4 The Supervisor proposes to declare and pay a first interim dividend to proving creditors in January 2008

- 7.5 Following the agreement and payment of all liabilities of the Administration and CVA to date, a Notice of Intended Dividend will be advertised and sent to all remaining non proving creditors. Within four months of that Notice of Intended Dividend a second and Final Dividend will be declared and paid.

## 8. Office Holder's Remuneration

- 8.1 At the meeting of creditors held on 30 June 2005 to consider the Administrator's Proposals, creditors approved a resolution that the Administrator should be paid on the basis of time costs and disbursements spent by him and his staff on matters relating to the implementation, conduct and supervision of the Administration.
- 8.2 At the meeting of creditors held to approve the CVA, on 4 November 2005, creditors approved a resolution that the Supervisor should be paid on the basis of time costs and disbursements spent by him and his staff on matters relating to the implementation, conduct and supervision of the CVA.
- 8.3 Statement of Insolvency Practice 9 ("SIP9") outlines the information to be provided to creditors by an office holder when dealing with the matter of his remuneration. This is available on request or can be viewed at [www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk). The requisite analysis for time costs incurred in the Administration and CVA combined is attached at Appendix C.
- 8.4 The analysis at Appendix C shows that the total time spent on the Administration and CVA to date is 290.30 hours at an average rate of £224.16, giving total time costs to date of £65,073.25.
- 8.5 The Administration has settled £33,588.25 on account of these time costs and the CVA has settled a further £29,012.50, giving a total of £62,600.75. The balance of the time costs remain un-discharged.
- 8.6 The Haines Watts BRI Limited hourly charge out rates currently applicable in this case are as follows:

Grade of Staff	From (£)	To (£)
Partner / Director / Associate	175	300
Senior Manager / Manager	125	215
Senior	90	157
Case Administrator	60	140
Cashiering	85	125
Clerical	35	60

## 9. Supervisor's Disbursements

- 9.1 Disbursements settled from funds in the Administration have been discussed in previous progress reports.
- 9.2 The Supervisor has settled, from funds transferred from the Administration,



- 9 2 1 Legal Fees to HBJ Gateley Wareing Solicitors in the sum of £8,115 89  
The bulk of this sum relates to the legal costs of obtaining the Judicial Ruling discussed in previous reports The balance covers general advice on the two insolvencies
- 9 2 2 Administration costs and expenses totalling £6,560 52
- 9 2 3 Disbursements, as detailed in the CVA Receipts and Payments account at Appendix A, totalling £4,116 55
- 9 3 Haines Watts BRI Limited's disbursements policy, detailing how these costs are recharged, has previously been distributed to all creditors A further copy will be sent to any creditor upon request

## 10. Conclusion

- 10 1 The Administration will come to an end, by effluxation of time and the provisions of paragraph 76 of Schedule B1 to the Insolvency Act 1986, on 11 January 2008 Formal notice of the ending of the Administration will be sent to creditors at that time
- 10 2 It would now appear that matters which have required directions from the Court, delaying the progress of the CVA, have now been resolved
- 10 3 The Supervisor proposes to declare and pay a first interim dividend to proving creditors in January 2008
- 10 4 As soon as final Administration expenses, including but not limited to non-domestic rates, have been settled, the Supervisor will be issuing a Notice of Intended Dividend Within four months of that Notice of Intended Dividend a Second and Final Dividend will be declared and paid
- 10 5 As required by statute the Supervisor will report to creditors at the closure of the CVA or at the next anniversary, whichever should be sooner

It is hoped that this report will update creditors on progress in this matter However, should you have any further queries please do not hesitate to contact Tim Sharp of this office, preferably in writing

Yours faithfully

**Andrew Appleyard**  
Administrator and Supervisor.

**Disability West Midlands  
(In Administration)**

**Summary of Receipts & Payments  
18 April 2005 to 17 December 2007**

<b>RECEIPTS</b>	<b>Total (£)</b>
Sales	16,974 94
Trust Monies Received	85,808 00
Interest Received	970 67
Furniture & Equipment	900 00
Book Debts	9,871 54
Insurance Refund	308 75
Cash at Bank	318,240 83
Bank Interest Gross	5,382 67
Bank Interest Net of Tax	527 49
Input VAT	52 33
Petty Cash	750 00
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	<b>439,787.22</b>
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<b>PAYMENTS</b>	
Purchases (1)	7,624 81
Direct Labour	54,821 29
Rents	1,417 00
Travel	713 07
Telephone	761 90
Professional Fees	1,957 34
Vehicle Running Costs	299 00
Specific Bond	150 00
Office Holder's Fees	33,588 25
Accounting Assistance	2,000 00
Travel	60 00
Agents/Valuers Fees	50 00
Legal Fees	3,695 23
Companies House Searches	3 00
Statutory Advertising	607 04
Insurance of Assets	262 51
Bank Charges	21 00
Trust Monies	88,963 67
General Funds	217,677 76
Input VAT	7,655 54
PAYE & National Insurance	16,708 81
Petty Cash	750 00
	<hr/>
	<b>439,787.22</b>
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<b>Balance In Hand</b>	<b>0.00</b>
	<hr/>
	<b>439,787.22</b>
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**Disability West Midlands  
(Under a Voluntary Arrangement)**

**Summary of Receipts & Payments  
04 November 2005 to 17 December 2007**

<b>RECEIPTS</b>	<b>Total (£)</b>
From Administrator	88,963 67
Legacy P H Clay	31,290 00
Legacy Mrs Herridge	35,255 74
Interest Received	7,000 32
General Funds from Administration	217,677 76
Funds from Barclays	9,940 50
Motor Vehicles	4,200 00
Book Debts	30,040 42
Cash at Bank	1,664 85
Bank Interest Gross	2,041 43
Bank Interest Net of Tax	14,332 97
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	<b>442,407.66</b>
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<b>PAYMENTS</b>	
Purchases	6,863 26
Direct Labour	36,138 64
Travel	408 00
Telephone	551 04
Vehicle Running Costs	1,254 97
Coalition of Disabled People Birmingham	2,000 00
Purchase Ledger Items from Admin	1,525 00
Specific Bond	300 00
Administrators Fees	14,228 00
Office Holder's Fees	14,793 50
Accounting Assistance	1,641 00
Agents/Valuers Fees	595 74
Legal Fees	8,115 89
Stationery & Postage	40 88
Storage Costs	466 10
Other Property Expenses	60 00
Insurance of Assets	106 88
Pension advice	572 50
Pension Conts Liability from Admin	915 24
PAYE & NIC Liability from Admin	4,120 28
Suspense a/c	330 75
Inland Revenue	955 29
Department of Employment	3,947 67
Employees Holiday Pay	2,030 00
Input VAT	7,163 14
	<hr/>
	<b>109,123.77</b>
<b>Balance In Hand</b>	<b>333,283.89</b>
	<hr/>
	<b>442,407.66</b>
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**DISABILITY WEST MIDLANDS - ADMINISTRATION AND CVA  
TIME COST ANALYSIS AS AT: 17 December 2007**

Work Function	Partner		Associate / Manager		Administrator		Support Staff		Total Hours	Total Time Cost	Average Hourly Rate
	Hours	Time Costs	Hours	Time Costs	Hours	Time Costs	Hours	Time Costs			
	0 00	0 00	9 25	1,809 50	0 65	58 75	1 00	87 00	10 90	1,955.25	179 38
Administration and Planning											
Case Management	195 50	49,685 00	20 70	4,061 25	1 20	115 00	0 00	0 00	217 40	53,861.25	247.75
Cashiering	0 00	0 00	0 00	0 00	0 00	0 00	26 00	2,245 25	26 00	2,245.25	86.36
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0.00	0.00
Statutory Compliance	0 00	0 00	19 35	3,792 50	0 00	0 00	0 75	65 25	20 10	3,857.75	191 93
Realisation of Assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0.00	0.00
Secured Creditor	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0.00	0.00
Creditors	2 00	500 00	12 45	2,471 25	1 45	182 50	0 00	0 00	15 90	3,153.75	198.35
<b>Total</b>	<b>197 50</b>	<b>50,185 00</b>	<b>61 75</b>	<b>12,134 50</b>	<b>3 30</b>	<b>356.25</b>	<b>27.75</b>	<b>2,397.50</b>	<b>290.30</b>	<b>65,073.25</b>	<b>224.16</b>