

**Notice of move from
administration to dissolution**

Name of Company
Powerfuel Plc

Company number
05113279

In the High Court of Justice, Chancery Division Companies Court

Court case number
10001 of 2010

We
Richard Dixon Fleming
KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Brian Green
KPMG LLP
St James' Square
Manchester
M2 6DS
United Kingdom

having been appointed Administrators of Powerfuel Plc

on 9 December 2010

We hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed


Joint Administrator

Dated

29 May 2013

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to researchers of the public record.

Thomas Swiers
KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

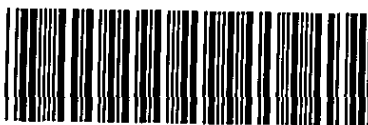
DX Number DX 724440

Tel 0113 231 3316
DX Exchange Leeds

When you have completed and signed this form, please send it to the
Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

WEDNESDAY



QIQ 05/06/2013 #17
COMPANIES HOUSE



Powerfuel Plc in Administration

**Final Report to Creditors pursuant to
Rules 2.47 and 2.118 of the Insolvency
Rules 1986**

KPMG LLP

18 May 2013

This report contains 19 Pages

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Powerfuel Plc in Administration
Progress Report
KPMG LLP
18 May 2013

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About this Report

This progress report ("Report") has been prepared by Brian Green and Richard Dixon Fleming, the Joint Administrators ("the Administrators") of Powerfuel plc ("the Company"), solely to comply with their statutory duty under the Insolvency Act 1986 and Insolvency Rules 1986 (as amended) to provide creditors with an update on the progress of the Administration of the estate, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in this Company.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for individual creditors.

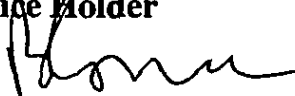
Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Act 1986 and Insolvency Rules 1986 (as amended) does so at their own risk. To the fullest extent permitted by law, the office holders do not assume any responsibility and will not accept any liability in respect of this Report.

Please note that unless stated otherwise, all amounts in this Report and appendices are stated net of VAT.

1 Executive Summary

- This Report covers the period from 19 November 2012 to 18 May 2013. It has been prepared in accordance with Rules 2.47 and 2.118 of the Insolvency Rules 1986. It should be read in conjunction with my previous reports.
- The purpose of this Report is to provide a final update on the progress of the Administration and to inform all creditors that the Company will be moving into dissolution within three months after the filing of Form 2.35B at Companies House.
- The Administrators' Proposals ("Proposals") were approved on 14 February 2011 and have not been modified (see Section 2 - Administrators' Statement of Proposals).
- Based on the level of realisations and the amounts owed to ING ("the Secured Creditor"), there was not sufficient funds available to facilitate a distribution to unsecured creditors.
- Full details of the Administrators' progress are attached together with all the relevant statutory information included by way of Appendices (see Section 4 - Comments on the Appendices and the Appendices).

1.1 Office Holder



.....
Joint Administrator – Brian Green

2 Administrators' Statement of Proposals / previous and further appointments

2.1 Administrators' Statement of Proposals, previous professional relationships and further appointments

The Administrators' Proposals were circulated on 2 February 2011. Please refer to my previous reports for further details.

3 Progress to date

3.1 Initial strategy, Sale of Powerfuel Power Limited, Sale of PML's business and assets and sale of land owned by the Company

Please refer to my previous reports.

3.2 Communication

The Administrators wrote to all known creditors of the Company on 13 December 2010 advising them of their appointment.

Following this, the Administrators' Proposals were circulated to all known creditors of the Company on 2 February 2011.

On 5 July 2011, the Administrators circulated their progress report for the period 9 December 2010 to 8 June 2011.

On 1 December 2011 the Administrators circulated their progress report for the period 9 June 2011 to 1 December 2011. The purpose of that report was to provide the Company's secured creditor, ING Bank N.V. ("ING") with the necessary information to allow them to consider the proposed resolution, to extend the period of the Administration for six months to 8 June 2012. This extension was subsequently granted.

On 21 May 2012 the Administrators circulated their progress report for the period 2 December 2011 to 18 May 2012. The purpose of the report was to provide an update to all creditors, and was prepared to assist the Court in considering an extension of the Administration by one year to 8 June 2013. This Court extension was subsequently granted.

On 10 December 2012 the Administrators circulated their progress report for the period 19 May 2012 to 18 November 2012.

3.3 End of the Administration

3.3.1 Principle assets realised by the Administrators

Over the course of the Administration the Administrators have sought to maximise returns from the Company's principle assets.

As discussed in my previous reports the Company received £1 consideration for the sale of its shares in Powerfuel Power Limited ("PPL") and £268,133 in consideration for intragroup debt owed by PPL to the Company. Part of these funds were utilised to settle amounts owed to the Administrators.

Further, the Company received £1 consideration for the sale of shares of its 100% subsidiary Hatfield Colliery Limited ("HCL") to Entero BV. As part of this sale, the Secured Creditor hived down £61 million of its debt to HCL thereby significantly reducing the Company's liabilities.

The Administrators have also received £10,455 in relation to the Company's pre-appointment bank accounts, £370,000 being a refund of a pre-appointment deposit with Npower and £77,165 being a refund of a climate change levy paid pre appointment.

Asset realisations over the course of the Administration total £739,734.

3.3.2 Costs of the Administration

Total costs incurred over the course of the Administration amount to £3,112,311. These include among others, trading expenses, costs associated with the running of the Administration and various professional fees.

3.3.3 Loans from the Secured Creditor

The Secured Creditor provided the Administrators an indemnity in respect of professional costs as there were insufficient funds to pay the costs of the Administration. The Administrators called on this indemnity and the Company received two loans of £4,618,236 and £517,876 into their fixed and floating accounts respectively.

As the Administration has drawn to a close (and further assets were realised), an amount of £977,876 has been repaid from fixed charge realisations, and £184,554 from floating charge realisations resulting in a total shortfall of £3,973,682 to the Secured Creditor.

3.3.4 Distributions to creditors

No distributions have been made to any creditors other than the assignment of the Secured Creditor's loan under the sale of business (please see Section 3.3.1).

3.3.5 Objective of the Administration and closure of the Administration

As all assets have been realised, and all liabilities settled the objective of the Administration has been achieved. The Company shall move into dissolution in line with the Administrators' Proposals.

Upon filing Form 2.35B at Companies House, the Administrators will cease to act and will be discharged of all liabilities as per Paragraph 98 of Schedule B1 of the Insolvency Act 1986. The Company will be moved to dissolution three months after Form 2.35B is filed.

This is our final report to all creditors of the Company, and there will be no further correspondence.

3.4 Company's other assets

3.4.1 Bank interest

The Company received £2,130 and £296 in interest on funds held by the Administrators in their fixed and floating charge bank accounts respectively

3.5 Liabilities

3.5.1 Secured creditors

Based on the outcome of the Administration, the Secured Creditor has suffered a shortfall on its facility under both fixed and floating charges

The Administrators' solicitors at the time of their appointment, White & Case LLP ("White & Case"), reviewed the Secured Creditor's debentures and confirmed their validity

3.5.2 Preferential creditors

As stated in my previous reports, the Administrators have received confirmation that preferential claims were nil

3.5.3 Unsecured creditors

Based on the outcome of the Administration there were insufficient funds available to make a distribution to the Company's unsecured creditors

3.6 Expenses for the period

The receipts and payments for the period are set out in the attached Receipts and Payments Account (see Appendix 2)

The office holders' time costs for the period of this Report are also attached (see Appendix 3)

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. A creditors' guide to fees can be found at

http://www.r3.org.uk/media/documents/technical_library/Guides_to/Guide_to_Joint_Administrators_Fees_Nov2011.pdf

However, if you are unable to access this guide and would like a copy, please contact Thomas Swiers on 0113 231 3316

Since 19 November 2012 to 18 May 2013, the Administrators have incurred time costs of £39,069 representing 120 hours at an average rate of £325 per hour. Since our appointment to 18 May 2013 the Administrators have incurred time costs of £1,870,708 representing 4,267 hours at an average rate of £438 per hour. This includes Tax, VAT, Health and Safety, Corporate Finance and Pensions advice from KPMG LLP in-house specialists.

A detailed breakdown of the charge out rates for the duration of the Administration is included in Appendix 3 to this Report.

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central Administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

The Administrators have incurred £13 of disbursements in the period covered by this report, none of which has been drawn in the period (see Appendix 3 for further details). Total disbursements since appointment to 18 May 2013 are £20,790.

Additional information about the expenses charged for the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 2.48A Insolvency Rules 1986 and to challenge the administrator's remuneration and expenses under Rule 2.109 Insolvency Rules 1986 are included in Appendix 4 should creditors wish to do so.

4 Comments on the Appendices

4.1 Statutory information

This Section includes key information about the Company.

4.2 Receipts and payments account for the period 19 November 2013 to 18 May 2013

4.2.1 Receipts

Please see Section 3 for comments on the receipts during the period.

4.2.2 Payments

4.2.2.1 Administrators fees and expenses

Please see Section 3.6 for information on Administrators fees and expenses. Fees of £131,500 and expenses of £1,534 have been drawn in the period.

4.2.2.2 Bank Charges

Bank charges of £50 have been paid in the period, partly in relation to the repayment of funds due to the Secured Creditor as a repayment under the indemnity provided to the Administrators.

4.2.2.3 Irrecoverable VAT

£2,617 has been written off in the period being VAT previously coded as receivable following a reconciliation exercise by the Administrators.

4.2.2.4 Other fixed charge costs

£21,404 has been paid in the period relating to unpaid business rates for the period of trading whilst in Administration.

4 2 2 5 Direct labour

A previous expense of £1,917 which was accrued in relation to pension contributions, has been written off following a reconciliation exercise by the Administrators

4 2 2 6 Funds received in error refunded to HCL

Funds of £8,128 have been returned to HCL in relation to funds received in error

4 2 2 7 Legal fees

Total legal fees of £3,464 have been paid in the period. These relate to fees paid to Walker Morris for their professional charges up to the end of the Administration. This includes work following the extension of the Administration and settling outstanding costs in order to bring the Administration to a close.

4 2 3 Storage costs

The Administrators have paid £30 in the period in relation to the storage of Company books and records, including the recall of certain information following a query from HMRC.

4 2 3 1 Repayment of funds from lenders

As previously reported the Administrators called on the indemnity provided by the Secured Creditor to the Administrators, under which the Company received in total £5,136,122 which was used to pay various expenses of the Administration.

In total, £977,876 and £184,554 has been repaid to the Secured Creditor in relation to funds received under fixed and floating charges, leaving a total shortfall across these loans of £3,973,682 (please see Section 3 3 3).

4.3 Analysis of office holders' time costs

4 3 1 Closure and related formalities

In the period time costs of £10,056 (30 hours) have been incurred in relation to closure and related formalities. This includes the payment of all outstanding Administration liabilities and reporting to the Secured Creditor.

4 3 2 Employee correspondence

Time costs of £5,904 (19 hours) have been incurred in relation to discussions with HM Revenue and Customs ("HMRC") regarding VAT withheld due to an administrative error on the calculation of PAYE tax due from the Company. Following work by KPMG LLP employee specialists a sum of £58,838 was returned to the Company in relation to a prior period VAT refund, incorrectly set off by HMRC.

4 3 3 Post appointment VAT

Time costs of £5,462 (14 hours) have been spent by KPMG VAT specialists in relation to the VAT refund discussed in Section 4 3 2.

4 3 4 Statutory Reports

Time costs of £3,513 (14 hours) have been incurred in relation to the drafting of statutory reports for the previous six month progress report submitted to all known creditors of the Company.



4.3.5 Reconciliations

Time costs of £3,328 (12 hours) have been incurred in relation to reconciliation and accounting reviews. This relates to the preparation of the final Administration receipts and payments account and the calculation and repayment of funds owed to the Secured Creditor under the indemnity called upon by the Administrators.

4.4 Expenses for the period

Expenses for the period are summarised in Appendix 4 which include the time costs as analysed in Appendix 3.

5 Appendix 1 – Statutory Information

Appointment	
For period	19 November 2012 to 18 May 2013
Company name	Powerfuel Plc
Nature of business	Mining and agglomeration of hard coal
Court details	The Administration Order was made on 9 December 2010 in High Court of Justice, Companies Court Division number 10001 of 2010, at application by qualifying floating charge holder
Date of appointment	9 December 2010
Extension obtained	1 Year
Office holder details	<p>Richard Dixon Fleming was appointed on 9 December 2010 and is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association</p> <p>Brian Green was appointed on 9 December 2010 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales</p>
Registered number	05113279
Previous registered office	Hatfield Colliery Waggons Way Stainforth, Doncaster DN7 5TZ
Present registered office	KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW
Basis of remuneration	Time costs
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations

6 Appendix 2 – Office holders' receipts and payments account

Powerfuel Plc (In Administration) Administrators' Abstract of Receipts & Payments			
Statement of Affairs	From 19/11/2012 To 18/05/2013	From 09/12/2012 To 18/05/2013	
	FIXED CHARGE ASSETS		
	Funding from Lenders	NIL	4,618,235.90
	Payments from PML	NIL	512,503.03
	Intercompany Loan	NIL	NIL
14,000.00	Vehicles	NIL	NIL
30,000,000.00	Subsidiary - Powerfuel Mining Limited	NIL	NIL
30,000,000.00	Subsidiary - Powerfuel Power Limited	NIL	1.00
	HCL funds received in error	NIL	32,127.74
	Payments from Harfield Colliery Limited	NIL	473,547.89
	Stoddy refund	NIL	23.01
	Bank interest, gross	2,130.20	6,333.39
	Trading loan to PML	NIL	NIL
	Refund of climate change levy	NIL	77,165.07
		2,130.20	5,719,942.05
	FIXED CHARGE COSTS		
	Administrators' fees	131,500.00	1,369,525.00
	Administrators' expenses	1,534.46	17,439.48
	Legal fees	NIL	357,243.60
	Legal & Other Disbursements	NIL	19,321.13
	Agents/Valuers' fees	NIL	39,368.39
	Electricity	NIL	62,365.18
	Utilities/Telephone	NIL	12,554.06
	Payments on behalf of Harfield Colliery	NIL	490,843.75
	Bank charges	50.00	547.05
	Irrecoverable VAT	2,617.18	76,728.30
	Intercompany loan	NIL	582,347.07
	Other Fixed Charge Costs	21,403.50	21,433.50
	Payments on behalf of PML	NIL	1,412,843.38
	Data Site	NIL	10,521.63
	Insurance	NIL	5,117.92
	Direct Labour	(1,916.83)	221,440.38
	Employee Expenses	NIL	1,433.61
	Employee Benefits	NIL	8,845.22
	Funds received in error refunded to HCL	8,127.74	32,127.74
	Repayment of funds from lenders	977,875.64	977,875.64
		(1,141,191.64)	(5,719,942.05)
(17,626,934.99)	FIXED CHARGE CREDITORS		
(329,161.71)	ENG/VTB	NIL	NIL
	Facility Agent	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Funds from Lenders	NIL	517,876.21
	Motor vehicles	NIL	4,750.00
	Funds received in error	NIL	543,364.53
	Subject Access Request fees	NIL	20.00
	Stoddy Income	NIL	40.00
365,000.00	Contract security	NIL	NIL
70,819.41	VAT refunds (pre-appt/ent)	NIL	NIL
	Cash at bank	NIL	10,455.34
		NIL	1,081,366.08



Powerfuel Plc in Administration
KPMG LLP
18 May 2013

Powerfuel Plc
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 19/11/2012 To 18/05/2013	From 09/12/2010 To 18/05/2013
OTHER REALISATIONS		
Bank interest, gross	295.88	1,154.92
Sundry refunds	NL	1,653.66
Repayment of intercompany debt	NL	268,133.00
Npower deposit refund	NL	370,000.00
	<u>295.88</u>	<u>640,941.58</u>
COST OF REALISATIONS		
Administrators' fees	NL	325,326.00
Administrators' expenses	NL	3,305.06
Payments on behalf of PML	NL	124,414.72
Irrecoverable VAT	NL	40,995.52
Npower set off	NL	271,492.78
Agents'/Valuers' fees	NL	38,441.69
Legal fees	3,464.00	169,946.40
Legal Disbursements	NL	7,711.13
Funds received in error refunded to PML	NL	548,364.53
Telephone/Telex/Fax	NL	295.34
Storage costs	30.30	1,666.88
Re-direction of mail	NL	27.20
Statutory advertising	NL	772.18
Vehicle costs	NL	4,508.41
Bank charges	NL	625.37
Repayment of funds from lenders	184,554.45	184,554.45
	<u>(184,554.45)</u>	<u>(1,722,447.66)</u>
(47,566,267.29)	(1,326,814.40)	0.00
REPRESENTED BY		
Floating ch. VAT receivable		115,854.25
Fixed charge VAT receivable		606,613.21
Fixed charge VAT payable		(98,078.35)
Floating ch. VAT payable		(10.00)
Floating ch. VAT control		(115,844.25)
Fixed charge VAT control		(508,534.86)
		<u>NL</u>

7 Appendix 3 - Analysis of office holders' time costs for the period 19 November 2013 to 18 May 2013

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost (£) hourly rate	Average hourly rate (£)
Administration & planning							
Cashiering							
General (Cashiering)	1 00		6 90		7 90	2 718.00	344.05
Reconciliations (& IPS accounting reviews)			11 85		11 85	3 328.00	280.84
General							
Books and records			0 75		0 75	180.00	240.00
Fees and WIP		1 40	1 00	0 50	2 90	1 072.50	369.83
Statutory and compliance							
Checklist & reviews	0 50				0 50	382.50	765.00
Closure and related formalities		8 00	22 30		30.30	10 056.00	331.88
Reports to debenture holders		0 90	2 75		3 65	1 155.00	316.44
Statutory receipts and payments accounts			1 50		1 50	480.00	320.00
Strategy documents			3 25		3 25	780.00	240.00
Tax							
Post appointment corporation tax		7 45	0 50		7 95	3 438.00	432.45
Post appointment VAT	2 50	4 50	7 10		14 10	5 461.50	387.34
	4 00	22 25	57 90	0.50	84 65	29 051.50	343.20
Creditors							
Creditors and claims							
General correspondence			2 50		2 50	600.00	240.00
Statutory reports	0 20		14 00		14 20	3 513.00	247.39
Employees							
Correspondence			18 70		18 70	5 904.00	315.72
	0 20		35 20		35 40	10 017.00	282.97
Total in period					120 05	39 068.50	325.44
Brought forward time (appointment date to SIP9 period start date)					4 147 40	1 831 639.00	
SIP9 period time (SIP9 period start date to SIP9 period end date)					120 05	39 068.50	
Carry forward time (appointment date to SIP9 period end date)					4 267 45	1 870 707.50	

Notes: All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis as of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.



Powerfuel Plc in Administration
KPMG LLP
18 May 2013

Administrators' charge out rates for the period

Grade	From 1 October 2010 £/hr	From 1 October 2012 £/hr
Partner	725	765
Associate Partner	635	670
Director	635	670
Senior Manager	525	550
Manager	420	440
Senior Administrator	305	320
Administrator	230	240
Support	120	125

Administrators' disbursements for the period

Expense name	Expense amount (£)
Printing costs	13 20
Total	13.20

8 Appendix 4 - Schedule of expenses for the period 19 November 2012 to 18 May 2013

Fixed charge costs			
Account	Accrued	Paid	Total
Administrators' fees	-	131,500 00	131,500 00
Administrators' expenses	-	1,534 46	1,534 46
Bank Charges	-	50 00	50 00
Irrecoverable VAT	-	2,617 18	2,617 18
Direct Labour	-	(1,916 88)	(1,916 88)
Funds received in error refunded to HCL	-	8,127 74	8,127 74
Repayment of funds from lenders	-	977,875 64	977,875.64
	-	1,119,788.14	1,119,788.14
Cost of realisations			
Legal Fees	-	3,464 00	3,464 00
Storage costs	-	30 39	30.39
Repayment of funds from lenders	-	184,554 45	184,554.45
	-	188,048.84	188,048.84
TOTAL	-	1,307,836.98	1,307,836.98

Creditors are reminded that the basis on which fees have been reported have been agreed by the Secured Creditor

However, to determine if the quantum of the fees to be taken is reasonable the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with Rule 2 48A Insolvency Rules 1986 This request must be made within 21 days receipt of the Report The full text of that rule can be provided on request

In addition creditors are reminded that the quantum can be challenged by unsecured creditor(s) with at least 10% in value excluding that creditors claim by making an application to Court in accordance with Rule 2 109 Insolvency Rule 1986. The full text of this Rule can also be provided on request

9 Appendix 5 - Extract from the Insolvency Rules 1986

Insolvency Rules 1986

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 with the permission of the court upon an application made within that period of 21 days, any unsecured creditor, 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) 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

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) An 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,
- (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")

(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.