

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

07674531

Name of Company

Shopa Limited

I / We

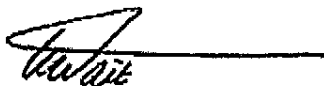
William Matthew Humphries Tait, 2nd Floor, 2 City Place, Beehive Ring Road, Gatwick, RH6 0PA

Martha H Thompson, 2nd Floor, 2 City Place, Beehive Ring Road, Gatwick, RH6 0PA

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 14/10/2015 to 13/10/2016

Signed



Date 12 December 2016

BDO LLP
2nd Floor, 2 City Place
Beehive Ring Road
Gatwick
RH6 0PA

Ref 00256757/MWT/MHT/SEL/CSC/TAB/KB





Tel +44 (0)1293 591 000
Fax +44 (0)1293 591 001
www.bdo.co.uk

2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

12 December 2016

Our Ref MT/SL/00256757/A6/A6

Please ask for
Jamie Pain
01293 641441
jamie.pain@co.uk

TO ALL KNOWN CREDITORS AND MEMBERS

Dear Sirs

Shopa Limited - In Creditors' Voluntary Liquidation ("the Company")

Registered Address: 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Registered number: 07674531

Joint Liquidators: William Matthew Humphries Tait of BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA and Martha H Thompson of BDO LLP, 55 Baker Street, London, W1U 7EU

Date of Appointment: 14 October 2015

I enclose for your information an annual progress report in accordance with Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986

The purpose of this report is to provide creditors with an update of the Liquidation for the period from 14 October 2015 to 13 October 2016 in respect of.

- receipts and payments;
- progress of the Liquidation and future prospects; and
- details of all costs in the Liquidation including Joint Liquidators' remuneration and disbursements

The following are attached to this report

- Appendix I Joint Liquidators' receipts and payments account for the period to 13 October 2016,
- Appendix II summary of time charged and rates applicable;
- Appendix III a creditors' guide to Liquidators' fees;
- Appendix IV BDO LLP policy in respect of fees and disbursements,
- Appendix V revised fee and expense estimate;
- Appendix VI proof of debt form, and
- Appendix VII written resolution.

1 Background to the appointment

The Company was formed by its directors in June 2011.



The Company operated from leasehold premises at 4th Floor Lector Court, Farringdon Road, London, EC1R 3AF ("the Premises").

In July 2015 the Company's website went live for trading and proof of concept purposes. It was following this that the Company's current funders were unable to provide any further investment. Management recognised that the Company had insufficient funding to continue the business in the short term. The Company effectively ceased to trade with notice given to its users and retailers on 26 August 2015. The Company's employees were made redundant on 4 September 2015.

It became apparent to the Board of Directors that the Company would be unable to recommence trading again. As such a board meeting was held on 25 September 2015, where it was resolved to commence procedures to place the Company into creditors' voluntary liquidation.

The Company entered creditors' voluntary liquidation on 14 October 2015 and William Matthew Humphries Tait and Martha H Thompson, both of BDO LLP, were appointed Joint Liquidators.

2 Progress of the Liquidation and future prospects

Following discussions and negotiations with the landlord of the Premises, the lease was surrendered and a refund of the rent deposit was paid into the Liquidation bank account.

The Company's chattel assets have been disposed of. The Premises were cleared and cleaned to ensure that no deductions were made by the landlord to the rent deposit refund.

A retention of title claim in respect of the Company's mobile telephones has been dealt with.

The Company held two bank accounts with Silicon Valley Bank ("SVB"). The Joint Liquidators have received the balances of both the sterling and the US dollar accounts from SVB.

The Company's books and records were secured, including the collection of physical files and the backup of electronic files.

The Company had developed intellectual property in respect of its mobile and web platforms. Following a marketing process, demonstrations to interested parties of the intellectual property's capabilities and buyer due diligence, a sale of the intellectual property was completed in March 2016.

A pre-appointment VAT refund was due to the Company at the date of appointment. Pre-appointment returns have been submitted to HM Revenue & Customs. Due to the application of Crown set off, this has reduced HMRC's claim in the Liquidation by £78k.

Insurance and rates refunds have been received by the Joint Liquidators.

All of the Company's assets have now been realised.

The Joint Liquidators have commenced agreement of the creditor claims that have already been received

3 Receipts and payments

Please find enclosed a Receipts and Payments account showing a balance in hand, as at 13 October 2016, of £167,698 for your information.

3.1 Receipts

Rent deposit

The rent deposit, in the sum of £106,737, was received from BNP Paribas.

Cash at bank

The total sum of £91,660 has been received from SVB in respect of the cash held in the Company's pre-appointment bank accounts.

Intellectual property

On completion of an asset sale agreement, the sum of £45,000 was received from Notonthehighstreet Enterprises Limited.

Furniture and equipment

The sum of £3,000 was received from Clear H Solutions (UK) Limited in respect of in respect of the Company's furniture and equipment.

Rates and insurance refunds

A refund in respect of the Company's pre-appointment insurance, in the sum of £898, was received from AXA insurance.

The sum of £1,851 was received from Islington Council in respect of a refund of rates that had been paid in advance.

3.2 Payments

Agent's fees and disbursements

The sum of £5,000 was paid to Colliers International Property Consultants Limited ("Colliers") in respect of their assistance in relation to the negotiation of the lease surrender and the recovery of the rent deposit

The Joint Liquidators instructed Hilco Appraisal Limited ("Hilco") to realise the Company's assets, deal with ROT claims and to clear the Premises. The sum of £4,639 has been paid to Hilco in respect of their fees and disbursements.

The sum of £4,150 was paid to a former consultant of the Company, Shurok Limited ("Shurok"), who assisted the Joint Liquidators with the demonstration of the intellectual property to interested parties.

The Company's pre-appointment accountants, Horizon Accounts Limited ("Horizon"), calculated the information required for the final pre-appointment VAT return. The sum of £800 has been paid in this respect

Legal fees and disbursements

The sum of £755 was paid to Birkett Long LLP ("Birkett Long") in respect of legal fees and disbursements for dealing with the surrender of the lease and the recovery of the rent deposit.

The Joint Liquidators instructed Stevens & Bolton LLP ("Stevens and Bolton LLP") to assist with sale of the intellectual property which included the preparation of the asset sale agreement. The sum of £6,610 has been paid in respect of Stevens and Bolton's legal fees and disbursements

4 Statement of expenses and comparison to fee estimate

4.1 Statement of expenses

The following expenses have been incurred since my appointment.

Service	Amount	Paid	Outstanding
Agent's fees and disbursements - Hilco	£4,639.44	£4,639.44	£0.00
Agent's fees - Colliers	£5,000.00	£5,000.00	£0.00
Agent's fees - Horizon	£800.00	£800.00	£0.00
Agent's fees - Shurok	£4,150.00	£4,150.00	£0.00
Legal fees and disbursements - Birkett Long	£724.60	£724.60	£0.00
Legal fees and disbursements - Stevens & Bolton	£6,640.00	£6,640.00	£0.00
Storage costs - Total Data	£183.05	£183.05	£0.00
Statutory advertising - TMP (UK) Limited	£463.40	£463.40	£0.00
Data protection registration fee - Information Commissioner	£35.00	£35.00	£0.00
Insurance - JLT Speciality Limited	£371.00	£371.00	£0.00
Total	£23,006.49	£23,006.49	£0.00

4.2 Comparison to expense estimate

We note that both agents' and solicitors' fees were higher than estimated in the Joint Liquidators' fee and expense estimate dated 28 October 2015. Agents' fees were £3,450 higher and solicitors' fees were £825 higher.

At the time of the expense estimate, it was unclear as to whether there would be any realisations in respect of the Company's intellectual property. The additional expenses were incurred as a result of a successful sale of the intellectual property.

5 Prospects to creditors**5.1 Secured creditors**

The Company was not subject to any charges registered at Companies House. There are therefore no secured creditors in this matter

5.2 Preferential creditors

All of the Company's employees were made redundant by the Company prior to the date of appointment. There are no preferential creditors in this matter.

5.3 Unsecured creditors

The unsecured creditors' claims detailed in the Statement of Affairs of the Company amounted to £478k. After deduction of the pre-appointment VAT refund from HMRC's claim, this balance is reduced to £400k. To date, the Joint Liquidators have received claims totalling £304k. The Joint Liquidators have commenced formally agreeing the claims that they have received.

Based on present information, there will be a distribution to the unsecured creditors in this matter. It is currently estimated that the distribution will be circa 45p in £.

A formal notice of the intention to declare a dividend will shortly be sent to all unsecured creditors who have not provided a proof of debt form.

6 Investigations

We have completed our review of the Company's affairs and assets to establish whether there are any actions that can be investigated for the benefit of the creditors and concluded there are no causes of action to be pursued.

7 Joint Liquidators' pre-appointment fees and disbursements

Prior to the Company entering liquidation, BDO LLP incurred fees totalling £7,500 plus VAT and disbursements totalling £644 in relation to placing the Company into Creditors' Voluntary Liquidation

The creditors passed resolutions at the creditors meeting held on 14 October 2016, consenting to the above sums being discharged from the funds held in the Liquidation. The pre-appointment fees and disbursements have now been settled.

8 Joint Liquidators' remuneration

Pursuant to the Insolvency Rules 1986, the Joint Liquidators are obliged to fix their remuneration in accordance with Rule 4.127(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either:

(1) as a percentage of the assets realised and distributed; and/or

(2) by reference to the time the Joint Liquidators and the staff have spent attending to matters in the liquidation, and/or

(3) as a set amount, and/or

(4) as a combination of the above.

The creditors approved the Joint Liquidators' remuneration on the basis of time properly spent in dealing with matters in the Liquidation, capped at £44,764 as per the fee estimate dated 28 October 2016, by written resolution on 19 November 2015

The Joint Liquidators' time costs totalling £65,547, representing 201 hours at an average charge out rate of £326 per hour, have been accrued since the date of appointment. To date the Joint Liquidators have drawn £44,764, in accordance with the approved fee estimate.

At the time of the fee estimate, it was unclear as to whether there would be any realisations in respect of the Company's intellectual property. The additional time costs incurred are predominately as a result of a successful sale of the intellectual property.

The Joint Liquidators are therefore requesting approval from the creditors to draw fees totalling £56,250, being a request for further fees in the sum of £11,486. A written resolution is attached at Appendix VI in this respect. The balance of the time costs incurred to date and all future time costs will be written off by the Joint Liquidators.

In accordance with Schedule of Insolvency Practice 9, I enclose a schedule which analyses the time costs incurred to date and indicates the work undertaken in that respect.

For guidance, I enclose a "creditors' guide to liquidators' fees", together with a document that outlines the policy of BDO LLP in respect of fees and disbursements.

9 Joint Liquidators' disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. We therefore report that the sum of £130 has been drawn in respect of category 1 disbursements for statutory bordereau and train travel.

Liquidators often charge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of a specific case. BDO LLP operates a policy of raising an annual charge of £5 per creditor to recover the foregoing costs, which is paid from the liquidation estate. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn and these are known as category 2 disbursements. At the meeting of creditors on 14 October 2015, the creditors authorised the Joint Liquidators to draw category 2 disbursement as detailed above. The sum of £185 has been accrued and not drawn in respect of category 2 disbursements since the date of appointment.

The Joint Liquidators' category 1 and category 2 disbursements incurred to date are in line with the fee and expense estimate dated 28 October 2015.

10 Creditors' rights

I provide at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

11 Code of ethics

Please note that the Joint Liquidators are bound by the Insolvency code of Ethics when carrying out all professional work relating to this appointment.

A copy of the code can be found at <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>

12 Written resolution

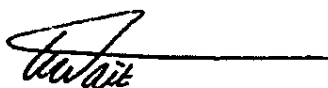
Please note that a form of written resolution is attached at Appendix VII in respect of the Joint Liquidators' request for approval to draw further fees. Creditors may indicate their wishes in respect of the resolution by completing and returning the form to this office by no later than 12:00 on 5 January 2017.

If you have not already submitted a proof of debt form, your votes must be accompanied by a proof of debt form. Votes received after the time set out above will not be counted.

Under Rule 4.63A of the Insolvency Rules 1986, if at least 10% of creditors whose debt from the Company amounts to at least 10% of the Company's total debts, may within 5 business days request that we summon a meeting to consider the resolutions. Notification must be in writing and must be received by no later than 23 December 2016.

If you require any further information please do not hesitate to contact Jamie Pain of my office.

Yours faithfully
For and on behalf of
Shopa Limited



Matthew Tait
Joint Liquidator

Enc

William Matthew Humphries Tait is authorised to act as an Insolvency Practitioner by the Insolvency Practitioners Association in the UK and Martha H Thompson is authorised to act as an Insolvency Practitioner by the Institute of Chartered Accountants in Ireland

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:

Rule 4.49E Creditors' and members' request for further information

(1) If-

- (a) within the period mentioned in paragraph (2)-
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) members of the company in a members voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
- (b) with the permission of the court upon an application made within the period mentioned in paragraph (2)-
 - (i) any unsecured creditor, or
 - (ii) any member of the company in a members voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter[s] in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108

(2) The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4 108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

(3) The liquidator complies with this paragraph by either-

- (a) providing all of the information asked for, or
- (b) so far as the liquidator considers that-
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

Rule 4.131 Creditors' claim that remuneration is or other expenses are excessive

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that-
 - (a) the remuneration charged by the liquidator,

(b) the basis fixed for the liquidator's remuneration under Rule 4.127, or

(c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

- (1B) The application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4.49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party
- If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders-
- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation

Shopa Limited
In Creditors' Voluntary Liquidation

A summary of the Joint Liquidators' Receipts and Payments Account for the Period 14 October 2015
(date of liquidation) to 13 October 2016

	Statement of Affairs £	Total £	Notes
Receipts			
Intellectual property	UNKNOWN	45,000 00	1
Cash at bank	103,000 00	91,659 72	1
Rent deposit	106,530 60	106,736 66	1
VAT refund	80,000 00	-	1
Furniture and equipment	5,000 00	3,000 00	1
Insurance refund	-	898 13	1
Rates refund	-	1,850 86	1
Bank interest	-	122 84	2
Output VAT	-	9,600 00	
	<u>294,530 60</u>	<u>258,868 21</u>	
Payments			
Joint Liquidators' fees		44,764 00	1
Joint Liquidators' disbursements		129 60	1
Joint Liquidators' pre-appointment fees		7,500 00	1
Joint Liquidators' pre-appointment disbursements		643 72	1
Agent's fees		14,450 00	1
Agent's disbursements		139 44	1
Legal fees		7,324 60	1
Legal disbursements		40 00	1
Statutory advertising		463 40	3
Insurance		371 00	4
Storage costs		183 05	5
Data protection registration fee		35 00	6
Input VAT		15,126 58	
Balance In Hand		<u>167,697 82</u> <u>258,868 21</u>	
Matthew Tait	Martha Thompson		
Joint Liquidator	Joint Liquidator		
BDO LLP	BDO LLP		
2 City Place	55 Baker Street		
Beehive Ring Road	London		
Gatwick	W1U 7EU		
West Sussex			
RH6 0PA			

Note*

- 1 Please see the main body of the report for further details
- 2 Bank interest in respect of the funds held in the liquidation bank account
- 3 Paid to TMP(UK) Limited in respect of statutory advertising in relation to the Joint Liquidators appointment
- 4 Paid to JLT Speciality Limited in respect of insurance of the Company's assets and public liability insurance prior to the surrender of the lease
- 5 Paid to Total Data Management Limited in respect of the collection, listing and storage of the Company's records
- 6 Paid to the Information Commissioner as it is a requirement for liquidators to ensure that companies are registered under the Data Protection Act
- 7 All figures are net of VAT as VAT is recoverable

Iopa Limited - in Creditors' Voluntary Liquidation

Summary of Time Charged and Rates Applicable for the Period From 14 October 2015 (date of Liquidation) to 13 October 2016

Description	PARTNER		MANAGER		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AVERAGE £
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
Steps on Appointment											
Statutory documentation			10 80	3,220 90	0 75	120 00			11 55	3,340 90	289 26
Setting up internal files			1 20	351 60					1 20	351 60	293 00
Other matters			17 25	7,814 25					17 25	7,814 25	453 00
Total	0 00	0 00	29 25	11,386 75	0 75	120 00	0 00	0 00	30 00	11,506 75	383 56
Planning and Strategy											
Strategy planning			0 25	73 25					0 25	73 25	293 00
Other matters			0 25	73 25					0 25	73 25	293 00
Total	0 00	0 00	0 50	146 50	0 00	0 00	0 00	0 00	0 50	146 50	293 00
General Administration											
Insurance matters			0 65	190 45	0 25	42 00			0 90	232 45	258 28
VAT			3 25	952 25					3 25	952 25	293 00
Taxation			1 10	323 80	0 80	132 80			1 90	456 60	240 32
Instruct/Instruct solicitors			5 35	1,567 55					5 35	1,567 55	293 00
Investigations			6 30	1,845 90					6 30	1,845 90	293 00
Conduct reports			1 00	293 00					1 00	293 00	293 00
Receipts and payments accounts			6 05	1,782 95	3 35	540 00	7 45	950 00	16 85	3,272 95	194 24
Remuneration issues			0 50	146 50	0 40	64 00			0 90	210 50	233 89
Statutory matters			4 30	1,259 90					4 30	1,259 90	293 00
General meetings			0 10	30 80					0 10	30 80	308 00
General discussions			0 50	146 50					0 50	146 50	293 00
General admin / correspondence			13 10	3,868 30	0 80	157 70	0 10	12 70	14 00	4,038 70	288 48
Maintain internal files					0 25	42 00			0 25	42 00	168 00
Other matters			1 50	679 50					1 50	679 50	453 00
Total	0 00	0 00	43 70	13,087 40	5 85	978 50	7 55	962 70	57 10	15,028 60	263 20
Assets Realisation/Dealing											
Agent instruction/Instructing			5 55	1,626 15					5 55	1,626 15	293 00
Sales information preparation	12 00	7,044 00							12 00	7,044 00	587 00
Property related matters			6 30	2,343 90	0 25	40 00			6 55	2,383 90	363 95
Dealing with other assets			57 75	19,144 00	0 40	64 00			58 15	19,208 00	330 32
Sale of business/assets			16 45	4,876 35					16 45	4,876 35	296 43
Total	12 00	7,044 00	86 05	27,990 40	0 65	104 00	0 00	0 00	98 70	35,138 40	356 01
Employee Matters											
Dealing with employees			1 15	336 95					1 15	336 95	293 00
Other matters			0 50	226 50					0 50	226 50	453 00
Total	0 00	0 00	1 65	563 45	0 00	0 00	0 00	0 00	1 65	563 45	341 48
Creditor Claims											
Unsecured Creditors			7 10	2,081 80	3 80	495 50			10 90	2,577 30	236 45
Total	0 00	0 00	7 10	2,081 80	3 80	495 50	0 00	0 00	10 90	2,577.30	236 45
Reporting											
Statutory Reporting			1 50	439 50					1 50	439.50	293 00
Reporting to Creditors			0 50	146 50					0 50	146 50	293 00
Total	0 00	0 00	2 00	586 00	0 00	0 00	0 00	0 00	2 00	586 00	293 00
Total	12 00	7,044 00	170 25	55,842 30	11 05	1,698 00	7 55	962 70	200 85	65,547 00	326 35

A Creditor's Guide to Liquidators' Fees**1 Introduction**

- 1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as liquidator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the liquidator and challenge those they consider to be excessive.

2 Liquidation procedure

- 2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.
- 2.2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.
- 2.3 In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and an official belonging to The Insolvency Service. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by The Insolvency Service on behalf of the Secretary of State. Where an insolvency practitioner is not appointed the official receiver remains liquidator.
- 2.4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator. An administrator may also subsequently act as liquidator in a CVL.

3 The liquidation committee

- 3.1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at the creditors' meeting which appoints the liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.
- 3.2 The liquidator must call the first meeting of the committee within 6 weeks of its establishment (or his appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides he needs to hold one. The liquidator is required to report to the committee at least every 6 months on the progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees.

4 Fixing the liquidator's remuneration

- 4.1 The basis for fixing the liquidator's remuneration is set out in Rules 4.127 - 4.127B of the Insolvency Rules 1986.

The Rules state that the remuneration shall be fixed

- as a percentage of the value of the assets which are realised or distributed or both,
- by reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation, or

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- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the liquidator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the liquidator

It is for the liquidation committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied. Rule 4.127 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the liquidator in connection with the insolvency,
- the effectiveness with which the liquidator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the assets which the liquidator has to deal with

4.2 If there is no liquidation committee, or the committee does not make the requisite determination, the liquidator's remuneration may be fixed by a resolution of a meeting of creditors. The creditors take account of the same matters as apply in the case of the committee. A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator.

4.3 If the remuneration is not fixed as above, it will be fixed in one of the following ways. In a CVL, it will be fixed by the court on application by the liquidator, but the liquidator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment. In a compulsory liquidation, it will be in accordance with a scale set out in the Rules.

4.4 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator, the basis of remuneration fixed in the administration continues to apply in the liquidation (subject to paragraph 8 below).

5 Review of remuneration

Where there has been a material and substantial change in circumstances since the basis of the liquidator's remuneration was fixed, the liquidator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6 What information should be provided by the liquidator?

6.1 When fixing bases of remuneration

6.1.1 When seeking agreement for the basis or bases of remuneration, the liquidator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.

6.1.2 If any part of the remuneration is sought on a time costs basis, the liquidator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.

6.1.3 The liquidator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.

6.1.4 If work has already been carried out, the liquidator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the liquidator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The liquidator should also provide details

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and the cost of any work that has been sub-contracted out that could otherwise be carried out by the liquidator or his or her staff

6.2 After the bases of remuneration have been fixed

The liquidator is required to send progress reports to creditors at specified intervals (see paragraph 7.1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 7.1, the liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the liquidator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the liquidator or his or her staff.

6.3 Disbursements and other expenses

6.3.1 Costs met by and reimbursed to the liquidator in connection with the liquidation should be appropriate and reasonable. Such costs will fall into two categories:

- Category 1 disbursements. These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the liquidator or his or her staff.
- Category 2 disbursements. These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the liquidation on a proper and reasonable basis, for example, business mileage.

Category 1 disbursements can be drawn without prior approval, although the liquidator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the liquidator's remuneration. When seeking approval, the liquidator should explain, for each category of expense, the basis on which the charge is being made.

6.3.2 The following are not permissible:

- a charge calculated as a percentage of remuneration;
- an administration fee or charge additional to the liquidator's remuneration;
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

6.4 Realisations for secured creditors

Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 11.1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his fees, and in any reports he sends to creditors.

7 Progress reports and requests for further information

7.1 The liquidator is required to send annual progress reports to creditors. The reports must include:

- details of the basis fixed for the remuneration of the liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);

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- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of
- whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the liquidator during the period of the report, irrespective of whether payment was actually made during that period,
- a statement of the creditors' rights to request further information, as explained in paragraph 7 2, and their right to challenge the liquidator's remuneration and expenses

7 2 Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purposes of a meeting to receive the liquidator's resignation) a creditor may request the liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court

7 3 The liquidator must provide the requested information within 14 days, unless he considers that

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person, or
- the liquidator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information

Any creditor may apply to the court within 21 days of the liquidator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information

8 Provision of information - additional requirements

The liquidator must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or shareholder of the company. The information which must be provided is -

- the total number of hours spent on the case by the liquidator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the liquidator's appointment, or where he has vacated office, the date that he vacated office

The information must be provided within 28 days of receipt of the request by the liquidator, and requests must be made within two years from vacation of office.

9 What if a creditor is dissatisfied?

9.1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing

9 2 If a creditor believes that the liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

9 3 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 7 1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing

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- 9.4 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the insolvent company

10 What if the liquidator is dissatisfied?

If the liquidator considers that the remuneration fixed by the liquidation committee, or in the preceding administration, is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the liquidation committee, the creditors, in the preceding administration or in accordance with the statutory scale is insufficient, or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of his application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.

11 Other matters relating to remuneration

- 11.1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.
- 11.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors.
- 11.3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.
- 11.4 If a new liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination, resolution or court order is made.
- 11.5 Where the basis of the remuneration is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them.
- 11.6 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.

12 Effective date

This guide applies where a company goes into liquidation on or after 1 November 2011

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Appendix

Suggested format for the provision of information Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases, and will be subject to considerations of proportionality. In larger or more complex cases the circumstances of each case may dictate the information provided and its format. Narrative overview of the case In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are

- the complexity of the case;
- any exceptional responsibility falling on the liquidator;
- the liquidator's effectiveness;
- the value and nature of the property in question

The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include

- an explanation of the nature, and the liquidator's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known);
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers,
- any significant aspects of the case, particularly those that affect the remuneration and cost expended,
- the reasons for subsequent changes in strategy,
- the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing;
- any existing agreement about remuneration,
- details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees,
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed;
- details of work undertaken during the period,
- any additional value brought to the estate during the period, for which the liquidator wishes to claim increased remuneration

Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide:

- An explanation of the liquidator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes
- A description of work carried out, which might include:
 - details of work undertaken during the period, related to the table of time spent for the period;
 - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used,
 - any comments on any figures in the summary of time spent accompanying the request the liquidator wishes to make
- Time spent and charge-out summaries, in an appropriate format

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case

The following areas of activity are suggested as a basis for the analysis of time spent:

- Administration and planning
- Investigations

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- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply.

- where cumulative time costs are, and are expected to be, less than £10,000 the liquidator should, as a minimum, state the number of hours and average rate per hour and explaining unusual features of the case,
- where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features);
- where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted

Shopa Limited - In Creditors' Voluntary Liquidation

William Matthew Humphries Tait of BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA and Martha H Thompson of BDO LLP, 55 Baker Street, London, W1U 7EU were appointed Joint Liquidators on 14 October 2015.

Attached is information on the work undertaken in respect of this appointment together with the policies of BDO LLP in respect of fees and disbursements for such work. This is submitted in support of the request for approval of remuneration.

Shopa Limited - in Creditors' Voluntary Liquidation ("the Company")

Attached to this report is

- Receipts and payments account for the period 14 October 2015 (date of liquidation) to 13 October 2016; and
- Statement of Insolvency Practice 9 - analysis of time costs for the period 14 October 2015 (date of liquidation) to 13 October 2016

Background to Case

The Company was formed by its directors in June 2011.

In July 2015 the Company's website went live for trading and proof of concept purposes. However, Management recognised that the Company had insufficient funding to continue the business in the short term and the Company's current funders were unable to provide any further investment. The Company therefore effectively ceased to trade with notice given to its users and retailers on 26 August 2015. The Company's employees were made redundant on 4 September 2015.

It became apparent to the Board of Directors that the Company would be unable to recommence trading again. As such a board meeting was held on 25 September 2015, where it was resolved to commence procedures to place the Company into creditors' voluntary liquidation.

The Company entered creditors' voluntary liquidation on 14 October 2015 and William Matthew Humphries Tait and Martha H Thompson, both of BDO LLP, were appointed Joint Liquidators.

Following correspondence with the Company's pre-appointment bank, the balance of the Company's bank accounts at the date of liquidation has been received into the Liquidation bank account.

The lease in respect of the Company's trading premises has been surrendered and the rent deposit has been returned.

The Company's chattel assets and intellectual property have been realised.

Pre-appointment tax returns have been completed where possible and HMRC have offset the pre-appointment VAT refund against its claim in the Liquidation.

Pre-appointment insurance and rates refunds have been received.

All of the Company's books and records have been taken to store or backed up.

The staff engaged in relation to the assignment have charged time in accordance with the tasks undertaken as per the analysis provided to the creditors. Where possible junior staff have been used to undertake tasks whilst being managed by senior members of the Joint Liquidators' team.

BDO LLP Remuneration and Disbursements Policy

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency follows (this in no way implies that staff at all such grades will work on the case):

GRADE	£
Partner	587-726
Director	406-477
Senior Manager	345-395
Manager	256-308
Assistant Manager	246
Senior Administrator	145-229
Administrator	81-100
Other Staff	81-134

The rates charged by BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories -

Pre Appointment
Steps upon Appointment
Planning and Strategy
General Administration
Asset Realisation/Management
Trading Related Matters
Employee Matters
Creditor Claims
Reporting
Distribution and Closure
Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the 6 categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners

Where an officeholder's remuneration is approved on a time cost basis, the time invoiced to the case will be subject to VAT at the prevailing rate

Where remuneration has been approved on a time costs basis, a periodic report will be provided to any committee appointed by the creditors, or in the absence of a committee, to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into 2 categories.

1) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, travel (by public transport), couriers, searches at company house, land registry searches, fees in respect of swearing legal documents, external printing costs etc. In each case the recharge will be reimbursement of a specific expense incurred.

2) Category 2

Insolvency practice additionally provides for the recharge of expenses such as postage, stationery, photocopying charges, telephone, fax and other electronic communications, which cannot be economically recorded in respect of each specific case. Such expenses, which are apportioned to cases, must be approved by the creditors in accordance with the Insolvency Rules 1986, before they can be drawn, and these are known as category 2 disbursements. The current policy of BDO LLP is to recharge this expense on the basis of a figure based upon the number of creditors with whom we have to communicate and report during the insolvency. This is the method of calculation that was historically provided under statutory orders for the Official Receiver.

In respect of the Liquidation of Shopa Limited we will charge £5.00 (plus VAT) per year per creditor. This will cover the disbursement costs of postage and stationery for all reports and letters, together with all copying charges and telephone and email costs. Creditors will be invited to approve a resolution to this effect.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 40p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff.

Where applicable, disbursements will be subject to VAT at the prevailing rate

Detail of Work Undertaken

The work undertaken during the period of this report is summarised below:

- the Company's books and records have been secured;
- review of the Company's pre-appointment tax position and submission of returns,
- realisation of the Company's chattel assets;
- realisation of the Company's intellectual property (where possible) including dealing with interested parties and agreement of an asset sale agreement,
- recovery of the funds held in the Company's pre-appointment bank account;
- an ROT claim has been dealt with,
- the property lease has been surrendered and the rent deposit received,
- dealing with creditor correspondence and recording and assessing claims;
- investigation into the Company's affairs and submission of conduct reports;
- preparation of statutory reports;
- treasury duties, and
- case reviews and maintaining the paper files and electronic records concerning the liquidation.

Conclusion

We trust you have found this report informative regarding the work undertaken in respect of this insolvency. Any issues you may have arising from this report should be directed to: William Matthew Humphries Tait at BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 OPA.

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Revised Fees & Expenses Estimate
Shopa Limited

Shopa Limited - In Creditors' Voluntary Liquidation
William Matthew Humphries Tait of BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA and Martha Hanora Thompson of BDO LLP, 55 Baker Street, London, W1U 7EU appointed Joint Liquidators on 14 October 2015

Fee Estimate as at 9 December 2016				
Joint Liquidators' Fees	Total	Blended	Estimated	
	Hours	Rate £	Fee	
Summary Activity			£	
A. Pre Appointment Matters	0	0	0	
B Steps on Appointment	30	384	11,507	
C Planning and Strategy	0.5	293	147	
D General Administration	72 15	260	18,759	
E Assets Realisation/Dealing	98.7	356	35,138	
F Trading Related Matters	0	0	0	
G Employee Matters	3.65	304	1,110	
H. Creditor Claims	16.9	228	3,860	
I. Reporting	30	299	8,965	
J. Distribution and Closure	9	304	2,735	
TOTAL			82,221	
Expenses Estimate				
Officeholder CAT 1 Disbursements			130	2.1
Officeholder CAT 2 Disbursements			185	2 2
Other Expenses				
Agents Costs			14,939	2.3
Solicitors costs			7,365	2 4

The table above is our estimate of the Joint Liquidator's fees on a time costs basis for this appointment and the anticipated expenses. This estimate and the expenses are prepared on the basis of the information available to us at the date of this estimate, assuming that there are no major unanticipated factors. In the following pages we provide a summary of the work we believe is necessary. Where applicable, all fees and disbursements will be subject to VAT at the prevailing rate.

In any work of this nature we may have recourse to engage specialists to assist us, for example in ensuring that we obtain best value for the estate assets and also to protect the legal interests of the estate including where necessary taking action to recover sums due to the estate. The specialists we engage will invoice us and that will be an expense of the estate. Such expenses are not subject to creditor approval but nevertheless have an effect on the funds available for creditors in the estate.

1. Joint Liquidator's Fees

Fees (remuneration) may be sought on four different bases and a guide for creditors is attached. The four bases are, a time costs basis, a percentage of the assets realised, fixed amount; or a combination of the first three bases. In this insolvency case we are seeking fees on a time cost basis, capped at £56,250. Actual time costs are estimated to be £82,221.

Where possible I will delegate work to suitably qualified and experienced members of staff at different hourly costs. The current charge out rates per hour of staff within my firm's Gatwick office is below:

GRADE	£
Partner	587-726
Director	406-477
Senior Manager	345-395
Manager	256-308
Assistant Manager	246
Executive	145-229
Junior Executive	81-100
Other Staff	81-134

These rates are confirmed in an attached document which sets out my firm's policy on time costs and expenses. My firm's hourly time costs rate are reviewed in December and July each year and adjusted to take account of inflation and the firm's overheads. I have estimated the time I and my staff will spend in respect of the following areas of work in respect of this insolvency. Below I provide the primary work that will be undertaken by the Joint Liquidators and their staff.

A Pre Appointment

There are no pre-appointment matters.

B Steps upon Appointment

Reviewing appointment and statutory documents, preliminary organisation review, initial interviews and meetings with key stakeholders including third parties, taking steps to gather in and protect all assets, establishing internal responsibilities regarding staffing of elements of the work. Steps to protect assets. This work is primarily led by a director or manager with work delegated to staff below manager.

C Planning and Strategy

Reviewing historic records and business performance. Establishing the current financial position and reviewing the business processes and systems. Liaising with key stakeholders. Engaging with specialists and planning overarching strategy. This area of work is led by a director or manager, with some support below manager.

D General Administration

Reviewing and regularising affairs regarding Insurance, VAT, and Taxation. Undertaking investigation regarding the conduct of the directors and reporting thereon. Investigations into the affairs and transactions of the entity. The work contemplated does not at this time include forensic examination of records and transactions. Recovery and storage of entities books and records. Engaging and liaising with solicitors. Managing accounting and investment of realisations, suitable banking investment and preparing reports on receipts & Payments. Ensuring appropriate approval of all costs including approval of remuneration and matching costs of specialists against their expense estimates. Dealing with statutory, regulatory and licensing matters. Managing formal contractual matters regarding the entity, including equipment hire and property leases, and licences. Dealing with court hearings regarding the insolvency (excluding third party litigation). Dealing with Press enquiries and PR matters. Managing general administrative matters, basic enquiries and meetings. The majority of this work requires a range of insolvency

knowledge and experience, balanced with good accounting and administrative skills and is delegated largely to executives with suitable levels of experience, supervised by directors or managers

E Asset Realisation/Management

Identifying and controlling recorded assets. Evaluating strategy on realising assets and reconciling recoveries. Asset tracing of assets revealed through investigation or third party information. Engaging and liaising with Agents, agreeing strategies and monitoring implementation. Preparation, review and approval of sales material, information memorandum. Dealing with property, buildings and land, including securing the same. Undertaking/managing debt collection and where appropriate engaging and monitoring specialist agents. Dealing with plant, machinery, stock, work in progress and intangible assets including intellectual property and consulting/liasing with and engaging specialist agents and solicitors and monitoring the same. Managing third party, HP and leased assets. Disclaiming onerous property and contracts. Managing and investigating Retention of Title claims including site inspections and meetings. No provision has been made for handling contentious Retention of Title claims or any other third party rights to property not disclosed in the entities records. Managing environmental & HSE matters including consultation with specialists, site inspections, meetings. Disposal of business and assets. This area of work requires a greater level of commercial experience and insolvency knowledge, than the general administration category of work, together decision making skills. The work is led at director or manager level supported by executives with suitable competencies and almost equal numbers of hours are spent by the two groups. My managers liaise with me as the partner and escalate major decisions to me.

F Trading Related Matters

As the Company ceased to trade prior to appointment, there are no trading related matters

G Employee Matters

Meeting, corresponding with and assisting employees in submitting claims in order to ensure they are not prevented from recovering statutory sums protected by legislation. Computing and processing and checking employee claims and liaising with the Redundancy Payments Service. Submitting notifications to the Pensions Regulator, liaising with scheme managers and the Pension Protection Fund and receiving claims. Dealing with Trade union issues. Receiving Industrial Tribunal claims and recording and checking successful claims. The majority of this work is carried out by specially trained insolvency staff with up to 90% of the work being processed below manager level. To estimate costs in respect of administering employee matters we generally consider the known number of employees. Prior to appointment the Company's employees had been made redundant, however there may be contingent claims that arise

H Creditor Claims

Receiving and recording all creditor claims and where a dividend is likely, identifying whether additional supporting evidence is necessary from the creditor. Reviewing the validity of all claims submitted by creditors alleging they have security rights which would afford them a higher priority when funds are distributed. Considering and checking and recording all preferential claims. Considering and checking and recording all unsecured creditor claims. Identifying any claims which might be categorised as deferred claims. Taking legal advice where a creditor maintains a secured claim which is not supported by unequivocal evidence or where an unsecured claim is made which is significantly in excess of any value recorded by the insolvent entity and the claim is inadequately evidenced. No provision has been made for dealing with any creditor's claims where the matter is referred to Court. The majority of this work is carried out experienced insolvency executives with up to 80% of the work being processed below manager level. To estimate costs in respect of administering creditor claims we consider the volume of known creditors and the nature of the insolvent entities business. We understand from available records that there are 38.

I Reporting

Preparing periodic progress reports to creditors regarding the progress achieved, including preparation of Receipts & Payments Accounts, a suitable analysis of time costs accrued and a review of actual costs and accrued costs as against this fees and expense estimate. At the time this estimate was prepared no information was available regarding whether creditors were going to appoint a committee, if a committee is appointed there will be additional reports, which have not currently been budgeted for. The Director or Manager is responsible for leading the reporting and delegating the production of the accounts, fee analysis and comparison with estimates to suitably experienced executives. In estimating costs in respect of reporting we have formed a view of the duration of the insolvency and estimated how many reports will be required.

J Distribution and Closure

Giving notice to relevant creditors to prove their claims, adjudicating upon the claims issuing formal rejection of any relevant claims, dealing with any appeal to court concerning a rejected claim(*), establishing the distributable funds in the estate, calculating the dividend, issuing payment with suitable notification to creditors, reconciling payments and accounting for unclaimed dividends. Preparing a final report to creditors together with a Receipts & Payments Accounts, analysis of time costs accrued and a review of actual costs compared to the fee and expense estimate. Completing all administrative arrangements including storage of any records for statutory periods. Filing final statutory documentation. 80% of this work is delegated to executive level staff. The work is supervised by directors and Managers and final decisions and release of funds is authorised by the partner.

(*) no provision is made for additional time costs for dealing with an appeal concerning a rejected cost because the likelihood of such an eventuality is small, although the costs could be significant).

2. Expense Estimate**2.1 Category 1 Disbursements**

Our estimate in respect of this heading covers expenses where the officeholders firm has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents, storage of original records of the insolvent estate. In each case the recharge will be reimbursement of a specific expense incurred.

2.2 Category 2 Disbursements

Costs in respect of this heading will be subject to creditor approval because it concerns expenses where there will not always be an invoice for the cost. Insolvency practice additionally provides for the recharge of expenses such as postage, stationery, photocopying charges, telephone, fax and other electronic communications, which cannot be economically recorded in respect of each specific case. Such expenses, which are apportioned to cases, must be approved by the creditors in accordance with the Insolvency Rules 1986, before they can be drawn, and these are known as category 2 disbursements. The current policy of BDO LLP is to recharge this expense on the basis of a figure based upon the number of creditors with whom we have to communicate and report during the insolvency. This is the method of calculation that was historically provided under statutory orders for the Official Receiver.

In respect of the Liquidation of Shopa Limited we will charge £5.00 (plus VAT) per year per creditor (as agreed by the creditors). This will cover the disbursement costs of postage and stationery for all reports and letters, together with all copying charges and telephone and email costs. Creditors will be invited to approve a resolution to this effect. We will issue a progress report each year in the Liquidation.

A further disbursement under this heading is the cost of travel where BDO staff use either their own vehicles or company cars in travelling connected with the insolvency. In

these cases a charge of 45p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval has been given in accordance with the Insolvency Rules 1986 to recover this disbursement. We do not anticipate that there will be any category 2 mileage disbursements in this matter.

2.3 Agents' Costs

Colliers International Limited ("Colliers") were instructed by the Joint Liquidators to assist in the surrender of the lease in respect of the Company's leasehold trading premises. As per the Joint Liquidators' initial estimate, Colliers' fees totalled £5,000 plus VAT.

Hilco Global ("Hilco") were instructed to assist the Joint Liquidators in respect of the recovery and sale of the Company's chattel assets, dealing with third party assets and the clearance of the Company's premises. We previously estimated that Hilco's fees and disbursements would total £5,500 plus VAT. Hilco's actual fees and disbursements totalled £4,639 which is less than the Joint Liquidators' original estimate (£5,000 plus VAT).

The Joint Liquidators instructed Total Data Management Limited to collect and store the Company's books and records. We are currently estimating that their fees will be £250, which is less than the Joint Liquidators' original estimate (£500 plus VAT).

In order to realise the Company's intellectual property and to submit pre-appointment VAT returns it was necessary for the Joint Liquidators' to engage agents that were not included in the Joint Liquidators' original fee estimate. Shurok Limited were instructed to assist the Joint Liquidators with demonstrations of the Company's intellectual property for interested parties. Shurok's fees totalled £4,150 plus VAT. Horizon Accounts Limited ("Horizon") were the Company's accountant prior to appointment. Horizon were instructed by the Joint Liquidators to calculate the figures required for the final pre-appointment VAT return.

2.4 Solicitors' costs

The Joint Liquidators have instructed Birkett Long LLP to assist in the review and completion of the lease surrender document and in discussions with the landlord's solicitors. Their fees and disbursements totalled £755 plus VAT which was less than the Joint Liquidators' original estimate (£1,250 plus VAT).

As a sale of the Company's intangible assets was achieved, Stevens and Bolton LLP were instructed to prepare sale contracts and deal with associated legal matters. Stevens and Bolton's fees and disbursements totalled £6,610 plus VAT. As the sale was more complicated than previously anticipated, this is more than the Joint Liquidators' original estimate (£5,000 plus VAT).

BDO LLP
12 December 2016

Rule 4.73

Proof of Debt - General Form

Shopa Limited
- In Creditors' Voluntary Liquidation

Date of Winding-Up Order/ Resolution for voluntary winding-up: 14 October 2015

1	Name of creditor (If a company please also give company registration number).	
2	Address of creditor for correspondence.	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation	
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convener of any meeting).	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount.	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf _____	
	Name in BLOCK LETTERS _____	
	Position with or in relation to creditor _____ Address of person signing (if different from 2 above)	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Liquidator		Liquidator

Shopa Limited - In Creditors' Voluntary Liquidation

WRITTEN RESOLUTION - 12 December 2016

TO ALL KNOWN CREDITORS

The Joint Liquidators propose the following resolution to creditors:

- That the Joint Liquidators are authorised to draw their remuneration based upon their time costs incurred by them and their staff in attending to matters arising in respect of the liquidation, capped at £56,250, as set out in the revised fee estimate dated 9 December 2016.

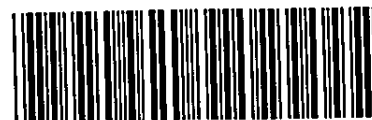
I accept/reject* the above proposed resolution.

*Please delete as applicable

.....
Signature of creditor

.....
Name of creditor

.....
Date



A5LVX282

A18

15/12/2016

#9

COMPANIES HOUSE