

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

07268358

Company name in full

07268358 Ltd previously Ecohouse Developments 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

London

County/Region

Postcode

WC1H9LT

Country

4

Liquidator's name ①

Full forename(s)

Rachel Helen

Surname

Lai

① Other liquidator

Use this section to tell us about another liquidator.

5

Liquidator's address ②

Building name/number

Lynton House

Street

7 - 12 Tavistock Square

Post town

London

County/Region

Postcode

WC1H9LT

Country

② Other liquidator

Use this section to tell us about another liquidator.

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Period of progress report

From date	<div><div>d</div><div>1</div></div>	<div><div>d</div><div>6</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>1</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>1</div></div>	
To date	<div><div>d</div><div>1</div></div>	<div><div>d</div><div>5</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>1</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>2</div></div>	

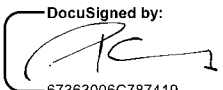
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Progress report

<input checked="" type="checkbox"/> The progress report is attached	
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8

Sign and date

Liquidator's signature	<div>Signature</div> <div><div>X</div><div><div>DocuSigned by:</div><div></div><div>67363006C787419...</div></div></div> <div>X</div>								
Signature date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>7</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>3</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>2</div></div>	

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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 **Rona Bharania**

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**

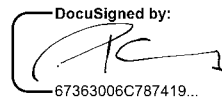
For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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

**07268358 Ltd previously Ecohouse Developments Ltd
(In Liquidation)
Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 16/01/2021 To 15/01/2022 £	From 15/01/2015 To 15/01/2022 £
UNSECURED CREDITORS			
(22,299.86)	Banks/Insituitions	NIL	NIL
(21,043,261.20)	Investorts	NIL	NIL
(377,693.35)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
1.00	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(21,443,253.41)		NIL	NIL
REPRESENTED BY			
			NIL

Note:

DocuSigned by:

 67363006C787419...

Freddy Khalastchi
Liquidator

MENZIES

**07268358 LTD PREVIOUSLY ECOHOUSE DEVELOPMENTS 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 16 JANUARY 2021 TO 15 JANUARY 2022

DATED 7 MARCH 2022

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07268358 LTD PREVIOUSLY ECOHOUSE DEVELOPMENTS LTD - IN CREDITORS' VOLUNTARY LIQUIDATION – ("THE COMPANY")

ANNUAL PROGRESS REPORT

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4. Joint Liquidators' comparison of original and actual time costs incurred
5. Comparison of estimated expenses and actual costs incurred

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1. INTRODUCTION AND EXECUTIVE SUMMARY

1.1 I was appointed Joint Liquidator of the Company on 16 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").

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

1.3 Each creditor has a right under Regulation 11(2) of the Insolvency Regulations 1994 to require the Liquidators to supply a statement of Receipts and Payments free of charge.

Executive summary

1.4 The Company originally went into liquidation on 15 January 2015, when David Christian Chubb and Robert Nicholas Lewis of Pricewaterhousecoopers LLP were appointed Joint Liquidators.

1.5 As stated in previous reports by the former Joint Liquidators, the director's statement of affairs stated that the Company had no assets, however the former Joint Liquidators were investigating potential actions that could be taken to recover funds for the benefit of creditors. The previous reports which detail their investigations can be viewed on Companies House.

1.6 The former Joint Liquidators' final report confirmed that they had spoken to another firm of insolvency practitioners with a view to replacing them, but were unable to find a replacement without funding being in place. This was my firm and at the time we were in discussions with a group of creditors who could not raise the funds required.

1.7 The final report included the former Joint Liquidators' final receipts and payments to 7 August 2017. This was issued to creditors and filed at Companies House in accordance with their statutory requirement. Subsequently, the Company was dissolved on 14 February 2018.

1.8 Following dissolution, discussions continued with creditors and other parties with a view to my firm being appointed as liquidators in order to consider other avenues of recovery for the benefit of creditors. After some time, a creditor made an application to Court via their solicitors to restore the Company. The restoration meant that the Company reverted to its former state, namely a company in liquidation.

1.9 As part of the application, Rachel Helen Lai and I were appointed Joint Liquidators on 16 January 2020. I am in the process of investigating the Company's affairs and potential actions that may be pursued.

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

1.11 Based on current known information about the Company's financial position, and after taking into account the estimated office holders' fees and expenses, it is anticipated that there will be insufficient realisations to pay a dividend to ordinary unsecured creditors. I refer you to section 4 below.

1.12 My Receipts & Payments Account for the period from 16 January 2021 to 15 January 2021, 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.

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2. PROGRESS/ASSET REALISATIONS

- 2.1 No assets have been realised in the reporting period.

3. INVESTIGATIONS

- 3.1 As identified by the former Joint Liquidators, there may be various potential actions that may be pursued.
- 3.2 Since my appointment, I have obtained and reviewed certain of the working files of the former Joint Liquidators and other sources to consider the potential claims and the likelihood of recovery.
- 3.3 As mentioned in my last report, it would be necessary to find an alternative way of funding any claims that are deemed strong enough to be brought.
- 3.4 On appointment, I was liaising with a litigation funder that had conducted initial due diligence and considered the potential claims and investigations. However, when the funder reassessed the case following the COVID-19 pandemic, and the costs and risks involved in respect of the potential actions, the potential claims were deemed to be too risky due to the economic climate so the funder withdrew.
- 3.5 During the reporting period, I have been liaising with alternative litigation funders and providing them with briefs in respect of the potential claims, however, those that I have spoken to have not shown interest in the case. One of the reasons is due to the time that has passed since the original liquidation date, which would mean that some claims maybe statute barred and therefore limited action will be able to be taken to obtain recoveries.
- 3.6 As this point in time, I am unable to provide further information on the potential claims as doing so may prejudice the outcome and any potential recoveries.

4. LIABILITIES, DIVIDEND PROSPECTS AND ALLOCATION OF COSTS

4.1 LIABILITIES

Secured creditors

- 4.2 The Company has no current charges over its assets. 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.

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Non-preferential unsecured creditors

- 4.5 The statement of affairs included 353 unsecured creditors with an estimated total liability of £21,443,254.41. I have received claims from 39 creditors at a total of £2,772,083.70.
- 4.6 There are currently insufficient funds to enable a dividend to be paid to the unsecured creditors.

Creditors' Committee ('the Committee')

- 4.7 The Committee is now made up of the following individuals all of whom are representing themselves:
1. St John Rowntree
 2. Steven Dangel
 3. Geoffrey Dodge
- 4.8 The Committee represent the general body of creditors and assist the liquidator with investigations and also approve the Liquidators' remuneration.

5. PRE-APPOINTMENT FEES

- 5.1 As the Company was restored by a creditor, no fees have been paid to my firm prior to my appointment.

6. JOINT LIQUIDATORS' REMUNERATION & EXPENSES

Joint Liquidators' remuneration

- 6.1 At a meeting of the liquidation committee held on 15 March 2021, 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 fees estimate of £416,390.00 plus a 50% uplift. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the liquidation committee.
- 6.2 My total time costs to amount to £63,105.75, representing 199.20 hours of work at a blended charge out rate of £316.80 per hour.
- 6.3 During the reporting period, my time costs amount to £22,368.00, representing 69.25 hours of work at a blended charge out rate of £323.00 per hour.
- 6.4 The actual blended charge out rate incurred compares with the estimated blended charge out rate of £354.68 in my fees estimate.
- 6.5 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.
- 6.6 I have not been able to draw any remuneration in this period.
- 6.7 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 a senior 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.

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- 6.8 As at 15 January 2022, I do not anticipate that the total time costs that I will incur will exceed the total estimated remuneration which was set out in my fee estimate when my remuneration was authorised by the Liquidation Committee. Please see Appendix 4 which details the actual time costs incurred as compared to the fee estimate provided to creditors in my report dated 12 March 2021 to the creditors committee.
- 6.9 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/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.menzies.co.uk/helping-you/business-recovery/fees-guide/>. There are different versions of these Guidance Notes, and in this case please refer to the version for appointments from September 2015

Professional and sub-contractors' fees, and other expenses

- 6.10 Appendix 5 provides an explanation of the categories of expenses which may be drawn from the Liquidation without creditor approval and those which require creditor approval. The Liquidation Committee approved payments to the forensics department of Menzies, who are associates of the Joint Liquidators, when they approved my remuneration. These payments are detailed below as Category 2 expenses
- 6.11 I have incurred total expenses of £109.95 since my appointment as Liquidator none of which has been incurred in the period since my last report to creditors.
- 6.12 I have not been able to draw any expenses in the matter
- 6.13 Menzies LLP has paid £959.95 on behalf of the liquidation estate, which I have not been able to reimburse from the estate as yet due to lack of realisations. During the reporting period, my firm have paid £850.00 in respect of legal costs to LPC Law and Selbourne Chambers. These costs were incurred prior to my appointment, in respect of restoring the Company, and have been paid in this reporting period.
- 6.14 No expenses were incurred in the period since my last progress report.
- 6.15 Appendix 5 details the expenses I estimated that I would incur in this matter when my remuneration was authorised by the Liquidation Committee and compares them with those incurred and drawn to date.
- 6.16 As at 15 January 2022 I do not anticipate that the expenses I will incur in this matter will exceed the total expenses I estimated I would incur when my remuneration was authorised by the Liquidation Committee as majority of the expenses
- 6.17 Based on our knowledge of the case to date, we do not anticipate being able to draw our time costs and expenses, which we have estimated at £716,599.95 in full. As there are insufficient realisations, and realisations are dependent on investigations and securing a litigation funder, at this stage, I do not anticipate drawing costs. As a result, it is not anticipated that there will be a return to preferential and unsecured creditors.

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

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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

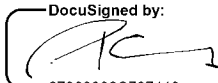
- 7.2 Any secured creditor, or an unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the court, may apply to court for one or more orders under Rule 18.36(4) or 18.37(4) of the Rules. In accordance with rule 18.34(3) of the Rules such applications 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, however, at this stage, I cannot confirm how long this will be as it will depend on the ongoing investigations and, if appropriate, the sourcing of the funding to pursue claims.
- 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 Rona Bharania by email at RBharania@menzies.co.uk, or by phone on +44 (0)207 4651916.

DocuSigned by:

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Freddy Khalastchi
Joint Liquidator

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APPENDIX 1

STATUTORY INFORMATION

Company name:	07268358 Ltd previously Ecohouse Developments Ltd
Company number:	07268358
Registered office:	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT
Former registered office:	Central Square 8th Floor 29 Wellington Street, Leeds, LS1 4DL
Former trading address:	Onslow Hall, the Little Green, Richmond, Surrey
Principal trading activity:	Real estate agencies
Joint Liquidators' names:	Freddy Khalastchi and Rachel Helen Lai
Joint Liquidators' address:	Lynton House, 7 - 12 Tavistock Square, London, WC1H 9LT
Date of appointment:	16 January 2020
Contact details of Joint Liquidators	Rona Bharania on +44 (0)207 4651916 or at RBharania@menzies.co.uk
Details of any changes of Liquidator:	15 January 2015 to 7 August 2017 David Christian Chubb and Robert Nicholas Lewis of Pricewaterhousecoopers LLP were the Joint Liquidators. 16 January 2020 - Freddy Khalastchi and Rachel Helen Lai were appointed Joint Liquidators following restoration of the Company.

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APPENDIX 2

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

07268358 Ltd previously Ecohouse Developments Ltd
(In Liquidation)
Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 16/01/2021 To 15/01/2022	From 15/01/2015 To 15/01/2022
	UNSECURED CREDITORS		
(377,693.35)	Trade & Expense Creditors	NIL	NIL
(22,299.86)	Banks/Insitituions	NIL	NIL
(21,043,261.20)	Investorts	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
1.00	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(21,443,253.41)		NIL	NIL
	REPRESENTED BY		
			NIL

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APPENDIX 3

JOINT LIQUIDATORS' TIME COSTS

Classification of Work Function	HOURS					Total Hours	Time Costs £	Blended Hourly Rate £
	Partner/ Director	Manager	Senior	Administrator	Support			
Brought Forward From 15.01.2021						129.95	40,737.75	313.49
Administration & Planning	4.80	2.80	17.50	2.60	0.70	28.40	8,029.50	282.73
Realisation of Assets	-	-	-	-	-	-	-	-
Creditors	3.50	6.80	13.60	-	-	23.90	7,465.50	312.36
Investigations	4.80	1.90	0.20	2.80	-	9.70	3,248.00	334.85
Forensics	7.25	-	-	-	-	7.25	3,625.00	500.00
Total Hours	20.35	11.50	31.30	5.40	0.70	69.25		
Total Costs	9,802.50	3,808.00	7,825.00	859.00	73.50		22,368.00	323.00
Total Carried Forward						199.20	63,105.75	316.80

Fees Drawn for Period Ended:

15.01.2021

-

15.01.2022

-

Total Fees Drawn to Date:

-

Balance of Time Costs Accrued but Unpaid

63,105.75

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 assistant manager is £280 per hour.

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

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JOINT LIQUIDATORS' NARRATIVE OF WORK UNDERTAKEN IN THE PERIOD 16 JANUARY 2021 TO 15 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 physical case files and electronic case management information.
- Periodic review of files,
- Strategic case planning and the routine administration of the case.

Specifically:

Reporting

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

Cashiering

- Reconciling the bank account and producing the receipts and payments account.
- Preparation and submission of 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.

No assets were realised in the reporting 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.

Company Books and Records

It is a statutory obligation of the officeholder to ensure that the books and records of the Company are secured. Time spent during the period included:

- Reviewing the bank statements to consider potential actions and claims.

Further investigation

- Liaising with the Forensics department at Menzies in relation to the case and potential claims and obtaining their assistance in discussions with litigation funders.
- Exchanges with litigation funders in relation to potential recoveries.

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4 Creditors (claims and distribution)

Time spent in this category included the following:

- 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.
- Convening the creditors' committee meeting and reporting to the committee and dealing with correspondence and queries.

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APPENDIX 4

COMPARISON OF ORIGINAL FEE ESTIMATE AND ACTUAL COSTS INCURRED

Classification of Work Function	Fee Estimate			Actual - 16.01.2020 to 15.01.2022		
	Total Hours	Total Time Costs	Blended Hourly Rate	Total Hours	Total Time Costs	Blended Hourly Rate
	£	£		£	£	
Administration & Planning	232.00	72,620.00	313.02	83.60	23,989.00	286.95
Realisation of Assets	50.00	16,900.00	338.00	-	-	-
Creditors	172.00	56,520.00	328.60	64.20	19,518.00	304.02
Investigations	720.00	270,350.00		30.70	12,585.50	409.95
Forensics	-	-	-	20.70	7,013.25	338.80
Total Hours	1,174.00			199.20		
Total Time Costs		416,390.00			63,105.75	
Blended Hourly Rate			354.68			316.80
Total Fees Drawn to date					-	
Balance of Time Costs Accrued but Unpaid					63,105.75	

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 administrator is £250 per hour

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

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APPENDIX 5

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	189.95	0.00	89.95	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
Professional and Sub-Contractors' Fees	0	0.00	850.00	0.00	0.00
Restoration Legal Costs (pre-appointment)	150-300,000.00	0.00	0.00	0.00	0.00
Legal Costs	uncertain	0.00	0.00	0.00	0.00
Litigation Funders					
<u>Category 2 Expenses</u>					
None	0.00	0.00	0.00	0.00	0.00
Totals	300,209.95	0.00	959.95	0.00	0.00

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 those which are paid to associates of the office holder.