

AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



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A24

26/08/2020

#15

COMPANIES HOUSE

1 Company details

Company number 0 6 7 1 8 6 2 3

Company name in full NMUL Realisations Limited

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

2 Administrator's name

Full forename(s) Lee

Surname Causer

3 Administrator's address

Building name/number Two Snowhill

Street Snow Hill Queensway

Post town Birmingham

County/Region

Postcode B 4 6 G A

Country

4 Administrator's name ①

Full forename(s) Danny

Surname Dartnaill

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Thames Tower, Level 12

Street Station Road

Post town Reading

County/Region

Postcode R G 1 1 L X

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Z. K. Anderson

X

Signature date

d	2	d	5	m	0	m	8	y	2	y	0
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AM10

Notice of administrator's progress report



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	Lee Causer
Company name	BDO LLP
Address	5 Temple Square
	Temple Street
Post town	Liverpool
County/Region	
Postcode	L 2 5 R H
Country	
DX	
Telephone	01512 374 500



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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Ryan Kevin

Surname Grant

3 Insolvency practitioner's address

Building name/number Two Snowhill

Street Snow Hill Queensway

Post town Birmingham

County/Region

Postcode B 4 6 G A

Country

NMUL Realisations Limited (formerly Norton Motorcycles (UK) Limited)
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 29/01/2020 To 28/07/2020 £	From 29/01/2020 To 28/07/2020 £
TRADING EXPENSES		
Waste Removal	9,172.00	9,172.00
Wages	530,583.80	530,583.80
Employee Expenses	966.08	966.08
Employee Pensions	23,720.74	23,720.74
Electricity	25,114.17	25,114.17
Security - Accommodation	1,749.23	1,749.23
Telephone	2,105.20	2,105.20
Water Rates	10.19	10.19
Rent	110,936.24	110,936.24
Hazardous Items Containers	3,152.00	3,152.00
Locksmith costs	650.00	650.00
Travel, Accommodation & Subsistence	137.08	137.08
Security Barriers	5,394.00	5,394.00
Contractors	1,343.00	1,343.00
Security - Patrol	182,141.44	182,141.44
IT Fees	5,107.61	5,107.61
	(902,282.78)	(902,282.78)
TRADING SURPLUS/(DEFICIT)	(902,282.78)	(902,282.78)

NMUL Realisations Limited (formerly Norton Motorcycles (UK) Limited)
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 29/01/2020 To 28/07/2020 £	From 29/01/2020 To 28/07/2020 £
FIXED CHARGE ASSETS		
Goodwill	1.00	1.00
Business records	1.00	1.00
Contracts	1.00	1.00
Intellectual Property	15,000,000.00	15,000,000.00
	<u>15,000,003.00</u>	<u>15,000,003.00</u>
FIXED CHARGE COSTS		
Patent Fees	58,764.33	58,764.33
	<u>(58,764.33)</u>	<u>(58,764.33)</u>
FIXED CHARGE CREDITORS		
Secured Creditor	3,881,417.03	3,881,417.03
	<u>(3,881,417.03)</u>	<u>(3,881,417.03)</u>
ASSET REALISATIONS		
Cash at Bank	15,071.83	15,071.83
In - License to occupy - Hastings House	130,000.00	130,000.00
In - License to occupy - Lansdowne	17,333.00	17,333.00
Interest Gross	(1,722.87)	(1,722.87)
Motor Vehicles	1.00	1.00
Plant & Machinery	649,998.00	649,998.00
Royalties	4,000.00	4,000.00
Stock	349,998.00	349,998.00
Trading Surplus/(Deficit)	(902,282.78)	(902,282.78)
	<u>262,396.18</u>	<u>262,396.18</u>
COST OF REALISATIONS		
Bank Charges	1,331.32	1,331.32
Out - License to occupy - Hastings Hou	130,000.00	130,000.00
Out - License to occupy - Lansdowne	17,333.00	17,333.00
PR Fees	22,181.25	22,181.25
Preparation of S.of A.	10,299.50	10,299.50
Stationery & Postage	348.64	348.64
	<u>(181,493.71)</u>	<u>(181,493.71)</u>
	<u>11,140,724.11</u>	<u>11,140,724.11</u>
REPRESENTED BY		
Fixed Current Account		11,059,821.64
Floating Current Account		46,630.02
Input VAT		28,746.33
Output VAT		(22,771.02)
Vat Control Account		28,297.14
		<u>11,140,724.11</u>

TO ALL KNOWN CREDITORS AND SHAREHOLDERS**25 August 2020**Our Ref **NORTONUK/C3/LC/TB**Please ask for: Teddy Blankson
Direct Dial: 0151 237 4421
Email: NMcomms@bdo.co.uk

Dear Madams/Sirs

NMUL Realisations Limited (formerly Norton Motorcycles (UK) Limited) - In Administration ('the Company')

It is now six months since the appointment of Joint Administrators to the Company. In accordance with Rule 18.6 of the Insolvency (England and Wales) Rules 2016, the Joint Administrators now report in respect of the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration for the period from 29 January 2020 to 28 July 2020 ('the Period').

This report should be read in conjunction with the Joint Administrators' report and proposals ('the Proposals'), which was issued on 23 March 2020.

1 Statutory Information

The Joint Administrators are Lee Causer (officeholder number: 14112) and Ryan Grant (officeholder number: 9637) both of BDO LLP, Two Snowhill, Snow Hill Queensway, Birmingham, B4 6GA, and Danny Dartnaill (officeholder number: 10110), of BDO LLP, Thames Tower, Station Road, Reading, RG1 1LX. The Joint Administrators were appointed in respect of the Company on 29 January 2020.

Under the provisions of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the Joint Administrators carry out their functions jointly and severally meaning any action can be done by one Administrator or by all of them.

The Joint Administrators were appointed by Metro Bank Plc ('the Bank'), being a qualifying floating charge holder in respect of the Company, pursuant to Paragraph 14 of Schedule B1 to the Insolvency Act 1986. The Administration proceedings are being dealt with in the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD) and the court case number is CR-2020-000641.

The Company's registered office is situated at c/o BDO LLP, Two Snowhill, Birmingham, B4 6GA and the registered number is 06718623.

Please note on 29 January 2020, Lee Causer, Danny Dartnaill and Ryan Grant were also appointed as Joint Administrators of the Company's parent company, NMHL Realisations Limited (formerly Norton Motorcycle Holdings Limited) ('Holdings'), and two connected companies, Donington Hall Estates Limited ('Donington Hall') and Priest House Hotel Limited ('Priest House') (collectively 'the Group').

2 Trading during the Administration

Immediately following appointment, the Joint Administrators undertook a review of the available financial information in order to consider whether it would be possible to continue to trade the business whilst in administration. However, due to a number of factors including (i) the level of customer deposits previously paid to the Company that would not be available to fund trading, (ii) difficulties in sourcing raw materials without appropriate lines of credit or available funding, and (iii) the inability to provide warranties to customers for any motorcycles sold during Administration, the Joint Administrators concluded that it would not be in the best interests of creditors to continue trading in the short term.

The Joint Administrators therefore made the decision to mothball the Company's trading operations whilst undertaking an exercise to market the Company's business and assets for sale. This meant that no production activity took place during this period, although all employees were retained and salary payments continued to be made.

This strategy was adopted to provide the best opportunity to source a purchaser for the Company's business and assets, whilst seeking to minimise the holding costs. The Bank provided the Joint Administrators with an initial overdraft facility of £250,000 in order to meet ongoing holding costs. During the Period, the overdraft facility was subsequently increased to £550,000 and then to £850,000, in order to meet the ongoing costs that were being incurred.

Details of the holding costs incurred during the Period are provided later in this report.

3 Sale of the Business

As detailed in the Proposals, a formal sales process commenced immediately following our appointment which resulted in 331 expressions of interest being received. A deadline for initial offers was set for 21 February 2020, which resulted in 29 formal offers being received for all of the business and certain assets of the Company. Following the Joint Administrators' assessment of the offers received, eight offers were progressed to phase two of the sales process, during which parties were provided with additional information and held site visits and meetings with management, if requested.

Each of the remaining interested parties requested further information regarding the intellectual property owned by the Company as well as by Norton America LLC (a wholly owned subsidiary of the Company) ('Norton LLC'). This required the Joint Administrators to secure an intellectual property report from the Company's previous intellectual property lawyers, Kilburn & Strode LLP ('K&S'). The report was provided to the Joint Administrators on 13 March 2020, and subsequently uploaded to the data room on 18 March 2020 for the remaining interested parties to review.

A deadline for best and final offers was set for close of business on 25 March 2020, with a view to concluding a transaction as soon as possible thereafter.

Upon expiry of this deadline, three best and final offers were received. These are summarised as follows:

- A. An offer from TVS Motor Company Limited ('TVS') of £16 million to acquire the business and certain assets, and agreeing to honour previously paid customer deposits and complete the associated orders (subject to the customers agreeing to transfer their deposits to TVS rather than ranking as an unsecured creditor). Proof of funding was provided and a timetable to complete of two weeks was proposed.
- B. An offer to acquire the business and certain assets of the Company, albeit at a materially lower sum than the above offer from TVS. In addition, 68% of the proposed consideration would be deferred and would only become payable upon the assignment of intellectual property to this interested party.
- C. An offer of £1 to acquire the Company on a "solvent" basis. However, this offer was not considered to represent a solvent offer due to it excluding any liability arising through intercompany balances or in respect of preference shares issued by Holdings. Similarly, this interested party was unable to provide any evidence of having sufficient funding available to meet the working capital requirements of the Company going forward.

In addition to the above, a fourth offer was received two days following expiry of the deadline. This offer was solely for the intellectual property assets of the Company and was also for a materially lower sum than the TVS offer.

Professional valuations

In order to assess whether the offers received were acceptable and better than could be achieved in a wind down of the business, professional valuations were obtained of the key assets.

James Acton of Gordon Brothers International ("Gordon Brothers") was engaged by the Joint Administrators to undertake a valuation of the Company's chattel assets. In addition, Nat Baldwin of Hilco Streambank ("Hilco") was engaged by the Joint Administrators to undertake a valuation of the Company's intellectual property.

Gordon Brothers and Hilco were both consulted in relation to the offers received for the Company's business and certain assets and they both recommended that the Joint Administrators proceed with the TVS offer.

Sale transaction of the business and certain assets

Upon consideration of the best and final offers received and in line with the recommendations provided by our agents, the Joint Administrators determined that the offer from TVS would result in the best outcome for the creditors of the Company and steps were taken to progress this offer.

On 17 April 2020, the Joint Administrators completed a sale of the business and certain assets of the Company to Project 303 Bidco Limited ('the Purchaser'), being an indirect subsidiary of TVS. We understand that the Purchaser changed its name to The Norton Motorcycle Co. Limited on 2 July 2020.

The Purchaser paid the total agreed consideration of £16 million immediately upon completion and the majority of the Company's employees transferred to the Purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 1981 ("TUPE"). There are no options, buy-back agreements or any other conditions included within the sale agreement which could affect the level of consideration. The sale was a single contract and not part of any wider transaction.

The table below summarises the apportionment of the sale consideration.

Asset Description	Consideration Received £
Business records	1
Contracts	1
Goodwill	1
Intellectual property	15,000,000
Motor vehicles	1
Plant & equipment	649,998
Stock	349,998
Total	16,000,000

The Purchaser required, as a condition of the sale, that Holdings be party to the contract and transfer any right, title or interest it may have had in the intellectual property or other assets being sold to the Purchaser.

Whilst the Company was the key entity involved in the sale, in recognition of the above and in line with legal advice received from Eversheds-Sutherland (International) LLP ('Eversheds'), the Joint Administrators deemed it appropriate that both the Company and Holdings share in the sale proceeds attributable to the intellectual property sold to the Purchaser.

As stated in the Holdings' Statement of Proposals circulated to Holdings' creditors on 23 March 2020, the costs of dealing with the Holdings administration were estimated at £201,452.59. The only realisations within Holdings are anticipated to be (i) any intellectual property sale consideration attributable to Holdings following the aforementioned sale, and (ii) any distributions received from the Administrations (and subsequent Liquidations) of the Company and Donington Hall. According to the books and records of the Company and Holdings, at the date of our appointment, Holdings was an unsecured creditor of the Company with an outstanding balance of approximately £4.8 million.

The Joint Administrators recognise that, if the above transaction with the Purchaser had not completed, there would have been a significant reduction in the level of realisations available to the creditors of the Company (including Holdings). Therefore, Holdings' agreement to participate in the transaction enabled the sale to transact at the agreed value and in doing so maximised the prospects of any future dividend for the Company's unsecured creditors.

Therefore, it is proposed that Holdings is allocated £201,452.59 from the sale consideration, thereby covering the costs that were estimated to be incurred in that administration as at 23 March 2020. This would result in total consideration attributed to the Company of £15,798,547.41.

The Joint Administrators have not yet transferred the above sum into the Holdings administration and, prior to doing so, would invite any comments from the creditors of the Company to the above proposal. If no adverse comments are received within 14 days of the date of this report, the Joint Administrators will transfer the sum of £201,452.59 from the sale proceeds to the administration estate of Holdings.

Leasehold property

The Company's interest in any leasehold property was excluded from the sale, although the sale agreement included a licence to occupy ('LTO') to the Purchaser to trade from the Company's leasehold premises for a period of six months. A licence fee equal to the property costs under the Company's leases is payable by the Purchaser to the Company under the LTO. The Purchaser is responsible for all related property costs during the term of the LTO.

In the Period, the Purchaser has paid all licence fees falling due totalling £143,333 and the Joint Administrators have subsequently paid the equivalent sums due to the Company's landlord, being Donington Hall.

Customer deposits

There are provisions in the sale agreement for the Purchaser to make contact with customers who previously paid deposits to the Company and have outstanding orders, to discuss the possibility of the Purchaser fulfilling such orders. Where a customer agrees with the Purchaser to fulfil its order, the Purchaser is obliged to account for previously paid deposits.

In the event that all affected customers agree to the Purchaser fulfilling their orders, it is estimated that the value of unsecured creditor claims would reduce by approximately £2.8 million. Should any affected customer reject the Purchaser's proposal to fulfil its order, then any previously paid deposit will be treated as an unsecured creditor claim against the Company in Administration.

4 Receipts and Payments

A summary of the Joint Administrators' receipts and payments made during the Period is enclosed and shows a balance in hand of £11,140,724.

4.1 Receipts

The receipts shown are largely self-explanatory, however the Joint Administrators comment specifically on the following:

Sale of the business and certain assets

Further to Section 3, the Joint Administrators completed a sale of the business and certain assets of the Company on 17 April 2020 to the Purchaser for a total consideration of £16 million. The sale consideration was paid in full upon completion, and the Joint

Administrators are proposing to transfer £201,452.59 of this consideration to the Administration of Holdings, as detailed above.

LTO

In accordance with the LTO discussed in Section 3, the Joint Administrators have received license fees totalling £143,333, which includes all amounts due for the period ending 31 July 2020.

Cash at Bank

The Joint Administrators have received £15,072 from Santander UK Plc in respect of the funds held in a Company bank account as at the date of their appointment.

Royalties

Royalty payments of £4,000 have been received during the Period. The Joint Administrators are currently investigating the circumstances behind these receipts to ensure that these were correctly payable to the Company.

4.2 Payments

The payments shown are largely self-explanatory, although we would comment specifically on the following:

Holding costs

Further to Section 2, the Joint Administrators have made payments relating to payroll, rent, utilities, contractors, subsistence, IT and security totalling £902,283 plus VAT. This includes payments which were made to a connected company, Priest House Hotel, totalling £1,886 in respect of accommodation costs which were necessary for security agents during the Covid-19 lockdown period, and to provide refreshments for meetings held with interested parties.

LTO

The Joint Administrators have made payments totalling £143,333 which includes all amounts due for the Period ending 31 July 2020.

Other Payments

With the exception of the costs in the Administration as set out in Sections 5 and the pre-appointment costs as set out in Section 6, all other costs incurred are detailed in the enclosed Receipts and Payments account and are considered to be self-explanatory.

5 Costs in the Administration

A summary of the post-appointment professional fees and other expenses which have been paid during the Period, the costs which have accrued and have not yet been paid, and the additional future costs that are anticipated is provided below.

Professional Fees and Expenses	Accrued £	Paid £	Future estimate £
<u>Legal Fees</u>			
Eversheds	382,840	-	100,000
Harrison Clark Rickerbys Limited	3,739	-	1,261
<u>Patent Fees</u>			
K&S	54,076	54,076	-
Stratagem IPM Limited	4,688	4,688	-
<u>Agent's Fees</u>			
Gordon Brothers	14,629	-	2,871
Hilco	9,000	-	-
Sanderson Weatherall	-	-	4,000
ERA Solutions Limited	-	-	4,600
Headland PR Consultancy LLP	26,618	22,181	5,000
MAPS Solutions Europe Limited	200,509	200,509	-
<u>Other Fees</u>			
Cedar Business Solutions Limited	10,300	10,300	-
Total	706,399	291,754	117,732

Legal Fees

Eversheds

Eversheds were engaged by the Joint Administrators in relation to appointment matters, trading issues, employee related matters, statutory and additional investigations, debtor collection, sale of business and assets, property related matters and other general matters which have arisen during the Administration.

No costs have been paid to Eversheds during the Period.

Harrison Clark Rickerbys Limited ('HCR')

HCR have been engaged by the Joint Administrators to review the validity of appointment and the validity of the various charges registered against the Company.

In addition, HCR have been reviewing and advising in respect of a creditor claim which has been lodged against both the Company and Donington Hall and the security attached to that claim.

No costs have been paid to HCR during the Period.

Patent Fees

K&S

Further to Section 3, the Joint Administrators were required to secure an intellectual property report from the Company's previous intellectual property lawyers, K&S. In addition, support was required from K&S throughout the final stages of the sale process due to their in depth knowledge of the Company's intellectual property rights.

The sum of £54,076 has been paid to K&S during the Period, and no further charges are anticipated.

Stratagem IPM Limited ('Stratagem')

An unconnected third party, The Norvil Motorcycle Co Limited ('Norvil') held certain rights to intellectual property which the Purchaser had deemed necessary to complete the transaction. In order to reach an agreement for Norvil to release such rights to this intellectual property, the Joint Administrators agreed to pay a contribution to Norvil's legal costs.

The sum of £4,688 has been paid to Stratagem during the Period, and no further charges are anticipated.

Agents' fees

Gordon Brothers

James Acton of Gordon Brothers was engaged by the Joint Administrators to undertake a valuation of the Company's chattel assets, against which to measure offers received. Gordon Brothers has confirmed that they, the opinions they expressed and the valuation advice provided in connection with valuing the chattel assets of the Company has been wholly independent and that their professional indemnity insurance policy is adequate to the value of the assets. James Acton BA (Honours) DupSurv MRICS has over 10 years' experience in asset valuation, is a RICS registered valuer and has been MRICS qualified since April 2008.

No costs have been paid to Gordon Brothers during the Period.

Hilco

Nat Baldwin of Hilco was engaged by the Joint Administrators to undertake a valuation of the Company's intellectual property, against which to measure offers received. Hilco has confirmed that they, the opinions they expressed and the valuation advice provided in connection with valuing the intellectual property of the Company has been wholly independent and that their professional indemnity insurance policy is adequate to the value of the assets. Nat Baldwin LL.B (Honours) Dip. L.P. has over 10 years of experience advising clients on distressed and healthy intellectual property across a wide spectrum of intellectual property asset types, including trademarks and trade dress, patents, copyrights, licensing agreements, trade secrets, customer lists, domain names and web content, and databases.

No costs have been paid to Hilco during the Period.

Sanderson Weatherall ('SW')

Tim Simmons of SW has been engaged by the Joint Administrators to confirm the valuation of any Company leasehold property and, where appropriate, to market the Company's property assets for sale. SW has confirmed that they, the opinions they expressed and the valuation advice provided in connection with valuing the property of the Company is wholly independent and that their professional indemnity insurance policy is adequate to cover the value of the assets. Tim Simmons MRICS RNARA is a RICS registered valuer with over 15 years' experience.

No costs have been paid to SW during the Period.

ERA Solutions Limited ('ERAS')

ERAS, Employee and Employment Rights Act specialists, were instructed by the Joint Administrators to provide general assistance and advice in respect of employee claims and ad hoc queries. No costs have been paid to ERAS during the Period.

Headland PR Consultancy LLP ('Headland')

Headland specialise in corporate public relations and were instructed to assist with communications to and numerous enquiries received from various media platforms, including TV and the Press. There has been significant press interest in this case due to the high profile nature of the brand, meaning Headland have had significant input since appointment.

The sum of £22,181 has been paid to Headland in respect of fees incurred in relation to their provision of PR services during the Period.

MAPS Solutions Europe Limited ('MAPS')

MAPS, a security firm, have been paid £188,185 to protect and secure the assets of the Company since their appointment. This included security patrols, locksmith costs and the provision of security barriers. Additionally, MAPS have also been paid £12,324 in respect of waste removal and the safe storage of hazardous items. No further costs in this respect are anticipated.

All fees incurred are in line with the original estimates provided to the Joint Administrators for the work undertaken.

Other fees

Cedar Business Solutions Limited ('Cedar')

The directors of the Company engaged Cedar to assist them in the preparation of the Statement of Affairs. In accordance with Rule 3.34 of the Insolvency Rules 1986, the Joint Administrators may pay any costs that they consider reasonable in the making of a statement of affairs as an expense of the Administration.

Accordingly, the Joint Administrators have paid associated costs of £10,300 to Cedar as an expense of the Administration.

6 Pre Appointment Costs

The Joint Administrators' proposals included provision for pre appointment costs as set out below.

Allowable costs fall into the following categories:

- i. Fees charged by the Joint Administrators;
- ii. Expenses incurred by the Joint Administrators;
- iii. Fees charged (to the Joint Administrators' knowledge) by any other person qualified to act as an insolvency practitioner.

Following the sale of the business and certain assets, it is now anticipated that funds will be available for distribution to the unsecured creditors of the Company. As such, and in accordance with Rule 3.35(10) of the Rules, the table below summarises the outstanding costs for which approval will be sought from unsecured creditors shortly, following the resolution of the position with regard to the MSIPP debenture detailed in Section 10. Where relevant, the below table also records payments received.

	Costs Incurred (£)	Payments Received (£)	Costs Outstanding (£)
(i) a	15,000.00	15,000.00	-
(i) b	20,983.32	-	20,983.32
(ii)	5,813.00	-	5,813.00
(iii)	-	-	-
Total	41,796.32	15,000.00	26,796.32

(i) Fees charged by the Joint Administrators

Expenses (i) a - BDO LLP were formally engaged by the Bank, the Company and Donington Hall on 2 December 2019 to undertake a high level review of the short term cash flow forecasts of the Company and Donington Hall. The initial review was concluded on 19 December 2019 whilst regular cash flow monitoring reports continued thereafter. This resulted in the payment of fees to BDO LLP of £15,000, which were paid by the Bank.

Expenses (i) b - In addition, the Joint Administrators incurred costs totalling £20,983.32 in preparing for their appointment. This included, but was not limited to, liaising with the Bank, agents and solicitors and undertaking work necessary to facilitate the Administration and formal appointment as Administrators. No payments have been received to date in this respect.

(ii) Expenses incurred by the Joint Administrators

In preparation for the Administration, Eversheds were instructed to assist with various legal matters including the making of the appointment of the Joint Administrators. The Joint Administrators confirm that costs incurred in this respect total £3,000 plus VAT and are considered necessary and reasonable. Eversheds has received no payments to date in this respect.

In addition, HCR were instructed to provide independent advice with regards to the validity of Metro's security. The Joint Administrators confirm that costs incurred in this respect total £1,000 plus VAT and are considered necessary and reasonable. HCR has received no payments to date in this respect.

Headland were instructed prior to the appointment of the Joint Administrators due to the high profile of the Company and prepared reactive press statements in anticipation of the Administration. Their pre-appointment fees are £1,813. The Joint Administrators confirm that they consider these costs necessary and reasonable. Headland has received no payment to date in this respect.

(iii) Fees charged (to the Joint Administrators' knowledge) by any other person qualified to act as an insolvency practitioner (and, if more than one, by each separately)

The Joint Administrators are not aware of any other person qualified to act as an insolvency practitioner having acted in relation to the Company immediately preceding the appointment of the Joint Administrators.

7 Outstanding Matters

The Joint Administrators are continuing to progress the following outstanding matters:

Investments

The Company owns a 100% shareholding in Norton LLC, which is registered in the United States of America and was a holding company for certain intellectual property and licensing agreements. The Company's rights, and those of Norton LLC, were assigned to the Purchaser as part of the sale of the business and certain assets of the Company that completed on 17 April 2020.

In addition, the Company is the sole shareholder of Spondon Engineering Limited ('SPEL') and 50% shareholder of Spondon Developments Limited ('SPDL'), both of which are non-trading entities. The Joint Administrators are aware that both SPEL and SPDL have overdue filings and the director of these companies has requested that the Company fund the costs of completing various matters (including preparation of year end accounts). The Joint Administrators have advised the director of these companies that we do not consider that there is any immediate benefit to the creditors of the Company in providing funding to these two entities, and that responsibility for dealing with all filing matters and the day to day operations of these companies rests with their director.

Should any parties hold an interest in acquiring the Company's shareholding in either SPEL or SPDL (or both), please contact the Joint Administrators and we would be happy to discuss this further.

Motorcycles

As detailed in the Proposals, the Company's books and records indicated that, on appointment, there were 69 motorcycles that were either in its possession or at third party locations. However, the Company's records were inaccurate and the Joint Administrators' investigations subsequently confirmed the status and whereabouts of these motorcycles.

Motorcycles held by the Company for servicing have all been returned to their respective owners. In addition, motorcycles which were held by the Company for warranty repairs have been made available for collection.

Work in progress, owned motorcycles and overseas display motorcycles were included in the sale to the Purchaser described above. This also included any parts used in production prior to the appointment of the Joint Administrators.

The Joint Administrators are continuing to investigate the ownership status of 13 remaining motorcycles and, if appropriate, will realise any value for the benefit of creditors.

Motor Vehicles

As previously reported, the Joint Administrators' investigations confirmed that the Company possessed 12 motor vehicles as at the date of the Joint Administrators' appointment or shortly prior.

With the assistance of Gordon Brothers, it was established that six of these vehicles were subject to third party finance agreements and held no equity value to the Administration estate. Accordingly, the finance providers were advised of the position and that they were responsible for the recovery of the vehicles. Any shortfall owing to any finance provider in respect of these vehicles will rank as an unsecured claim in the Administration.

The Company held two commercial vehicles. One vehicle had been identified as having been scrapped prior to the Administration and a further had suffered mechanical breakdown in Scotland prior to the Administration, where it had been left due to being uneconomical to repair.

One motor vehicle was included in the sale of the business and certain assets and another was evidenced to not be an asset of the Company.

The Joint Administrators are continuing to investigate the ownership status of the remaining two motor vehicles and, if available, will realise any value for the benefit of creditors.

Debtors

The Company's books and records indicated that there were 57 debtors with outstanding balances of approximately £860k at the date of our appointment. The two largest debtors account for £798k of this balance and relate to licensing agreements held with the Company. The Joint Administrators continue to pursue all debtors for payment, although recoveries are currently uncertain and may be subject to counter claims.

Statement of Affairs

The Joint Administrators have received a Statement of Affairs from one of the Company's directors, which has since been filed with Companies House. The Joint Administrators continue to liaise with the remaining director of the Company regarding his requirement to provide either his own Statement of Affairs or, alternatively, a Statement of Concurrence.

Intercompany and related party balances

Following a detailed review of the Company's books and records, in addition to the Statement of Affairs received from one of the Company's directors, there are a number of outstanding intercompany and related party balances due to the Company. In addition, the Company's most recent set of statutory accounts detail intercompany and related party sums that have been written off.

The Joint Administrators are continuing to review the position with regard to these balances to ascertain whether there is any prospect of recovery into the administration for the benefit of the Company's creditors.

The balances stated in the Statement of Affairs include:

- Donington Hall - sums due to the Company totalling £893,430;
- Priest House Hotel - sums due to the Company totalling £231,949;
- NR Realisations Limited (formerly Norton Racing Limited) - sums due to the Company totalling £2,506. This company is a wholly owned subsidiary of Holdings, is understood to be dormant and has a common director with the Company.
- Greensward Limited - sums due to the Company totalling £30,905. This company is related through a common director and the Joint Administrators have requested further information from this director in respect of the trading history between the Company and this entity, and a repayment proposal for the monies due to the Company.

Other

Upon appointment, the Joint Administrators determined that the Company's books and records were incomplete. The Joint Administrators continue to make enquiries as to any assets which the Company may own and will accordingly seek to realise them for the benefit of creditors.

Subject to the above comment, I can confirm that there are no assets of a peculiar or special nature which cannot be sold. Consequently, there has been no distribution of unsold assets to creditors, as mentioned in Rules 18.10/14.13.

8 Investigations

The Joint Administrators have a duty to investigate the affairs of the Company and the conduct of the directors and, in this latter respect, submit a confidential statutory report to the Secretary of State. We can confirm that a report has been submitted.

As previously reported, the Forensic Services team of BDO LLP are supporting the Joint Administrators in their investigations including, but not limited to, the events leading up to the Joint Administrators' appointment, the conduct of the directors and assessing the completeness of the books and records. These investigations remain ongoing.

If creditors wish to bring to our attention any matters that merit investigation, they should contact the Joint Administrators c/o BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH.

9 Future of the Administration

The Administration will automatically expire on 28 January 2021 unless an extension is sought.

The Joint Administrators continue to pursue the second objective of an Administration, being achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).

It is considered that this objective has been achieved following the sale of the business and certain assets.

10 Prospects for Creditors

Secured Creditors

Metro Bank PLC

Please see below details of the charges registered against the Company:

Type of Security	In favour of	Date of Creation	Date Registered
Debenture	Metro	5 June 2019	10 June 2019

As at the date of the Joint Administrators' appointment, the Company's indebtedness to the Bank was approximately £4.04 million, excluding interest and charges. The Bank's debenture includes fixed and floating charges over the Company's assets. A sum of \$211,000 was held in a US Dollar account with the Bank, which was offset against the outstanding loan balance as permitted under the terms of its facility agreement and debenture.

As previously reported, in order to meet the anticipated holding costs incurred prior to completing a sale of the Company's business and assets, the Bank provided the Joint Administrators with a non-recourse overdraft in the amount of £850,000. Any sums drawn against this overdraft facility were to be added to the Bank's secured indebtedness.

Following completion of the sale of the Company's business and certain assets, the overdraft has been repaid and the balancing sum of £3.881 million has been distributed to the Bank from fixed charge realisations generated during the Period. The Bank's principal indebtedness in respect of the Company has now been repaid in full.

In addition, the Bank holds cross company guarantees between the Company, Holdings, and Donington Hall. As at the date of the Joint Administrators' appointments, the indebtedness to the Bank in respect of Donington Hall was approximately £3.07 million, excluding interest and charges. As a consequence, in the event that the Bank is not repaid in full in the administration of Donington Hall, it is expected that they will claim for any such shortfall in the Administration of the Company, in accordance with the cross company guarantee which is secured by the Bank's debenture from the Company.

MSIPP debenture

The Company had granted a debenture in favour of MSIPP dated 9 October 2008. It is the Joint Administrators' understanding that this debenture was created to secure monies advanced to the Company shortly after its incorporation, to assist in funding the acquisition of Norton LLC and associated intellectual property. It is further understood that these funds were provided via the trustee company named Tudor Capital Management Limited ('Tudor Capital').

The debenture registered in favour of MSIPP was marked as satisfied at Companies House on 28 March 2018.

The Joint Administrators have since been contacted by the Enforcement Receiver appointed in respect of Mr Andrew Meeson and Mr Peter Bradley (each being a director of Tudor Capital), to confirm that there remains significant funds outstanding in relation to the amounts originally advanced by MSIPP and that the debenture should not have been marked as satisfied.

The Joint Administrators have taken legal advice from Eversheds and have also sought Counsel's opinion; both Eversheds and Counsel confirmed that the MSIPP loan and associated debenture remains valid, due and payable and ought to be recognised as a secured creditor obligation in the Administration.

The Joint Administrators, together with Eversheds, are presently in discussions with the Enforcement Receiver and their legal advisors regarding the claim and its quantum. These discussions remain ongoing but the Joint Administrators do not presently anticipate the value of this claim to exceed £1.7 million.

Should any of the Company's preferential or unsecured creditors wish to make any representations or objections to the recognition of MSIPP as a secured creditor, please contact the Joint Administrators within 21 days of this report.

Preferential Creditors

Preferential creditor claims represent monies due to former employees in respect of certain wages arrears (capped at £800 per employee), any accrued holiday pay and certain pension arrears.

It is not presently anticipated that any preferential creditor claims will be received, as all employees transferred to the Purchaser as part of the sale of the business and assets. Some claims have been received from a small number of employees, relating to historic overtime arrears, however these claims will not attract preferential status due to their composition.

Unsecured Creditors

At the date of our appointment, the Company's books and records indicated potential unsecured creditor claims of approximately £6.2 million. To date, we have received claims totalling £8.8 million, although these have not yet been adjudicated.

Based on present information, it is anticipated there will be sufficient funds to enable a distribution to the unsecured creditors. However, at this time we cannot confirm the quantum and timing of such a distribution.

Deposit Customers

As discussed in Section 3, the sale agreement provides that the Purchaser will contact customers who previously paid deposits to the Company for Motorcycles, to ascertain whether those customers wish to proceed with their order.

Any such customers who are unable to agree terms with the Purchaser to continue with their order will have an unsecured claim in the Administration for the value of their deposit.

In the event that any creditors in this category wish to be considered as an unsecured creditor and do not wish to transfer their order to the Purchaser, please contact the Joint Administrators. Similarly, if any creditor in this category has not yet been contacted by the Purchaser, please make the Joint Administrators aware.

Warranty Customers

As previously reported, as at the date of the Joint Administrators' appointment, the Company held nine motorcycles on behalf of customers in order to undertake necessary repairs which were covered under their existing warranty. A number of these motorcycles had been stripped of parts without the authority or knowledge of the owners. Due to the Administration, the Company was unable to return these motorcycles to their original condition or undertake any warranty repairs. Accordingly, all such motorcycles held by the Company were made available for return to their owners.

We understand that, in some instances, the Purchaser has agreed to remedy the above issues and undertake the necessary repairs to certain motorcycles. However, the Purchaser is under no contractual obligation to do so and any agreement from the Purchaser to complete repairs is entirely at its own discretion and goodwill.

In the event that any creditors in this category have suffered losses which they consider ought to constitute an unsecured creditor claim, please confirm this to the Joint Administrators.

Pension scheme creditors

The Company's parent, Holdings, issued preference shares in favour of three pension schemes; Donington MC Fund, Dominator Fund and Commando Fund. The Trustees of these schemes are Dalriada Trustees Limited ('Dalriada') and the Joint Administrators are liaising with Dalriada with regard to the schemes and their investments.

The Joint Administrators have received a claim form from Dalriada which claims for the full sums invested into Holdings' preference shares, plus interest and costs, as an unsecured creditor of the Company (and also Donington Hall). The Joint Administrators are taking legal advice on this claim.

Intercompany and related party creditors

The Company's books and records, indicate that there are significant intercompany and related party creditors which are due for payment. These are also included in the director's Statement of Affairs.

This includes a balance due to Holdings, which the Company's records available to the Joint Administrators indicate to be in the sum of approximately £4.8 million. The position with regard to intercompany and related party transactions continues to be investigated, but it appears likely that there will be significant claims falling due in the administration.

Prescribed Part

Under the provisions of Section 176A of the Insolvency Act 1986, we must state the amount of funds anticipated to be available to unsecured creditors in respect of the Prescribed Part. This provision only applies where a company has granted a floating charge to a creditor after 15 September 2003.

Based on present information, it is anticipated that the secured creditors will be repaid in full under the terms of the fixed charge aspect of their security and therefore the prescribed part provisions are unlikely to apply. However, this may be dependent upon the level of realisations achieved in the administration of Donington Hall and whether the Bank seeks to claim under the terms of its cross company guarantee.

11 Joint Administrators' Remuneration

The Joint Administrators were obliged to fix their remuneration in accordance with Rule 18.16. This permits remuneration to be fixed either:

- i. As a percentage of the assets realised and distributed; and/or
- ii. By reference to the time the Joint Administrators and the staff have spent attending to matters in the administration; and/or
- iii. As a set amount; and/or
- iv. As a combination of the above.

A schedule detailing the time costs incurred during the Period is enclosed. This records time costs of £1,209,338 which represents 4,161 hours spent at an average charge out rate of £291 per hour. Also enclosed is an amended Fee Estimate, annotated with a column showing the time costs accrued in respect of each activity.

Following the sale of the business and certain assets, it is now anticipated that funds will be available for distribution to the unsecured creditors of the Company. As such, the approval of the Joint Administrators' remuneration will be sought from unsecured creditors shortly, following the resolution of the position with regard to the MSIPP debenture detailed above.

To date, the Joint Administrators have drawn no monies in respect of remuneration, as shown on the enclosed Receipts and Payments Account.

For guidance, we enclose a document that outlines the policy of BDO LLP in respect of fees and disbursements.

12 Joint Administrators' 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 during the Period, category 1 disbursements of £2,226 have been incurred in respect of statutory advertising, stationary and postage, staff travel, parking fee, staff accommodation and sustenance cost, business telephone charges and IT Costs.

Some Administrators recharge expenses, for example printing, photocopying and telephone costs, which cannot economically be recorded in respect of each specific case. 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. The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being

45p per mile unless otherwise disclosed to the creditors. Category 2 disbursements of £2,067 have been accrued during the Period in respect of mileage.

Total disbursements of £4,293 have been incurred in this Administration as detailed below.

Narrative	Cat. 1 £	Cat. 2 £	Total £
Statutory Advertisement	88.00	-	88.00
Stationary and Postage	716.92	-	716.92
Staff Travel Expense	575.06	-	575.06
Parking Fee	20.01	-	20.01
Staff Accommodation Fee	225.00	-	225.00
Staff Sustenance	128.02	-	128.02
Business Telephone Charges	59.82	-	59.82
IT Costs	412.94	-	412.94
Mileage	-	2,066.94	2,066.94
Total	2,225.77	2,066.94	4,292.71

No category 1 or 2 disbursements have been drawn to date.

13 Creditor rights and enquiries

Creditors with the concurrence of at least 5% in value of the unsecured creditors may within 21 days of this report request in writing further information regarding the remuneration and expenses set out in this report. In accordance with Rule 18.9(3) of the Rules within 14 days of a request we will provide further information or explain why further information is not being provided. Creditors may access information setting out creditors' rights in respect of the approval of the Joint Administrators' remuneration at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

Creditors with the concurrence of at least 10% of the creditors may apply to the court if they consider that the remuneration of the administrators, or the basis fixed for the remuneration of the administrator or expenses charged by the administrator are excessive (Rule 18.34 of the Rules). Such an application must be made within 8 weeks of receiving this report. The text of Rules 18.9 and 18.34 are set out at the end of this report.

The Joint Administrators 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 <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

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.



If you require any further information please contact me or my colleague Teddy Blankson at NMcomms@bdo.co.uk.

Yours faithfully

For and on behalf of

NMUL Realisations Limited (formerly Norton Motorcycles (UK) Limited)

A handwritten signature in black ink, appearing to read 'Lee Causer'.

Lee Causer

Joint Administrator

Authorised by the Institute of Chartered Accountants in England & Wales in the UK

Enclosures

Receipts and Payments Account

SIP 9 Time Cost Report for the Period

Fees Estimate to Accrued Time Comparison

BDO LLP Policy in Respect of Fees and Disbursements

Statement of Creditors' Rights in respect of Fees and Disbursements

NMUL Realisations Limited (formerly Norton Motorcycles (UK) Limited)
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 29/01/2020 To 28/07/2020 £	From 29/01/2020 To 28/07/2020 £
TRADING EXPENSES		
Waste Removal	9,172.00	9,172.00
Wages	530,583.80	530,583.80
Employee Expenses	966.08	966.08
Employee Pensions	23,720.74	23,720.74
Electricity	25,114.17	25,114.17
Security - Accommodation	1,749.23	1,749.23
Telephone	2,105.20	2,105.20
Water Rates	10.19	10.19
Rent	110,936.24	110,936.24
Hazardous Items Containers	3,152.00	3,152.00
Locksmith costs	650.00	650.00
Travel, Accommodation & Subsistence	137.08	137.08
Security Barriers	5,394.00	5,394.00
Contractors	1,343.00	1,343.00
Security - Patrol	182,141.44	182,141.44
IT Fees	5,107.61	5,107.61
	<u>(902,282.78)</u>	<u>(902,282.78)</u>
TRADING SURPLUS/(DEFICIT)	<u>(902,282.78)</u>	<u>(902,282.78)</u>

NMUL Realisations Limited (formerly Norton Motorcycles (UK) Limited)
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 29/01/2020 To 28/07/2020 £	From 29/01/2020 To 28/07/2020 £
FIXED CHARGE ASSETS		
Goodwill	1.00	1.00
Business records	1.00	1.00
Contracts	1.00	1.00
Intellectual Property	15,000,000.00	15,000,000.00
	<u>15,000,003.00</u>	<u>15,000,003.00</u>
FIXED CHARGE COSTS		
Patent Fees	58,764.33	58,764.33
	<u>(58,764.33)</u>	<u>(58,764.33)</u>
FIXED CHARGE CREDITORS		
Secured Creditor	3,881,417.03	3,881,417.03
	<u>(3,881,417.03)</u>	<u>(3,881,417.03)</u>
ASSET REALISATIONS		
Cash at Bank	15,071.83	15,071.83
In - License to occupy - Hastings House	130,000.00	130,000.00
In - License to occupy - Lansdowne	17,333.00	17,333.00
Interest Gross	(1,722.87)	(1,722.87)
Motor Vehicles	1.00	1.00
Plant & Machinery	649,998.00	649,998.00
Royalties	4,000.00	4,000.00
Stock	349,998.00	349,998.00
Trading Surplus/(Deficit)	(902,282.78)	(902,282.78)
	<u>262,396.18</u>	<u>262,396.18</u>
COST OF REALISATIONS		
Bank Charges	1,331.32	1,331.32
Out - License to occupy - Hastings Hou	130,000.00	130,000.00
Out - License to occupy - Lansdowne	17,333.00	17,333.00
PR Fees	22,181.25	22,181.25
Preparation of S.of A.	10,299.50	10,299.50
Stationery & Postage	348.64	348.64
	<u>(181,493.71)</u>	<u>(181,493.71)</u>
	<u>11,140,724.11</u>	<u>11,140,724.11</u>
REPRESENTED BY		
Fixed Current Account		11,059,821.64
Floating Current Account		46,630.02
Input VAT		28,746.33
Output VAT		(22,771.02)
Vat Control Account		28,297.14
		<u>11,140,724.11</u>

UK) Limite

00324560

the Period From 29/01/2020 to 28/07/2020

MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
5.20	1,679.60									5.20	1,679.60
2.60	839.80									2.60	839.80
1.16	376.36									1.16	376.36
										6.00	3,210.00
6.20	2,002.60									6.20	2,002.60
										4.50	2,470.50
										6.78	3,722.22
16.24	4,452.19	9.60	2,092.80							26.09	6,682.24
31.40	9,350.55	9.60	2,092.80							58.53	20,983.32
0.07	22.61									0.07	22.61
7.70	2,643.20	7.27	1,345.61			17.30	1,326.19			32.32	5,342.45
3.00	828.00									10.05	4,698.45
2.05	662.15									2.05	662.15

UK) Limite

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the Period From 29/01/2020 to 28/07/2020

MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
63.35	21,241.10					14.25	2,451.75			77.60	23,692.85
1.10	303.60									1.10	303.60
3.40	855.00	4.60	1,002.80			7.50	532.50			15.50	2,390.30
										1.00	549.00
1.10	266.20	2.29	499.22							4.38	1,308.93
6.00	2,268.60									6.00	2,268.60
87.77	29,090.46	14.16	2,847.63			39.05	4,310.44			150.07	41,238.94
10.00	2,760.00									0.80	439.20
26.10	8,430.30									10.00	2,760.00
										26.10	8,430.30
111.75	36,365.40	1.50	327.00	1.00	206.00	36.40	7,191.60			155.95	46,999.70
										0.30	164.70
15.20	6,648.40	1.55	337.90							22.05	10,476.00
163.05	54,204.10	3.05	664.90	1.00	206.00	36.40	7,191.60			215.20	69,269.90

UK) Limite

00324560

the Period From 29/01/2020 to 28/07/2020

MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
16.80	4,120.35	0.25	54.50							17.05	4,174.85
2.95	1,011.30	0.20	43.60							3.30	1,137.25
		-9.40	-2,350.00			1.70	202.30			-7.70	-2,147.70
23.90	8,902.60	0.05	10.90							26.95	10,908.50
104.20	32,498.55	1.46	318.28			4.45	529.55			133.61	46,943.88
16.40	4,588.00	1.60	348.80							18.60	5,266.20
40.10	6,230.90	1.20	261.60	6.65	292.60	67.55	4,911.90			123.45	16,061.55
0.60	199.50	0.30	65.40							1.00	319.80
9.15	2,296.85	1.30	187.70			5.50	654.50			15.95	3,139.05
15.70	5,543.00									26.05	11,225.15
11.40	2,894.80					2.00	238.00			15.35	4,203.35
4.80	1,280.50									5.80	1,829.50
112.80	31,771.55	27.15	4,775.30	8.00	2,243.00	467.10	43,666.95			758.01	166,293.24
42.45	13,704.80	0.35	76.30			0.50	59.50			43.30	13,840.60

UK) Limite

00324560

the Period From 29/01/2020 to 28/07/2020

MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
27.00	7,452.00					4.00	476.00			31.00	7,928.00
428.25	122,494.70	24.46	3,792.38	14.65	2,535.60	552.80	50,738.70			1,211.72	291,123.22
2.00	646.00									6.40	3,061.60
8.50	2,745.50									8.70	2,855.30
20.95	6,689.90					6.50	773.50			36.00	12,157.35
6.00	2,033.40					6.00	714.00			12.15	2,829.75
6.00	1,938.00					1.20	204.00			19.70	9,004.50
42.90	11,599.40	0.70	152.60			1.50	178.50			45.30	12,040.30
27.50	8,123.00					9.85	1,047.35			39.95	10,597.75
55.70	16,380.90									56.00	16,545.60
17.50	5,911.35	3.50	763.00							27.40	10,187.95
8.90	2,322.90	2.15	468.70			6.75	803.25			17.80	3,594.85
26.50	7,601.30	0.50	109.00			5.25	624.75			34.25	9,433.05
0.80	304.00									0.85	331.45

UK) Limite

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the Period From 29/01/2020 to 28/07/2020

MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
472.80	231,730.15	2.10	457.80	258.65	74,914.40	123.25	25,006.75			948.35	389,858.05
13.65	3,635.30	0.30	65.40							14.40	3,947.75
709.70	301,661.10	9.25	2,016.50	258.65	74,914.40	160.30	29,352.10			1,267.25	486,445.25
20.80	6,718.40	1.00	218.00							21.80	6,936.40
1.10	303.60					10.50	1,249.50			13.60	2,651.10
39.40	12,701.90					51.75	6,158.25			91.85	19,244.45
64.95	17,035.30									64.95	17,035.30
154.70	49,893.40					1.00	119.00			155.90	50,122.20
9.30	3,385.80					3.25	386.75			12.55	3,772.55
15.20	4,740.00			6.00	1,236.00	231.75	27,578.25			253.80	34,020.90
85.60	21,650.90	6.05	1,318.90							91.65	22,969.80
391.05	116,429.30	7.05	1,536.90	6.00	1,236.00	298.25	35,491.75			706.10	156,752.70
57.20	16,419.90	68.35	14,900.30			25.90	3,048.50			157.25	37,552.90

UK) Limite

00324560

the Period From 29/01/2020 to 28/07/2020

MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
0.70	266.00	14.05	3,062.90							14.75	3,328.90
11.00	3,974.20	3.85	839.30							14.85	4,813.50
32.45	8,950.90	15.10	3,261.35			10.35	1,011.85			57.90	13,224.10
101.35	29,611.00	101.35	22,063.85			36.25	4,060.35			244.75	58,919.40
3.90	1,388.40									10.55	5,039.25
128.75	38,616.95	11.80	2,572.40	3.55	731.30	23.00	1,705.00			182.25	51,943.00
2.80	903.20	0.70	152.60			8.85	676.35			22.50	7,304.50
1.80	520.30	1.45	316.10							3.25	836.40
137.25	41,428.85	13.95	3,041.10	3.55	731.30	31.85	2,381.35			218.55	65,123.15
55.95	18,262.40	2.30	301.30			47.75	5,130.25			109.15	25,423.30
3.50	1,130.50									9.45	4,397.05
17.70	5,651.30					3.00	357.00			24.70	10,074.30
										3.00	357.00

UK) Limite 00324560

the Period From 29/01/2020 to 28/07/2020

MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
						0.55	39.05			0.55	39.05
77.15	25,044.20	2.30	301.30			51.30	5,526.30			146.85	40,290.70
		0.80	174.40							0.80	174.40
	0.00	0.80	174.40							0.80	174.40

Net Total

Secretarial Expense

Other Disbursements

Billed

Grand Total

1,230,320.98
0.00
0.00
0.00
1,230,320.98

NMUL Realisations Limited - In Administration

Fees Estimate to Accrued Time Comparison

The Joint Administrators provided a Fees Estimate in the Proposals which totalled £1,257,259, excluding the costs incurred by the BDO LLP Forensics Services team. Approval for this Fees Estimate was not sought and accordingly, the basis of the Joint Administrators' remuneration has not yet been agreed. In the circumstances, please see below an updated Fees Estimate annotated with a column showing the time costs accrued in respect of each activity.

Fees Estimate compared to accrued time to 28 July 2020				
Joint Administrator's Fees	Total	Blended	Estimated	Accrued
	Hours	Rate	Fee	Time
		£	£	£
Summary Activity				
A. Pre Appointment Matters	58.53	358.51	20,983.32	20,983.32
TOTAL			20,983.32	20,983.32
B. Steps on Appointment	150.07	274.80	41,238.94	41,238.94
C. Planning and Strategy	295.20	324.58	95,814.90	69,269.90
D1. General Administration	1,821.72	268.43	489,004.47	291,123.22
D2. Forensics Investigations	3,225.23	315.64	1,018,957.00	942,178.00
E. Assets Realisation/Dealing	1,529.25	373.38	570,994.50	486,445.25
F. Trading Related Matters	725.10	222.70	161,477.95	156,752.70
G. Employee Matters	296.75	244.97	72,696.15	58,919.40
H. Creditor Claims	548.55	272.88	149,690.65	65,123.15
I. Reporting	321.85	314.02	101,066.95	40,290.70
J. Distribution and Closure	175.00	328.13	57,422.50	174.4
TOTAL			2,758,364.01	2,151,515.66
Expenses Estimate				
Officeholder CAT 1 Disbursements			2,600	2,226
Officeholder CAT 2 Disbursements			2,200	2,067
Forensic Services Disbursements			59,531	
Agents Costs			247,027	
Valuers Costs			30,500	
Solicitors Costs			546,604	

The table above is our estimate of the Joint Administrators' 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, we would expect that our fees may be lower than the estimate. 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 Administrators' Fees

Fees (remuneration) may be sought on four different bases and a guide for creditors is attached. The four bases are (i) a time costs basis, (ii) a percentage of the assets realised (iii) a fixed amount, or (iv) a combination of the first three bases. In this insolvency case we will be seeking post-appointment fees on a time cost basis and currently estimate a fee of £1,739,407 (excluding Forensic Services' costs), assuming it lasts for a period of 12 months. This excludes details of any time costs which may be incurred should the Administration be extended beyond 12 months or and subsequent formal insolvency proceeding such as Liquidation.

At the time of this report, the Joint Administrators are not seeking approval of this Fees Estimate and it is provided for information purposes only. The Joint Administrators will liaise with the appropriate class of creditors to seek fee approval in due course.

Where possible we will delegate work to my staff and by this expedient the work is conducted by suitably qualified and experienced members of staff at different hourly costs. The current charge out rates per hour of staff within the team working on this assignment is below:

GRADE	£
Partner	549-783
Manager / Director	242-542
Assistant Manager	218
Senior Administrator	206
Administrator	119-185
Other Staff	73-77

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 normally reviewed on a regular basis and adjusted to take account of inflation and the firm's overheads. We have estimated the time we will spend in respect of the following areas of work in respect of this insolvency. Below we provide the primary work that will be undertaken by us.

Detail of Work Undertaken

A Pre Appointment

Liaising with key stakeholders and legal advisors, reviewing initial information, consideration of the ethical, technical, practical and legal requirements relevant to the appointment. This work led by me as the partner together with a director or senior manager, as appropriate, with occasional support from staff at manager and executive level.

B Steps upon Appointment

Reviewing appointment and statutory documents, attending site for initial interviews and meetings with key stakeholders, liaising with advisors and the Bank, taking steps to gather in and protect all assets, establishing internal responsibilities regarding staffing of elements of the work and steps to protect assets. This work is primarily led by a director or senior manager with the majority of work delegated to staff below manager.

C Planning and Strategy

Establishing the current financial position, liaising with key stakeholders and engaging with specialists and planning overarching strategy. This area of work is overseen by a partner and led by a director and senior manager, with some support below manager level in documenting and recording proposed strategy. Although this work does not directly benefit creditors it does contribute to the efficient management of this insolvency appointment and contributes to reducing costs.

D1 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. It will also include recovery and storage of entities books and records, and engaging and liaising with solicitors. Day to day management of the company's assets will include 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 Press enquiries and PR matters and 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. Issues marked with an asterisk (*) will not contribute to the financial outcome for the creditors but are statutory or regulatory duties imposed on the office holder.

D2 Forensics' Investigation Time

The Forensic Services team of BDO LLP have been assisting the Joint Administrators in their investigations including, but not limited to, the events leading up to the Joint Administrators' appointment of all companies in the Group. These investigations remain ongoing.

Examples of work undertaken by them include, but are not limited to, secure and imaging of all current company data, in depth review of the company's and connected companies' books and records, interviews with management, employees, creditors and other stakeholders, review of emails, gathering of business intelligence, financial analysis, evaluation of evidence and reporting and submission of findings as appropriate.

The time incurred by Forensic Services to date totals of £942,178 which represents 2,985 hours at an average charge out rate of £316. Due to the nature of this work, we are currently unable to accurately determine the level of future costs likely to be incurred. However, in order to complete the existing work streams we estimate future costs totalling £76,779. This would result in total fees relating to Forensic Services time of £1,018,957.

Given the nature of the investigations work being conducted, there remains a possibility that further work streams will be identified, resulting in additional costs being incurred. Such examples would include if matters were identified which may specifically provide an opportunity to enhance the level of realisations available for the Company's creditors.

The foregoing estimate does not include any fees estimate provision for the company moving into liquidation which would be the subject of a further submission, if necessary, before the end of the Administration

All work performed by the Forensic Services team is charged on a time cost basis at the current rates, which are disclosed below:

GRADE	£
Partner	535
Director	455
Senior Manager	365
Manager	314
Executive	262
Analyst	103

E Asset Realisation/Management

This includes time spent 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 Valuers/Agents.

In this case, there has been a substantial sales process, and time here includes agreeing strategies and monitoring implementation, preparation, review and approval of sales material, information memorandum, and liaising with interested parties, co-ordinating the return of non-disclosure agreements and site visits, plus populating a data room with management information and other key documents.

This also includes dealing with property, buildings and land, including securing the same. There is likely to be time expended undertaking/managing debt collection and where appropriate engaging and monitoring specialist agents.

Further time includes 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. There has been time managing and investigating Retention of Title claims, managing environmental & HSE matters including consultation with specialists, site inspections, and 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 senior 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

Although trading activities were mothballed, time spent in this category is in respect to dealing with holding costs, site management, rent, business rates, utilities, grounds keeping, management of employees and security. A number of employees have continued to attend site to assist with various matters whilst preparing the business for sale. As previously stated, the Joint Administrators have incurred fixed overheads to ensure that value is preserved during the period of Administration. The Joint Administrators have been required to put in place certain security arrangements as a condition of the insurance policies.

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 and receiving Industrial Tribunal claims and recording and checking successful claims. One factor not provided for, which may increase costs, is where employees submit claims to the Industrial Tribunal, especially where it is necessary to arrange representation at the Tribunal and engaging solicitor. To estimate costs in respect of administering employee matters we generally consider the known number of employees and in this case employees totalled 64 on appointment.

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 and identifying any claims which might be categorised as deferred claims. It may be necessary to take 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. To estimate costs in respect of administering creditor claims we consider the volume and nature of known creditors and the nature of the insolvent entities business.

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 Senior Manager is responsible for leading the reporting and delegating the production of the accounts, fee analysis and comparison with estimates to suitably experienced executives. The ratio of time spent on reporting is generally that executive hours are twice as many as those of the Director or Senior Manager. Much of the basic accounting and analysis is conducted by various grades of 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. These activities do not contribute to the financial outcome for creditors - they are statutory duties imposed by the relevant legislation. However they do contribute to the creditors' understanding of the work being undertaken on their behalf.

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. (*) 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). It also includes 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 and filing final statutory documentation. The work is supervised by directors and Senior Managers and final decisions and release of funds is authorised by the partner. The majority of these activities do not contribute to the financial outcome for the creditors (although the matters relating to payment

of dividends will do so). The formalities of bringing an insolvency to a close are statutory requirements.

The foregoing estimate does not include any fees estimate provision for the company moving into liquidation which would be the subject of a further submission, if necessary, before the end of the Administration.

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

We propose to recover from the estate 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 45p per mile is raised which is in line with the HM Revenue & Customs 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 will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

2.3 Forensic Services Disbursements

Given the expected nature of the investigation, additional technology fees may be incurred to store and process certain information. Typical fees in this regard are outlined below:

TASK	£
Data processing	50 per GB
Data hosting (monthly)	25 per GB
Relativity licence (monthly)	60 per user
Brainspace licence (monthly)	100 per user

Costs to date are as follows;

Disbursement Type	Costs exc. VAT (£)
Data fees (initial processing and ongoing hosting)	58,561
HSKS Charges (for full accounts)	500
Interview transcriptions	99
Room Bookings	317
Subsistence	54
TOTAL	59,531

2.4 Agents' Costs

Agents' name	Description of role	Estimated costs exc. VAT (£)
ERA Solutions	Assisting with Employee issues and claims.	4,600
Headland PR Consultancy LLP	Specialist PR consultants experienced in dealing with Administrations.	31,618
MAPS	Provision of security and waste management services for the Company's trading premises.	200,509
Cedar Business Solutions Limited	Assistance to a director of the Company in the preparation of the statement of affairs.	10,300

2.5 Valuers' Costs

Valuers' name	Description of role	Estimated costs exc. VAT (£)
Hilco Streambank	Specialists in valuing intellectual property. Instructed to value the intellectual property assets.	9,000
Sanderson Weatherall*	Specialists in valuing properties. Instructed to value and market the leasehold premises, where appropriate.	4,000
Gordon Brothers	Specialist in valuing chattels. Instructed to review and value chattels on an in situ and ex situ basis. Further costs incurred on site visits.	17,500

*The Joint Administrators previously reported that Lambert Smith Hampton would be engaged to value and market the leasehold premises. Due to team changes at Lambert Smith Hampton, the Joint Administrators now propose to engage Sanderson Weatherall to undertake this role.

2.6 Solicitors' costs

Solicitors' name	Description of role	Estimated costs exc. VAT (£)
Eversheds Sutherland	Instructed to review validity of appointment and assist in respect of matters that arose during the course of the Administration including a sale of the business and assets in whole or part. Specific involvement in a number of contentious matters throughout the case	482,840
Harrison Clark Rickerbys	Validation of appointment and security. Assisting with agreement of claim by secured creditor and the validity of the specific security.	5,000
Kilburn & Strode	Assisted in extending a patent and investigating the position regarding the Company's IPR as part of the business sale process.	54,076
Stratagem IPM Limited	Contribution to third party legal costs which were necessary for intellectual property rights to be released.	4,688



NMUL Realisations Limited - In Administration

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:

GRADE	£
Partner	549-783
Manager / Director	242-542
Assistant Manager	218
Senior Administrator	206
Administrator	119-185
Other Staff	73-77

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed on a regular basis 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 six 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.

1) Other Costs

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



2) 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, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

3) Category 2

We propose to recover from the estate 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 45p per mile is raised which is in line with the HM Revenue & Customs 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 will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

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

BDO LLP
25 August 2020

Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
 - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - (c) 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;
 - (d) any unsecured creditor with the permission of the court; or
 - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
 - (b) providing some of the information requested; or
 - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
 - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
 - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
 - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
 - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
 - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—
- (a) a secured creditor,
 - (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
 - (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

Applications under rules 18.34 and 18.35 where the court has given permission for the application

18.36.—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

- (2) Where the court has given permission, it must fix a venue for the application to be heard.
- (3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.
- (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 office-holder is entitled to charge;
 - (b) an order reducing any fixed 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 is not to be treated as expenses of the administration, winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

Applications under rule 18.34 where the court's permission is not required for the application

18.37.—(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

- (2)** Unless the application is dismissed, the court must fix a venue for it to be heard.
- (3)** The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (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 office-holder is entitled to charge;
 - (b)** an order reducing any fixed 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 administration or winding up or bankruptcy;
 - (e)** an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i)** the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii)** the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f)** any other order that it thinks just.
- (5)** An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6)** Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.