

Rule 1.26 The Insolvency Act 1986

Voluntary Arrangement's
Supervisor's Abstract of
Receipts and Payments

Pursuant to Rule 1.26(2)(b) of the
Insolvency Act 1986

A1.26

For Official Use

To the Registrar of Companies

Company Number

03028676

Name of Company

Felixstowe International E-WHA Ltd

I/We David J Dawson

Nigel Millar

of Knapton House
12 Lower Brook Street
Ipswich, Suffolk
IP4 1AT

7 The Close
Norwich
Norfolk NR1 4DP

supervisor(s) of a voluntary arrangement approved on

6 January 1999

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

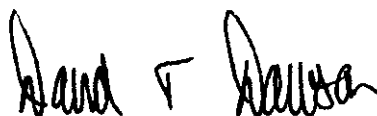
6 January 1999

to

5 January 2000

Number of continuation sheets attached

Signed



Date 31. JAN 2000.

BDO Stoy Hayward
Knapton House
12 Lower Brook Street
Ipswich, Suffolk
IP4 1AT

Ref: FEL001/DJD/RB/JRF

For Official Use
Insolvency Sect Post Room



A15
COMPANIES HOUSE

ABYUXNNK

0586
02/02/00

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 appointee since he was appointed

*Delete as appropriate

*Delete as appropriate

ABSTRACT

RECEIPTS		£
Brought forward from previous Abstract (if any)		0.00
Rates Refunds		97.75
Furniture & Equipment		3864.95
Voluntary Contributions		15000.00
Bank Interest Gross		175.57
Carried forward to *continuation sheet/next Abstract		19138.27
PAYMENTS		£
Brought forward from previous Abstract (if any)		0.00
Supervisors Remuneration		4455.00
Supervisors Disbursements		426.97
Agents/Valuers Fees		1074.08
Irrecoverable VAT		731.77
Carried forward to *continuation sheet/next Abstract		6687.82

To All Known Creditors

24 January 2000

Our ref: DJD /RB/HA01

e-mail address: david.dawson@bdo.co.uk

If telephoning please ask for
Roger Barnbrook

Dear Sirs

**FELIXSTOWE INTERNATIONAL E-WHA LIMITED
COMPANY VOLUNTARY ARRANGEMENT
IN IPSWICH COUNTY COURT NO. 1037 OF 1998****1 INTRODUCTION**

We are pleased to submit our first annual report pursuant to Rule 5.26(2) of the Insolvency Act 1986 on the progress of the arrangement to date. A receipts and payments account is enclosed for your information. Please note that the company is not registered for VAT and any VAT incurred in this arrangement is irrecoverable.

2 TERMS OF THE ARRANGEMENT**2.1 The salient points of the arrangement are as follows:**

- 1 The arrangement was approved on 6 January 1999.
- 2 The company is required to make contributions of £5,000 at the commencement of each term i.e. on 31 January, 30 April and 30 September each year. The arrangement will be for five years i.e. 15 contributions will be made.
- 3 The company will continue to trade.
- 4 Any assets surplus to requirements will be sold and the proceeds paid into the arrangement fund.
- 5 Management accounts will be prepared at the end of each term to ascertain whether or not bonus contributions can be paid.



BDO Stoy Hayward – East Anglia Firm

BDO Stoy Hayward firms operate from 45 offices across the United Kingdom

Ipswich: DI Baker, CL Bassett, MW Beck, DI Dawson, A Izod
Bury St Edmunds: MD Fulcher, PAB Howard, LJ Mills,
AIC Sandbach, HC Scrope, DCW Unwin, SM Duffety FCCA
Newmarket: HR Saltmarsh, CL Wash
Norwich: DJB Coventry, N Millar, IB Rolph, NA Rudd,
SJ WebberUnless designatory letters are shown the above are
Chartered AccountantsAuthorised by the Institute of Chartered Accountants
in England and Wales to carry on investment business

INVESTOR IN PEOPLE

- 6 Investor creditors have agreed to defer their rights to a dividend until other unsecured creditors have received a dividend of 30p in the £. If this dividend is achieved the Investors will rank pari-passu with the other unsecured creditors for future dividends.

- 2.2 Creditors may wish to re-read the proposal document and Chairman's Report in order to fully appraise themselves of the arrangement terms and the modifications proposed by creditors and agreed by the directors.

3 DEVELOPMENTS

- 3.1 The Managing Director, Mrs Lee's major concern was to secure premises from which the school could continue. Discussions were entered into with Allied Schools, and while they were supportive of the schools position they had negotiated a sale of the school site. The purchaser was not prepared to allow the school to continue to operate and alternative premises had to be found.
- 3.2 A number of options were considered and the company eventually moved to a building nearby which had been the former sixth form college. The school occupies the premises on a one year lease to August 2000. We understand that there is an option to extend the lease. The current property also has the benefit of a currently unoccupied adjacent property which maybe available should the school wish to expand.
- 3.3 During the last 12 months Mrs Lee has carried out considerable marketing overseas and we are informed that at the start of the new school year in September 1999 10 students had enrolled.
- 3.4 The company's accountants Thain Wildbur & Co. (Thetford) continue to provide accounting support. Outstanding accounts to the 31 August 1997 and 31 August 1998 have been completed and filed at the Registrar of Companies.
- 3.5 Termly management accounts have been produced for the three terms ended the 31 August 1999. They show a small loss being incurred each term.
- 3.6 The company's accountants have also assisted the company in producing a budget for the school year to the end of August 2000. This shows a loss of approximately £5,000.
- 3.7 Mrs Lee advises that the company's obligations under the company voluntary arrangement will be honoured and that she will introduce further funds if necessary.
- 3.8 I am also advised that there are no overdue post arrangement creditors.

4 REALISATIONS INTO THE ARRANGEMENT

- 4.1 We are pleased to report to creditors that the three contributions due to date i.e. January 1999, April 1999 and September 1999 totalling £15,000 have all been received on the due dates.
- 4.2 The company's move to smaller premises has resulted in a number of surplus items of furniture and equipment. The company has liaised with my agents George Hazel & Co. and gross realisations in respect of this furniture and equipment have totalled £3,865.
- 4.3 In addition I understand that further equipment has been collected by George Hazel & Co. and, after agents costs for collection and sale, it is anticipated that approximately a further £1,200 will be payable into the arrangement fund.
- 4.4 Other realisations comprise £97.75 in respect of a rate refund and £175.57 for gross interest earned on funds on deposit.

5 PREFERENTIAL CREDITORS

- 5.1 Provisional preferential claims have been received as follows:

	£
Inland Revenue	10,601
Department of Employment	3,962
Employees	TBA
Estimated Total	<u>14,563</u>

- 5.2 The Inland Revenue have informed us that they are awaiting details of the split of the pre and post arrangement outstanding PAYE and NIC from the P35 for the tax year 98/99 before they can confirm their final claim.
- 5.3 The Department of Employment's claim is for preferential payments made to employees.
- 5.4 The Employees may have some residual preferential claims in respect of arrears of holiday pay due to them in excess of the statutory limits paid by the Department of Employment.

6 EMPLOYEES CLAIMS

- 6.1 As advised in the proposal document a number of employees were dismissed by the company and at the date of the approval of the arrangement they had arrears due to them. Where appropriate the employees have submitted claims to the Department of Employment and their agreed arrears, to statutory limits, have been paid direct to the employees by the Department of Employment. The Department of Employment will have a subrogated claim in the arrangement in respect of the payments.
- 6.2 We will write to the dismissed employees in the next few weeks to ascertain the amounts of any additional arrears due to them. Any arrears will be included with the other creditors claims to rank for dividend.
- 6.3 The retained employees will not have a claim in the arrangement.

7 UNSECURED CREDITORS CLAIMS

- 7.1 Claims have been received from 33 out of 47 creditors. The claims have been split into trade and expense and deposit creditors, as shown at Appendix 1.
- 7.2 In the event that there are outstanding proofs of debt, at the time the dividend is paid, it is proposed that the claims will be included in the dividend calculation and any dividend payable will be paid to the company at the end of the arrangement to hold in trust for the creditors. Will creditors who have yet to submit a proof of debt please do so without further delay using the proof of debt enclosed with this report. This will avoid unnecessary time costs being incurred in chasing these claims.
- 7.3 The majority of the Investor creditors have submitted proofs of debt. The proposal document provides that they will not receive a dividend until the other unsecured creditors have received a dividend in respect of their unsecured claims of 30 pence in the £. The Investor creditors claims are shown at Appendix 2. Under the terms of the proposals they have been converted to sterling at the rate of exchange on the date of the approval of the arrangement.

8 ESTIMATED OUTCOME AND DIVIDEND PROSPECTS

- 8.1 The estimated outcome, assuming that the company fulfils its obligations under the proposals, and assuming that the outstanding creditors claims are received in line with the amount shown in the Statement of Affairs, is enclosed at Appendix 3.
- 8.2 Creditors should note that this is an estimate for guidance only and is not a guarantee of the final dividend payable.

- 8.3 From current information the anticipated dividend to the unsecured creditors is in line with the proposals of 24p in the £.
- 8.4 It is anticipated that there will be insufficient funds to fully discharge the preferential claims until the latter half of 2000. It is anticipated that the first dividend to the unsecured creditors will not be available until January 2002. This is in line with the estimate at paragraph 5.3 of the proposal document which estimated that dividends would be paid as follows:

Dividend in pence in £		
	Preferential Creditors	Unsecured Creditors
January 2000	50	Nil
January 2001	50	Nil
January 2002		6
January 2003		8
December 2003		10
	<hr/>	<hr/>
	100	24
	<hr/>	<hr/>

9 SUPERVISORS REMUNERATION

- 9.1 Paragraph 12 of the proposals provides for "the Joint Supervisors to be remunerated on the basis of the time they, and their staff, properly spend in attending to matters arising under this arrangement, plus VAT, and their disbursements plus VAT. The Supervisors remuneration and disbursements will be a first charge on the company's assets. The Supervisors can draw their fees from time to time at their discretion".
- 9.2 Time costs for the period 6 January 1999 to 30 September 1999 amounted to £4,455. These fees have been drawn on account.
- 9.3 Further time costs from 1 October 1999 to the 18 January 2000 amount to £3,405.25 and will be drawn in the near future.
- 9.4 These time costs are in excess of those estimated at the time of the proposals. Additional time has been incurred in discussing with the directors, the proposed relocation of the school premises, the disposal of surplus assets, chasing and reconciling creditors claims, and discussions with the Department of Employment on the payments made to the employees.

9.5 Time costs have also been incurred in post arrangement formalities, liaising with the company's accountants in respect of management accounts and budgets, general discussions with the company on the progress of the arrangement, cashiering and general correspondence.

9.6 An analysis of the time spent in the arrangement to 8 January 2000 is detailed below.

	Hours	Average Hourly Rate £	Cost £
Partners	8½	134	1,146.00
Managers	71¼	76	5,431.00
Assistants	63¾	20	1,283.25
Total	<u>143½</u>		<u>7,860.25</u>

9.7 A creditors guide to Supervisors fees is enclosed for your information.

10 SUPERVISORS DISBURSEMENTS

10.1 The following disbursements have been incurred to date.

	£
Company Search	12.50
Filing Fee	30.00
Specific Bond	135.00
Postage, Photocopying & Stationery	157.99
Travel & Subsistence	91.48
	<u>426.97</u>

These have been drawn from funds in hand.

11 CONCLUSION

11.1 The company voluntary arrangement is proceeding satisfactorily, subject to outstanding creditors claims, and the company is honouring its obligations under the arrangement in an exemplary manner and the officers are co-operating fully with any requests for information.

- 11.2 The reviews of the company's trading to date are such that bonus contributions cannot be paid.
- 11.3 Mrs Lee has confirmed her continued commitment to the school and the company's obligations. Creditors will note that the estimated outcome statement predicts an estimated dividend of 24 pence in the £ shown in the proposal document. Please note that this is for your guidance only and is not a guarantee of the dividend payable.

We trust that this report is sufficient for your requirements. If you require any additional information please do not hesitate to contact Roger Barnbrook on 01638 565700.

Yours sincerely
For Felixstowe International E-Wha Limited



David J Dawson
Joint Supervisor

Encs.

Felixstowe International E-WHA Ltd
(Under a Voluntary Arrangement)

INCOME AND EXPENDITURE ACCOUNT
TO 5 January 2000

	Total
INCOME	£
Rates Refunds	97.75
Furniture & Equipment	3864.95
Voluntary Contributions	15000.00
Bank Interest Gross	175.57
	<hr/>
	19138.27
	<hr/>
EXPENDITURE	
Agents/Valuers Fees	974.08
Supervisors Remuneration	4455.00
Supervisors Disbursements	426.97
Agents/Valuers Fees	100.00
Irrecoverable VAT	731.77
	<hr/>
	6687.82
	<hr/>
BALANCE	12450.45
	<hr/>
MADE UP AS FOLLOWS	
Bank 1 - Current	59.66
Bank 1 - Deposit	12390.79
	<hr/>
	12450.45
	<hr/>

• VOLUNTARY ARRANGEMENTS - A CREDITORS GUIDE TO INSOLVENCY PRACTITIONERS' FEES

1. Introduction

- 1.1. In a voluntary arrangement, as in other types of insolvency, the amount of money available for creditors is likely to be affected by the level of costs, including the remuneration of the insolvency practitioner appointed to implement the arrangement. This guide explains how fees are fixed in voluntary arrangements, how the creditors can affect the level of fees, and the information which should be made available to them regarding fees.

2. The Voluntary Arrangement Procedure

- 2.1. Voluntary arrangements are available to both companies and individual debtors. Company voluntary arrangements are often referred to as CVAs, and individual voluntary arrangements as IVAs.
- 2.2. The procedure is similar for both CVAs and IVAs and enables the company or individual to put a proposal to their creditors for a composition in satisfaction of their debts or a scheme of arrangement of their affairs. A composition is an agreement under which creditors agree to accept a certain sum of money in settlement of the debts due to them. A CVA may be used as a stand-alone procedure or as an exit route from an administration. It may also be used where a company is in liquidation, but this is extremely rare. The proposal will be made by the directors, the administrator or the liquidator, depending on the circumstances. A proposal for an IVA may be made by a debtor whether or not he is already subject to bankruptcy proceedings. The proposal will be considered by creditors at a meeting convened for the purpose. The procedure is extremely flexible and the form which the voluntary arrangement takes will depend on the terms of the proposal agreed by the creditors. In both CVAs and IVAs the proposal must provide for an insolvency practitioner to supervise the implementation of the arrangement. Until the proposal is approved by the creditors, the practitioner is known as the nominee. If the proposal is approved, the nominee (or if the creditors choose to replace him, his replacement) becomes the supervisor.

3. Fees, Costs and Charges + Statutory Provisions

- 3.1. The fees, costs, charges and expenses which may be incurred for the purposes of a voluntary arrangement are set out in the Insolvency Rules 1986 (Rule 1.28 for CVAs and Rule 5.28 for IVAs). They are:
- any disbursements made by the nominee prior to the approval of the arrangement, and any remuneration for his services agreed between himself and the company (or the administrator or liquidator, as the case may be) or the debtor (or the official receiver or trustee, where the debtor is subject to bankruptcy proceedings);
 - any fees, costs, charges or expenses which:
 - are sanctioned by the terms of the arrangement (see below), or
 - would be payable, or correspond to those which would be payable, in an administration, winding up or bankruptcy (as the case may be).
- 3.2. The Rules also require the following matters to be stated or otherwise dealt with in the proposal (rule 1.3 for CVAs and Rule 5.3 for IVAs):
- The amount proposed to be paid to the nominee by way of remuneration and expenses, and
 - The manner in which it is proposed that the supervisor of the arrangement should be remunerated and his expenses defrayed.

4. The Role of the Creditors

- 4.1. It is for the creditors' meeting to decide whether to agree the terms relating to remuneration along with the other provisions of the proposal. The creditors' meeting has the power to modify any of the terms of the proposal (with the consent of the debtor in the case of an IVA), including those relating to the fixing of remuneration. The nominee should be prepared to disclose the basis of his fees to the meeting if called upon to do so. Although there are no further statutory provisions relating to remuneration in voluntary arrangements, the terms of the proposal may provide for the establishment of a committee of creditors and may include among its functions the fixing of the supervisor's remuneration.

5. What information should the creditors receive?

- 5.1. Where the supervisors' fees are to be agreed by a committee of creditors, the supervisor should provide sufficient supporting information to enable the committee to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case, and should be prepared to disclose the amount of time spent on the case and the charge out value of the time spent, together with such additional information as may reasonably be required having regard to the size and complexity of the case.
- 5.2. Where the supervisor makes, or proposes to make, a separate charge by way of expenses and disbursements to recover the cost of facilities provided by his own firm, he should disclose those charges to the committee when seeking approval of his fees, together with an explanation of how those charges are made up and the basis on which they are arrived at.
- 5.3. Where the basis of remuneration of the supervisor as set out in the proposal does not require any further approvals by the creditors or any committee of creditors, the supervisor should specify the amount of remuneration he has drawn in accordance with the provisions of the proposal in his subsequent reports to creditors on the progress of the arrangement. 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 since the arrangement was approved.

SCHEDULE OF CREDITORS CLAIMS
As at 20 January 2000

Appendix 1

Creditors Name	Statement of Affairs £	Proof of Debt		Details
		Preferential Claim £	Unsecured Claim £	
Preferential				
Inland Revenue	23,619.48	10,601.36	14047.73	Provisional
HM Customs & Excise	N/A		N/A	Agreed
Department of Employment	N/A	3,961.57	5,360.65	Provisional
Unsecured (Trade & Expense)				
Pullig & Co.	3580.91		2009.63	Agreed
Ensors	7,026.50		7,026.50	Agreed
British Council	5,758.61		5,673.00	Agreed
European Council	786.99		356.40	Agreed
The Allied School	17,712.00		17,712.00	Agreed
SCDC NDR	35,990.30		32,319.22	Provisional
World Telecommunications	3,003.40		3,472.95	Agreed
BT	1,041.25		1,041.25	Provisional
Colchester Institute	300.00			Outstanding
RM (computer)	282.00			Outstanding
PHS	196.77		196.77	Provisional
Electronic Office	119.66			Outstanding
Kogan Page Ltd	363.75		363.75	Agreed
Intercredit International				Outstanding
Coes	140.64		142.33	Agreed
Pitney Bowes Finance Plc	345.45		1,454.06	Provisional
Croner	312.12			Agreed
MSS Security Services Ltd	68.89			Outstanding
Felixstowe Pavilion (Miss Pearce)	52.34			Outstanding
Laurie & Partners	58.75		58.75	Agreed
Phillip Harris	79.31			Outstanding
Fire Site	94.00		209.13	Agreed
Fairweather Stephenson & Co.	323.13		323.13	Agreed
S Renvoize	2,000.00		2,000.00	Agreed
Blick UK Limited	679.38		936.90	Agreed
K Slingsby				Outstanding
B Davis			650.00	Agreed
Deposit Creditors				
Won Don Lee	2,262.87		2,262.87	Agreed
Oc Chul Kwon	5,500.00		5,500.00	Agreed
Hyung Ki Min	5,008.55		5,008.55	Agreed
Mr & Mrs GP Gryka	1,734.00			Outstanding
Yong Kee Chung	1,644.90		4,395.00	Agreed
JL Ibarra Gonzalez	1,621.70		1,833.33	Agreed
Mr & Mrs S Kim	2,228.23			Outstanding
Yung Han Kim	2,750.00		2,750.00	Agreed
N Kvirikashvily	2,625.20			Outstanding
Maria & Gabriel Del Pozo	1,736.78		1,736.78	Agreed
Young Kee Paik	4,728.40		4,728.40	Agreed
Mr & Mrs CD Park	5,447.45			Outstanding
Mr & Mrs T Fernandez	1,736.78		1,736.78	Agreed
Ralf Turek	1,542.10		1,542.10	Agreed
Gawryszewski	623.25		623.00	Agreed
Joo Chang Ahn	7,496.50		7,700.00	Agreed
Mr & Mrs KN Ro	4,659.00			Outstanding
Mr & Mrs PH Kim	3,455.18			Outstanding
Dr SS Hong	6,477.54		6,499.54	Agreed
Seog In Paik	4,488.35		4,488.35	Agreed
Total	171,702.41	14,562.93	146,158.85	

SCHEDULE OF CREDITORS CLAIMS
As at 20 January 2000

Creditors Name	Statement of Affairs	Proof of Debt		Details
		Preferential Claim	Unsecured Claim	
	£	£	£	
Investor Creditors				
Kim, Hae-Joo	5,000.00		5,186.86	Agreed
Chong-Sook Pank	20,000.00		20,747.44	Agreed
Sung Sook Han	13,500.00		14,004.52	Agreed
Ms Hei-Sun Choi	5,000.00			Outstanding
Eul-Chan Lee	15,000.00		15,560.58	Agreed
Hae-Ja Hong	1,500.00		1,556.06	Agreed
Myung Sung Moon	15,000.00		15,560.58	Agreed
Dr Jung Bun Yang	200,000.00			Outstanding
Dr Myung Hyun Byun	15,000.00			Outstanding
Ms Sook Hye Oh	7,500.00			Outstanding
Mr Kyriacos Hadjitofi	2,420.00		2,420.00	Agreed
Pyung Wou Lee	368,160.00		Nil	Agreed
Total	668,080.00	0.00	75,036.04	

FELIXSTOWE INTERNATIONAL E-WHA LIMITED

ESTIMATED OUTCOME STATEMENT

AS AT 18 January 2000

	£	£
Funds in hand		12,450
Estimated future realisations		
Proceeds from sale of furniture		1,200
12 payments of £5,000		<u>60,000</u>
Estimated fund		<u>73,650</u>
<u>Less</u>		
Estimated Supervisors Remuneration		
- 18 January 2000	3,405	
- remainder of the arrangement	10,000	
- unrecoverable VAT	<u>2,346</u>	<u>15,751</u>
Estimated funds available for creditors		57,899
Preferential Creditors		
	£	
Inland Revenue (estimate)	10,601	
Department of Employment (estimate)	3,962	
Employees (to be advised) Say	<u>3,000</u>	<u>17,563</u>
Estimated funds available for unsecured creditors		<u><u>40,336</u></u>

Unsecured Creditors

	Received	Estimated Outstanding	Total
	£	£	£
Trade & Expense	89,993	1,215	91,208
Employees	Nil	2,000	2,000
Department of Employment	5,361	--	5,361
Deposit Creditors	50,805	20,149	70,954
	<u>146,159</u>	<u>23,364</u>	<u>169,523</u>

Estimated Dividend 24p in the £

Note

- Proposals provide that if dividend exceeds 30p in the £ then Investor Creditors will share in any additional dividend.

PROOF OF DEBT - GENERAL FORM

No 1037 VA of 1998

In the matter of FELIXSTOWE INTERNATIONAL E-WHA LIMITED

and in the matter of the Insolvency Act 1986

Date of approval of arrangement - 6 January 1999

Relevant date for claims – 6 January 1999

[illegible]

2. Address of Creditor

3.	Total amount of claim, including any VAT and outstanding uncapitalised interest as at the relevant date (see above)
----	---

Total gross claim £

4. Details of any document by reference to which the debt can be substantiated. (Note: the supervisor may call for any document or evidence to substantiate the claim at his discretion).

5. If the total amount shown above includes VAT, please show:

a) amount of VAT

£

b) amount of claim **NET** of VAT

£

6. If total amount above includes outstanding uncapitalised interest please state amount

£

7. Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under Section 386 of, and Schedule 6 to, the Insolvency Act 1986 (as read with Schedule 3 to the Social Security Pensions Act 1975)

Category

Amount(s) claimed as preferential
£

8. Particulars of how and when debt incurred

9. Particulars of any security held, the value of the security and the date it was given

242

10. Signature of creditor or person authorised to act on his behalf

Name in **BLOCK LETTERS**

Position with or relation to creditor

Date _____

Admitted to vote for:

£

Date _____

Chairman

Admitted preferentially for

£

Date _____

Supervisor

Admitted non-preferentially for

f

Date _____

Supervisor

If your debt is outstanding prior to 26th July 1990 please write to the Supervisor for an additional proof of debt form