

LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



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12/02/2020

#26

COMPANIES HOUSE

1	Company details	
Company number	0 5 5 2 2 2 3 2	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	AAA Management Services Limited	
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	W C 1 H 9 L T	
Country		
4	Liquidator's name	
Full forename(s)	Jonathan David	① Other liquidator Use this section to tell us about another liquidator.
Surname	Bass	
5	Liquidator's address	
Building name/number	Lynton House	② Other liquidator Use this section to tell us about another liquidator.
Street	7-12 Tavistock Square	
Post town		
County/Region	London	
Postcode	W C 1 H 9 L T	
Country		

LIQ03

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6 Period of progress report

From date	d	1	d	7	m	1	m	2	y	2	y	0	y	1	y	8
To date	d	1	d	6	m	1	m	2	y	2	y	0	y	1	y	9

7 Progress report☒ The progress report is attached**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	1	d	0	m	0	m	2	y	2	y	0	y	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

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 **Timothy Lee**Company name **Menzies LLP**Address
2 Sovereign Quay
Havannah StreetPost town **Cardiff**

County/Region

Postcode **C F 1 0 5 S F**

Country

DX

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.

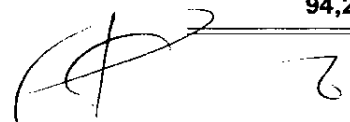
**Further information**

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

AAA Management Services Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 17/12/2018 To 16/12/2019 £	From 17/12/2014 To 16/12/2019 £
	ASSET REALISATIONS	
	Bank Interest Gross	136.54
	Cash at Bank	NIL
157,106.13	HL Clients' Account	157,106.13
Uncertain	Staff Loans	NIL
39,511.08	Trade Debtor-AAA Linen Supplies Ltd	11,333.01
Uncertain	Trade Debtor-AAA Linen Svcs Ltd (Ad	82,881.29
Uncertain	Trade Debtor-Highgate Wash House L	NIL
Uncertain	Trade Debtor-Washing House LLP	NIL
	<u>136.54</u>	<u>252,376.15</u>
	COST OF REALISATIONS	
	Employee Agent Service Fees	12,015.00
	Investigation Costs	7,400.00
	Legal Fees	3,072.50
	Liquidators Fees	124,029.50
	Preparation of S. of A.	10,000.00
	Search Fees	22.00
	Specific Bond	792.00
	Statutory Advertising	222.75
	Storage Costs	529.12
	<u>197.44</u>	<u>529.12</u>
	(14,976.94)	(158,082.87)
	PREFERENTIAL CREDITORS	
(157,305.34)	Employees Wage Arrears & Holiday P	NIL
	<u>NIL</u>	<u>NIL</u>
	FLOATING CHARGE CREDITORS	
(65,535.46)	Santander UK plc	NIL
	<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS	
(212,590.53)	DLA - A. Atashroo	NIL
(211,833.54)	DLA - H.A. Atashroo	NIL
(29,439.18)	Emp. Tribunal Claim - ex-employee	NIL
(555,144.02)	Employees	NIL
(156,952.22)	HMRC - PAYE & NIC	NIL
(812,265.92)	HMRC - VAT	NIL
(3,100.80)	Trade & Expense Creditors	NIL
	<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS	
(1,000.00)	Ordinary Shareholders	NIL
	<u>NIL</u>	<u>NIL</u>
<u>(2,008,549.80)</u>	<u>(14,840.40)</u>	<u>94,293.28</u>
	REPRESENTED BY	
	Barclays Bank (IB)	93,493.28
	VAT Receivable	800.00
		<u>94,293.28</u>


Freddy Khalastchi
Joint Liquidator

AAA MANAGEMENT SERVICES LIMITED - 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 17 DECEMBER 2018 TO 16 DECEMBER 2019

DATED 10 FEBRUARY 2020

AAA MANAGEMENT SERVICES LIMITED - IN CREDITORS' VOLUNTARY LIQUIDATION - ("THE COMPANY")

ANNUAL PROGRESS REPORT

CONTENTS

1. Introduction and executive summary
2. Asset realisations
3. Investigations
4. Pre-appointment fees
5. Joint Liquidators' remuneration
6. Joint Liquidators' expenses and disbursements
7. Creditors' claims and outcome for creditors
8. Creditors' rights to further information and to challenge liquidators' remuneration and expenses
9. Data Protection Notice
10. Concluding remarks

APPENDICES

1. Statutory information
2. Joint Liquidators' receipts and payments account
3. Joint Liquidators' analysis of time costs
- 3a. Joint Liquidators' narrative to time costs incurred
4. Menzies LLP Disbursements recovery policy

1 INTRODUCTION AND EXECUTIVE SUMMARY

- 1.1 I was appointed Joint Liquidator of the Company on 17 December 2014. I now present my progress report for the fifth 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"). This report should be read in conjunction with my previous reports to creditors.
- 1.2 The Company's statutory information is attached at Appendix 1 of this report.

Executive summary

- 1.3 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 be in a position to declare a dividend to all classes of creditor, but on the basis of current realisations and the level of claims received to date I expect that only preferential creditors will receive a dividend (see section 7 below). The Statement of Affairs listed the Company's assets as four intercompany trade debtors, with only one estimated to realise value of £39,511.08 and the remaining as uncertain. Investigations have been ongoing in the period in attempt to recover these monies. Further assets included, an amount of £157,106.13 estimated to realise from the Harris Lipman ("HL") clients' account and staff loans with an uncertain value. Total realisations to date are £252,376.15, made up of £94,214.30 received from two of the four trade debtors, the total balance of £157,106.13 that was held in the mentioned HL clients' account, cash at bank of £919.18 and bank interest of £136.54.
- 1.4 I attach at Appendix 2 a receipts and payments account for the period ended 16 December 2019. Details of progress during the period are set out in sections 2 and 3 below.

2 ASSET REALISATIONS

Bank interest

- 2.1 An amount of £136.54 has been received in respect of accrued bank interest during the reporting period.

3 INVESTIGATIONS

- 3.1 As detailed in my previous reports, there have been ongoing investigations into the remaining two of four intercompany debtors, Washing House LLP ("WH") and Highgate Wash House LLP ("HWH"), and their directors.
- 3.2 The directors purport to have repaid the respective outstanding amounts owed to the Company's Bank, Santander Corporate & Commercial Banking ("Santander").
- 3.3 Within the period, there have been ongoing attempts to obtain a breakdown of Santander's potential claim in the Liquidation, of which the directors are attempting to seek subrogation, so the amounts can be offset against the loan accounts. There has been no formal claim made by Santander, in the Liquidation. The documentation provided by the directors has been insufficient to allow the subrogation of Santander's claim as a secured creditor.
- 3.4 Also, during the period, I have instructed Freeths LLP ("Freeths") to assist with these investigations, of which contact has been made with the Company's former accountants in attempt to retrieve copy documents that relate to the group of companies and how the liabilities arose.
- 3.5 The potential recovery from WH and HWH is an ongoing matter, one of which I hope to be able to update creditors in my next report.

4 PRE-APPOINTMENT FEES

- 4.1 The creditors previously authorised the payment of a fee of £10,000 plus VAT and disbursements to Menzies LLP for assistance with preparing the Statement of Affairs and convening the meeting of creditors prior to our appointment.
- 4.2 The fee was charged on a fixed fee basis. It was paid from first realisations and is shown in the enclosed receipts and payments account.

5 JOINT LIQUIDATORS' REMUNERATION

- 5.1 At a meeting of creditors held on 17 December 2014, 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.
- 5.2 I attach at Appendix 3 a breakdown of time costs by work category and staff grade for the period 17 December 2018 to 16 December 2019, which includes details of our charge out rates. My time costs during this reporting period are £15,479.00, which represents 77.10 hours at an average charge out rate of £204.27 per hour. My total time costs incurred for the period to 16 December 2019 amount to £125,389.30, representing 514.12 hours at an average rate of £243.89 per hour.
- 5.3 I have drawn remuneration of £124,029.50 plus VAT to 16 December 2019 of which £14,779.50 plus VAT was drawn during this period, as shown in the Receipts and Payment account at Appendix 2.
- 5.4 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.
- 5.5 A narrative explanation of work done during the period since my last progress report is set out at Appendix 3a.
- 5.6 An explanatory note "A Creditors' Guide to Liquidators' Fees" can be found on the following link - <https://www.menzies.co.uk/helping-you/business-recovery/fees-guide/>. Alternatively, it is available free of charge by contacting Menzies LLP. Please note that there are different versions and you should refer to the version for appointments from November 2011 to September 2015.

6 JOINT LIQUIDATORS' EXPENSES

- 6.1 Expenses are amounts payable by the officeholder from the Estate, which are not the officeholder's remuneration or a distribution to creditors. These include disbursements, which are met by and recharged to an officeholder in connection with an appointment.
- 6.2 Please see the receipts and payments account detailed at Appendix 2, which shows the payments made from the estate during the Liquidation and for the period since the last progress report.
- 6.3 I have incurred total expenses of £6,256.24 during this period, as detailed in the table below.
- 6.4 I have paid £197.44 during this period, as detailed below and outlined in the attached receipts and payments account.

- 6.5 The total expenses incurred to 16 December 2019 is therefore £30,182.34, of which £24,053.37 has been paid to 16 December 2019.

Type of expense	Incurred in the period (£)	Total incurred (£)	Paid in Period (£)	Total Paid (£)	Remains outstanding (£)
Employee agent fees	Nil	12,015.00	Nil	12,015.00	Nil
Investigation costs	Nil	7,400.00	Nil	7,400.00	Nil
Legal fees	5,990.00	9,062.50	Nil	3,072.50	5,990.00
Specific penalty bond	Nil	792.00	Nil	792.00	Nil
Search fees	Nil	22.00	Nil	22.00	Nil
Statutory advertising	Nil	222.75	Nil	222.75	Nil
Joint Liquidators' disbursements					
Storage costs	266.24	662.24	197.44	529.12	133.12
Travel	Nil	5.85	Nil	Nil	5.85
Total	6,256.24	30,182.34	197.44	24,053.37	6,128.97

Professional advisors

- 6.6 I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Freeths LLP	Solicitors	Time costs

- 6.7 The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.
- 6.8 Freeths have been instructed to assist with investigations into the former directors in regard to the recovery of trade debtors' monies and obtaining information from Santander in regard to their possible claim in the Liquidation.
- 6.9 Storage costs of £266.24 were incurred during this period, relating to Company records. A total of £197.44 were paid during this period.

Joint Liquidators' disbursements

- 6.10 In relation to disbursements, where my firm has incurred a cost that is directly referable to this matter and the payment was made to a third party, these costs have been or will be reimbursed, subject to sufficient funds being available in the estate. I have incurred disbursements totalling £266.24 during this period (included in the expenses table above), which have been paid by my firm and of which £197.44 has been reimbursed from the Liquidation estate. These are shown in my receipts and payments at Appendix 2.

- 6.11 No disbursements have or will be claimed which, while directly referable to this matter, did not involve a payment to a third party. Neither will any cost be reimbursed which included an element of shared or allocated cost (e.g. photocopying). A statement with regard to my disbursements recovery policy is attached at Appendix 4.

7 CREDITORS' CLAIMS AND OUTCOME FOR CREDITORS

Secured creditor

- 7.1 Following an examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted a fixed and floating charge to Santander on 3 August 2010. Attempts have been made to contact Santander requesting they provide a breakdown of their claim, including any preferential and unsecured aspects, of which they have failed to respond. I will therefore begin beginning the process to distribute to the preferential creditors as per the below.

Preferential creditors

- 7.2 As outlined in the Statement of Affairs, there are substantial claims from the former employees. The employee's claims were submitted to the Redundancy Payments Office ("RPO") for processing and the respective payments have been made to the employees. The RPO's claim has been received and their claim has been agreed.
- 7.3 The Statement of Affairs anticipated £157,305.34 in respect of preferential creditors. Claims totaling £179,571 have been received, but not yet reviewed or agreed.
- 7.4 It is anticipated that a preferential dividend will be paid shortly.

Unsecured (ie non-preferential) creditors

- 7.5 I have received claims in respect of PAYE, NI, Corporation Tax and VAT totalling £905,577.47, with trade and expense creditor claims received to date totalling £3,868.80. There are still creditors yet to submit a claim.
- 7.6 In addition, employees may also have unsecured balancing claims in the Liquidation, relating to unpaid notice, redundancy and arrears of wages which were above statutory limits, and so were not paid by the RPO. These unsecured claims will only be formally investigated and calculated should an unsecured distribution become payable.
- 7.7 Further distributions to unsecured creditors will be dependent on outcome of my investigations, as referred to in section 3.

Prescribed part

- 7.8 As stated above, the Company gave a floating charge to Santander on 3 August 2010 and the prescribed part provisions will apply. The prescribed part is calculated as 50% of the first £10,000 of floating charge realisations plus 20% of all other floating charge realisations, subject to a maximum prescribed part of £600,000. There has been no response received from Santander in regard to their outstanding liability, so therefore the prescribed part will not apply.

8 CREDITORS' RIGHTS TO FURTHER INFORMATION AND TO CHALLENGE LIQUIDATORS' REMUNERATION AND EXPENSES

- 8.1 Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, is available at the link <http://www.menzies.co.uk/helping-you/business->

recovery/fees-guide/. Please refer to the version for appointments from November 2011 to September 2015.

Creditors' right to request information

- 8.2 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

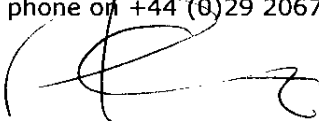
- 8.3 Any secured creditor, or an unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the court, may apply to court for one or more orders under Rule 18.36(4) or 18.37(4) of the Rules. In accordance with Rule 18.34(3) such applications must be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

9 DATA PROTECTION NOTICE

- 9.1 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/>.

10 CONCLUDING REMARKS

- 10.1 The Liquidation will remain open until the ongoing investigations have been completed, and a dividend to the preferential creditors has been distributed. I am therefore uncertain as to the length of time until I will be in a position to conclude the administration of the Liquidation.
- 10.2 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.
- 10.3 Should you require further information, or if you want hard copies of any of the documents made available on-line, please contact my colleague Tim Lee by email at TLee@menzies.co.uk, or by phone on +44 (0)29 2067 4992.



Freddy Khalastchi
Joint Liquidator

APPENDIX 1 STATUTORY INFORMATION

Company name:	AAA Management Services Limited
Company number:	05522232
Registered office:	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT
Former registered office:	31-33 Sunbeam Road, Park Royal, London, NW10 6JR
Principal trading activity:	Provision of human resources
Joint Liquidators' names:	Freddy Khalastchi and Jonathan David Bass
Joint Liquidators' address:	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT
Date of appointment:	17 December 2014
Contact details of Joint Liquidators:	Tim Lee on +44 (0)29 2067 4992 or at TLee@menzies.co.uk
Details of any changes of Liquidator:	<p>There have been no changes of Liquidator during the winding up.</p> <p>Please note that on 1 July 2015, Harris Lipman LLP merged with Menzies LLP to create a practice operating under the Menzies LLP name.</p>

Appendix 2
AAA Management Services Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 17/12/2018 To 16/12/2019	From 17/12/2014 To 16/12/2019
	ASSET REALISATIONS		
Uncertain	Trade Debtor-AAA Linen Svcs Ltd (Ad	NIL	82,881.29
Uncertain	Trade Debtor-Washing House LLP	NIL	NIL
Uncertain	Trade Debtor-Highgate Wash House L	NIL	NIL
39,511.08	Trade Debtor-AAA Linen Supplies Ltd	NIL	11,333.01
Uncertain	Staff Loans	NIL	NIL
157,106.13	HL Clients' Account	NIL	157,106.13
	Cash at Bank	NIL	919.18
	Bank Interest Gross	136.54	136.54
		<u>136.54</u>	<u>252,376.15</u>
	COST OF REALISATIONS		
	Specific Bond	NIL	792.00
	Preparation of S. of A.	NIL	10,000.00
	Liquidators Fees	14,779.50	124,029.50
	Employee Agent Service Fees	NIL	12,015.00
	Investigation Costs	NIL	7,400.00
	Legal Fees	NIL	3,072.50
	Storage Costs	197.44	529.12
	Statutory Advertising	NIL	222.75
	Search Fees	NIL	22.00
		<u>(14,976.94)</u>	<u>(158,082.87)</u>
	PREFERENTIAL CREDITORS		
(157,305.34)	Employees Wage Arrears & Holiday P	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	FLOATING CHARGE CREDITORS		
(65,535.46)	Santander UK plc	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(3,100.80)	Trade & Expense Creditors	NIL	NIL
(555,144.02)	Employees	NIL	NIL
(211,833.54)	DLA - H.A.Atashroo	NIL	NIL
(212,590.53)	DLA - A. Atashroo	NIL	NIL
(156,952.22)	HMRC - PAYE & NIC	NIL	NIL
(812,265.92)	HMRC - VAT	NIL	NIL
(29,439.18)	Emp. Tribunal Claim - ex-employee	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1,000.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(2,008,549.80)		<u>(14,840.40)</u>	<u>94,293.28</u>
	REPRESENTED BY		
	VAT Receivable		800.00
	Barclays Bank (IB)		93,493.28

AAA MANAGEMENT SERVICES LIMITED - IN LIQUIDATION

APPENDIX 3

TIME CHARGE OUT SUMMARY FOR THE PERIOD FROM 17 DECEMBER 2018 - 16 DECEMBER 2019

HOURS

Classification of work function	Partner/ Director	Manager	Senior	Administrator	Support	Total Hours	Time Costs	Average Hourly Rate
							£	£
Admin and Planning	3.70	9.80	0.00	42.00	1.80	57.30	9,177.00	160.16
Investigations	7.70	2.90	0.00	5.20	0.00	15.80	4,993.50	316.04
Realisation of Assets	1.20	0.30	0.00	0.00	0.00	1.50	687.00	458.00
Creditors	0.50	0.80	0.00	1.00	0.20	2.50	621.50	248.60
Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	13.10	13.80	0.00	48.20	2.00	77.10		
Total Costs	6,389.50	3,672.00	0.00	5,227.50	190.00		15,479.00	

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS

From 1 October 2019 1 Oct 2018 to 30 Sept 2019

£ per hour £ per hour

Partner/Director	400-525	375-505
Manager	260-350	250-345
Senior	230-250	215-240
Administrator	100-205	80-200
Support Staff	100-135	95-100

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 administrator is £100 per hour.

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

Appendix 3a

AAA Management Services Limited (In Creditors' voluntary Liquidation) ("the Company)

Narrative of work undertaken in the period from 17 December 2018 to 16 December 2019

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 physical case files and electronic case management information.
- Periodic review of files,
- Strategic case planning and the routine administration of the case.
- Preparation of documentation and reports, dealing with correspondence and statutory advertising.

Specifically:

Reporting

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

Cashiering

- Lodging receipts
- Preparing and processing invoices for payments
- Reconciling the bank account, and producing the receipts and payments account.
- Preparation and submission of VAT and corporation tax returns.

2 Asset realisations

Net asset realisations provide the financial benefit to creditors and their quantum directly contributes to any dividend ultimately available to creditors.

Time has been allocated to the ongoing matter of the potential recovery of trade debtor monies.

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.

Further investigation

- Time costs were incurred in relation to matters identified for further investigation, namely:
- Liaising with Freeths in regard to the ongoing attempts to recover the trade debtor monies mentioned in section 3.

4 Creditors (claims and distribution)

Time spent in this category included the following:

- Adjudicating creditor claims and ensuring that they had adequately proven their claims in the estate. Work undertaken in this respect was necessary to ensure that only those entitled to receive a dividend did so and that any claim was validly and adequately evidenced.
- Dealing with routine correspondence and queries and taking telephone calls from creditors.
- Maintaining creditor information on the electronic case management files as well as the physical case files.
- Contacting Santander in attempt to obtain a breakdown of their potential preferential claim.

Appendix 4
MENZIES LLP
DISBURSEMENTS RECOVERY POLICY

Category 1 Disbursements

Specific expenditure relating to the administration of the insolvent estate and payable to an independent third party 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 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include legal fees, agents' fees, statutory advertising, insurance of assets, search fees, specific penalty bonding, telephone calls, postage, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

All such disbursements that have been paid from the estate are shown on the enclosed summary of our receipts and payments account.

Category 2 Disbursements

These are expenses that are directly referable to the administration of the insolvent estate but not involve a payment to an independent third party. They may include shared or allocated costs that may be incurred and that can be allocated to an estate on a proper and reasonable basis (e.g. photocopying).

Category 2 disbursements require creditor approval. These charges are generally in respect of storage at £40 per box per annum or part thereof and destruction at £3.50 per box, plus VAT, in respect of Company records stored.

These records are usually destroyed one year after dissolution of the Company and creditors will have been asked to approve resolutions for category 2 disbursements at the appropriate time.