

Liquidator's Progress ReportPursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986**S.192**

To the Registrar of Companies

Company Number

05409076

Name of Company

(a) Insert full name of
company

(a) CHILDREN'S WORKFORCE DEVELOPMENT

COUNCIL

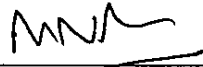
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(b) Insert full name(s)
and address(es)

We (b) Mark Nicholas Ranson and Adrian David Allen
of Baker Tilly Restructuring & Recovery LLP
2 Whitehall Quay
Leeds
LS1 4HQ

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986The Progress Report covers the period from 21 JUNE 2012
to 20 JUNE 2013

Signed



Date

19 July 2013

Presenter's name,
address and
reference
(if any)

Alexandra Watson-Usher
Baker Tilly
2 Whitehall Quay
Leeds
LS1 4HQ

SATURDAY



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COMPANIES HOUSE

**IN THE MATTER OF
CHILDREN'S WORKFORCE DEVELOPMENT COUNCIL**

JOINT LIQUIDATORS' PROGRESS REPORT

19 JULY 2013

**MARK RANSON AND ADRIAN ALLEN
JOINT LIQUIDATORS**

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP
2 WHITEHALL QUAY
LEEDS
LS1 4HG**

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1. PURPOSE OF REPORT

This report has been prepared in accordance with insolvency legislation to provide members and the Registrar of Companies with information relating to the progress of the Liquidation in the period from 21 June 2012 to 20 June 2013

This report has been prepared solely to comply with the statutory requirements of Section 92A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986 (as amended). It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the company. Neither the Liquidators nor Baker Tilly Restructuring and Recovery LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report

2. PROGRESS OF THE LIQUIDATION IN THE PREVIOUS TWELVE MONTHS

2.1. Creditor Claims

Creditor claims admitted by the Joint Liquidators totalled £54,519. Distributions were made to creditors as follows -

Date	Rate (p in £)	Amount (£)	Statutory Interest (£)
24 October 2012	100	35,139 31	970 41
5 November 2012	100	14,280 00	431 92
19 December 2012	100	5,100 00	203 44
		<u>54,519 31</u>	<u>1,605 77</u>

Claims totalling £88,319 were rejected as they were either paid by the Department for Education separately or were very old invoices (from 2010) that had already been paid

2.2. Realisation of Assets

Cash at Bank

The Company's Declaration of Solvency ("DOS") detailed cash at bank in the sum of £686,000. However, this was stated before payment of the voluntary exit payments to the staff in the sum of £325,000 which were due to be paid during July and August 2012, plus other smaller amounts due to creditors which were paid via direct debit from the Company's bank account following appointment. The sum of £351,891 was received to the Liquidation estate in respect of the balance of cash at bank once these payments had been made

Furniture Fixtures and Fittings

The office furniture, fixtures and fittings were in the process of being sold by the closure team at the Company immediately prior to my appointment via an online auction site

The majority of the funds for this class of asset was received into the Company's bank account before my appointment and is included in the cash at bank figure as noted above. The balance of £6,742 was held with Pay Pal at the date of appointment and this was transferred to the Liquidation bank account shortly after appointment.

Pre Appointment Debtors

The accounts prepared by the Company showed pre appointment debtors with a balance of £34,615. The majority of these debts had been written off, but the Joint Liquidators have so far been able to collect £9,377 from this source. There is one debt outstanding which is discussed further at section 4 below.

Refund of Business Rates

The sum of £192,661 was received by the Joint Liquidators in respect of -

- A business rates refund from Leeds City Council for the year 2012 – 2013, and
- A refund from Leeds City Council in respect of a reduction in the rateable value of the premises occupied by the Company with effect from 1 April 2010.

This refund was not anticipated in the DOS and there are no further realisations expected from this source.

Sundry Income

The sum of £26,063 has been received by the Joint Liquidators in respect of overpayments made by the Company prior to Liquidation. Again, these payments were not anticipated in the Declaration of Solvency.

Cash on Hand

This relates to the petty cash held at the Company on the date of appointment and totalled £163.

2.3. Case Specific Matters

Reporting to the Department for Education ("DfE")

The Joint Liquidators have incurred time reporting to the DfE to keep them informed of the progress of the Liquidation and also canvas their views on any key strategic issues that required their input.

Books and Records

In accordance with relevant legislation, the books and records of the Company have either been transferred to the Joint Liquidators or to the DfE for safekeeping. However, shortly after appointment it was noted that certain books and records had been sent to the DfE's storage facility without an inventory. It was therefore agreed that a former employee of the Company would be allowed to spend time preparing an inventory. In addition, it was also discovered that a recovery and back up of the "phase 3 legacy computerised data" was potentially required. Work was undertaken by another former employee in this regard and the costs for both of these elements are recognised within the "professional

fees" element of my receipts and payments account

2.4. Administration and Planning

Along with the conduct and progress of the liquidation detailed above, the Joint Liquidators and their staff have also undertaken the following since the date of my last report:-

- Case planning and strategy, including file reviews,
- Maintaining a bank account,
- Handling receipts and payments where appropriate,
- Correspondence, communications and meetings with Directors and the DfE.
- Notification of the Liquidation to the Registrar of Companies, Members, Creditors and other relevant parties,
- Dealing with all other statutory duties of the Liquidators.

2.5. Change of Office Holder

As a result of Phil Pierce retiring from Baker Tilly Restructuring and Recovery LLP, by Court Order dated 14 June 2013 he was removed as Joint Liquidator and Adrian Allen was appointed in his place. A Notice to this effect was advertised in the London Gazette on 4 July 2013, and in accordance with the terms of the Order, Phil Pierce will be released from office with effect from 25 July 2013. The Order also allowed for the following -

- the costs of the advert in the London Gazette will be apportioned equally between the all cases on which Mr Pierce was appointed,
- To the extent that the information is not included within this report, members are entitled to apply to Court to require that the Joint Liquidators provide, as noted in Rule 4 108(3) Insolvency Rules 1986, an account of the Administration of the estate, which will include a summary of receipts and payments and a statement that he has reconciled his accounts. The Joint Liquidator's costs in dealing with this application will be paid as an expense of the winding up
- Any member is entitled to apply to Court to vary or discharge the Order within 28 days from receipt of this report

3. DISTRIBUTIONS TO THE DEPARTMENT FOR EDUCATION

As the Company had no shareholders, it was agreed at the meeting of members on 21 June 2013 that any surplus funds would be paid to the DfE. To date, the following distributions have been made.-

15 January 2013	£350,000
8 March 2013	£75,000
	<u>£425,000</u>

There will be a further distribution to the DfE on closure of the Liquidation.

4. MATTERS PREVENTING CLOSURE

As noted at section 2.2 above, there is one outstanding debt due to the Company, in the sum of c£20,000. It has been necessary to instruct Messrs Schofield Sweeney, solicitors, to collect this debt on our behalf as payments have not been forthcoming. We are hopeful that payment of the debt may commence shortly, but it may take a number of months to receive the debt in full as they are hoping to pay in instalments. Once the collection of this debt is complete, we will be in a position to close the case.

5. RECEIPTS AND PAYMENTS SUMMARY

We attach as Appendix B a summary of our receipts and payments for the period from 21 June 2012 to 20 June 2013

VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately

6. COSTS AND JOINT LIQUIDATORS' REMUNERATION

6.1. Joint Liquidators' Remuneration and Disbursements

The Joint Liquidators' remuneration was approved on a time cost basis by the members on 21 June 2012. We have incurred remuneration of £34,656 plus VAT since the date of our appointment. Of this, a total of £29,800 has been paid and £ 4,856 remains outstanding. An analysis of time incurred in the period is attached at Appendix G

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix D, together with Category 2 disbursements incurred in the period are detailed in Appendix E

7. JOINT LIQUIDATORS' STATEMENT OF EXPENSES

A statement of the expenses incurred during the period, is attached at Appendix F. This includes all expenses incurred by the Joint Liquidators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period.

Detailed cost breakdown

Attached to this report are three Appendices relating to my costs on this assignment

- Appendix C: A copy of Baker Tilly Restructuring and Recovery LLP's charging, expenses and disbursements policy statement;
- Appendix D: Joint Liquidators' charge out and disbursement rates; and

- Appendix G Joint Liquidators' time cost analysis

Other professional costs

Schofield Sweeney LLP, solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. They have assisted me with the collection of the outstanding debtor. I have agreed their remuneration on the basis of their standard hourly charge-out rates, plus VAT and disbursements. Fees of £613 plus VAT have been paid to date although this was outside of the current reporting period and is therefore not reflected in the Receipts and Payments account.

8. MEMBERS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE REMUNERATION AND EXPENSES

In accordance with the provisions of Rules 4.49E and 4.148C of the Insolvency Rules 1986 members have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

A request for further information must be made in writing within 21 days of receipt of this report.

Members of the company with at least 10% of the total voting rights of all members having the right to vote at general meetings of the company, or any members with the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

If you would like a copy of A Shareholders Guide to Liquidator's Fees, please let me know.

Should you have any further queries please do not hesitate to contact me



Mark N Ranson
Baker Tilly Restructuring and Recovery LLP
Joint Liquidator

Mark Ranson and Adrian Allen are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales

Appendix A**COMPANY INFORMATION**

Company Name	Children's Workforce Development Council
Functions	<p>The Joint Liquidators' appointment specified that they would have power to act jointly and severally</p> <p>The Joint Liquidators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment</p>
Previous Company Names	None
Company Number	05409076
Date of Incorporation	31 March 2005
Trading Name.	CWDC
Trading Address	2 nd Floor, City Exchange, 11 Albion Street, Leeds, LS1 5ES
Principal Activity	Support of those working with children.
Registered Office	<p>c/o Baker Tilly Restructuring and Recovery LLP, 2 Whitehall Quay, Leeds LS1 4HG</p> <p>Previously 2nd Floor, City Exchange, 11 Albion Street, Leeds, LS1 5ES</p>
Change of Joint Liquidator	Phil Pierce retired from Baker Tilly Restructuring and Recovery LLP, by a Court Order dated 14 June 2013 he was removed as Joint Liquidator and Adrian Allen was appointed in his place Phil Pierce will be released from office with effect from 25 July 2013

Children's Workforce Development Council - In Members Voluntary Liquidation
Receipts and Payments Account for the period 21 June 2012 to 20 June 2013

APPENDIX B

SOA Value £		£	£
	ASSET REALISATIONS		
	Bank Interest Gross	307 30	
686,000 00	Cash at Bank	351,891 21	
	Cash on Hand	163 47	
	Debtors (Pre-Appointment)	9,376 60	
	Furniture, Fixtures and Fittings	6,741 96	
	Rates Refund	192,661 73	
	Sundry Income	<u>26,062 89</u>	
			587,205 16
	COST OF REALISATIONS		
	Appointee Fees - pre appointment	(14,260 00)	
	Appointee Pre Appt Disbursements	(634 81)	
	Bank Charges	(12 50)	
	Corporation Tax	(5 40)	
	Distribution to Dept For Education	(425,000 00)	
	Joint Liquidators' Disbursements	(380 78)	
	Joint Liquidators' Fees	(29,800 00)	
	Other Professional Fees	(11,740 00)	
	Statutory Advertising	<u>(306 00)</u>	
			(482,139 49)
	UNSECURED CREDITORS		
0 00	Banks/Institutions	(4,006 37)	
(586,000 00)	Trade and Expense Creditors	<u>(50,512 94)</u>	
			(54,519 31)
	STATUTORY INTEREST		
0 00	Statutory Interest	<u>(1,605 77)</u>	
			<u>(1,605 77)</u>
<u>100,000 00</u>			<u><u>48,940 59</u></u>
	REPRESENTED BY		
	Floating Current Account (BOS)	47,977 37	
	VAT Receivable (Payable)	<u>963 22</u>	
			48,940 59
			<u><u>48,940 59</u></u>

Appendix C

BAKER TILLY RESTRUCTURING AND RECOVERY LLP

CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done
- The current charge rates for Baker Tilly Restructuring and Recovery LLP Leeds are attached
- Time billed is subject to Value Added Tax at the applicable rate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to members, but do not require members' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest in, require the approval of members prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements
- A resolution to consider approving "Category 2" disbursements at the rates prevailing at the time the cost is incurred to Baker Tilly Restructuring and Recovery LLP Leeds will be proposed to the relevant parties responsible for approving remuneration
- General office overheads are not re-charged to the insolvency estate as a disbursement
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant parties responsible for approving remuneration
- Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate

Appendix D

BAKER TILLY RESTRUCTURING AND RECOVERY LLP – LEEDS

JOINT LIQUIDATORS' CURRENT CHARGE OUT AND CATEGORY 2 DISBURSEMENT RATES

CHARGE OUT RATES		
	Rate at commencement £	Current rate £
Partner	390	390
Associate Director	260-295	295
Manager	210	180-260
Administrator	130-145	130-150
Support staff	80-95	100

“CATEGORY 2” DISBURSEMENT RATES	
Travel & Subsistence	
Motor travel	42 5p per mile
Subsistence	£23 per night
Circulars to Members / Creditors	
Labels	£0 16 per sheet of 21 labels
Headed paper	£0 04 per sheet
Plain paper	£0 01 per sheet
Large envelopes	£0 11 each
Small envelopes	£0 08 each
Photocopying charge	0.5p per sheet (single sided), 1p per sheet (double sided)
Stationery	
Lever arch files	£0 76 per file
Cashiering files	£2 67 per file
A-Z dividers	£2 21 per set
1-31 dividers	£2.25 per set
Coloured dividers (5 part)	£0.15 per set
Coloured dividers (10 part)	£0 18 per set
Multi-punch pockets	£0 16 per pocket
Storage boxes	£1 50 per box
Sundry	
Internal room hire (for meetings)	£165

Appendix E

JOINT LIQUIDATORS' CATEGORY 2 DISBURSEMENTS TABLE

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, Type and Purpose	Paid	Unpaid
	£	£
Stationery	8 18	
Photocopying	0 83	
Mileage	19 55	
Total	28.56	Nil

STATEMENT OF EXPENSES INCURRED BY THE JOINT LIQUIDATORS' IN THE PERIOD FROM 21 JUNE 2012 TO 20 JUNE 2013

Type and Purpose	Incurring Period
	£
Advertisements	306 00
Pre Appointment Disbursements	
Travel	634 81
Joint Liquidators' Post Appointment Disbursements	
Storage	150 39
Postage	24 20
Stationery	8 18
Photocopying	0 83
Mileage	19 55
Bond	210 00
Telephone	13 28
Other Professional Fees	11,740
Bank Charges	12 50
Legal Fees	613 00
Total	13,732 74

Children's Workforce Development Council
Joint Liquidators' time costs in accordance with Statement of Insolvency Practice 9

Summary of Time Costs and Charge-out Rates to 20 June 2013

	Partners	Associate Directors/Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average hourly rate
Administration and Planning	1 70	35 30	53 20	1 50	91 70	17,029	186
Realisation of Assets	0 40	6 10	16 80	0 00	23 30	4,097	176
Creditors	2 10	14 70	27 80	1 20	45 80	8,656	189
Case Specific Matters - Shareholders	2 80	14 50	0 00	0 00	17 30	4,875	282
Total Hours	7 00	70 60	97 80	2 70	178 10		
Total Time Costs	2,730	18,356	13,323	247	34,656	34,656	
Average per grade	£390	£260	£136	£91			

Charge-out Rates

Current rate per hour	£390	£180-£295	£130-£150	£100
Rate per hour at commencement	£390	£180-£295	£130-£180	£80-£95

Total fees claimed

£34,656

Less billed on account

-£29,800

Unbilled work in progress

£4,856

Children's Workforce Development Council
Appendix G1
Joint Liquidators' time costs in accordance with Statement of Insolvency Practice 9

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average rates
Administration and Planning							
Appointment	0 0	2 0	0 0	0 0	2 0	£520	£260
Background information	0 0	6 7	0 4	0 0	7 1	£1 794	£253
Case Management	0 6	20 2	22 1	1 0	43 9	£8 655	£197
Closure	0 1	0 2	0 0	0 0	0 3	£91	£303
Director(s)/debtor/bankrupt	0 2	1 5	0 0	0 0	1 7	£468	£275
Pension Scheme	0 0	0 6	0 0	0 0	0 6	£156	£260
Post-appointment - general	0 5	0 0	7 4	0 0	7 9	£1,231	£156
Receipts and Payments	0 1	3 2	16 3	0 5	20 1	£2,970	£148
Tax Matters	0 2	0 9	7 0	0 0	8 1	£1 144	£141
Totals	1 7	35 3	53 2	1 5	91 7	£17,029	
Realisation of Assets							
Assets - general/other	0 0	1 2	5 6	0 0	6 8	£1 096	£161
Chattels	0 0	0 8	0 0	0 0	0 8	£208	£260
Debtors & sales finance	0 4	3 9	11 2	0 0	15 5	£2,741	£177
Land and Property	0 0	0 2	0 0	0 0	0 2	£52	£260
Totals	0 4	6 1	16 8	0 0	23 3	£4,097	
Creditors							
Unsecured Creditors	1 7	13 3	27 8	1 2	44 0	£8 136	£185
Employees	0 4	1 4	0 0	0 0	1 8	£520	£289
Totals	2 1	14 7	27 8	1 2	45 8	£8,656	
Case Specific Matters - Shareholders							
Shareholders / Members	2 8	14 5	0 0	0 0	17 3	£4 875	£282
Totals	2 8	14 5	0 0	0 0	17 3	£4,875	
TOTAL HOURS	7 0	70 6	97 8	2 7	178 1	£34,656	
TOTAL TIME COST	£2,730	£18,356	£13,323	£247		£34,656	

NOTES TO APPENDIX G

JOINT LIQUIDATORS' TIME COST ANALYSIS

a) Administration and Planning

This includes dealing with the commencement of the case administration, together with day-to-day case administration duties, maintenance of records and ongoing statutory obligations. These include but are not limited to handling receipts and payments, VAT and Income tax issues, pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, maintenance and obtaining books and records, general meetings / correspondence, statutory and other advertising, insurance, re-directed mail, and statutory reports.

b) Investigations

Where appropriate this will include such matters as investigation of pre-appointment transactions in accordance with the relevant Statement of Insolvency Practice (SIP 2), and the investigation of any potential antecedent transactions such as transactions at under value and preferences which may result in legal action resulting in a recoverable asset.

c) Realisation of Assets

This includes dealing with all aspects of the realisation of assets including identifying, securing and insuring assets, and (where applicable), property, business and asset sales, retention of title claims and debt collection. Other matters dealt with during the case administration which will relate to asset realisation may commonly include effecting disclaimers, dealing with landlords, liaising with agents, undertaking inventories, meetings with purchasers / directors, arranging collection of leased assets, obtaining insurance, pursuing antecedent claims identified as part of the investigation work set out above. Details of the specific asset realisation work undertaken on this case are set out in the main body of the report. Asset realisation is considered to be a key aspect of the case administration.

d) Trading

Where the business of the company has been traded (by the liquidator(s)) following the appointment our staff will have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Where trading has ceased, accounts will have been closed and final bills paid. Other matters will also have been dealt with in accordance with the usual trading obligations such as dealing with employees and payroll.

e) Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the case administration process. Reports to creditors are also an important part of ongoing matters relating to this aspect of the case.

f) Case Specific Matters

Any case specific matters will generally be set out in the body of the report but will commonly include meetings, correspondence and telephone calls relating to specific issues in the case which do not fall into any the categories set out above and are specific to the case in question. This may include work done in relation to litigation, general advice or other major issues.