

AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



A9C8V6I3

A24

26/08/2020

#14

COMPANIES HOUSE

1 Company details

Company number 07031947

Company name in full Norton Motorcycle Holdings Limited

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

2 Administrator's name

Full forename(s) Lee

Surname Causer

3 Administrator's address

Building name/number Two Snowhill

Street Snow Hill Queensway

Post town Birmingham

County/Region

Postcode B46GA

Country

4 Administrator's name ①

Full forename(s) Danny

Surname Dartnaill

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

5 Administrator's address ②

Building name/number C/o BDO LLP, Thames Tower, Level 12

Street Station Road

Post town Reading

County/Region Berkshire

Postcode RG11LX

Country

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

AM10

Notice of administrator's progress report

6 Period of progress report

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

[Handwritten Signature]

X

Signature date

^d 2	^d 5	^m 0	^m 8	^y 2	^y 0	^y 2	^y 0
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

AM10

Notice of administrator's progress report



Presenter information

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

Contact name **Lee Causer**

Company name **BDO LLP**

Address **5 Temple Square
Temple Street**

Post town **Liverpool**

County/Region

Postcode **L 2 5 R H**

Country

DX

Telephone **01512 374 500**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation page

Name and address of insolvency practitioner

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

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

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

All fields are mandatory unless specified or indicated by *.

1 Appointment type

Tick to show the nature of the appointment:

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

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

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

2 Insolvency practitioner's name

Full forename(s) Ryan Kevin

Surname Grant

3 Insolvency practitioner's address

Building name/number C/o BDO LLP

Street Two Snowhill

Post town Birmingham

County/Region

Postcode B 4 6 G A

Country

NMHL Realisations Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 29/01/2020 To 28/07/2020 £	From 29/01/2020 To 28/07/2020 £
	NIL	NIL
REPRESENTED BY		NIL

Note:

TO ALL CREDITORS**25 August 2020**

Our Ref NORTONLTD/C1/LG/DF

Please ask for
David Forster
0151 237 4530
Email: BRCMT@bdo.co.uk

Dear Madams/Sirs

NMHL Realisations Limited (formerly Norton Motorcycle Holdings Limited) - In Administration ('the Company')

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

This report should be read in conjunction with the Joint Administrators' proposals ('the Proposals'), which were uploaded to the creditor portal on 23 March 2020.

1 Statutory Information

The Joint Administrators are Lee Causer (officeholder number: 14112) and Ryan Grant (officeholder number: 9637), both of BDO LLP, Two Snowhill, Snow Hill Queensway, Birmingham, B4 6GA, and Danny Nicolaas William Dartnaill (officeholder number: 10110) of BDO LLP, Thames Tower, Level 12, Station Road, Reading, RG1 1LX. The Joint Administrators were appointed in respect of the Company on 29 January 2020.

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

The Joint Administrators were appointed by Metro Bank plc ('the Bank'), being a qualifying floating charge holder in respect of the Company, pursuant to Paragraph 14 of Schedule B1 to the Insolvency Act 1986 ('Sch. B1 to the Act').

The Administration proceedings are dealt with in the High Court of Justice, Business and Property Courts of England and Wales Insolvency and Companies List and the court case number is 000644 of 2020.

The Company's registered office is situated at c/o BDO LLP, Two Snowhill, Birmingham, B4 6GA and the registered number is 07031947.

Please note that on 29 January 2020, Lee Causer, Danny Dartnaill and Ryan Grant were subsequently appointed Joint Administrators over two of the Company's wholly owned subsidiaries, NMUL Realisations Ltd (formerly Norton Motorcycles (UK) Limited) ('NMUL') and Donington Hall Estates Limited ('Donington Hall'), as well as a connected company, Priest House Hotel Limited ('Priest House Hotel') (collectively 'the Group'). The Group is connected through a common director and shareholder.

2 NMUL - Sale of business and certain assets

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

Each of the remaining interested parties requested further information regarding the intellectual property held by NMUL as well as in Norton America LLC (a wholly owned subsidiary of NMUL) ('Norton LLC'). This required the Joint Administrators to secure an intellectual property report from NMUL's previous intellectual property lawyers, Kilburn & Strode LLP ('K&S'). The report was provided on 13 March 2020 and subsequently uploaded to the data room on 18 March 2020 to enable the remaining interested parties to review. A deadline for best and final offers was set for close of business on 25 March 2020, with a view to concluding a transaction as soon as possible thereafter.

Upon expiry of this deadline, three best and final offers were received which can be summarised as follows:

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

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

Professional valuations

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

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

Gordon Brothers and Hilco were both consulted in relation to the offers received for the NMUL's business and certain assets and their respective recommendations were to proceed with the offer made by TVS.

Sale transaction of the business and certain assets

Upon consideration of the best and final offers received and in line with the recommendations provided by our agents, the offer from TVS was deemed to represent the best outcome to the creditors of NMUL and steps were taken to progress this offer.

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

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

The table below summarises the apportionment of the sale consideration.

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

In order to complete this transaction, it was a requirement and condition of sale for the Purchaser that the Company was party to the contract and transferred any right, title or interest it may have had in the intellectual property or other assets being sold to the Purchaser.

In recognition of the above, and in line with advice received from Eversheds-Sutherland (International) LLP ('Eversheds'), the Joint Administrators deemed that it is appropriate that both NMUL and the Company participate in receiving a proportion of the sale consideration attributable to intellectual property. However, it is further recognised that the key entity included in the sale was NMUL, without which no transaction would have been able to progress.

As stated in the Proposals circulated to the creditors on 23 March 2020, the costs of dealing with the administration of the Company were estimated at £201,452.59. The only expected realisations within the Company are expected to be either (i) any intellectual property sale consideration attributable to the Company following the sale of the business and certain assets of NMUL to the Purchaser, or (ii) any distributions received from the administrations (and subsequent liquidations) of NMUL and Donington Hall. According to the books and records of the Company and NMUL, at the date of our appointment, the Company was an unsecured creditor of NMUL with an outstanding balance of approximately £4.8 million.

The Joint Administrators consider that it is important to recognise that in the event of the above transaction with the Purchaser being lost, there would have been a significant reduction in the level of realisations available to the creditors of NMUL (including the Company). Therefore, the Company's agreement to participate in the transaction enabled the sale to transact at the agreed value and in doing so maximised the prospects of any future dividend for the Company's unsecured creditors.

Therefore, it is proposed that the consideration attributable to the Company be £201,452.59, thereby providing coverage for the costs that were estimated to be incurred in the Proposals dated 23 March 2020. This would result in total consideration attributed to NMUL of £15,798,547.41.

The Joint Administrators of NMUL have not yet transferred the above sum to the Company. Prior to doing so, the Joint Administrators would invite any comments from the creditors of the Company to the above proposal. In the event of no adverse comments in respect of the above being received within 14 days of the date of this report, the Joint Administrators shall agree the sum to be transferred to the Administration estate of the Company at £201,452.59.

3 Receipts and Payments

The Joint Administrators have made no receipts or payments during the Period. A summary account covering the Period is enclosed.

4 Costs in the Administration

Professional Fees and Expenses	Accrued £	Paid £	Future £
Legal Fees			
Eversheds	25,710	-	10,000
Harrison Clark Rickerbys Limited	787	-	1,000
Other Fees			
Cedar Business Solutions Limited	5,110	-	-
Total	31,607	-	11,000

Legal Fees*Eversheds*

Eversheds were engaged by the Joint Administrators in relation to appointment matters, sale of business and other general matters which have arisen during the Administration.

No costs have been paid to Eversheds during the Period.

Harrison Clark Rickerbys Limited ('HCR')

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

No costs have been paid to HCR during the Period.

Other fees*Cedar Business Solutions Limited ('Cedar')*

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

No costs have been paid to Cedar during the Period.

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

5 Pre-Administration Costs

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

- (i) The fees charged by the Joint Administrators;
- (ii) The expenses incurred by the Joint Administrators;

It is currently anticipated that funds will be available for distribution to the unsecured creditors of the Company. As such, and in accordance with Rule 3.35(10) of the Rules, the table below summarises the outstanding costs for which approval will be sought from unsecured creditors shortly. Where relevant, the below table also records payments received.

	Costs Incurred £	Payments Received £	Costs Outstanding £
(i)	7,214.90	-	7,214.90
(ii)	4,000.00	-	4,000.00
(iii)	-	-	-
TOTAL	11,214.90	-	11,214.90

(i) The fees charged by the Joint Administrators

The Joint Administrators incurred costs totalling £7,214.90 in preparing for their appointment. This included, but was not limited to, liaising with the Bank, agents and solicitors and undertaking work necessary to facilitate the Administration and formal appointment as Administrators. No payments have been received to date in this respect.

(ii) The expenses incurred by the Joint Administrators

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

In addition, Harrison Clark Rickerbys Limited ('HCR') were instructed to provide independent advice, prior to our appointment, with regards to the validity of the Bank's security. The costs incurred in this respect total £1,000 plus VAT and are considered necessary and reasonable. HCR has received no payments to date in this respect.

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

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

6 Outstanding matters

Investments

NMUL

As previously reported, Lee Causer, Danny Dartnaill and Ryan Grant were appointed as Joint Administrators of NMUL on 29 January 2020.

As detailed in Section 2, a sale of the business and certain assets of NMUL completed on 17 April 2020 for total consideration of £16,000,000. The Company was required to be party to the asset sale agreement and it is proposed that the Company will receive an apportionment of sale proceeds of £201,452.59.

In addition, the Company's books and records indicate that the Company is an unsecured creditor to NMUL of approximately £4.8 million. It is anticipated that there will be a dividend available for the unsecured creditors of NMUL, and the Company is therefore expected to participate in such a dividend distribution in due course.

Donington Hall

As previously reported, Lee Causer, Danny Dartnaill and Ryan Grant were appointed as Joint Administrators of DHEL on 29 January 2020.

Donington Hall owns a freehold property at Donington Hall, Castle Donington, Derby, DE74 2SB ('the Hall') and land and buildings lying to the south west side of Park Lane, Castle Donington, Derby, DE74 2SG ('Hastings House') (together 'the Properties').

According to the Company's books and records, the Company is an unsecured creditor of Donington Hall of approximately £287,000. The outcome for creditors of Donington Hall is not yet known, but the Company may participate in distributions to unsecured creditors and members, depending upon the sale price achieved in respect of the Properties.

NR Realisations Limited (formerly Norton Racing Limited) ('Racing')

Racing is a wholly owned subsidiary of the Company, which we understand to be a non-trading entity. The Joint Administrators are aware that Racing has overdue filings and have been requested by the director of Racing to fund the costs of completing various matters (including preparation of year end accounts). The Joint Administrators have confirmed to the director that they do not consider that there is any immediate benefit to the creditors of the Company in providing funding to this entity, and that responsibility for dealing with all filing matters and the day to day operations of Racing rests with the director.

Should any parties hold an interest in acquiring the Company's shareholding in Racing, please make this interest known to the Joint Administrators to discuss this further.

Statement of Affairs

The Joint Administrators have now received a statement of affairs from the sole director of the Company which has since been filed with the Registrar of Companies.

Other

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

The Joint Administrators 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.

7 Investigations

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

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

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

8 Future of the Administration

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

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

It is considered that this objective has been achieved following the sale of the business and certain assets of NMUL, with the associated realisations proposed to be allocated to the Company.

9 Prospects for Creditors

Secured Creditors

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

Type of Security	In Favour of	Date of Creation	Date Registered
Debenture	Metro Bank plc	5 June 2019	5 June 2019
Debenture	Santander UK plc	10 January 2014	11 January 2014

Metro

As at the date of the Joint Administrators' appointment, the Company's indebtedness to the Bank is understood to be £nil. The Bank's debenture includes fixed and floating charges over the Company's assets.

However, the Bank holds cross company guarantees between the Company, NMUL, and Donington Hall. As at the date of the Joint Administrators' appointments, the indebtedness to the Bank in respect of NMUL and Donington Hall was approximately £4.04 million and £3.07 million respectively, excluding accrued interest and charges from the date of appointment.

During the Period, NMUL has distributed £3.881m to the Bank from fixed charge realisations achieved during its Administration. In addition, the Bank has offset credit funds held in a US Dollar account against its outstanding loan balance as permitted under the terms of their facility and other security documentation. The Bank therefore has no outstanding indebtedness in respect of NMUL.

Donington Hall has made no distributions to the Bank during the Period. In the event that the Bank is not repaid in full in the Administration of Donington Hall, it is expected that they will claim for any shortfall in the Administration of the Company and/or NMUL, in accordance with the cross company guarantee.

Santander

As at the date of the Joint Administrators' appointment, the Company's indebtedness to Santander was confirmed by Santander as £nil. Its debenture includes fixed and floating charges over the Company's assets.

Preferential Creditors

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

The Company has no employees and therefore no claims from preferential creditors are anticipated.

Unsecured Creditors

According to information provided by management upon the appointment of the Joint Administrators, the Company had no unsecured creditors. However as mentioned above, it is considered that the Company's books and records are incomplete, including potential factual inaccuracies and omissions.

Following receipt of the director's statement of affairs, the Joint Administrators are now aware of potential unsecured creditors totalling £668,676.

The Joint Administrators request that any creditors who have yet to submit their claims should do so by completing the attached proof of debt form and returning it to the Joint Administrators at BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH or to BRCMT@bdo.co.uk.

Based on present information, it is not clear whether there will be sufficient funds to enable a distribution to be made to unsecured creditors in the Administration in the event that any such claims arise. The prospects of any will depend upon the outcome of many factors both within the Administration of the Company and its subsidiary businesses.

Prescribed Part

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

Based on present information, it is anticipated that the secured creditors will be repaid in full by distributions made by NMUL and Donington Hall and therefore the prescribed part provisions are unlikely to apply.

Preference shareholders

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

10 Joint Administrators' Remuneration

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

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

A schedule detailing the time costs incurred during the Period is enclosed. This records time costs of £72,311, which represents 236 hours, spent at an average charge out rate of £306 per hour.

Also enclosed is the Joint Administrators' Fees Estimate annotated with a column showing the time costs accrued in respect of each activity together with a detailed description of the work undertaken.

In the event that funds are available for distribution to the unsecured creditors of the Company, the approval of the Joint Administrators' remuneration will be sought from unsecured creditors.

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

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

11 Joint Administrators' Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Category 1 disbursements totalling £88 have accrued in the Period in relation to statutory advertising costs.

Some Administrators recharge expenses, for example printing, photocopying and telephone costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements.

The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. No category 2 disbursements have accrued during the Period.

Total disbursements of £88 have been incurred in the Administration as detailed below:

Narrative	Cat. 1 £	Cat. 2 £	Total £
Statutory Advertising	88.00	-	88.00
Total	88.00	-	88.00

No category 1 or 2 disbursements have been drawn during the Period.

12 Creditor rights and enquiries

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

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

The Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code can be found at <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

Please contact me or my colleague David Forster at BRCMT@bdo.co.uk if you require further information.

Yours faithfully
For and on behalf of
NMHL Realisations Limited



Lee Causer
Joint Administrator
Authorised by the Institute of Chartered Accountants in England & Wales in the UK

Enclosures
Receipts and Payments Account
SIP 9 Time Cost Report for the Period
Fees Estimate to Accrued Time Comparison
Proof of Debt Form
BDO LLP Policy in Respect of Fees and Disbursements
Statement of Creditors' Rights in respect of Fees and Disbursements

**Statement
of Affairs**

From 29/01/2020
To 28/07/2020
£

From 29/01/2020
To 28/07/2020
£

NIL

NIL

NIL

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

MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
1.06	344.06									1.06	344.06
6.81	2,462.37									7.78	4,271.22
7.87	2,806.43									7.06	2,599.62
										15.90	7,214.90
0.07	22.61									0.07	22.61
1.00	270.20	4.70	789.70			4.82	376.54			10.52	1,436.44
0.20	49.40	16.30	3,375.05			8.40	596.40			24.90	4,020.85
0.10	19.20	0.50	109.00							1.59	671.71
0.20	64.60									0.20	64.60
1.57	426.01	21.50	4,273.75			13.22	972.94			37.28	6,216.21
2.80	955.70	0.60	130.80							0.40	219.60
										3.30	1,230.20
										2.35	1,658.55

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

MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
	£		£		£		£		£		£
2.80	955.70	0.60	130.80							6.05	3,108.35
1.15	278.30	0.25	54.50							1.40	332.80
		0.20	43.60							0.20	43.60
		0.05	10.90							0.05	10.90
9.60	2,918.90	0.35	76.30							20.90	9,006.75
8.00	2,201.80									8.45	2,448.85
0.50	148.60	0.25	54.50	0.35	15.40					1.80	602.80
		0.20	43.60							0.20	43.60
1.70	458.60	0.95	128.80							2.65	587.40
										2.00	1,746.00
7.30	3,956.60									8.80	5,266.10
3.15	1,542.55	0.60	122.10	2.50	515.00	14.65	1,118.70			25.10	6,252.15
		0.15	32.70							0.15	32.70

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

MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
31.40	11,505.35	3.00	567.00	2.85	530.40	14.65	1,118.70			71.70	26,373.65
3.00	828.00									3.00	828.00
0.40	152.00			2.80	576.80	9.25	1,873.50			14.05	3,480.70
0.25	135.50									0.25	135.50
3.65	1,115.50			2.80	576.80	9.25	1,873.50			17.30	4,444.20
		1.00	218.00							1.00	218.00
1.25	302.50					9.75	1,160.25			9.75	1,160.25
										1.25	302.50
1.25	302.50	1.00	218.00			9.75	1,160.25			12.00	1,680.75
2.70	1,026.00	0.25	54.50							2.95	1,080.50
2.70	1,026.00	0.25	54.50							2.95	1,080.50
1.40	532.00									1.40	532.00

the Period From 11/01/2020 to 28/07/2020

MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
0.50	123.50			6.80	1,400.80					14.40	5,422.20
0.90	217.80									0.90	217.80
2.80	873.30			6.80	1,400.80					16.70	6,172.00
42.00	13,613.70	1.80	235.80			15.25	1,692.25			63.05	17,737.75
1.20	354.70									0.30	164.70
43.20	13,968.40	1.80	235.80			15.25	1,692.25			9.00	5,332.90
										72.35	23,235.35

Net Total

79,525.91

Secretarial Expense

0.00

Other Disbursements

0.00

Billed

0.00

Grand Total

79,525.91



NMHL Realisations Limited - In Administration

Fees Estimate to Accrued Time Comparison

The Joint Administrators provided a Fees Estimate totalling £66,439.69 in the Proposals, excluding the costs incurred by the BDO LLP Forensics Services team. Approval for this Fees Estimate was not sought and accordingly, the basis of the Joint Administrators' remuneration has not been agreed. In the circumstances, please see below an updated Fees Estimate annotated with a column showing the time costs accrued in respect of each activity.

Fees Estimate compared to actual time as at 28 July 2020				
Joint Administrators' Fees	Total	Blended	Estimated	Accrued
	Hours	Rate £	Fee	Fee
			£	£
Summary Activity				
A. Pre Appointment Matters	15.90	453.77	7,214.90	7,214.90
Total			7,214.90	7,214.90
B. Steps on Appointment	37.28	166.74	6,216.21	6,216.21
C. Planning and Strategy	18.05	392.24	7,079.85	3,108.35
D1. General Administration	115.70	346.17	40,052.15	26,373.65
D2. Forensic Services	454.34	312.00	141,754.00	79,000.00
E. Assets Realisation/Dealing	39.30	322.79	12,685.70	4,444.20
F. Trading Related Matters	12.00	140.06	1,680.75	1,680.75
G. Employee Matters	2.95	366.27	1,080.50	1,080.50
H. Creditor Claims	44.70	344.09	15,381.00	6,172.00
I. Reporting	117.35	304.02	35,676.35	23,235.35
J. Distribution and Closure	29.00	254.54	7,381.75	0.00
Total			268,988.26	151,311.01
Expenses Estimate				
Officeholder CAT 1 Disbursements			1,000.00	88.00
Officeholder CAT 2 Disbursements			0.00	0.00
Other Expenses				
Agents Costs			5,110.00	
Solicitors Costs			37,497.00	

The table above is our estimate of the Joint Administrators' fees on a time costs basis for this appointment and the anticipated expenses. This estimate and the expenses are prepared on the basis of the information available to us at the date of this estimate. Assuming that there are no major unanticipated factors, we would expect that our fees may be lower than the estimate. In the



following pages, we provide a summary of the work we believe is necessary. Where applicable, all fees and disbursements will be subject to VAT at the prevailing rate.

In any work of this nature we may have recourse to engage specialists to assist us, for example in ensuring that we obtain best value for the estate assets and also to protect the legal interests of the estate including where necessary taking action to recover sums due to the estate. The specialists we engage will invoice us and that will be an expense of the estate. Such expenses are not subject to creditor approval but nevertheless have an effect on the funds available for creditors in the estate.

1. Joint Administrators' Fees

Fees (remuneration) may be sought on four different bases and a guide for creditors is attached. The four bases are, a time costs basis; a percentage of the assets realised; fixed amount; or a combination of the first three bases. In this insolvency case we are seeking post-appointment fees on a time cost basis and have estimated a fee of £127,234, assuming it lasts for a period of 12 months. This excludes details of any time costs which may be incurred should the Administration be extended beyond 12 months or and subsequent formal insolvency proceeding such as Liquidation.

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

GRADE	£
Partner / Director	549-665
Manager	242-380
Assistant Manager	218
Senior Administrator	206
Administrator	119-185
Other Staff	73-77

These rates are confirmed in an attached document which sets out my firm's policy on time costs and expenses. Our firm's hourly time costs rates are normally reviewed on a regular basis and adjusted to take account of inflation and the firm's overheads. We have estimated the time we will spend in respect of the following areas of work in this matter. Below we provide the primary work that will be undertaken by us.

A Pre-Appointment

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

B Steps upon Appointment

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

C Planning and Strategy

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



D1 General Administration

Reviewing and regularising affairs regarding Insurance, VAT, and Taxation, undertaking investigation regarding the conduct of the directors and reporting thereon*, investigations into the affairs and transactions of the entity. The work contemplated does not at this time include forensic examination of records and transactions. It will also include recovery and storage of entities books and records, and engaging and liaising with solicitors. Day to day management of the company's assets will include managing accounting and investment of realisations, suitable banking investment and preparing reports on receipts & Payments, ensuring appropriate approval of all costs including approval of remuneration and matching costs of specialists against their expense estimates, dealing with statutory*, regulatory* and licensing matters, managing formal contractual matters regarding the entity, including equipment hire and property leases, and licences, dealing with Press enquiries and PR matters and managing general administrative matters*, basic enquiries* and meetings*. The majority of this work requires a range of insolvency knowledge and experience, balanced with good accounting and administrative skills and is delegated largely to executives with suitable levels of experience, supervised by directors or managers. Issues marked with an asterisk (*) will not contribute to the financial outcome for the creditors but are statutory or regulatory duties imposed on the office holder.

D2 Forensic Services Investigations Time Costs

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

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

The time incurred by Forensic Services to date totals of £79,000 which represents 254 hours at an average charge out rate of £312. Due to the nature of this work, we are currently unable to accurately determine the level of future costs likely to be incurred. However, in order to complete the existing work streams we estimate future costs totalling £62,754. This would result in total fees relating to Forensic Services time of £141,754.

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

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

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

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

E Asset Realisation/Management

The only currently known Company asset is its investments in NMUL, Donington Hall and Racing. Should any additional assets come to light during the course of our investigations, these will be identified and a strategy evaluated on realising assets and reconciling recoveries. This may involve asset tracing of assets revealed through investigation or third party information, engaging and liaising with agents, agreeing strategies and monitoring implementation, preparation, review and approval of sales material, information memorandum, dealing with any property, buildings and land, including securing the same, dealing with intangible assets including intellectual property and consulting/liasing with and engaging specialist agents and solicitors and monitoring the same. This area of work requires a greater level of commercial experience and insolvency knowledge, than the general administration category of work, together decision making skills. The work is led at director or senior manager level supported by executives with suitable competencies and almost equal numbers of hours are spent by the two groups. My managers liaise with me as the partner and escalate key decisions to me.

F Trading Related Matters

The Company is a non-trading holding company and therefore minimal time is anticipated to be spent in this category.

G Employee Matters

The Company has no employees and therefore minimal time is anticipated to be spent in this category. This will include statutory searches regarding any company pension schemes.

H Creditor Claims

Receiving and recording all creditor claims and where a dividend is likely, identifying whether additional supporting evidence is necessary from the creditor, reviewing the validity of all claims submitted by creditors alleging they have security rights which would afford them a higher priority when funds are distributed, considering and checking and recording all preferential claims, considering and checking and recording all unsecured creditor claims and identifying any claims which might be categorised as deferred claims. It may be necessary to take legal advice where a creditor maintains a secured claim which is not supported by unequivocal evidence or where an unsecured claim is made which is significantly in excess of any value recorded by the insolvent entity and the claim is inadequately evidenced. No provision has been made for dealing with any creditor's claims where the matter is referred to Court. To estimate costs in respect of administering creditor claims we consider the volume and nature of known creditors and the nature of the insolvent entities business. This category also includes time spent liaising with Dalriada.

I Reporting

Preparing periodic progress reports to creditors regarding the progress achieved, including preparation of Receipts & Payments Accounts, a suitable analysis of time costs accrued and a review of actual costs and accrued costs as against this fees and expense estimate. At the time this estimate was prepared no information was available regarding whether creditors were going to appoint a committee, if a committee is appointed there will be additional reports, which have not currently been budgeted for. The Director or Senior Manager is responsible for leading the reporting and delegating the production of the accounts, fee analysis and comparison with estimates to suitably experienced executives. The ratio of time spent on reporting is generally that executive hours are twice as many as those of the Director or Senior Manager. Much of the basic accounting and analysis is conducted by various grades of Executives. In estimating costs in respect of reporting we have formed a view of the duration of the insolvency and estimated how many reports will be required. These activities do not contribute to the financial outcome for creditors - they are statutory duties imposed by the relevant legislation. However they do contribute to the creditors' understanding of the work being undertaken on their behalf.

Giving notice to relevant creditors to prove their claims, adjudicating upon the claims issuing formal rejection of any relevant claims, dealing with any appeal to court concerning a rejected claim (*), establishing the distributable funds in the estate, calculating the dividend, issuing payment with suitable notification to creditors, reconciling payments and accounting for unclaimed dividends. (*) no provision is made for additional time costs for dealing with an appeal concerning a rejected cost because the likelihood of such an eventuality is small, although the costs could be significant). It also includes preparing a final report to creditors together with a Receipts & Payments Accounts, analysis of time costs accrued and a review of actual costs compared to the fee and expense estimate, completing all administrative arrangements including storage of any records for statutory periods and filing final statutory documentation. The work is supervised by directors and Senior Managers and final decisions and release of funds is authorised by the partner. The majority of these activities do not contribute to the financial outcome for the creditors (although the matters relating to payment of dividends will do so). The formalities of bringing an insolvency to a close are statutory requirements.

Expense Estimate

2.1 Category 1 Disbursements

Our estimate in respect of this heading covers expenses where the officeholders firm has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents, storage of original records of the insolvent estate. In each case the recharge will be reimbursement of a specific expense incurred.

2.2 Category 2 Disbursements

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

2.3 Forensic Services Disbursements

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

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

No such costs are currently anticipated in this case.

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



2.4 Agents' costs

Solicitors' name	Description of role	Estimated costs exc. VAT (£)
Cedar Business Solutions Limited	Assistance to a director of the Company in the preparation of the statement of affairs.	5,110

2.5 Solicitors' costs

Solicitors' name	Description of role	Estimated costs exc. VAT (£)
Eversheds Sutherland	Joint Administrators appointment and ongoing advice, property sale.	35,710
Harrison Clark Rickerbys	Validation of appointment and security	1,787

BDO LLP
25 August 2020



NMHL Realisations Limited - In Administration

In accordance with best practice I provide below details of the 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, is as follows:

GRADE	£
Partner / Director	549-665
Manager	242-380
Assistant Manager	218
Senior Administrator	206
Administrator	119-185
Other Staff	73-77

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

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

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

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.



1) Other Costs

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

2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

3) Category 2

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate. However, please note that the Company is not VAT registered and as such, this element of any costs drawn cannot be recovered for the benefit of the administration estate.

BDO LLP
25 August 2020

Proof of Debt/Claim Form
NMHL Realisations Limited (formerly Norton Motorcycle Holdings Limited) - In Administration
Company No: 07031947

Debt as at the date of the appointment of Administrators: 29 January 2020

1	Name of creditor (If a company please also give company registration number and where registered).	
2	Address of creditor including email address for correspondence.	
3	Total amount of claim, including any Value Added Tax at the above date.	
4	If amount in 3 above includes outstanding un-capitalised interest please state amount.	£
5	Particulars of how and when debt incurred. (If you need more space append a continuation sheet to this form).	
6	Particulars of any security held, the value of the security, and the date it was given.	
7	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
8	Provide details of any documents by reference to which the debt can be substantiated. (Note: There is no need to attach them now but the Joint Administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convener of any meeting).	
9	Signature of creditor or person authorised to act on his behalf	Dated
<hr/>		<hr/>
Name in BLOCK LETTERS		
<hr/>		
Position with or in relation to creditor		
<hr/>		
Address of person signing (if different from 2 above)		
<hr/>		

Deliver to the Joint Administrator, Lee Causer, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH.

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

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

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

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
- (d) any unsecured creditor with the permission of the court; or
- (e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—

- (a) providing all of the information requested;
- (b) providing some of the information requested; or
- (c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

- (a) the office-holder giving reasons for not providing all of the information requested; or
- (b) the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).

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

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

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—

- (a) a secured creditor,
- (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
- (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

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

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

(2) Where the court has given permission, it must fix a venue for the application to be heard.

(3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
- (b) an order reducing any fixed rate or amount;
- (c) an order changing the basis of remuneration;
- (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
- (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
- (f) any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

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

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

(2) Unless the application is dismissed, the court must fix a venue for it to be heard.

(3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.



(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
- (b) an order reducing any fixed rate or amount;
- (c) an order changing the basis of remuneration;
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;
- (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
- (f) any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.