

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](http://www.gov.uk/companieshouse)

### 1 Company details

Company number	07706079
Company name in full	Aray Architects 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	WC1H 9LT
Country	

### 4 Liquidator's name ①

Full forename(s)	Jonathan David
Surname	Bass

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	
County/Region	London
Postcode	WC1H 9LT
Country	

② **Other liquidator**  
Use this section to tell us about another liquidator.

LIQ03

Notice of progress report in voluntary winding up

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Period of progress report

From date	<div><div>d</div><div>2</div></div>	<div><div>d</div><div>3</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>2</div></div>	<div><div>d</div><div>2</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>	

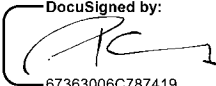
7

Progress report

<div><input checked="" type="checkbox"/> The progress report is attached</div>	
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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><div>X</div></div>								
Signature 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>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>	

## 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

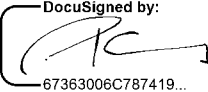
**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**Aray Architects 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			
Uncertain	Debtors	NIL	NIL
Uncertain	Directors Loan Account	1,000.00	1,000.00
Uncertain	Goodwill	NIL	NIL
Uncertain	Plant & Machinery	NIL	NIL
Uncertain	WIP/Contracts	NIL	NIL
		1,000.00	1,000.00
COST OF REALISATIONS			
	Preparation of S. of A.	500.00	500.00
		(500.00)	(500.00)
UNSECURED CREDITORS			
(40,327.95)	Associated Companies	NIL	NIL
(115,010.00)	HM Revenue & Customs - VAT	NIL	NIL
(17,393.10)	HM Revenue and Customs - CT	NIL	NIL
(1,076.15)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(173,907.20)</b>		<b>500.00</b>	<b>500.00</b>
REPRESENTED BY			
	Barclays Bank IB		400.00
	VAT Receivable		100.00
			<b>500.00</b>

**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:  
  
67363006C787419...

**Freddy Khalastchi**  
**Joint Liquidator**

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

**ANNUAL PROGRESS REPORT**

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8. Further information
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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 costs incurred

## 1. INTRODUCTION AND EXECUTIVE SUMMARY

1.1 I was appointed Joint Liquidator of the Company on 23 January 2020. I now present my progress report for the 2nd 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.

### 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 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).

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

1.5 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.

1.6 The balance of funds amounting to £400.00 is held in an interest-bearing estate bank account.

## 2. PROGRESS AND ASSET REALISATIONS

### Director's overdrawn loan account

2.1 As stated on the Company's statement of affairs, the director owes £70,055 in respect of an overdrawn director's loan account. In my last progress report, I advised that the director made an offer to settle the liability in full in the sum of £22,500. He has since reduced that offer to £18,000, to include the liability due from him to the Company's parent company, Aray Group Ltd, on the basis of a reduced income. I have been provided with copies of the director's income and expenditure and other financial information and, whilst I appreciate that the director is experiencing some financial difficulties, cannot accept £18,000 in full and final settlement.

2.2 The director offered to pay the £18,000 over a period of 4 years by way of monthly instalments of £200 together with an annual top up payment of £2,100. Whilst I have not accepted this offer, I am prepared to accept the payments on account whilst an agreement to a better settlement over a shorter time frame is reached. My efforts in this matter continue.

2.3 I have received payments totalling £1,000 in the reporting period.

## 3. INVESTIGATIONS

3.1 As previously reported, my investigations are not yet complete. In the period I have sought to obtain further information to enable those investigations to be progressed, but this not yet been received. My investigations will continue until the requisite information and explanations are received.

#### 4. LIABILITIES, DIVIDEND PROSPECTS AND ALLOCATION OF COSTS

##### 4.1 LIABILITIES

###### Secured creditors

4.1.1 The Company has no charges registered over its assets. Accordingly, there are no known secured creditors.

4.1.2 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

4.1.3 There are no known preferential creditors.

###### Non-preferential unsecured creditors

4.1.4 The statement of affairs included 5 unsecured creditors with an estimated total liability of £173,807.20. I have received claims from 3 creditors at a total of £174,978.42. I have not received claims from 2 creditors with original estimated claims in the statement of affairs of £40,804.10.

##### 4.2 DIVIDEND PROSPECTS

4.2.1 At this time, I do not anticipate being in a position to pay a dividend to unsecured creditors due to the lack of anticipated realisations.

#### 5. PRE-APPOINTMENT FEES

5.1 The board of directors previously authorised the payment of a fee of £5,000.00 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 has been paid in part, £500.00, from first realisations on appointment and is shown in the enclosed receipts and payments account.

#### 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 £17,925 plus VAT. 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 £17,997.40, representing 81.1 of hours work at a blended charge out rate of £221.92 per hour, of which £9,804.40 was charged in the period since 22 January 2021, at a blended charge out rate of £247.59 per hour. The actual blended charge out rate



incurred compares with the estimated blended charge out rate of £203.69 in my fee estimate. There is a difference in the blended rate charged, compared with the estimated blended rate because more time has been spent at manager level than was originally 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 £72.40.
- 6.7 The reason for exceeding the fee estimate is that the liquidation was expected to be concluded within one year and the original fee estimate did not allow for annual progress reports to be prepared. Whilst the amount by which the fee estimate is minimal at this time, I anticipate that further costs will be incurred in recovery of the overdrawn director's loan account. My original fee estimate did not include time for protracted realisations. As a result of the lengthy time it will take to complete that realisation, further progress reports and cashing costs will be incurred over and above those included in my fee estimate. Currently I do not intend to draw remuneration in excess of the fee estimate and so will not be seeking a decision to increase my fee estimate.
- 6.8 I only anticipate needing to seek approval to draw fees in excess of this estimate if my additional work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings.
- 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 before after September 2015.

*Professional and sub-contractors' fees, and other expenses*

- 6.10 I have incurred total expenses of £1,289.86 since my appointment as Liquidator of which £nil was incurred in the period since my last report to creditors. I have not been able to draw any expenses in the matter. Menzies LLP has paid £289.86 on behalf of the liquidation estate, which I have not been able to reimburse from the estate yet due to lack of realisations.
- 6.11 No expenses have been incurred in the period since my last progress report.
- 6.12 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.
- 6.13 As at 22 January 2022 I do not anticipate that the expenses I will incur in this matter will exceed the total

expenses estimated when my remuneration was authorised by the creditors.

- 6.14 Based on my knowledge of the case to date, I do not anticipate being able to draw my time costs and expenses, which I have estimated at £19,287.26, in full and 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.

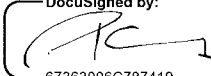
**8. FURTHER INFORMATION**

- 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 until I have reached a settlement agreement with the director and that settlement has been paid in full. I estimate that this will take approximately 3 - 4 years and, once resolved, I will 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](mailto: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 Architects Ltd
Company number:	07706079
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:	46 Dorset Street, London, W1U 7NB
Principal trading activity:	Architectural activities
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 ARCHITECTS LTD - IN LIQUIDATION ("THE COMPANY")

**JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT**

**Appendix 2**  
**Aray Architects 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
	<b>ASSET REALISATIONS</b>		
Uncertain	Plant & Machinery	NIL	NIL
Uncertain	Goodwill	NIL	NIL
Uncertain	WIP/Contracts	NIL	NIL
Uncertain	Debtors	NIL	NIL
Uncertain	Directors Loan Account	1,000.00	1,000.00
		<u>1,000.00</u>	<u>1,000.00</u>
	<b>COST OF REALISATIONS</b>		
	Preparation of S. of A.	500.00	500.00
		<u>(500.00)</u>	<u>(500.00)</u>
	<b>UNSECURED CREDITORS</b>		
(1,076.15)	Trade & Expense Creditors	NIL	NIL
(40,327.95)	Associated Companies	NIL	NIL
(17,393.10)	HM Revenue and Customs - CT	NIL	NIL
(115,010.00)	HM Revenue & Customs - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(100.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(173,907.20)</u>		<u>500.00</u>	<u>500.00</u>
	<b>REPRESENTED BY</b>		
	VAT Receivable		100.00
	Barclays Bank IB		400.00
			<u>500.00</u>

**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.

		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 ARCHITECTS 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 routine administration of the case as well as dealing with correspondence and statutory advertising and the preparation of documentation and reports.

Specifically:

**Reporting**

Time was spent in the preparation of a progress report to members and creditors for circulation following the anniversary to advise upon the progress made over the year.

**Cashiering**

Time was spent lodging receipts and processing payments; reconciling the bank account and producing the receipts and payments account as required.

The Company was part of a VAT group with the associated companies, Aray Group 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.

Time was also spent preparing and submitting a corporation tax return.

**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 reporting period, I have been in correspondence with the director to seek to recover the overdrawn director's loan account. I have considered his offers and supporting documents. I have agreed to accept payments on account of the director's loan account while my efforts to realise the maximum value possible continue.

**3 Investigations**

Time has been spent corresponding with parties who may be able to assist with my investigations.



4 Creditors (claims and distribution)

Time spent in this category included lodging a creditor claim and dealing with routine correspondence.

## APPENDIX 4

## ARRAY ARCHITECTS LTD - IN LIQUIDATION ("THE COMPANY")

## COMPARISON OF FEE ESTIMATE AND ACTUAL COSTS INCURRED

Classification of Work Function	Fee Estimate			Actual - 23.01.2020 - 22.01.2022		
	Total Hours	Total Time Costs £	Blended Hourly Rate £	Total Hours	Total Time Costs £	Blended Hourly Rate £
Administration & Planning	47.00	8,460.00	180.00	50.10	10,464.90	208.88
Realisation of Assets	17.00	3,875.00	227.94	18.10	4,966.00	274.36
Creditors	9.00	2,265.00	251.67	0.70	243.00	347.14
Investigations	15.00	3,325.00	221.67	12.20	2,323.50	190.45
<b>Total Hours</b>	<b>88.00</b>			<b>81.10</b>		
<b>Total Time Costs</b>		<b>17,925.00</b>			<b>17,997.40</b>	
<b>Blended Hourly Rate</b>			<b>203.69</b>			<b>221.92</b>
<b>Total Fees Drawn to date</b>					<b>-</b>	
<b>Balance of Time Costs Accrued but Unpaid</b>					<b>17,997.40</b>	

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.	

## APPENDIX 5

## ARRAY ARCHITECTS 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
Insurance of assets - it is necessary to insure the Company's assets prior to their sale.	100.00	0.00	0.00	0.00	0.00
<u>Professional and Sub-Contractors' Fees</u>					
e.g. Williams & Partners, a professional firm of independent agents, was instructed by the liquidator to undertake an independent valuation of the Company's assets to be paid on a fixed fee basis.	1,000.00	0.00	1,000.00	0.00	0.00
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.	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	1,349.92	0.00	1,289.86	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 than those which are paid to associates of the office holder.