

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

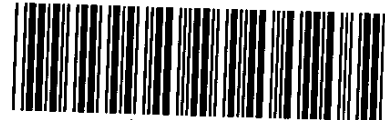
# LIQ03

## Notice of progress report in voluntary winding up



Companies House

SATURDAY



A15 \*A81UATDE\* 23/03/2019 #175  
COMPANIES HOUSE

### 1 Company details

Company number 0 6 7 8 6 8 5 5

Company name in full Sabotage Limited

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

### 2 Liquidator's name

Full forename(s) Edward

Surname Kerr

### 3 Liquidator's address

Building name/number Two Snowhill

Street

Post town Birmingham

County/Region

Postcode B 4 6 G A

Country

### 4 Liquidator's name

Full forename(s) Francis Graham

Surname Newton

Other liquidator  
Use this section to tell us about another liquidator.

### 5 Liquidator's address

Building name/number Central Square

Street 29 Wellington Street

Post town Leeds

County/Region

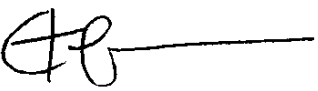
Postcode L S 1 4 D L

Country

Other liquidator  
Use this section to tell us about another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>															
From date	d	2	d	5	m	0	m	1	y	2	y	0	y	1	y	8
To date	d	2	d	4	m	0	m	1	y	2	y	0	y	1	y	9
<b>7</b>	<b>Progress report</b>															
<input checked="" type="checkbox"/> The progress report is attached																
<b>8</b>	<b>Sign and date</b>															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	d	2	d	2	m	0	m	3	y	2	y	0	y	1	y	9

## LIQ03

### Notice of progress report in voluntary winding up



#### 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 **Edward Kerr**

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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**Sabotage Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 25/01/2018 To 24/01/2019 £	From 25/01/2013 To 24/01/2019 £
<b>ASSET REALISATIONS</b>		
Book Debts	NIL	52.74
Administration VAT Refund	NIL	28.70
Floating Surplus from Administration	NIL	844.94
Bank Interest Gross	1.94	10.40
Bank Interest Net of Tax	NIL	0.66
	<u>1.94</u>	<u>937.44</u>
<b>COST OF REALISATIONS</b>		
Corporation Tax	NIL	0.24
Irrecoverable VAT	28.70	28.70
Stationery & Postage	NIL	24.96
	<u>(28.70)</u>	<u>(53.90)</u>
	<b>(26.76)</b>	<b>883.54</b>
<b>REPRESENTED BY</b>		
Vat Input		4.99
Current Account		878.55
		<u><b>883.54</b></u>



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Fax: +44 (0)151 237 4545  
www.bdo.co.uk

5 Temple Square  
Temple Street  
Liverpool  
L2 5RH

**TO ALL KNOWN CREDITORS AND SHAREHOLDERS**

**22 March 2019**

Our Ref 00183771/C2/ETK/TB

Please ask for: Teddy Blankson  
Direct dial: 0151 237 4421  
Email: BRCMT@bdo.co.uk

Dear Madams/Sirs

**Sabotage Limited - In Creditors' Voluntary Liquidation ('the Company')**  
**Registered number: 06786855**

We set out below an annual progress report in accordance with Section 104A of the Insolvency Act 1986 and Rule 18.4 of the Insolvency (England and Wales) Rules 2016 ('the Rules'). This report covers the period 25 January 2018 to 24 January 2019 ('the Period') and should be read in conjunction with previous reports circulated to creditors.

#### **Professional information regarding the Liquidators**

The Joint Liquidators are currently Edward Terence Kerr (officeholder No: 9021) of BDO LLP, Two Snowhill, Birmingham B4 6GA and Francis Graham Newton (officeholder No: 9310) of BDO LLP, Central Square, 29 Wellington Street, Leeds LS1 4DL. The Liquidation commenced on 25 January 2013 and the Joint Liquidators carry out their functions jointly and severally meaning any action can be done by one Liquidator or by both of them.

#### **Receipts and Payments**

We attach for your information a summary of our Receipts and Payments account, analysed to show activity in the last year compared to the whole of the Liquidation. The account shows a balance in hand of £884.

#### **Receipts**

With the exception of bank interest of £2, there were no further receipts during the Period.

#### **Payments**

There have been no payments in the Period.

Certain costs have been brought forward from the preceding Administration, namely our fees of £10,000 plus VAT and expenses of £3,000 plus VAT in respect of legal fees. As there were insufficient funds in the Administration to pay the legal fees of Cobbetts LLP these were paid by BDO LLP. Subject to receipt of sufficient funds, our fees will be paid as an expense of the Liquidation and BDO LLP will be reimbursed for the legal fees as an expense of the Liquidation.





## **Progress of the Liquidation**

During the Period, we have dealt with the statutory obligations of the Liquidation and continue to adjudicate and agree the unsecured claims received.

The sole asset of the Company is an intercompany loan of £4.226m from Fly Receivables Limited ('Fly'). Fly is also in Liquidation and we are the Joint Liquidators. A claim for this sum has been submitted in the Fly Liquidation.

There is to be a prescribed part distribution in the Fly Liquidation and the Company will receive a dividend from this distribution. We currently expect that dividend to be in the region of c£55k - £60k, but subject to the finaliation of creditor's claims and costs of the Fly liquidation. Due to delays in receiving information to validate creditor's claims this process may take a further six months

## **Assets**

The only asset remaining to be realised is the dividend from Fly.

We 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 of the Insolvency (England & Wales) Rules 2016.

## **Future Prospects**

### Secured Creditors

The Company has eight secured creditors, of which, the following secured creditors have priority over the other six secured creditors in respect of debentures granted by the Company:

	<b>Date of Creation</b>	<b>Amount of Indebtedness</b>
Key Capital Partners (Nominees) LLP ('KCP')	12 March 2009	Approximately £3.8m (excluding interest and charges)
M Jacobson **, H Jacobson, D Jacobson, E Jacobson and J Jacobson ('the Jacobsons')	12 March 2009	Approximately £956k

\*\* M Jacobson has priority under the Jacobsons debenture.

Neither KCP nor the Jacobsons will be repaid in full. We currently estimate that they will receive a floating charge distribution of c£24k - £28k which will be split equally between KCP and M Jacobson. This estimate may change, as it is dependent on amounts received from Fly, which may vary once the agreement of creditor's claims has been finalised in the liquidation of Fly.

In addition, a debenture was granted to S Smith and W Rigg on 12 March 2009, who were owed £8k and £71k respectively. In view of the priorities between the debenture holders, Mr Smith and Mr Rigg will not receive any funds.



#### Preferential Creditors

There are no preferential creditors in this matter.

#### Unsecured Creditors and Prescribed Part

Under Section 176A of the Insolvency Act 1986 where after 15 September 2003 the company has granted to a floating charge to a secured creditor, a proportion of the net property of the company must be made available purely for the unsecured creditors.

The Company granted a floating charge after 15 September 2003 and therefore there will be a prescribed part in the matter. Based on current information, we estimate that, after allowing for costs, the value of the Company's net property will be c£33k - £38k, giving rise to a Prescribed Part of c£9.7k - £10.7k. The range is due to uncertainty of the value of the dividend from Fly the current estimated return to unsecured creditors is c3p in the £.

#### **Investigations**

The Joint Liquidators have a duty to investigate the affairs of the Company and also the conduct of the Directors and in respect of the latter, to submit a confidential statutory report to the Secretary of State. I confirm that a report has been submitted.

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

#### **Joint Liquidators' Remuneration**

The secured creditors approved the Joint Administrators' remuneration on a time cost basis, capped at £10,000, in the preceding Administration. No fees were drawn during the Administration as there were insufficient funds.

Subject to realisations from Fly, the Joint Administrators' fees of £10,000 will be paid as an expense of the Liquidation.

Pursuant to the Rules, the Joint Liquidators are obliged to fix their remuneration in accordance with Rule 18.16. This permits remuneration to be fixed either:

- (1) as a percentage of the assets realised and distributed; and/or
- (2) by reference to the time the Joint Liquidators and the staff have spent attending to matters in the Liquidation; and/or
- (3) as a set amount; and/or
- (4) as a combination of the above.

The Joint Liquidators remuneration has been approved on the basis of time properly spent in dealing with issues in the Liquidation. To date, the Joint Liquidators have drawn no monies in respect of remuneration, as there are insufficient funds to do so.

We attach two schedules detailing the time costs incurred to date. The first schedule covers the Period. This records time costs of £4,744 which represents 23 hours spent at an average charge out rate of £206 per hour.

The second schedule covers the whole period of appointment and records time costs of £23,662 which represents 122 hours spent at an average charge out rate of £194 per hour.

#### **Detail of Work Undertaken**

##### **B: Steps on Appointment**

Following appointment, the Joint Liquidators are required to draw up and file statutory notices of appointment including to creditors and Companies House. In addition, internal systems for the administering of the liquidation are set up.

This work includes some benefit to creditors in terms of notification of the liquidation and details of how to claim. Other aspects relate to statutory requirements imposed on the Joint Liquidators. The work is completed predominantly by those below manager level with review and approval by Managers and Joint Liquidators where required.

##### **C: Planning and Strategy**

This relates to time costs incurred by the Joint Liquidators and their staff in managing/monitoring the case and reviewing the position, in line with internal BDO requirements. This ensures that all on-going matters are progressed efficiently and dealt with in a timely manner.

This work is primarily led by the Joint Liquidators and Associate Director, with input from the rest of the team where appropriate.

Although there is no direct benefit to creditors, planning and strategy ensures that key issues are identified and resolved/progressed in an effective and efficient manner, allowing for an orderly progression of the case.

##### **D: General Administration**

General administration covers time costs incurred by the Joint Liquidators and their staff in dealing with various matters arising in the Liquidation. This includes, but is not limited to, the following matters:

- Compiling and filing VAT returns, arranging VAT deregistration and ongoing VAT reclaims;
- Reviewing the Company tax position and submitting any necessary information to HMRC, including annual tax returns;
- Further work in relation to the statutory CDDA report;
- Cashiering (processing receipts and payments, bank reconciliations, correspondence with the bank, updating the receipts and payments account);
- Dealing with remuneration matters;
- Dealing with statutory matters required by the Rules;
- General case filing and maintaining internal files in line with BDO requirements;





The majority of this work requires a range of insolvency knowledge and experience, balanced with accounting and administrative skills. This work is predominantly undertaken by staff at Manager and Assistant Manager level, with input from other grades as required.

The majority of points referred to above are requirements placed upon us pursuant to the Rules, BDO internal policies and accounting requirements (such as VAT returns, corporation tax returns etc). Although there is no specific benefit to creditors, we are required to deal with these matters as part of our day-to-day responsibilities in managing the case.

#### E: Asset Realisations/Dealing

This represents time costs incurred by the Joint Liquidators and their staff in recovering and dealing with the Company's assets in the Liquidation.

This work is generally led at manager level, supported by assistant managers with suitable experience.

Work performed under this category benefits the body of creditors as it ensures the maximisation of asset recoveries and/or agrees strategy to mitigate costs of the same, ensuring the maximum funds are available for distribution.

#### G: Employees

This work relates to issues arising in respect of ex-employees of the Company. Very limited time has been spent on this in the period, relating to one employee claim and a pension matter.

The work is required to ensure employees, as creditors of the Company, are treated correctly and the work is generally undertaken at Manager level.

#### H: Creditor Claims

This category relates to the time costs incurred by the Joint Liquidators and their staff in dealing with creditors' correspondence and ad hoc queries. It is important to deal with enquiries from creditors and provide updates where appropriate and ensures that all claims and queries are correctly dealt with.

This work is led at manager level, supported by an assistant manager.

#### I: Reporting

Preparing periodic reports to creditors regarding the progress achieved, including preparation of receipts and payments accounts, a suitable analysis of time costs accrued and a review of actual costs and accrued costs against fees drawn.

The associate director is responsible for leading the reporting and delegating production of the accounts, fee analysis and comparisons to suitably experienced staff. Much of the basic accounting and analysis is conducted by case administrators, with the reports prepared and finalised by assistant managers and managers.

This is a statutory requirement and ensures that the creditors are kept up to date with case developments.

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

#### **Joint Liquidators' Disbursements**

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Since our last report, no category 1 disbursements have been incurred.

Some Liquidators 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. No category 2 disbursements have accrued during the Period.

Total disbursements of £170 have been incurred in this Liquidation as detailed below.

<b>Narrative</b>	<b>Cat. 1 (£)</b>	<b>Cat. 2 (£)</b>	<b>Total (£)</b>
Statutory Bonding	20.00	-	20.00
Stationery	150.00	-	150.00
	<b>170.00</b>	<b>-</b>	<b>170.00</b>

To date, no disbursements have been drawn to date in this Liquidation.

#### **Creditors' rights**

We provide at the end of this report an extract from the Rules setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation. Creditors may access information setting out creditors' rights in respect of the approval of Liquidators' remuneration at <https://www.r3.org.uk/what-we-do/publications/professional/fees>.

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 us 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.

The Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at: <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>



If you require any further information, please contact my colleague Teddy Blankson at [BRCMT@bdo.co.uk](mailto:BRCMT@bdo.co.uk).

Yours faithfully  
for and on behalf of  
Sabotage Limited

A handwritten signature in black ink, appearing to be 'EK', followed by a long horizontal line extending to the right.

Edward Kerr  
Joint Liquidator  
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 of Report  
SIP 9 Time Cost Report for the Period of Liquidation  
BDO LLP Policy in Respect of Fees and Disbursements  
Statement of Creditors' Rights in respect of Fees and Disbursements

**Sabotage Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 25/01/2018 To 24/01/2019 £	From 25/01/2013 To 24/01/2019 £
<b>ASSET REALISATIONS</b>		
Book Debts	NIL	52.74
Administration VAT Refund	NIL	28.70
Floating Surplus from Administration	NIL	844.94
Bank Interest Gross	1.94	10.40
Bank Interest Net of Tax	NIL	0.66
	<u>1.94</u>	<u>937.44</u>
<b>COST OF REALISATIONS</b>		
Corporation Tax	NIL	0.24
Irrecoverable VAT	28.70	28.70
Stationery & Postage	NIL	24.96
	<u>(28.70)</u>	<u>(53.90)</u>
	<u><b>(26.76)</b></u>	<u><b>883.54</b></u>
<b>REPRESENTED BY</b>		
Vat Input		4.99
Current Account		878.55
		<u><b>883.54</b></u>

## Summary of Time Charged and Rates Applicable for the Period From 25/01/2018 to 24/01/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV R1 £
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
C. Planning and Strategy	0.50	260.00			0.25	51.75							0.75	311.75	415.6
D. General Administration	0.25	130.00	2.05	661.25	6.80	1,364.50	0.10	12.40	1.70	122.95			10.90	2,291.10	210.1
I. Reporting	0.75	390.00	2.10	587.80	5.20	951.90			3.10	211.90			11.15	2,141.60	192.0
	1.50	780.00	4.15	1,249.05	12.25	2,368.15	0.10	12.40	4.80	334.85	0.00	0.00			

Net Total	22.80	4,744.45
Secretarial Expense		0.00
Other Disbursements		0.00
Billed		0.00
Grand Total		4,744.45

## Summary of Time Charged and Rates Applicable for the Period From 25/01/2013 to 24/01/2019

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AVG
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
B. Steps on Appointment	1.00	520.00	0.10	20.20					2.15	297.90			2.25	318.10	141.3
C. Planning and Strategy			0.10	33.30	3.10	627.45							4.20	1,180.75	281.1
D. General Administration	1.45	732.00	12.30	3,648.05	18.70	3,700.15	0.45	73.20	24.80	2,758.55	1.10	68.50	58.80	10,980.45	186.7
E. Assets Realisation/Dealing			0.10	20.20									0.10	20.20	202.0
G. Employee Matters							0.75	116.50	0.75	74.25			1.50	190.75	127.1
H. Creditor Claims			1.90	592.10	0.70	144.40			1.15	100.20	0.50	33.00	4.25	869.70	204.6
I. Reporting	1.85	901.90	15.90	4,636.60	11.60	2,244.70	0.25	42.50	20.80	2,243.85			50.40	10,069.55	199.7
J. Distribution and Closure			0.10	32.60									0.10	32.60	326.0
	4.30	2,153.90	30.50	8,983.05	34.10	6,716.70	1.45	232.20	49.65	5,474.75	1.60	101.50			

Net Total	121.60	23,662.10
Secretarial Expense		0.00
Other Disbursements		0.00
Billed		0.00
Grand Total		23,662.10



## **Sabotage Limited - In Liquidation**

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:

<b>GRADE</b>	<b>£</b>
Partner	533
Manager	235-411
Assistant Manager	212
Senior Administrator	200-212
Administrator	71-180
Other Staff	75

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed periodically during each year and are adjusted to take account of inflation and the firm's overheads.

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

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

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the 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  
22 March 2019



**Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Liquidators' 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.