

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

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

1 Company details

Company number 03648720

Company name in full KSR Electronic Systems Limited

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Lucy

Surname Winterborne

3 Liquidator's address

Building name/number Ernst & Young LLP

Street The Paragon

Counterslip

Post town Bristol

County/Region

Postcode BS16BX

Country

4 Liquidator's name ①

Full forename(s) Daniel Christopher

Surname Hurd

① **Other liquidator**
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Ernst & Young LLP

Street No. 1 Colmore Square

Post town Birmingham

County/Region

Postcode B46HQ

Country

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

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6	Liquidator's release	
	☐ Tick if one or more creditors objected to liquidator's release.	
	:	
7	Final account	
	☒ I attach a copy of the final account.	
8	Sign and date	
Liquidator's signature	Signature X  X	
Signature date	d2d8m0m3y2y0y2y5	

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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

Laura Jones

Company name

Ernst & Young - UK

Address

G1 Building

5 George Square

Post town

Glasgow

County/Region

Postcode

G 2 1 D Y

Country

DX

Telephone

0141 226 9332



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

TO ALL MEMBERS AND ALL CREDITORS
WHO ARE NOT OPTED OUT

24 January 2025

Ref: TSR/LW/LJ/KSR
ksrelectronic@uk.ey.com

KSR Electronic Systems Limited (in Creditors' Voluntary Liquidation) (‘the Company’)

**High Court of Justice, Business and Property Courts of England and Wales
CR-2020-MAN-000054**

Introduction

Dan C Hurd and I, Lucy Winterborne, were appointed as Joint Liquidators of the Company on 12 January 2021. In accordance with section 106 of the Insolvency Act 1986 and Rule 6.28 of the Insolvency (England and Wales) Rules 2016 (‘the Rules’), I am now in a position to provide you with a copy of my final account and formal notice that the Company’s affairs are fully wound up. This report should be read in conjunction with our progress reports dated 7 March 2024, 9 March 2023, and 8 March 2022.

At Appendix A of this report, we provide formal notice of completion of the winding up and at Appendix B, information about the Company and the Liquidators. A copy of our receipts and payments account for the period from 12 January 2024 to 11 January 2025 is at Appendix C.

Progress during the period of the report

Public notices

The Joint Liquidators received a refund of £94 plus VAT during the period relating to an overpayment made by the Company.

VAT

We submitted quarterly post-appointment VAT returns for the periods ended 31 March 2022 and 30 September 2022 for the Company, which cumulatively indicated a reclaimable position of £1,080. After significant delays in the returns being processed by HMRC, the VAT was received in the period together with a VAT repayment supplement of £50.

Payment of a dividend to non-preferential, unsecured creditors

The Joint Liquidators received claims from non-preferential, unsecured creditors totalling £15,947,090 and a first and final distribution of 33.76p in the £, equating to a total dividend of £5,383,444, was paid to the non-preferential, unsecured creditors on 31 October 2023. This includes the sum of £1,660 payable to HMRC for PAYE/NIC deductions on dividends.

An amount of £15,919 has been paid into the Insolvency Services Account in respect of unclaimed dividends payable to non-preferential, unsecured creditors, in addition to an administrative fee of £25.75.

Notice of no further dividend

In accordance with Rules 14.36 and 14.37(2) of the Rules, I give notice that we are unable to declare any further dividend to non-preferential, unsecured creditors because the funds realised have already been distributed.

Investigations

The former Joint Administrators submitted a conduct report during the Administration period to the Insolvency Service in respect of the Company's directors on 24 April 2020. The contents of this report are confidential. No further work has been undertaken in the period covered by this report, no investigations are continuing, and no third-party funding has been provided.

Joint Liquidators' remuneration

Our remuneration was agreed during the preceding Administration in the sum of £2,112,660.50 plus VAT, in accordance with our fee estimate dated 28 May 2020 and approved by creditors on 17 June 2020.

The original fee estimate was split into two sections as the costs of trading the Company, estimated at £1,356,995.50, were funded by customers. Therefore, £755,665 was the estimate of time costs to be drawn from the estate to cover both the Administration and the subsequent Liquidation. A sum of £647,221 was incurred during the Administration, leaving a residual balance of £108,444 as the estimate of time costs for the Liquidation period.

A revised fee estimate, issued in July 2023, was subsequently approved by the general body of creditors, to increase our remuneration for the Liquidation from £108,444 plus VAT to £400,000 plus VAT.

During the period covered by this report, the Joint Liquidators have incurred time costs of £66,718 (net of VAT) bringing total time costs to £518,830. Of this sum, £399,860 (net of VAT) has been invoiced and paid, with remuneration of £231,354 drawn during the final period.

In accordance with Rule 18.20(4) of The Insolvency (England and Wales) Rules 2016, the basis of remuneration fixed in the Administration continues to apply in the Liquidation. Attached at Appendices D and E are an analysis of the time spent, an explanation of the work done and a comparison with the revised fee estimate dated July 2023. A statement of the Liquidators' policy in relation to charging time is attached at Appendix F.

Joint Liquidators' statement of expenses incurred

During the period covered by this report, we have a net position of (£6) in expenses, as set out in the receipts and payments account for the period from 12 January 2024 to 11 January 2025 attached at Appendix C.

The expenses are summarised as follows:

Type of Expense	Per Estimate Dated 28 May 2020	Paid as at 12 January 2021	Paid in the period 13 January 2021 to 11 January 2024	Paid in this reporting period	Outstanding	Total
Legal Fees	75,000	187,090	36,913	Nil	Nil	224,003
Agents' Fees	125,000	Nil	13,559	Nil	Nil	13,559
Insurance	16,500	995	95	Nil	Nil	1,090
Employee Costs	70,000	2,130	1,295	Nil	Nil	3,425
Property Costs	255,000	221,482	90,120	Nil	Nil	311,602
Repairs and Maintenance	25,000	Nil	1,986	Nil	Nil	1,986
Bank Charges and Interest	10,000	2,737	350	62	Nil	3,149
Exchange Loss	Nil	Nil	Nil	Nil	Nil	Nil
Statutory Costs	10,000	95	287	(94)	Nil	288
Corporation Tax	Nil	Nil	10,643	Nil	Nil	10,643
Royalty Payment	Nil	8,123	Nil	Nil	Nil	8,123
Sundry Expenses	Nil	Nil	60	26	Nil	86
Total Payments	586,500	422,652	155,308	(6)	Nil	577,954

Creditors' rights to further information about, and challenge, remuneration and expenses

The statutory provisions relating to remuneration are set out in Chapter 4 of Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery

Professionals' publication 'A Creditors' Guide to Liquidators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to the Joint Liquidators.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Liquidators' Fees' referred to above.

Should you have any questions regarding the Liquidation, please do not hesitate to contact us by email at ksrelectronic@uk.ey.com

Yours faithfully
for the Company



Lucy Winterborne
Joint Liquidator

L Winterborne is licensed in the United Kingdom to act as an Insolvency Practitioner by the Insolvency Practitioners Association. D C Hurd is licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants in England and Wales. As Insolvency Practitioners, they are bound by the Insolvency Code of Ethics in carrying out all professional work relating to the appointment.

The Joint Liquidators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

**KSR Electronic System Limited (In Creditors' Voluntary Liquidation)
Final account prior to dissolution – notice to creditors under Rule 6.28 of the
Insolvency (England and Wales) Rules 2016**

Registered office address of the Company:	c/o Ernst & Young LLP, The Paragon, Counterslip, Bristol, BS1 6BX	
Registered number:	03648720	
Date of appointment of the Joint Liquidators:	12 January 2021	
Details of any changes of Liquidator:	None	
Full names of the Liquidators:	Lucy Winterborne and Daniel Christopher Hurd	
Office holder numbers:	21130 and 20030	
Liquidators' addresses:	Ernst & Young LLP The Paragon Counterslip Bristol, BS1 6BX	Ernst & Young LLP No.1 Colmore Square Birmingham B4 6HQ
Email:	ksrelectronic@uk.ey.com	
Name of alternative person to contact with enquiries about the case:	Laura Jones	

We give notice of the following, in accordance with Rule 6.28:

- (a) The Company's affairs are fully wound up;
- (b) Creditors have the right to request from the Liquidators' information about their remuneration and expenses under Rule 18.9 of the Insolvency (England and Wales) Rules 2016;
- (c) Creditors have the right to challenge the Liquidators' remuneration and expenses under Rule 18.34;
- (d) A creditor may object to the release of the Liquidators by giving notice in writing to the Liquidators before the end of the prescribed period;
- (e) The prescribed period is the period ending at the later of:
 - a. Eight weeks after delivery of the notice; or
 - b. If any request for information under Rule 18.9 or any application to court under that Rule or Rule 18.34 is made when that request or application is finally determined;
- (f) That the Liquidator will vacate office under s.171 on delivering to the Registrar of Companies the final account and notice saying whether any creditor has objected to release; and
- (g) That the Liquidator will be released under s.173(b) at the same time as vacating office unless any of the Company's creditors objected to the Liquidators' release.

Signed



Date 24/01/2025

Lucy Winterborne
Joint liquidator

KSR Electronic System Limited (In Creditors' Voluntary Liquidation)

Information about the Company and the Liquidators

Registered office address of the Company:	KSR Electronic Systems Limited c/o Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX	
Registered number:	03648720	
Date of appointment of the Joint Liquidators:	12 January 2021	
Details of any changes of Liquidator:	None	
Full names of the Liquidators:	Lucy Winterborne and Daniel Christopher Hurd	
Office holder numbers:	21130 and 20030	
Liquidators' addresses:	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX	Ernst & Young LLP One Colmore Square Birmingham B4 6HQ
Email:	ksrelectronic@uk.ey.com	
Name of alternative person to contact with enquiries about the case:	Laura Jones	

Appendix C

Joint Liquidators' receipts and payments account for the period from 12 January 2024 to 11 January 2025

	Notes	12 January 2021 to 11 January 2024	12 January 2024 to 11 January 2025	Cumulative Total
		£	£	£
Receipts				
Funds transferred from Administration		5,835,704.25	0.00	5,835,704.25
VAT reclaim from administration		231,729.79	0.00	231,729.79
Licence Fee Income		60,000.00	0.00	60,000.00
Pre-appointment reimbursements		5,111.94	0.00	5,111.94
Bank Interest		72,647.73	0.00	72,647.73
VAT Repayment Supplement		0.00	50.00	50.00
Sundry Income		1813.79	0.00	1,813.79
Total Receipts		6,207,007.50	50.00	6,207,057.50
Payments				
Legal fees		(36,912.80)	0.00	(36,912.80)
Employee benefits		(1,282.32)	0.00	(1,282.32)
Repairs, Renewals and Calibration		(1,986.00)	0.00	(1,986.00)
Employers' NIC		(13.11)	0.00	(13.11)
Telephone		(59.80)	0.00	(59.80)
Public Notices		(287.45)	94.00	(193.45)
Other Professional Fees		(13,558.99)	0.00	(13,558.99)
Sundry Expenses		(120.00)	0.00	(120.00)
Rent		(90,000.00)	0.00	(90,000.00)
Insurance		(95.20)	0.00	(95.20)
Bank charges and interest		(349.80)	(61.83)	(411.63)
Customer Refunds		(112,561.60)	0.00	(112,561.60)
Administrators' Fees		(154,112.00)	0.00	(154,112.00)
Administrators' Expenses		(1,778.83)	0.00	(1,778.83)
Liquidators' Fees	2	(168,506.00)	(231,353.67)	(399,859.67)
Corporation Tax		(10,642.76)	0.00	(10,642.76)
Distribution to unsecured creditors (33.76p in the £)		(5,381,783.92)	0.00	(5,381,783.92)
PAYE/NIC deductions on Dividends		(1,659.67)	0.00	(1,659.67)
Consignment fee payable to Insolvency Service	3	0.00	(25.75)	(25.75)
Total Payments		(5,975,710.25)	(231,347.25)	(6,207,057.50)
Net receipts and payments		231,297.25	(231,297.25)	0.00

Notes

- Receipts and payments are stated net of VAT.
- The Liquidators' remuneration was fixed on the basis of time properly given by the Joint Liquidators and their staff in dealing with matters arising in the Creditors' Voluntary Liquidation, by a resolution of the creditors on 17 June 2020 and 18 August 2023.
- An amount of £15,918.93 has been paid into the Insolvency Services Account in respect of unclaimed dividends payable to non-preferential, unsecured creditors.

Appendix D

Joint Liquidators' time costs for the period from 12 January 2024 to 11 January 2025

	Staff Grade								Total Hours	Total Cost £	Average Rate £
	Partner	Associate Partner	Director	Assistant Director	Manager	Executive	Assistant Executive	Analyst			
Administration & Planning	-	-	-	3.2	26.3	6.3	16.0	3.4	55.2	35,160	637
Creditors	1.5	-	-	0.2	5.3	-	-	-	7.0	5,940	849
Employees	-	-	0.5	-	-	-	-	-	0.5	545	1,090
Members	-	-	-	0.4	-	-	-	-	0.4	400	1,000
Reporting	1.0	-	-	6.8	3.6	9.0	2.5	0.5	23.4	17,075	730
Statutory Duties	-	-	-	0.2	3.6	-	-	-	3.8	2,838	747
VAT & Taxation	-	-	-	0.2	2.0	-	3.0	4.5	9.7	4,760	491
Total Hours	2.5	-	0.5	11.0	40.8	15.3	21.5	8.4	100.0		
Time Costs (£)	3,195	-	545	10,948	29,755	7,706	11,810	2,759		66,718	
Average Hourly Rate (£)	1,278	-	1,090	995	729	504	549	328		667	

Joint Liquidators' time costs and disbursements for the period from 12 January 2021 to 11 January 2025 and a comparison with the fee estimate dated 28 May 2020 and the revised fee estimate dated 27 July 2023

	Per Fee Estimate			Per Revised Fee Estimate			Incurred in the Administration			Actual in the CVL period from 11 Jan 21 to 11 Jan 25			Total		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Administration & Planning	481.1	137,672	286	186.3	73,347	394	261.4	91,241	349	302.8	129,293	427	564.2	220,534	391
Creditors	219.1	58,150	265	380.0	156,229	411	179.7	50,845	283	443.2	206,694	466	622.9	257,539	413
Debtors	13.4	6,932	517	0.2	166	830	14.2	7,420	523	0.2	166	830	14.4	7,586	527
Employees	233.9	90,158	385	11.3	3,576	316	145.3	59,111	407	20.4	6,541	321	165.7	65,652	396
General				25.5	8,746	343							0.0	0	
Immediate Tasks	26.9	10,879	404	7.5	4,575	610	26.9	10,879	404	7.5	4,575	610	34.4	15,454	449
Investigation & CDDA	75.9	30,751	405	-	0	-	85.9	35,671	418	-	0	-	85.9	35,671	418
Job Acceptance & Strategy	1.8	697	387	1.6	760	475	2.3	1,147	499	1.6	760	475	3.9	1,907	489
Legal Issues	0.7	525	749	3.2	2,563	801	6.2	4,523	730	3.2	2,563	801	9.4	7,086	754
Members	0.5	450	900	1.0	805	805	1.3	938	722	1.4	1,205	861	2.7	2,143	794
Other Assets	43.9	27,865	635	0.2	95	475	31.9	19,960	626	0.3	168	558	32.2	20,128	625
Other Matters	66.9	37,118	555	1.6	1,117	698	89.6	24,527	274	2.7	1,192	441	92.3	25,719	279
Out of Scope				19.2	9,744	508							0.0	0	
Property	11.6	6,515	562	21.6	15,798	731	8.0	5,579	697	21.6	15,798	731	29.6	21,377	722
Reporting	217.3	80,525	371	109.0	46,462	426	88.8	36,630	412	106.6	52,457	492	195.4	89,087	456
Retention of Title	6.3	2,993	475	-	0	-	6.3	2,993	475	-	0	-	6.3	2,993	475
Sale of Business	318.0	163,571	514	-	0	-	248.2	144,270	581	-	0	-	248.2	144,270	581
Statutory Duties	163.8	63,228	386	24.7	6,921	280	231.2	109,513	474	20.7	11,663	563	251.9	121,176	481
Trading	3,223.1	1,356,996	421	17.0	9,410	554	2,528.7	1,005,386	398	17.0	9,155	539	2,545.7	1,014,541	399
VAT & Taxation	115.3	37,640	326	163.8	62,264	380	144.4	41,777	289	183.0	76,602	419	327.4	118,379	362
Total	5,219.5	2,112,661	405	973.7	402,577	413	4,100.3	1,652,607	403	1,132.2	518,830	458	5,232.5	2,171,437	415

Appendix E

Joint Liquidators' time costs – explanation of work done during the Administration and the Liquidation periods period

Category of work	Description of work done during the administration period
Accounting & Administration	Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost reporting
Creditors	- Receipt and recording of creditor claims. - Correspondence with creditors. - Processing distributions to preferential creditors.
Debtors	Reviewing the Company's debtors ledger, collating information on the outstanding balances and realising the book debts of the Company.
Employee Matters	- Assessing staffing requirements and making redundancies. - Dealing with employee enquiries. - Processing employee claims. - Dealing with TUPE related matters prior to the sale of the business and certain assets of the Company. - Dealing with matters relating to claims under the Government's Job Retention Scheme
Immediate Tasks	Completion of work streams requiring immediate attention following the appointments, in order to execute the strategy outlined in the Proposals.
Investigations	- Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders". - The Joint Administrators' reports on the conduct of the directors under the Company Directors Disqualification Act 1986. - Further investigations as necessary.
Job Acceptance & Strategy	- Matters relating to the appointments and initial planning of the administration strategy, including meetings with the Companies' directors and management and formulating and executing the strategy adopted. - Considering exit routes from administration and implementing the most appropriate route.
Legal Issues	Dealing with any ad hoc legal issues
Members	Liaising with the Company's shareholders
Other Assets	- Realising value from the Company's other assets. - Assessing, quantifying and seeking to realise value from assets not recorded in the management accounts of the Company at the date of appointment.
Other Matters	- Dealing with any assets owned by third parties. - Recovery of the Companies' physical books and records, and electronic records (including a back-up of Companies' servers and systems).

Property	• Liaising with the landlord of the Company's premises. • Realising value from the Company's leasehold interests (if any).
Reporting	• Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports and final report.
Retention of Title	• Assessment and settlement of claims for retention of title from the Company's suppliers (if applicable).
Sale of Business	• Liaising with interested parties whilst seeking to achieve a sale of the business, including preparation of financial and other information. • Sale of the business and/or assets of the Company in pursuance of the Administrators' objectives. • Liaising with the Purchaser and its advisors and relevant suppliers in relation to transitional arrangements.
Statutory Duties	• Completion of statutory requirements of the administration, including notifications to creditors and members, advertising the appointment and sending to creditors and filing at Companies House.
Trading	• Formulating the trading strategy. • Trading the Company in Administration. • Working with Company staff to oversee trading activities. • Accounting and banking issues relating to trading including tracking of receipts, making payments to suppliers and employees and production of monthly accounts. • Liaising with suppliers and customers. • Employee issues pertaining to trading the Company.
VAT & Taxation	• Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists. • Assessment of the VAT and tax treatment of transactions and agreements entered into during the administration. • Preparing claims for VAT bad debt relief (if applicable).

Category of work	Description of work done during the Liquidation period and ongoing
Accounting & Administration	• Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost reporting
Creditors	• Receipt and recording of creditor claim. • Correspondence with creditors • Adjudicating upon creditor claims received and corresponding with creditors where additional information is required • Liaising with agents where specialised advice is required in relation to claims • Processing distributions to the non-preferential, unsecured creditors.
Employee Matters	• Processing employee claims • Liaising with the Redundancy Payments Service ('RPS') regarding employee claims. • Preparation and reporting of P11D submission and RTI submissions

	• Payment of Class 1 NIC contributions to HM Revenue & Customs. • Dealing with ad-hoc employee matters
Immediate Tasks	• Completion of work streams requiring immediate attention following the appointment
Job Acceptance & Strategy	• Matters relating to the appointments and initial planning of the Creditors' Voluntary Liquidation strategy
Legal Issues	• Dealing with any ad hoc legal issues
Members	• Liaising with the Company's shareholders
Other Matters	• Dealing with any assets owned by third parties
Property	• Liaising with the landlord and surveyors • Exit from license to occupy agreement with Mechatronics Systems Wales. Limited and leasehold property agreement with the landlord
Reporting	• Preparing the Joint Liquidators' annual progress reports • Preparing the Joint Liquidators' final account and final report
Statutory Duties	• Completion of statutory requirements of the Liquidators, including notifications to creditors and members, advertising the appointment and sending to creditors and filing at Companies House
Trading	• Liaising and making payments to suppliers to finalise the trading account and process associated refunds
VAT & Taxation	• Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists • Assessment of the VAT and tax treatment of transactions and agreements entered into during the Liquidation

Appendix F

KSR Electronic Systems Limited (In Creditors' Voluntary Liquidation) ('the Company')

Statement of Liquidators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No.9

Joint Liquidators' charging policy for remuneration

The Joint Liquidators have engaged managers and other staff to work on the Liquidation. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Liquidators.

All time spent by staff working directly on case-related matters is charged to a time code established specifically for this engagement. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time.

Joint Liquidators' charging policy for expenses

Statement of Insolvency Practice No. 9 divides expenses into two categories.

- ▶ Category 1 expenses are defined as specific expenditure relating to the Liquidation of the insolvent's affairs and referable to payment to an independent third party. Such expenses can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 expenses drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the expenses drawn.
- ▶ Category 2 expenses are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such expenses are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 expenses before they are drawn.

It is our policy, in line with the Statement, to seek approval for Category 2 expenses before they are drawn.