

# Liquidator's Progress Report

# S.192

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

To the Registrar of Companies

Company Number

03934698

Name of Company

ABS London Limited

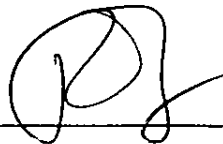
I / We

James Money, 55 Baker Street, London, W1U 7EU

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

The Progress Report covers the period from 04/12/2013 to 03/12/2014

Signed



Date

19 2 15

BDO LLP  
55 Baker Street  
London  
W1U 7EU

Ref 04018978/JM/SJ/AC

TUESDAY



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03/03/2015

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COMPANIES HOUSE

**ABS London Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

	From 04/12/2013 To 03/12/2014	From 24/02/2011 To 03/12/2014
<b>ASSET REALISATIONS</b>		
Book Debts	NIL	172,288 53
Cash at Bank	NIL	15,704.38
Manolete Funding	2,000.00	2,000.00
Released client account funds	NIL	319.43
	<u>2,000 00</u>	<u>190,312.34</u>
<b>COST OF REALISATIONS</b>		
Administrators Fees	NIL	(84,729 64)
Agents/Valuers Fees	NIL	(20,319.86)
Legal Fees	(2,975.05)	(2,975.05)
Legal disbursements	(5,764 95)	(5,764.95)
Bank Charges	(1 42)	(93.89)
	<u>(8,741 42)</u>	<u>(113,883.39)</u>
<b>PREFERENTIAL CREDITORS</b>		
Department of Employment	NIL	(9,403.38)
Employees Wage Arrears	NIL	(11,341 41)
	<u>NIL</u>	<u>(20,744 79)</u>
<b>FLOATING CHARGE CREDITORS</b>		
Floating Charge Creditor	NIL	(49,312 38)
	<u>NIL</u>	<u>(49,312 38)</u>
	<u><u>(6,741.42)</u></u>	<u><u>6,371.78</u></u>
<b>REPRESENTED BY</b>		
VAT Receivable		1,748 00
Bank 1 - Current		4,623 78
		<u><u>6,371.78</u></u>



**ABS London Limited**

**Liquidator's Progress Report for  
the period 4 December 2013 to 3  
December 2014**

January 2015

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- C. Liquidator's detailed time cost summary from 24 February 2011 to 3 December 2014 and from 4 December 2013 to 3 December 2014
- D. Creditors' Guide to Fees

## **1 Introduction and Background**

- 1 1 In accordance with Rule 4 49C(3) of the Insolvency Rules 1986, I write to provide creditors with a progress report on the conduct of the Liquidation of ABS London Limited ("the Company") for the period 4 December 2013 to 3 December 2014
- 1 2 This report assumes that you have read our previous reports and, as such, information given in previous reports will not be repeated in this document

## **2 Progress of the Liquidation**

- 2 1 As you are aware, following the conclusion of the administration, the Company was placed into a Creditors' Voluntary Liquidation on 24 February 2011
- 2 2 On 16 April 2014 the Liquidator chaired a meeting of the creditors called with a view to obtaining creditor sanction to commence certain proceedings pursuant to the Insolvency Act 1986. Creditors attending and voting at the meeting voted unanimously to sanction the proposed actions
- 2 3 Following sanction, the Liquidator has now commenced legal proceedings. Due to the absence of funds available to the Liquidator, an agreement has been reached with a third party funder ('the Funder') that has agreed to fund the various actions in return for a proportion of any recoveries achieved
- 2 4 It is not appropriate to make any further disclosures regarding the legal proceedings

## **3 Realisations**

- 3 1 The sole realisation in the period was £2,000.00 from the Funder to secure the Funder's interest in the actions referred to above

## **4 Payments**

- 4 1 The payments made in the year were in respect of previously received legal advice particularly in respect of the potential legal actions.

## **5 Other matters and future realisations**

- 5 1 In May 2014 the Company reached a settlement with HMRC in respect of the Company's tax liability arising out of the SIP. The Liquidators have accepted a claim of £1,290,451 in the Liquidation from HMRC in respect of PAYE arising at the date the SIP was entered into

## 6 Distribution prospects

- 6.1 HSBC Bank Plc ("the Bank") holds a fixed and floating charge over the Company's assets. However, as previously reported the Bank has been paid in full.
- 6.2 Preferential creditor claims have been paid in full.
- 6.3 A return for the unsecured creditors is dependant on the outcome of legal actions being taken.

## 7 Remuneration and Disbursements

- 7.1 The time costs incurred in the period 4 December 2013 to 3 December 2014 amount to £43,916.05 and represent 228.35 hours at an average hourly cost of £192.32. Time costs for the full period of the liquidation amount to £129,429.84 and represent 582.52 hours at an average hourly cost of £196.38.
- 7.2 As noted in our previous report, the time costs for the administration have yet to be paid in full. Now that the secured creditor has been paid in full, it is anticipated that the remaining funds will be used to settle the administrators' time costs, to the extent that this is possible. Absent further realisations, no funds will be available for the Liquidator.
- 7.3 Since the merger of PKF (UK) LLP and BDO LLP, it has not been possible to integrate the two firms' time records. On this basis, Appendix C contains two schedules covering detailed time costs for the reporting period.
- 7.4 During the period of this report, disbursements of £92.48 have been incurred and these disbursements are detailed below:

	Category 1 (£)	Category 2 (£)
Advertising	75.82	
Sundry	16.66	
	<u>92.48</u>	

- 7.5 To date, Category 1 disbursements of £420.88, £513.36 and Category 2 disbursements of £207.00 have been incurred. Of the total disbursements of £627.88, £720.36 the sum of £555.78 has been paid and £164.58 remains outstanding.

- 7 6 Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally, such as printing, room hire and document storage.
- 7 7 All category 1 disbursements are charged at the actual cost incurred.
- 7 8 Category 2 disbursements will comprise cost allocations which may arise on some of the expenses where supplied internally: typically, items such as room hire or document storage. Also included will be routine or more specialist copying and printing, and allocated communication costs.
- 7 9 A creditors' guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees, is attached at Appendix D.
- 7 10 In accordance with Rule 4.49E of the Insolvency Rules 1986, an unsecured creditor with the concurrence of at least 5% in value of the total unsecured creditors (including the value of their own claim) or with the permission of the court, or any secured creditor may make a formal request in writing to liquidator for further information about the remuneration or expenses (other than pre-liquidation costs) set out in this report. Such a request must be made within 21 days from receipt of this progress report.
- 7 11 Additionally, creditors who believe that the liquidator's remuneration is, in the circumstances, excessive or inappropriate, may apply to court under the provisions of Rule 4.131 of the Insolvency Rules 1986. Such an application may be made by a secured creditor or any unsecured creditor, the latter requiring 10% concurrence of the total unsecured creditors (including their own claim) or the permission of the court.
- 7 12 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 <http://www.bis.gov.uk/insolvency/contact-us/IP-Complaints-Gateway> where you will find further information on how you may pursue the complaint.

## 8 Concluding Comments

8.1 I trust that this report and its appendices are satisfactory however, should you have any queries or require any further information, please contact Simon Jagger on 020 7893 3737

Yours faithfully,

For and on behalf of ABS London Limited

A handwritten signature in black ink, appearing to be 'James Money', written in a cursive style.

**James Money**  
Liquidator

## Appendix A

### Statutory Information

Company Name	ABS London Limited
Registration Number	03934698
Registered Office Address	55 Baker Street, London, W1U 7EU
Liquidator's Details	James Money BDO LLP 55 Baker Street, London, W1U 7EU Appointed on: 1 June 2012

## **Appendix B**

### **Liquidator's Summary of Receipts and Payments Account for the period 24 February 2011 to 3 December 2014**

**ABS London Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

	From 04/12/2013 To 03/12/2014	From 24/02/2011 To 03/12/2014
<b>ASSET REALISATIONS</b>		
Book Debts	NIL	172,288 53
Cash at Bank	NIL	15,704 38
Manolete Funding	2,000 00	2,000 00
Released client account funds	NIL	319 43
	<u>2,000 00</u>	<u>190,312 34</u>
<b>COST OF REALISATIONS</b>		
Administrators Fees	NIL	(84,729 64)
Agents/Valuers Fees	NIL	(20,319 86)
Legal Fees	(2,975 05)	(2,975 05)
Legal disbursements	(5,764.95)	(5,764 95)
Bank Charges	(1 42)	(93 89)
	<u>(8,741 42)</u>	<u>(113,883 39)</u>
<b>PREFERENTIAL CREDITORS</b>		
Department of Employment	NIL	(9,403 38)
Employees Wage Arrears	NIL	(11,341.41)
	<u>NIL</u>	<u>(20,744 79)</u>
<b>FLOATING CHARGE CREDITORS</b>		
Floating Charge Creditor	NIL	(49,312 38)
	<u>NIL</u>	<u>(49,312 38)</u>
	<u><u>(6,741.42)</u></u>	<u><u>6,371.78</u></u>
<b>REPRESENTED BY</b>		
VAT Receivable		1,748 00
Bank 1 - Current		4,623 78
		<u><u>6,371.78</u></u>

## Appendix C

Liquidator's detailed time costs for the periods:

- 24 February 2011 to 3 December 2014 (summary)
  - 24 February 2011 to 31 May 2013
  - 1 June 2013 to 3 December 2014
- 4 December 2013 to 3 December 2014

# ABS London Limited - In Creditors' Voluntary Liquidation

## Detail of Time Charged and Rates Applicable for the Period From 01/06/2013 to 03/12/2014

	PARTNER		MANAGER		ASSISTANT MANAGER		EXECUTIVE		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
24 February 2011 to 31 May 2013	83 40	33,964 15	68 25	21,603 35			168 47	22,332 94			320 12	77,900 44
1 June 2013 to 3 December 2014	3 70	2,414 90	78 55	26,995 00	10 40	2,585 00	167 25	19,311 95	2 50	222 55	262 40	51,529 40
<b>Total</b>	<b>87 10</b>	<b>36,379 05</b>	<b>146 80</b>	<b>48,598 35</b>	<b>10 40</b>	<b>2,585 00</b>	<b>335 72</b>	<b>41,644 89</b>	<b>2 50</b>	<b>222 55</b>	<b>582 52</b>	<b>129,429 84</b>
<b>Average rate per hour (£)</b>	<b>652 68</b>		<b>343 67</b>		<b>248 56</b>		<b>115 47</b>		<b>89 02</b>		<b>196 38</b>	

## SIP9 Analysis of OfficeHolders Timecosts as at 31/05/2013

Grade	Partner / Director	Manager	Supervisor / Senior Administrator	Administrator / Assistant	Total	
Average Cost per hour:	£407.00	£317.00	£208.00	£109.00	£243.00	
Tasks	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours
Partner/Senior Manager Review	4,610.25	10.00	0.00	0.00	4,610.25	10.00
Case Completion	0.00	0.00	20.90	0.10	20.90	0.10
Planning & Monitoring	1,579.40	3.30	4,902.10	15.55	677.00	3.20
Time Summaries & Billing	0.00	0.00	312.50	1.00	73.15	0.35
Cashiering Function Generally	283.40	0.60	1,101.95	3.55	819.60	3.95
Dividends & Distributions	298.10	0.70	71.20	0.20	1,127.70	5.65
Office Holders Tax Liabilities	398.70	0.90	3,284.05	9.25	1,484.65	7.35
Creditors/Liquidation Committee	393.00	1.00	0.00	0.00	0.00	0.00
CDDA 1986 Work	457.60	0.95	0.00	0.00	62.70	0.30
Official Receiver/DTI/Court	2,975.80	7.60	0.00	0.00	73.15	0.35
Secured Creditors (reporting/accounting for funds, etc)	4,815.00	12.20	2,625.30	8.40	1,382.50	6.45
Preferential Creditors	0.00	0.00	0.00	0.00	0.00	0.00
Non Preferential Creditors	255.45	0.65	732.60	2.35	160.65	0.75
Employee Claims	0.00	0.00	138.15	0.45	290.95	1.35
Fixed Asset Realisation	0.00	0.00	0.00	0.00	0.00	0.00
Book Debt Realisations	510.90	1.30	245.60	0.80	203.05	0.95
Other Asset Realisations	247.50	0.50	0.00	0.00	0.00	0.00
Legal Correspondence/Litigation	4,322.65	10.90	2,853.70	9.10	0.00	0.00
General Administration	0.00	0.00	0.00	0.00	20.40	0.10
Statutory Compliance (including CRO returns and lodges)	737.70	1.90	0.00	0.00	1,798.60	8.60
Investigations	10,899.70	27.90	2,179.70	7.10	126.30	0.60
Computerisation/IPS	0.00	0.00	240.00	1.00	0.00	0.00
Liasing with Agents/Solicitors/Other Professionals	1,179.00	3.00	0.00	0.00	0.00	0.00
Annual/Periodic Reporting/Meeting (ie S48 or S105)	0.00	0.00	2,916.50	9.50	0.00	0.00
Secretarial	0.00	0.00	0.00	0.00	0.00	0.00
	33,964.15	83.40	21,603.35	68.25	8,321.30	40.05
					14,011.64	128.42
					77,900.44	320.12

Detail of Time Charged and Rates Applicable for the Period From 01/06/2013 to 03/12/2014

	PARTNER		MANAGER		ASSISTANT MANAGER		EXECUTIVE		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
<b>Planning and Strategy</b>												
Review Options Available			0 50	145 00							0 50	145 00
Strategy Planning			0 80	309 60							0 80	309 60
Other Matters			5 15	1,925 15							5 15	1,925 15
<b>Sub total</b>	<b>0 00</b>	<b>0 00</b>	<b>6 45</b>	<b>2,379 75</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>6 45</b>	<b>2,379 75</b>
<b>General Administration</b>												
VAT												
Taxation			2 25	965 75			9 00	1,015 00			9 00	1,015 00
Instruct/Liase Solicitors			17 15	4,973 50	4 25	1,093 75	7 50	911 80	1 00	127 00	15 00	3,098 30
Investigations			4 35	1,261 50			64 50	7,070 00			81 65	12,043 50
Receipts/Payments Accounts			1 25	298 30	0 25	45 75	1 75	291 65	1 40	90 30	4 35	1,261 50
Remuneration Issues			0 25	72 50							4 65	726 00
General Meetings			4 00	1,160 00							0 25	72 50
Gen Admin/Correspondence	0 10	46 10	1 70	619 10							4 00	1,160 00
Maintain Internal Files			1 00	290 00			3 00	663 00	0 10	5 25	1 80	665 20
<b>Sub total</b>	<b>0 10</b>	<b>46 10</b>	<b>31 95</b>	<b>9,640 65</b>	<b>4 50</b>	<b>1,139 50</b>	<b>85 75</b>	<b>9,951 45</b>	<b>2 50</b>	<b>222 55</b>	<b>4 10</b>	<b>958 25</b>
											<b>124 80</b>	<b>21,000 25</b>
<b>Assets Realisation/Dealing</b>												
Agent Instruction/Liasing			1 50	580 50							1 50	580 50
Debt Collection	0 50	329 00									0 50	329 00
Dealing with other Assets	1 10	723 80	16 35	6,278 95							17 45	7,002 75
Other Matters	0 50	329 00	18 35	6,858 95	5 90	1,445 50					24 75	8,633 45
<b>Sub total</b>	<b>2 10</b>	<b>1,381 80</b>	<b>36 20</b>	<b>13,718 40</b>	<b>5 90</b>	<b>1,445 50</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>44 20</b>	<b>16,545 70</b>
<b>Creditor Claims</b>												
Non Preferential Creditors			0 85	246 50			1 15	254 15			2 00	500 65
Other Matters							47 85	5,669 85			47 85	5,669 85
<b>Sub total</b>	<b>0 00</b>	<b>0 00</b>	<b>0 85</b>	<b>246 50</b>	<b>0 00</b>	<b>0 00</b>	<b>49 00</b>	<b>5,924 00</b>	<b>0 00</b>	<b>0 00</b>	<b>49 85</b>	<b>6,170 50</b>
<b>Reporting</b>												
Statutory Reporting												
Reporting to Creditors	1 50	987 00	2 70	928 50			32 50	3,436 50			32 50	3,436 50
<b>Sub total</b>	<b>1 50</b>	<b>987 00</b>	<b>2 70</b>	<b>928 50</b>	<b>0 00</b>	<b>0 00</b>	<b>32 50</b>	<b>3,436 50</b>	<b>0 00</b>	<b>0 00</b>	<b>4 20</b>	<b>1,915 50</b>
											<b>36 70</b>	<b>5,352 00</b>
<b>Distribution and Closure</b>												
Distributions			0 40	81 20							0 40	81 20
<b>Sub total</b>	<b>0 00</b>	<b>0 00</b>	<b>0 40</b>	<b>81 20</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 40</b>	<b>81 20</b>
<b>TOTAL</b>	<b>3 70</b>	<b>2,414 90</b>	<b>78 55</b>	<b>26,995 00</b>	<b>10 40</b>	<b>2,585 00</b>	<b>167 25</b>	<b>19,311 95</b>	<b>2 50</b>	<b>222 55</b>	<b>262 40</b>	<b>51,529 40</b>
<b>Average rate per hour (£)</b>	<b>652 68</b>		<b>343 67</b>		<b>248 56</b>		<b>115 47</b>		<b>89 02</b>		<b>196 38</b>	

ABS London Limited - In Creditors Voluntary Liquidation

Detail of Time Charged and Rates Applicable for the Period From 04/12/2013 to 03/12/2014

	PARTNER		MANAGER		ASSISTANT MANAGER		EXECUTIVE		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
<b>Planning and Strategy</b>												
Review Options Available			0 50	145 00							0 50	145 00
Other Matters			0 70	203 00							0 70	203 00
<b>Sub total</b>	<b>0 00</b>	<b>0 00</b>	<b>1 20</b>	<b>348 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>1 20</b>	<b>348 00</b>
<b>General Administration</b>												
VAT												
Taxation			2 25	965 75			2 45	220 50			2 45	220 50
Instruct/Liase Solicitors			16 50	4,785 00	4 25	1,093 75	6 50	717 00	1 00	127 00	14 00	2,903 50
Investigations			3 15	913 50			61 80	6,827 00			78 30	11,612 00
Receipts/Payments Accounts			0 30	78 30							3 15	913 50
General Meetings			4 00	1,160 00	0 25	45 75	1 30	220 20	0 80	59 70	2 65	403 95
Gen. Admin/Correspondence	0 10	46 10	1 30	503 10							4 00	1,160 00
Maintain Internal Files			1 00	290 00							1 40	549 20
<b>Sub total</b>	<b>0 10</b>	<b>46 10</b>	<b>28 50</b>	<b>8,695 65</b>	<b>4 50</b>	<b>1,139 50</b>	<b>72 05</b>	<b>7,984 70</b>	<b>1 80</b>	<b>186 70</b>	<b>106 95</b>	<b>18,052 65</b>
<b>Assets Realisation/Dealing</b>												
Agent Instruction/Liasing			1 50	580 50							1 50	580 50
Debt Collection	0 50	329 00									0 50	329 00
Dealing with other Assets	1 10	723 80	16 35	6,278 95							17 45	7,002 75
Other Matters	0 50	329 00	18 35	6,858 95							18 85	7,187 95
<b>Sub total</b>	<b>2 10</b>	<b>1,381 80</b>	<b>36 20</b>	<b>13,718 40</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>38 30</b>	<b>15,100 20</b>
<b>Creditor Claims</b>												
Other Matters							45 00	5,040 00			45 00	5,040 00
<b>Sub total</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>45 00</b>	<b>5,040 00</b>	<b>0 00</b>	<b>0 00</b>	<b>45 00</b>	<b>5,040 00</b>
<b>Reporting</b>												
Statutory Reporting												
Reporting to Creditors	1 50	987 00	2 50	870 50			32 50	3,436 50			32 50	3,436 50
<b>Sub total</b>	<b>1 50</b>	<b>987 00</b>	<b>2 50</b>	<b>870 50</b>	<b>0 00</b>	<b>0 00</b>	<b>32 50</b>	<b>3,436 50</b>	<b>0 00</b>	<b>0 00</b>	<b>4 00</b>	<b>1,857 50</b>
<b>Distribution and Closure</b>												
Distributions												
<b>Sub total</b>	<b>0 00</b>	<b>0 00</b>	<b>0 40</b>	<b>81 20</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 00</b>	<b>0 40</b>	<b>81 20</b>
<b>TOTAL</b>	<b>3 70</b>	<b>2,414 90</b>	<b>68 80</b>	<b>23,713 75</b>	<b>4 50</b>	<b>1,139 50</b>	<b>149 55</b>	<b>16,461 20</b>	<b>1 80</b>	<b>186 70</b>	<b>228 35</b>	<b>43,916 05</b>
<b>Average rate per hour (£)</b>	<b>652 68</b>		<b>344 68</b>		<b>253 22</b>		<b>110 07</b>		<b>103 72</b>		<b>192 32</b>	

## Appendix D

### Creditors' Guide to Fees

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

**Rule 2 48A Creditors' request for further information**

- (1) If—
- (a) within 21 days of receipt of a progress report under Rule 2 47—
    - (i) a secured creditor, or
    - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
  - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor, makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either—
- (a) providing all of the information asked for, or
  - (b) so far as the administrator considers that—
    - (i) the time or cost of preparation of the information would be excessive, or
    - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
    - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—
- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
  - (b) the expiry of the 14 days provided for in paragraph (1),
- and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

**Rule 2 109 Creditors' claim that remuneration is or other expenses are excessive**

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that—
- (a) the remuneration charged by the administrator,
  - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
  - (c) expenses incurred by the administrator,
- is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

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

**Rule 2 109 (continued)**

- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
- (a) an order reducing the amount of remuneration which the administrator was entitled to charge,
  - (b) an order fixing the basis of remuneration at a reduced rate or amount,
  - (c) an order changing the basis of remuneration,
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
  - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,
- and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration.