

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1

Company details

Company number

07705048

Company name in full

Aray Group Ltd

→ Filling in this form

Please complete in typescript or in bold black capitals.

2

Liquidator's name

Full forename(s)

Freddy

Surname

Khalastchi

3

Liquidator's address

Building name/number

Lynton House

Street

7-12 Tavistock Square

Post town

County/Region

London

Postcode

WC1H9LT

Country

❶ Other liquidator

Use this section to tell us about another liquidator.

4

Liquidator's name ❶

Full forename(s)

Jonathan David

Surname

Bass

❷ Other liquidator

Use this section to tell us about another liquidator.

5

Liquidator's address ❷

Building name/number

Lynton House

Street

7-12 Tavistock Square

Post town

County/Region

London

Postcode

WC1H9LT

Country

❸ Other liquidator

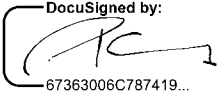
Use this section to tell us about another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report															
From date	<div>d</div> <div>2</div>	<div>d</div> <div>3</div>	<div>m</div> <div>0</div>	<div>m</div> <div>1</div>	<div>y</div> <div>2</div>	<div>y</div> <div>0</div>	<div>y</div> <div>2</div>	<div>y</div> <div>1</div>								
To date	<div>d</div> <div>2</div>	<div>d</div> <div>2</div>	<div>m</div> <div>0</div>	<div>m</div> <div>1</div>	<div>y</div> <div>2</div>	<div>y</div> <div>0</div>	<div>y</div> <div>2</div>	<div>y</div> <div>2</div>								

7	Progress report															
<input type="checkbox"/> The progress report is attached																

8	Sign and date															
Liquidator's signature	<div>Signature</div> <div>X</div> <div><div>DocuSigned by:</div><div></div><div>67363006C787419...</div></div> <div>X</div>															
Signature date	<div>d</div> <div>1</div>	<div>d</div> <div>6</div>	<div>m</div> <div>0</div>	<div>m</div> <div>3</div>	<div>y</div> <div>2</div>	<div>y</div> <div>0</div>	<div>y</div> <div>2</div>	<div>y</div> <div>2</div>								

LIQ03

Notice of progress report in voluntary winding up

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Penny Hitch

Company name Menzies LLP

Address 2 Sovereign Quay

Havannah Street

Post town Cardiff

County/Region

Postcode C F 1 0 5 S F

Country

DX DX 200767 Cardiff Bay

Telephone 029 2049 5444

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

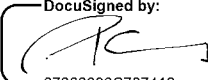
This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Array Group Ltd
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 23/01/2021 To 22/01/2022 £	From 23/01/2020 To 22/01/2022 £
	ASSET REALISATIONS		
	Bank Interest Gross	0.03	0.06
Uncertain	Book Debts	NIL	NIL
Uncertain	Director's loan account	NIL	NIL
Uncertain	Investments in subsidiaries	NIL	NIL
	Sale of use of company name	NIL	2,000.00
		0.03	2,000.06
	COST OF REALISATIONS		
	Delivery costs for Books & Records	NIL	45.00
	Preparation of S. of A.	NIL	1,621.67
		NIL	(1,666.67)
	UNSECURED CREDITORS		
(6,221.98)	Directors	NIL	NIL
(200.00)	HM Revenue and Customs - CT	NIL	NIL
(115,010.99)	HM Revenue and Customs - VAT	NIL	NIL
(18,017.01)	Intercompany balances	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(200.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(139,649.98)		0.03	333.39
	REPRESENTED BY		
	Barclays Bank IB		400.06
	VAT Payable		(400.00)
	VAT Receivable		333.33
			333.39

Note:

All items detailed on the receipts and payments account are shown net of VAT as the Company was VAT registered and VAT has therefore been recovered for the benefit of the liquidation estate.

DocuSigned by:

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Freddy Khalastchi
Joint Liquidator

ARRAY GROUP LTD - IN CREDITORS' VOLUNTARY LIQUIDATION

JOINT LIQUIDATORS' PROGRESS REPORT PURSUANT TO SECTION 104A OF THE INSOLVENCY ACT
1986 AND RULE 18.2 OF THE INSOLVENCY (ENGLAND & WALES) RULES 2016

FOR THE PERIOD 23 JANUARY 2021 TO 22 JANUARY 2022

DATED 16 MARCH 2022

ARRAY GROUP LTD - **IN CREDITORS' VOLUNTARY LIQUIDATION** – (“THE COMPANY”)

ANNUAL PROGRESS REPORT

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2. Progress and asset realisations
3. Investigations
4. Liabilities and dividend prospects
5. Pre-appointment fees
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7. Creditors' rights to further information and to challenge liquidators' remuneration and expenses
8. Further information
9. Concluding remarks

APPENDICES

1. Statutory information
2. Joint Liquidators' receipts and payments account
3. Joint Liquidators' analysis of time costs and narrative of work undertaken
4. Joint Liquidators' comparison of original fee estimate and actual time costs incurred
5. Comparison of estimated expenses and actual expenses incurred

1. INTRODUCTION AND EXECUTIVE SUMMARY

1.2 I was appointed Joint Liquidator of the Company on 23 January 2020. I now present my progress report for the second year of the liquidation, pursuant to Section 104A of the Insolvency Act 1986 ("the Act") and Rule 18.2 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

1.3 The Company's statutory information is attached at Appendix 1 of this report.

Executive summary

1.4 As previously reported, at the date of my appointment the Company had ceased trading and accordingly I took steps to realise the remaining assets with a view to distributing the funds to creditors, after costs, in the prescribed order of priority. As Liquidator, I was also obliged to investigate the Company's affairs. At the outset it was anticipated I would not be in a position to declare a dividend to any class of creditor, and this continues to be the case (see section 4 below).

1.5 The manner in which the affairs of the Company have been managed since my last progress report is set out below.

1.6 My Receipts & Payments Account for the period from 23 January 2021 to 22 January 2022, which I have reconciled to the financial records that I am required to maintain, is attached at Appendix 2. All receipts and payments are shown net of VAT.

1.7 The balance of funds amounting to £400.06 is held in an interest-bearing estate bank account.

2. PROGRESS AND ASSET REALISATIONS

Director's loan account

2.1 In the period since my previous report, I have been in correspondence with the director to seek to agree a settlement in relation to the outstanding overdrawn director's loan account in the sum of £2,400. The director has a significant liability, £70,055.00, for an overdrawn director's loan account in the subsidiary company, Aray Architect Ltd, and has agreed to make monthly payments of £200 towards both that and the liability to this Company. To date, I have not agreed a figure to be repaid in total and my discussions with the director continue. However, in the meantime, the £200 per month will continue to be paid towards both the liabilities.

2.2 To date, the director has paid £1,000.00 towards both liabilities, equivalent to 1.3% of the total debt, of which £1.20 relates to the liability to the Company. No funds have been allocated to the Company at this time.

2.3 Having considered the time frame for settlement at the current rate of repayment, were the funds to be allocated proportionately upon receipt, this liquidation would remain open for 3 to 4 years and the cost of keeping the liquidation open is disproportionate to the benefit to the estate. It is my intention to allocate £600, approximately 25% of the funds being paid by the director, to the Company and will then proceed to conclude the Liquidation.

2.4 The only receipt in the period was interest on the bank account balance of 3p.

3. INVESTIGATIONS

- 3.1 There were no matters that justified further investigation in this matter.

4. LIABILITIES AND DIVIDEND PROSPECTS

4.1 LIABILITIES

Secured creditors

- 4.2 The Company has no charges registered against the Company. Accordingly, there are no known secured creditors.

- 4.3 The legislation requires that if the Company has created a floating charge on or after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

Preferential creditors

- 4.4 The Company had no preferential creditors.

Non-preferential unsecured creditors

- 4.5 The statement of affairs included 6 unsecured creditors with an estimated total liability of £139,449.98. I have received claims from 2 creditors at a total of £157,870.99. I have not received claims from 4 creditors with original estimated claims in the statement of affairs of £24,438.99. I have received one claim in the sum of £600.00 which was not included on the statement of affairs.

- 4.6 There are currently insufficient funds to enable a dividend to be paid to the unsecured creditors.

5. PRE-APPOINTMENT FEES

- 5.1 On 23 January 2020 the creditors authorised the payment of a fee of £2,000 plus VAT to Menzies LLP for assistance with preparing the statement of affairs and arranging the decision procedure for creditors to appoint a Liquidator.

- 5.2 The fee for preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator was paid in part, £1,621.67, from first realisations on appointment and is shown in the enclosed receipts and payments account. The balance of £378.33 plus VAT will be paid when sufficient realisations have been made.

6. JOINT LIQUIDATORS' REMUNERATION & EXPENSES

Joint Liquidators' remuneration

- 6.1 At a virtual meeting of creditors held on 23 January 2020, it was resolved that my remuneration be fixed by reference to time properly spent by myself and my staff in attending to matters arising in the liquidation based on a fee estimate of £14,745.00. The fee estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

- 6.2 My total time costs to 22 January 2022 amount to £17,796.37, representing 89.54 of hours work at a blended charge out rate of £198.75 per hour, of which £9,931.87 was charged in the period since 22 January 2021, at a blended charge out rate of £216.19 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £186.65 in my fees estimate. There is a difference in the blended rate charged, compared with the estimated blended rate, because more work has been carried out in the reporting period at manager level than was previously anticipated.
- 6.3 I attach at Appendix 3, a breakdown of these time costs by work category and staff grade, together with a narrative explanation of work done in the period since my last report to creditors.
- 6.4 I have not been able to draw any remuneration in this period.
- 6.5 Given the size and technical nature of the liquidation, much of the work described in the sections above was undertaken by me, a manager and an administrator. Additional assistance was provided by cashiers dealing with banking and statutory duties, and administrators offering various support services. All time spent on administering various duties was charged directly to the case in 6 minute units.
- 6.6 As at 22 January 2022, the total time costs that I have incurred in the Liquidation have exceeded the total estimated remuneration which was set out in my fee estimate, when my remuneration was authorised by the creditors. Please see Appendix 4 which details the actual time costs incurred as compared to the fee estimate provided to creditors in my report dated 20 January 2020. As you will see, the time costs incurred was exceeded by an amount of £3,051.37.
- 6.7 The reasons for exceeding the fee estimate are that the liquidation has remained open for longer than anticipated such that annual progress reports have had to be prepared which were not accounted for in my fee estimate. Additionally, more time has been incurred in the recovery of the outstanding Director's Loan Account than was anticipated. Currently I do not intend to draw remuneration in excess of the fees estimate and so will not be seeking a decision to increase my fee estimate.
- 6.8 I have incurred total expenses of £334.86 since my appointment as Liquidator. No expenses were incurred or paid in the period since my last report. Menzies LLP has paid £289.86 on behalf of the liquidation estate, which I have not been able to reimburse from the estate as yet due to lack of realisations.
- 6.9 Appendix 5 details the expenses I estimated that I would incur in this matter when my remuneration was authorised by the creditors and compares them with those incurred to date.
- 6.10 As at 22 January 2022, as you can see from the information provided in this report, the expenses I have incurred in this matter have exceeded the total expenses I estimated I would incur when my remuneration was authorised by the creditors. The reason I have exceeded the expenses estimate is that additional advertising costs were incurred.
- 6.11 Based on my knowledge of the case to date, I do not anticipate being able to draw my time costs and expenses, which we have estimated at £18,131.23, in full and expect to draw only £2,400.00. As a result, it is not anticipated that there will be a return to unsecured creditors.

7. CREDITORS' RIGHTS TO FURTHER INFORMATION AND TO CHALLENGE LIQUIDATORS' REMUNERATION AND EXPENSES

Creditors' right to request information

- 7.1 Any secured creditor, or an unsecured creditor with the support of at least 5% in value of unsecured creditors or with the leave of court, may (in writing) request me to provide additional information

regarding remuneration or expenses already supplied within this report. In accordance with rule 18.9(2) of the Rules, such a request or application for leave must be made within 21 days of receipt of this report.

Creditors' right to challenge remuneration and/or expenses

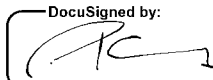
- 7.2 Any secured creditor, or an unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the court, may apply to court for one or more orders under Rule 18.36(4) or 18.37(4) of the Rules. In accordance with rule 18.34(3) of the Rules such applications must be made within eight weeks of receipt of this report.

8. FURTHER INFORMATION

- 8.1 The Joint Liquidators are data controllers of personal data as defined by the relevant provisions of the applicable data protection legislation. Menzies LLP will act as a data processor on their instructions. Personal data will be kept secure and processed only for matters relating to the insolvency appointment. Full details of our privacy notice is at the following link: <https://www.menzies.co.uk/legal/>.
- 8.2 To comply with the Provision of Services Regulations, some general information about Menzies LLP, including about our complaints policy and Professional Indemnity Insurance, can be found at <https://www.menzies.co.uk/legal/> and <https://www.menzies.co.uk/helping-you/business-recovery/making-a-complaint/>.

9. CONCLUDING REMARKS

- 9.1 The liquidation will remain open to receive £600 from the director in relation to the Director's Loan Account. I will then be in a position to conclude the liquidation.
- 9.2 I will report again on the progress of the liquidation after the next anniversary of the Liquidation or in the draft final account, whichever is earlier.
- 9.3 If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Penny Hitch by email at phitch@menzies.co.uk, or by phone on +44 (0)29 2067 4993.

DocuSigned by:

67363006C787419...
Freddy Khalastchi
Joint Liquidator

APPENDIX 1
STATUTORY INFORMATION

Company name:	Aray Group Ltd
Company number:	07705048
Registered office:	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT
Former registered office:	Foframe House, 35 - 37 Brent Street, London, NW1 5AB
Former trading address:	Foframe House, 35 - 37 Brent Street, London, NW1 5AB
Principal trading activity:	Holding company
Joint Liquidators' names:	Freddy Khalastchi and Jonathan David Bass
Joint Liquidators' address:	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT
Date of appointment:	23 January 2020
Contact details of Joint Liquidators	Penny Hitch on +44 (0)29 2067 4993 or at phitch@menzies.co.uk
Details of any changes of Liquidator:	There have been no changes of Liquidator during the winding up.

APPENDIX 2

ARRAY GROUP LTD - IN LIQUIDATION ("THE COMPANY")

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

Appendix 2
 Aray Group Ltd
 (In Liquidation)
 Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 23/01/2021 To 22/01/2022	From 23/01/2020 To 22/01/2022
	ASSET REALISATIONS		
Uncertain	Investments in subsidiaries	NIL	NIL
Uncertain	Book Debts	NIL	NIL
Uncertain	Director's loan account	NIL	NIL
	Sale of use of company name	NIL	2,000.00
	Bank Interest Gross	0.03	0.06
		0.03	2,000.06
	COST OF REALISATIONS		
	Preparation of S. of A.	NIL	1,621.67
	Delivery costs for Books & Records	NIL	45.00
		NIL	(1,666.67)
	UNSECURED CREDITORS		
(18,017.01)	Intercompany balances	NIL	NIL
(6,221.98)	Directors	NIL	NIL
(200.00)	HM Revenue and Customs - CT	NIL	NIL
(115,010.99)	HM Revenue and Customs - VAT	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(200.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(139,649.98)		0.03	333.39
	REPRESENTED BY		
	VAT Receivable		333.33
	Barclays Bank IB		400.06
	VAT Payable		(400.00)
			333.39

Note:

All items detailed on the receipts and payments account are shown net of VAT as the Company was VAT registered and VAT has therefore been recovered for the benefit of the liquidation estate.

APPENDIX 3

ARRAY GROUP LTD - IN LIQUIDATION ("THE COMPANY")

JOINT LIQUIDATORS' ANALYSIS OF TIME COSTS AND NARRATIVE OF WORK UNDERTAKEN

TIME CHARGE OUT SUMMARY FOR THE PERIOD FROM 23 JANUARY 2021 TO 22 JANUARY 2022

Classification of Work Function	HOURS					Total Hours	Time Costs £	Blended Hourly Rate £
	Partner/ Director	Manager	Senior	Administrator	Support			
Brought Forward From 23.01.2021						43.60	7,864.50	180.38
Administration & Planning	0.80	6.80	-	8.40	1.70	17.70	3,786.20	213.91
Realisation of Assets	-	2.90	-	2.00	-	4.90	1,130.00	230.61
Creditors	-	11.97	-	10.87	0.50	23.34	5,015.67	214.90
Investigations	-	-	-	-	-	-	-	-
Total Hours	0.80	21.67	-	21.27	2.20	45.94		
Total Costs	414.00	6,450.67	-	2,856.00	211.20		9,931.87	216.19
Total Carried Forward						89.54	17,796.37	198.75
Fees Drawn for Period Ended:								
22.01.2021							-	
22.01.2022							-	
Total Fees Drawn to Date:							-	
Balance of Time Costs Accrued but Unpaid							17,796.37	

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS		
	From 1 October 2021	1 Oct 2020 to 30 Sept 2021
	£ per hour	£ per hour
Partner/Director	450-525	425-525
Manager	270-400	260-360
Senior	240-250	230-250
Administrator	135-200	100-205
Support Staff	105	100
Note 1	There may have been a number of promotions through the various grades during the period of the administration.	
Note 2	Overhead costs are reflected in the charge out rates detailed.	
Note 3	The charge-out rate of the Insolvency Practitioner for this assignment is currently £525 per hour, and the manager is £300 per hour.	
Note 4	Time is recorded in minimum units of 6 minutes.	

ARRAY GROUP LTD - IN LIQUIDATION ("THE COMPANY")

JOINT LIQUIDATORS' NARRATIVE OF WORK UNDERTAKEN IN THE PERIOD 23 JANUARY 2021 TO 22 JANUARY 2022

A description of the work undertaken since my last progress report is as follows:

1 Administration and planning

There are certain aspects of the case that are required by statute and for the efficient running of the case. They are not expected to provide a direct quantifiable benefit to creditors; however, without them, other aspects of the case which do provide a quantifiable benefit to creditors would be less efficient. They include:

The maintenance of electronic case management information; periodic review of files; strategic case planning and the routine administration of the case; preparation of documentation and report and dealing with correspondence and statutory advertising

Specifically:

Reporting

Preparation of a progress report to members and creditors for circulation following the anniversary to advise upon the progress made over the year.

Cashiering

Reconciling the bank account and producing the receipts and payments account and required.

2 Asset realisations

Net asset realisations provide the financial benefit to creditors and their quantum directly contributes to any dividend ultimately available to creditors. During the period, I have liaised with the director in relation to the overdrawn director's loan account. There have been no realisations in the period.

3 Investigations

Complying with statutory requirements will not necessarily produce a financial benefit to creditors but may identify potential avenues which could lead to a recovery for the benefit of creditors. There has been no work undertaken in this category in the period.

4 Creditors

The majority of the time in this category was incurred dealing with VAT matters. The Company was part of a VAT group with the associated companies, Aray Architects Ltd and Aray Developments Ltd. It was necessary to disband the group in order to properly deal with post-appointment VAT. This process has been protracted and remains ongoing. I understand that the group has been disbanded but I have yet to be provided with a new VAT number for the Company. My efforts to obtain a new VAT number for the Company continue.

In addition, time has been spent preparing and filing annual Corporation Tax returns.

APPENDIX 4

ARRAY GROUP LTD - IN LIQUIDATION ("THE COMPANY")

COMPARISON OF ORIGINAL FEE ESTIMATE AND ACTUAL COSTS INCURRED

Classification of work function	Fee Estimate			Actual - 23 January 2020 to 22 January 2022		
	Total Hours	Blended Hourly Rate £	Total Time Costs £	Total Hours	Blended Hourly Rate £	Total Time Costs £
Administration	40.00	179.25	7,170.00	47.80	190.66	9,113.70
Asset realisation	13.00	194.23	2,525.00	10.20	210.98	2,152.00
Creditors (claims and distribution)	12.00	187.50	2,250.00	23.54	213.92	5,035.67
Investigations	14.00	200.00	2,800.00	8.00	186.88	1,495.00
Estimated total hours	79.00			89.54		
Estimated average blended rate		186.65			198.75	
Estimated total cost			14,745.00			17,796.37

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS

	<u>From 1 October 2021</u>	<u>1 Oct 2019 to 30 Sept 2021</u>
	£ per hour	£ per hour
Partner/Director	450-525	400-525
Manager	270-400	260-360
Senior	240-250	230-250
Administrator	135-200	100-205
Support Staff	105	100-135

Note 1 There may have been a number of promotions through the various grades during the period of the administration.

Note 2 Overhead costs are reflected in the charge out rates detailed.

Note 3 The charge-out rate of the Insolvency Practitioner for this assignment is currently £575 per hour, and the manager is £300 per hour.

Note 4 Time is recorded in minimum units of 6 minutes.

APPENDIX 5

ARRAY GROUP LTD - IN LIQUIDATION ("THE COMPANY")

JOINT LIQUIDATORS' COMPARISON OF ESTIMATED EXPENSES AND ACTUAL COSTS INCURRED AND PAID

Details of Expense	Estimated amount £	Incurred / Accrued in period since last report £	Total incurred /accrued to date £	Paid in period since last report £	Total paid to date £
<u>Category 1 Expenses</u>					
Statutory advertising - various notices relating to the company have to be placed in the London Gazette	179.92	0.00	269.86	0.00	0.00
Specific penalty bonding - this is insurance required by statute that every officeholder has to obtain for the protection of each estate, with the premium being based on the value of the company's assets	20.00	0.00	20.00	0.00	0.00
Postage	0.00	0.00	45.00	0.00	45.00
<u>Agent's Fees</u>					
Collection, listing and storage of books and records - An agent may be instructed to collect the books and records of the Company. The books and records will be stored by the agent throughout the period of the Liquidation and for one year following the dissolution of the Company. The agent will be paid per box per month.	50.00	0.00	0.00	0.00	0.00
<u>Category 2 Expenses</u>					
None	0.00	0.00	0.00	0.00	0.00
Totals	249.92	0.00	334.86	0.00	45.00

EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. The term expenses also includes disbursements which are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Category 1 Expenses

Specific expenditure relating to the administration of the insolvent estate and payable to a person or persons who are not associates of the office holder is recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available, then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 expenses will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include legal fees, agents' fees, sub-contractors' fees, statutory advertising, insurance of assets, search fees, specific penalty bonding, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 Expenses

These are expenses that are directly referable to the administration of the insolvent estate and are made to associates of the officeholder or have an element of shared costs.

Category 2 Expenses require creditor approval.

Menzies LLP do not as a matter of policy seek approval of, or claim any, Category 2 expenses other than those which are paid to associates of the office holder.