

High Court of Justice No. 8902 of 2011

**IN THE MATTER OF
HI SUSHI (NORTH LONDON) LIMITED – IN LIQUIDATION
("THE COMPANY")
COMPANY NO: 06402337**

**REPORT OF THE JOINT LIQUIDATORS
PURSUANT TO RULE 4.49B
OF THE INSOLVENCY RULES 1986 (AS AMENDED)**

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TUESDAY



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HI SUSHI (NORTH LONDON) LIMITED – IN LIQUIDATION

TABLE OF CONTENTS

| | Page |
|---|-------------|
| 1. Introduction | 2 |
| 2. Background | 2 |
| 3. Receipts and Payments Account | 2 |
| 4. Asset Realisations | 2 |
| 5. Investigations | 2 |
| 6. Dividend Prospects | 3 |
| 7. Costs of Realisation | 3 |
| 8. Joint Liquidators' Remuneration and Disbursements | 4 |
| 9. Charge Out Rates | 5 |
| 10. Right to Request Further Information | 5 |
| 11. Conclusion | 5 |

APPENDICES

| | |
|-------------------|--|
| Appendix A | Receipts & Payments Account |
| Appendix B | Summary of Joint Liquidators' Time Costs & Disbursements |
| Appendix C | Charge Out Rates & Disbursements Recovery Policy |
| Appendix D | Extracts of 4.49E and 4.131 of the Insolvency Rules 1986 (as amended) |

HI SUSHI (NORTH LONDON) LIMITED – IN LIQUIDATION (“THE COMPANY”)

REPORT OF THE JOINT LIQUIDATORS

8 NOVEMBER 2016

1. INTRODUCTION

I, Adrian Hyde, of CVR Global LLP, New Fetter Place West, 55 Fetter Lane, London EC4A 1AA, together with my partner, Kevin Murphy, was appointed Joint Liquidator of the Company on 17 September 2012, following a winding up order being made in the High Court of Justice on 5 December 2011 under reference number 8902 of 2011.

In accordance with Rule 4 49B of The Insolvency Rules 1986 (as amended), I am pleased to present my report on the progress of the liquidation. This report relates to the period from 17 September 2015 to 16 September 2016.

2. BACKGROUND

The Company was incorporated on 18 October 2007 and operated a number of restaurants in London.

Following a creditor petition by HMRC on 12 October 2011 for unpaid VAT and corporation tax liabilities, a winding up order was made against the Company on 5 December 2011.

3. RECEIPTS AND PAYMENTS ACCOUNT

An abstract of the Joint Liquidators' receipts and payments for the period concerned is attached at Appendix A.

4. ASSET REALISATIONS

To date, the following asset has been realised during the period of the liquidation.

Deposit on Petition

A deposit of £1,165 was submitted to Court with the petitioning creditor's application to place the Company into liquidation. This was transferred to the Joint Liquidators' Insolvency Service Bank Account by the Official Receiver following case handover and will be repaid to the petitioning creditor in the event that sufficient asset realisations are generated to allow me to do so.

5. INVESTIGATIONS

As noted in my previous reports to creditors, at present, the only likely avenue for a recovery for the liquidation estate is by way of bringing a claim against one or more third parties in relation to transactions that occurred prior to the Company being placed into liquidation.

During the period under review I have continued to investigate actions carried out by the director prior to my appointment and I have also continued to review the Company records at my disposal with a view to forming a claim against relevant third parties. My investigations in this regard are ongoing and it is my intention in the forthcoming reporting period to seek legal opinion with regard to the merits of bringing a claim against a third party.

Creditors should also be aware that I cannot divulge specific details in relation to the investigative work that my team and I are undertaking as I am conscious that this may prejudice the outcome of any future claims.

In accordance with the Directors Disqualification Act 1986, the Official Receiver is responsible for submitting a report in relation to the Directors' conduct. If creditors have any information they believe should be brought to the Official Receiver's attention, please forward such details to me in writing.

6. DIVIDEND PROSPECTS

As discussed in previous reports, there are insufficient funds to enable a distribution to any class of creditor. Future dividend prospects are entirely dependent on the outcome of my investigations detailed in section 5, above.

6.1 Secured Creditors

The Company has no known secured creditors.

6.2 Preferential Creditors

The Company has no known preferential creditors.

6.3 Unsecured Creditors

To date, unsecured creditor claims totalling £1,302,962.70 have been received.

7. COSTS OF REALISATION

7.1 OR's Company Liquidation Admin Fee

Prior to my appointment as Joint Liquidator and following the making of the winding-up order, the Official Receiver acted as an interim office-holder, and incurred costs totalling £2,235 in carrying out general duties. These costs were subsequently repaid from asset realisations during an earlier reporting period.

7.2 Bank Charges

The sum of £352 has been paid to the Insolvency Service in respect of bank charges, £88 of which was incurred during the reporting period.

8. JOINT LIQUIDATOR'S REMUNERATION AND DISBURSEMENTS

At a meeting held on 30 November 2012 creditors passed a resolution enabling the Joint Liquidators to draw their remuneration based on our firm's time costs, and to draw category 2 disbursements

A summary of the Joint Liquidators' time costs, covering the period since my appointment and the period covered by this report, analysed by grade of staff, is attached at Appendix B

In accordance with the Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals and adopted by my professional licensing body, I advise that the time spent during the period 17 September 2012 to 16 September 2016 is 83 10 hours and the charge out value of that time is £19,255 This equates to an average hourly charge out rate of £231 71 per hours These figures do not include VAT.

In relation solely to the period covered by this report, I confirm that the overall time spent and charge out value of that time is 4.40 hours and £1,220, respectively This equates to an average hourly charge out rate of £277 27 per hour. These figures do not include VAT

To date, no fees have been drawn by the Joint Liquidators

The work we have carried out as Joint Liquidators is derived from the responsibilities placed upon us by the underlying legal and regulatory framework for work of this nature It has been performed by the Joint Liquidators and by the assignment manager and administrator Their work has been supported by secretarial staff and cashiers All personnel were charged directly to the assignment for all of the time relating to the case

An element of the work carried out relates to statutory and best practice requirements incumbent upon me as officeholder This includes (but is not limited to) the following:

- Statutory reporting,
- Periodic case review,
- Investigation work;
- Assessment of creditor claims,
- Creditor advice and correspondence

Disbursements represent the reimbursement of actual out-of-pocket payments made on behalf of the assignment These are outlined in the cost breakdown below:

| Disbursement (Cat 1) | Cost (£) |
|------------------------|---------------|
| Specific Bond | 20 00 |
| Statutory Advertising | 270 00 |
| Land Registry searches | 11 00 |
| | 301 00 |

These costs have been paid directly by CVR Global and will be recharged to the liquidation estate in the event that sufficient asset realisations are made To date, no funds have been paid to CVR Global in respect of these costs

9. CHARGE OUT RATES

In common with other professional firms, our charge out rates increase from time to time over the period of the administration of the case. I enclose an explanation of office holders charging and disbursement recovery policies for your reference as Appendix C.

A Creditors' Guide to Joint Liquidators' Fees, which provides information for creditors in relation to the remuneration of the Joint Liquidators, can be accessed at the website of the Association of Business Recovery Professionals at

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

Alternatively, I can provide you with a copy on written request

I believe this case generally to be of average complexity, with the exception of the investigation work summarised in section 5, above. Aside from this, no exceptional responsibility has, to date, fallen upon us as Joint Liquidators

10. RIGHT TO REQUEST FURTHER INFORMATION

I would draw your attention to Rule 4.49E and Rule 4.131 of the Insolvency Rules 1986 (as amended), the text of which is reproduced at Appendix D. These Rules set out the circumstances under which creditors may request further information in relation to the Joint Liquidators' remuneration and expenses and their right to challenge the Joint Liquidators' remuneration and expenses

11. CONCLUSION

The liquidation will remain open whilst I continue to pursue my investigations as outlined in this report. A further report will be issued to creditors following the next anniversary of the liquidation or sooner if available assets have been realised before that time

Should you require any further information, in addition to that already given, please contact Chris Pearson at this office, on 0203 794 8716



A C HYDE

Joint Liquidator

Licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

HI Sushi (North London) Limited
(In Liquidation)

Summary of Receipts & Payments

| RECEIPTS | Statement of Affairs (£) | From 17/09/2012 To 16/09/2013 (£) | From 17/09/2013 To 16/09/2014 (£) | From 17/09/2014 To 16/09/2015 (£) | From 17/09/2015 To 16/09/2016 (£) | Total (£) |
|------------------------------------|---|--|--|--|--|----------------------|
| Deposit on Petition | | 1,165 00 | - | - | - | 1,165 00 |
| | | <u>1,165 00</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,165 00</u> |
| PAYMENTS | | | | | | |
| OR's Company Liquidation Admin Fee | | (2,235 00) | - | - | - | (2,235 00) |
| Bank Charges | | (88 00) | (88 00) | (88 00) | (88 00) | (352 00) |
| | | <u>(2,323 00)</u> | <u>(88 00)</u> | <u>(88 00)</u> | <u>(88 00)</u> | <u>(2,587 00)</u> |
| Net Receipts/(Payments) | | (1,158 00) | (88 00) | (88 00) | (88 00) | (1,422 00) |
| MADE UP AS FOLLOWS | | | | | | |
| ISA NIB | | <u>(1,158 00)</u> | <u>(88 00)</u> | <u>(88 00)</u> | <u>(88 00)</u> | <u>(1,422 00)</u> |

APPENDIX B

SUMMARY OF JOINT LIQUIDATORS' TIMECOSTS AND DISBURSEMENTS

HI Sushi (North London) Limited
(In Liquidation)

| Time and Chargeout Summary for the period 17 September 2015 to 16 September 2016 | | | | | | | |
|--|--------------------|-------------|----------------------------|----------------------------|-----------------|-----------------|-----------------------|
| Classification of work function | Hours | | | | | Time Cost £ | Average hourly rate £ |
| | Partner / Director | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | | |
| Administration & Planning | | | | | | | |
| (A)Case Reviews | 0 20 | 0 00 | 2 50 | 0 90 | 3 60 | 1,002 50 | 278 47 |
| (A)Cashing | 0 00 | 0 00 | 0 00 | 0 10 | 0 10 | 13 50 | 135 00 |
| (A)General Administration | 0 00 | 0 00 | 0 40 | 0 00 | 0 40 | 110 00 | 275 00 |
| (A)JA Correspondence | 0 00 | 0 00 | 0 10 | 0 00 | 0 10 | 27 50 | 275 00 |
| Total for Administration & Planning | 0 20 | 0 00 | 3 00 | 1 00 | 4 20 | 1,153.50 | 274 64 |
| Case Specific Matters | | | | | | | |
| (CS)Legal Matters (non invest) | 0 00 | 0 00 | 0 10 | 0 00 | 0 10 | 39 00 | 390 00 |
| (CS)Other Special Issues | 0 00 | 0 00 | 0 10 | 0 00 | 0 10 | 27 50 | 275 00 |
| Total for Case Specific Matters | 0 00 | 0 00 | 0 20 | 0 00 | 0 20 | 66.50 | 332.50 |
| | | | | | | | |
| Total Hours | 0 20 | 0 00 | 3 20 | 1 00 | 4 40 | 1,220.00 | 277.27 |
| Total fees Claimed | 99 00 | 0 00 | 995 00 | 126 00 | 1,220 00 | | |

| | |
|---|---|
| Category 2 Disbursements | |
| Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest | |
| Type and Purpose | £ |
| | |

HI Sushi (North London) Limited
(In Liquidation)

| Time and Chargeout Summary for the period 17 September 2012 to 16 September 2016 | | | | | | | |
|--|--------------------|---------------|----------------------------|----------------------------|------------------|------------------|-----------------------|
| Classification of work function | Hours | | | | | Time Cost £ | Average hourly rate £ |
| | Partner / Director | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | | |
| Administration & Planning | | | | | | | |
| (A)Appointment Documents | 0 00 | 2 20 | 0 00 | 0 00 | 2 20 | 693 00 | 315 00 |
| (A)Case Reviews | 2 30 | 0 00 | 4 70 | 1 00 | 8 00 | 2,180 00 | 272 50 |
| (A)Cashing | 0 00 | 0 00 | 0 00 | 1 10 | 1 10 | 148 00 | 134 55 |
| (A)General Administration | 2 90 | 0 00 | 35 40 | 4 00 | 42 30 | 9,602.50 | 227.01 |
| (A)General advice/meetings | 0 60 | 0 00 | 0 00 | 0 00 | 0 60 | 208.00 | 346 67 |
| (A)JA Correspondence | 0 00 | 0 00 | 0 10 | 0 00 | 0 10 | 27 50 | 275.00 |
| (A)Money Laundering & ethics | 0 10 | 0 00 | 0 70 | 0 00 | 0 80 | 213 00 | 266.25 |
| Total for Administration & Planning | 5 90 | 2 20 | 40 90 | 6.10 | 55 10 | 13,072 00 | 237 24 |
| Investigations | | | | | | | |
| (I)D Conduct reports/returns | 0 30 | 0 00 | 0 00 | 0 00 | 0 30 | 135 00 | 450 00 |
| (I)Investigations (not SIP2/CDDA) | 0 40 | 0 00 | 9 30 | 2 70 | 12 40 | 2,572 00 | 207 42 |
| Total for Investigations | 0.70 | 0 00 | 9 30 | 2 70 | 12 70 | 2,707 00 | 213 15 |
| Creditors | | | | | | | |
| (C)Claims & Proofs | 0 00 | 0 00 | 0 70 | 0 00 | 0 70 | 103 00 | 147.14 |
| (C)Correspondence | 0 00 | 0 30 | 1 50 | 0 00 | 1 80 | 395 50 | 219 72 |
| (C)Meetings | 0 00 | 0 10 | 0 00 | 0 00 | 0 10 | 29 50 | 295 00 |
| (C)Reports & Circulars | 1 90 | 0 00 | 8 60 | 0 80 | 11 30 | 2,683 50 | 237 48 |
| (C)Sec Reports & Circulars | 0 00 | 0 30 | 0 00 | 0 00 | 0 30 | 94 50 | 315 00 |
| Total for Creditors | 1 90 | 0 70 | 10 80 | 0 80 | 14 20 | 3,306 00 | 232 82 |
| Case Specific Matters | | | | | | | |
| (CS)Legal Matters (non invest) | 0 00 | 0 00 | 0 10 | 0 00 | 0 10 | 39 00 | 390 00 |
| (CS)Other Special Issues | 0 00 | 0 00 | 0 10 | 0 00 | 0 10 | 27 50 | 275 00 |
| (CS)Post appointment tax returns | 0 00 | 0 00 | 0 00 | 0 90 | 0 90 | 103 50 | 115 00 |
| Total for Case Specific Matters | 0 00 | 0.00 | 0 20 | 0.90 | 1 10 | 170 00 | 154.55 |
| Total Hours | 8 50 | 2 90 | 61 20 | 10 50 | 83 10 | 19,255 00 | 231 71 |
| Total fees Claimed | 2,671.50 | 911.50 | 14,774 00 | 898 00 | 19,255 00 | | |

| | |
|---|---|
| Category 2 Disbursements | |
| Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest | |
| Type and Purpose | £ |
| | |

CVR GLOBAL LLP

CHARGE-OUT RATES AND DISBURSEMENT RECOVERY POLICIES

Charge-out Rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the firm's charge-out rates applicable to this appointment, exclusive of VAT, are as follows

| | From 6 January 2016 £ per hour | From 1 January 2015 £ per hour | From 1 August 2013 £ per hour | From 1 August 2011 £ per hour |
|--|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| Partners / Office Holders | 390 - 495 | 370 - 475 | 350 - 450 | 350 - 450 |
| Consultants | 390 - 495 | 370 - 475 | 350 - 450 | 350 - 450 |
| Directors | 360 - 390 | 340 - 370 | 325 - 350 | 325 - 340 |
| Senior Manager | 330 - 360 | 315 - 340 | 300 - 325 | 300 - 315 |
| Managers | 300 - 330 | 295 - 315 | 280 - 295 | 280 - 295 |
| Assistant Managers | 290 - 310 | 275 - 295 | 260 - 280 | 260 - 275 |
| Senior Executive / Analyst | 240 - 275 | 230 - 265 | 220 - 250 | 220 - 250 |
| Executive | 155 - 190 | 150 - 190 | 135 - 180 | 125 - 175 |
| Cashier | 135 - 185 | 130 - 175 | 125 - 165 | 120 - 160 |
| Secretaries / Support / Junior Analyst | 90 - 125 | 85 - 120 | 80 - 115 | 80 - 110 |

Charge-out rates are normally reviewed annually when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance. It is the firm's policy for the cashier's time spent on an assignment to be charged to the case. However, secretarial and office admin support time is charged only in respect of identifiable blocks of time devoted to the case where we consider it to be viable to do so. All time is recorded in 6 minute units.

Direct expenses ("Category 1 Disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include but are not limited to such items as advertising our appointment, meetings and requesting claims from creditors, storage in relation to the books and records of the company or individuals and the assignment records, online reporting facilities in relation to the uploading of documents and reports for creditors, bonding and other insurance premiums to protect the estate and its assets, and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 Disbursements")

It is our normal practice to also charge the following indirect disbursements ("Category 2 Disbursements as defined by SIP 9") to the case, where appropriate:

| | |
|---|--------------|
| Circulars to creditors | |
| Plain/headed paper including photocopying | 12p per side |
| Envelopes | 12p each |
| Postage | Actual cost |

Room Hire

For the convenience of creditors and to save the cost of booking an outside hotel room, meetings of creditors are occasionally held internally at our offices. Where meetings of creditors are held in one of our internal meeting rooms, a charge of £100 plus VAT may be levied to cover the cost of booking the room.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the H M Revenue & Customs approved rate, currently 40p per mile.

All of the above costs are subject to amendment by the firm at any time and if amended will be notified to creditors with the next circular sent to all creditors.

Company Searches & Electronic Verification of Identity

Included in expense and/or disbursements, Company Searches and electronic Verification of Identity include an element of shared costs. Such expenses are of an incidental nature but are generally incurred on each case. In line with the cost of the external provision of such services, a charge of £15 plus VAT is levied to cover the cost of these searches.

Work involved in the administration of the case

The main work involved relates to realisation of the assets of the company or individual, agreement of claims and payment of dividends or distributions to creditors and where possible members. As part of this work the office holder is required by statute and best practice to undertake work in providing reports, convening meetings and investigating the affairs of the company or indeed individual, prior to the commencement of the insolvency process.

In order to provide an explanation of the work involved by the office holder such work is broadly split into six categories, a narrative explanation of the work involved in each of these is provided below. The office holders' remuneration can be approved on a set fee, percentage or time cost basis, or indeed a combination of these. Where remuneration is requested on a time costs basis, creditors are provided with information regarding time intended to be spent in administering the insolvency process, and in some instances are provided with an overall estimate of the cost. Depending on the type and age of the case, creditors may be contacted to approve an increased estimated cost and will be provided with the reasons for the increase.

Administration and Planning

Work involved in this category relates mainly to routine and statutory functions. It does not necessarily provide financial benefit to creditors, but ensures that the case is managed and administered in accordance with legislation and in a professional manner. It includes but is not limited to the following areas: statutory and general notifications, advertising, filing of statutory forms, case management, cashiering requirements and management of estate funds, general tax and VAT matters, pension matters, general correspondence, case reviews, and reporting.

Investigation

The office holders are required to undertake an investigation into the affairs of the company or individual prior to the commencement of the insolvency process. In the case of Creditors Voluntary Liquidations and Administrations an office holder is required to submit a report on the conduct of the Directors who were in office in the period three years prior to the commencement of the insolvency process, to the Insolvency Service, in accordance with legislation. Occasionally such investigations identify further potential asset recoveries.

Assets

This involves work in realising assets of the company or individual, which are known and stated in the statement of affairs. It may also include work involved in asset recoveries identified post appointment, which were either unknown or identified during the office holders' investigations.

Creditors

This involves work in dealing with creditor queries and correspondence, including reports and where funds permit agreeing creditor claims and provision of dividends to creditors. This may also involve assisting employees with the calculation of their statutory entitlements and agreeing subsequent claims of employees and of the redundancy payments service and payment of any dividend, should funds allow. The category may also include work in connection with secured creditors, including correspondence and reporting.

Trading

In some instances it will be necessary to assist in the trading of a business post commencement of an insolvency process. Should this be necessary, detailed further information will be provided.

Case specific matters

This category includes areas of work of a specific nature and may include legal matters and preparation of tax returns and payment of tax liabilities.

CVR GLOBAL LLP

Updated 6 January 2016

CVR GLOBAL is a limited liability partnership registered in England and Wales (NoOC398681) whose registered office is at New Fetter Place West, 55 Fetter Lane, London, EC4A 1AA. The term "partner" denotes a member of a limited liability partnership. A list of members of CVR Global LLP is available at our registered office.

APPENDIX D

**EXTRACTS OF 4.49E AND 4.131
OF THE INSOLVENCY RULES 1986
(AS AMENDED)**

APPENDIX D

Extracts of 4.49E and 4.131 of The Insolvency Rules 1986 (as amended)

4.49E Creditors' and Members' request for further information

4.49E(1) [Duty of Liquidator re remuneration or expenses] If-

(a) within the period mentioned in paragraph (2)-

- (i) a secured creditor, or
- (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or

(b) with the permission of the court upon an application made within that period mentioned in paragraph (2)-

- (i) any unsecured creditor, or
- (ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108

4.49E(2) [Period for compliance with r.4.49E(1)] The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report which it is required by Rule 4.108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

4.49E(3) [How liquidator to comply] The liquidator complies with this paragraph by either-

- (a) providing all the information asked for, or

APPENDIX D

(b) so far as the liquidator considers that-

- (i) the time or cost of preparation of the information would be excessive, or
- (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
- (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

4.49E(4) [Application to court by creditors and members] Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of-

- (a) the giving by the liquidator 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

4.49E(5) [Court may extend period in rr.4.131(1B), 4.148C(2)] Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4.148C(2) by such further period as the court thinks just

4.49E(6) [Non-application to official receiver] This Rule does not apply where the liquidator is the official receiver.

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

4.131(1) [Secured or certain unsecured creditors may apply to court] Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4).

4.131(1A) [Grounds for application] Applications may be made on the grounds that-

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
- (c) expenses incurred by the liquidator,

is or are, in all circumstances, excessive or, in the case of an application under sub-

APPENDIX D

paragraph (b), inappropriate

4.131(1B) [Time limit for application] The application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or, in the case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4.49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

4.131(2) [Power of court to dismiss etc.] The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party.

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.

4.131(3) [Notice to liquidator] The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.

4.131(4) [Court order] If the court considers the application to be well-founded, it must make one or more of the following orders-

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge;
- (b) an order fixing the basis of remuneration at a reduced rate or amount,
- (c) an order changing the basis of remuneration;
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation;
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

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

4.131(5) [Costs of application] Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation.