

ASL pays £700k in Abu Dhabi dispute

Payment to UAE employees paves the way for practice to be free of CVA this year

David Rogers

Fourteen former employees of Austin-Smith Lord in Abu Dhabi have been paid nearly £700,000 as part of a long-running dispute to recover money they were owed when the firm nearly went bust two years ago following a payment wrangle.

The news comes as the firm in charge of the company voluntary arrangement (CVA) the practice entered into to head off insolvency said Austin-Smith Lord could

be free of the agreement by the middle of this year.

The agreement was set up by accountant BDO in November 2011 and allowed the firm to continue trading as long as it began paying back some of the money it owed creditors. It was due to have finished at the end of 2013.

Last summer Austin-Smith Lord was paid just over £2 million by the Abu Dhabi client it got into a payment bust-up with for its work on a cultural centre in the Gulf state.

But the client, Adach, was obliged to keep back £750,000 to cover potential liabilities it was facing from the 14 employees who had begun the legal action to recover missing wages when they took out emergency injunctions in December 2011.

In an update sent last month, BDO's joint supervisor David Gilbert told creditors: "The amount paid to the UAE employees to date, including the court's charges and interest, totals circa £685,000. Five of the UAE employees are currently appealing the court's decisions. I anticipate the hearings will be resolved in the next three months."

Gilbert said he expected unse-



ASL was in dispute over a cultural centre in Abu Dhabi

cured creditors to eventually get back around 40p in the pound when the CVA ends, which he hoped would be some time between spring and summer this year.

"I hope to be in a position to

pay the final distribution to creditors within the next three to six months," he added.

Austin-Smith Lord partner Neil Chapman said that the CVA had affected its ability to win public sector work in Scotland. The practice has an office in Glasgow, as well as Cardiff and Liverpool.

"It's the credit scores that are affected there," he said. "It's not as much of a problem south of the border because we can provide supporting evidence about the score but in Scotland it's been more of a problem. Not having the CVA will enable us to rebuild our credit rating so it will be good to get rid of it."

IMPACT OF THE DISPUTE



Austin-Smith Lord employs around 55 people but the dispute with Adach resulted in more than 100 jobs going. Partner Neil Chapman (pictured) said the firm is not carrying out any overseas work at the moment but added: "We are looking at opportunities but we need to do it differently. We have to be a bit more cautious."

FIRST LOOK RCKa

CHURCHLEY ROAD ALLOTMENT APARTMENTS

A land swap was the key to unlocking the potential of a landlocked site at Churchley Road in Sydenham, south-east London. Commissioned to design apartments on a fly-tipped site enclosed on three sides by allotments, RCKa proposed a 210sq m land swap after consultations with friends of the allotment and council officers.

As well as improving access, this neatens up the irregular shape of the site and increases its size from 580 to 690sq m, enabling an extra two apartments to be created.

The site also includes a 200sq m community space oriented on a mature oak tree, which it is hoped will become a focal point within the development, with the tree canopy providing shelter.

The allotment association will gain use of the new facilities in the ground floor of the block. The hope is that these amenities will enable the society to remain financially sustainable, as the community space can be used to hold organised events such as produce markets and horticultural education programmes.

"It's a good example of how taking a collaborative approach can benefit all parties," says RCKa director Tim Riley.

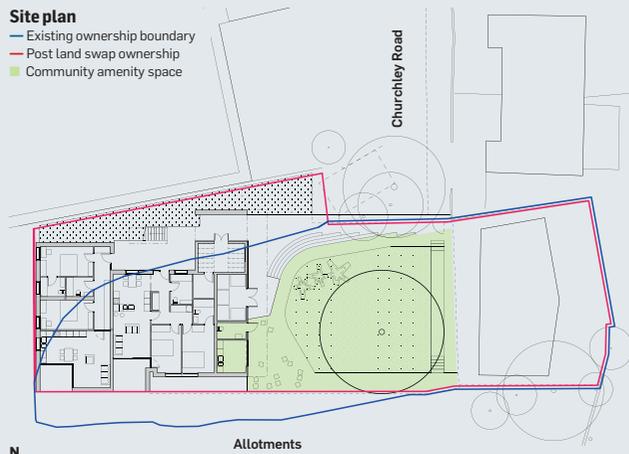
The massing of the seven-unit apartment building takes its cue from the Victorian and Edwardian four-storey mansion blocks in the nearby conservation area. It is conceived as a pavilion in the landscape, with a distinctive butterfly-form zinc roof. A stepped plan breaks down the overall mass and is semi-detached in scale.

Units house three and four bedrooms, with generous windows giving views across the allotments and beyond. Brick will be combined with composite timber-aluminium windows, timber cladding to recesses and metal balustrading.

The project has been submitted for planning permission.



Allotments flank three sides of the development, which includes 200sq m of community space.



The seven-unit apartment building has a distinctive butterfly-form zinc roof.