



**Parkridge Gate Developments Limited – in  
Administration**

**High Court of Justice, Chancery Division,  
Companies Court**

**Case No. 7490 of 2011**

**Joint Administrators' progress report for the  
period from 24 August 2011 to 23 February 2012,  
and to 18 March 2012**

**22 March 2012**

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## Abbreviations used in this report

"the Company"	Parkridge Gate Developments Limited
"the Administrators"	David Matthew Hammond and Robert Jonathan Hunt
"PHL"	Parkridge Holdings Limited
"Sch. B1 IA86"	Schedule B1 of the Insolvency Act 1986
"IR86"	The Insolvency Rules 1986
"IA86"	The Insolvency Act 1986
"PwC"	PricewaterhouseCoopers LLP

# **1. Joint Administrators' progress report for the period from 24 August 2011 to 23 February 2012, and to 18 March 2012**

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## **Introduction**

In accordance with Rule 2.47 and Rule 2.110 IR86, the Administrators write to provide creditors with details of the progress of the Administration of the Company in the six months since the Administrators' appointment on 24 August 2011, and to the date the Administrators will apply to move the Company to Creditors Voluntary Liquidation ("Liquidation").

The Administrators are required to provide certain statutory information pursuant to Rule 2.47(1)(a) to (d) IR86, which is included in Section 2. The Administrators are also required to provide a summary of their proposals, which is shown at section 3.

In this report, the Administrators have provided creditors with an estimate of the likely dividend which may be payable in due course. However there are material uncertainties regarding future net realisations and the final level of creditor claims. These matters are discussed below.

## **Background information and initial actions taken by the Administrators**

As at the date of the Administrators' appointment on 24 August 2011, the position as regards the Company was as follows: -

- The Company was established in 1998 and was a subsidiary of PHL. PHL is the parent company of a large multinational group of companies ("the Group") which develop industrial warehousing, business centres, retail warehousing, shopping centres and residential developments in the UK and Europe.
- The Administrators' appointment arose as a consequence of the Group being unable to complete a range of transactions, mainly in Poland, before a series of winding up petitions were presented and significant creditor pressure led to the decision for the appointment of administrators.

Following an initial review, the Administrators concluded that the most appropriate strategy was to identify assets in Group companies which would provide the greatest opportunity to recover value into the PHL via intercompany balances. These funds may then flow to the Company via a distribution to PHL's unsecured creditors.

Immediately following their appointment, the Administrators took steps to protect and preserve the Company's assets. These assets comprised: -

- Office equipment, fixtures and fittings;
- Anticipated dividend payments in respect of claims against PHL.

## **Objective of the Administration**

It was not practicable to rescue the Company as a going concern or 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). Therefore, the statutory purpose being pursued in relation to the Company is objective (c) realising property in order to make a distribution to one or more secured or preferential creditors.

The Administrators believe that the statutory purpose will be achieved by virtue of the Administrators strategy to preserve value in the Group's assets with funds being returned to PHL and the Company through intercompany balances and shareholdings via a dividend distribution from PHL.

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## **Realisation of other assets**

### **Office equipment, fixtures and fittings**

An auction sale of the majority of these assets resulted in £40,000 being received by the Administrators' agents, Edward Symmons LLP ("Symmons"). The remaining assets are estimated to be worth £10,000 and will be sold in a forthcoming auction. At present, the sale proceeds are held by Symmons.

### **Dividends**

The Administrators of PHL are continuing to work with various parties on maximising recoveries to the Group. On current information, it is estimated that a dividend of up to £290,000 may be received in the Liquidation but it is not yet clear when these funds will be received.

## **Other issues**

### **CDDA**

The Administrators have a duty to review the conduct of everyone who has acted as a director of the Company in the three years prior to the Administration and report to the Department for Business, Innovation and Skills on their findings. The Administrators can confirm that this requirement has been completed; however, for confidentiality reasons the content cannot be disclosed.

### **VAT/Tax matters**

During the Administration, the Company continued to be registered for VAT and quarterly returns have been prepared and submitted to HMRC since the date of appointment. Corporation tax returns are also being prepared for submission to HMRC once the current tax period ends upon the move to Liquidation.

## **Approval of the Administrators' proposals**

On 13 October 2011 the Administrators circulated to creditors their proposals for achieving the purpose of administration.

The proposals were approved by creditors with modifications at a meeting held by correspondence.

## **Receipts and payments account**

An account of the receipts and payments in the Administration for the period from 24 August 2011 to 23 February 2012, and to 18 March 2012, is set out in Section 4.

## **Expenses statement**

A statement of the expenses incurred by the Administrators in the period 24 August 2012 to 23 February 2012, and to 18 March 2012, is included at Section 5.

The statement excludes any potential tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend on the position at the end of the tax accounting period.

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## **Administrators' remuneration**

The Administrators' remuneration has been approved on a time cost basis by the general body of creditors in accordance with the resolutions passed at the meeting by correspondence. As at 18 March 2012, the Administrators have drawn no remuneration. Any such fees will be paid by the subsequently appointed liquidators during the Liquidation.

The time cost charges incurred in the periods covered by this report are £69,570.85. This amount does not necessarily reflect the amount that will be paid as remuneration to the Administrators for this period by the subsequently appointed liquidators. In accordance with the requirements of Statement of Insolvency Practice 9, a full analysis of the Administrators' time costs and Category 2 disbursements for the period 24 August 2011 to 23 February 2012, and to 18 March 2012, is provided in Section 6.

## **Creditors' rights**

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Section 7.

## **Pre-Administration costs**

As stated in the proposals, the Administrators are not seeking to recover any pre-Administration costs from the Company.

## **Outcome for creditors**

### **Secured Creditor**

The Company has no secured creditor.

### **Preferential Creditors**

The Administrators envisage that the preferential creditors totalling £33,000 will be paid in full. The timing of this will depend on the timing of the inter-company distribution but it will most likely be paid in due course by the subsequently appointed liquidators.

### **Unsecured Creditors**

On current information, it is anticipated that a dividend will be available to the unsecured creditors and this is estimated to be up to 10p in the £. The Administrators are unable to provide a more accurate estimate of the likely timing of this dividend as this primarily depends on the level of recovery within PHL and the final level of unsecured claims both within PHL and the Company.

Creditors who have not yet submitted their claim, or evidence in support of their claim, are invited to do so forthwith.

## **Exit route from Administration**

According to a modification to the proposals, the Administrators are required to exit from Administration and place the Company into Liquidation no later than 1 April 2012.

The objective of the Administration was to make a distribution to preferential creditors and the Administrators believe that a distribution to preferential creditors and unsecured creditors will be made in the Liquidation once the inter-company dividend is received.

# **1. Joint Administrators' progress report for the period from 24 August 2011 to 23 February 2012, and to 18 March 2012**

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In accordance with the Administrators' proposals and Paragraph 83(1)Sch. B1 IA86, the Administration will end upon the registration of Form 2.34B and this final progress report by the Registrar of Companies. The Company will be placed into Liquidation and Robert Jonathan Hunt and David Matthew Hammond will be appointed joint liquidators.

The balance of funds shown on the attached receipts and payments account will be passed to the liquidators following their appointment. Any VAT payable or receivable will be dealt with by the liquidators.

## **Discharge**

In accordance with Paragraph 98(1) of Sch. B1 IA86, the Administrators have made an application to Court to obtain discharge from liability in respect of any action of theirs as Administrators. This application is scheduled to be heard by the Court on 12 June 2012.



Rob Hunt  
Joint administrator

*Robert Jonathan Hunt and David Matthew Hammond have been appointed as joint administrators of the Company to manage its affairs, business and property as its agents, without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

## 2. Statutory and other information

<b>Court details for the Administration:</b>	High Court of Justice, Chancery Division, Companies Court Case no. 7490 of 2011
<b>Full name:</b>	Parkridge Gate Developments Limited
<b>Trading name:</b>	Parkridge Gate Developments Limited
<b>Registered number:</b>	03561277
<b>Registered address:</b>	Benson House, 33 Wellington Street, Leeds, LS1 4JP
<b>Company directors:</b>	John Charles Cutts, Philip Thomas O'Callaghan, David Brian Clements, Linda Karen Hanks
<b>Company secretary:</b>	Corin Robert Winfield
<b>Shareholdings held by the directors and secretary:</b>	Not applicable
<b>Date of the Administration appointment:</b>	24 August 2011
<b>Administrators' names and addresses:</b>	Robert Jonathan Hunt and David Matthew Hammond, PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT
<b>Appointor's / applicant's name and address:</b>	By order of the court upon the application of John Cutts, 22-23 Old Burlington Street, London, W1S 2JJ
<b>Objective being pursued by the Administrators:</b>	c) Realising property in order to make a distribution to one or more secured or preferential creditors.
<b>Division of the Administrators' responsibilities:</b>	In relation to paragraph 100(2) Sch.B1 IA86, during the period for which the Administration is in force, the Administrators acknowledge that their powers and liabilities in respect of the appointment are joint and several.
<b>Proposed end of the Administration:</b>	Creditors voluntary liquidation
<b>Estimated dividend for unsecured creditors:</b>	Up to 10p in £
<b>Estimated values of the prescribed part and the company's net property:</b>	Not applicable
<b>Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:</b>	Not applicable
<b>The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):</b>	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings.
<b>Any other information which the Administrators think necessary to enable creditors to decide whether or not to vote for adoption of the proposals:</b>	Not applicable

### 3. Summary of Administrator' proposals

#### Proposals for achieving the purpose of the Administration

The Administrators make the following proposals for achieving the purpose of administration.

- i) The Administrators will continue to manage and finance the Company's business, affairs and property from asset realisations in such manner as they consider expedient with a view to realising property in order to make a distribution to one or more secured or preferential creditors.
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company's may have under the Companies Act 2006 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals.
- iii) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator or the Administrators and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration.
- iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch.B1 IA86.
- v) If the Administrators believe that it is considered advantageous to extend the Administration beyond the statutory period of one year, the Administrators shall either apply to Court or seek the consent of the appropriate classes of creditors for an extension.
- vi) As there is significant uncertainty over whether there will be sufficient funds to enable a distribution to unsecured non-preferential creditors of the Company, the Administrators do not propose to form a creditors committee.
- vii) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances: -
  - (a) If it transpires that there are insufficient funds with which to make a distribution to unsecured non-preferential creditors, once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later.
  - (b) If sufficient funds become available to make a distribution to unsecured non-preferential creditors, once asset disposals are complete, the Administrators will place the Company into creditors' voluntary liquidation. In these circumstances, it is proposed that David Matthew Hammond and Robert Jonathan Hunt be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7) Sch.B1 IA86 and Rule 2.117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the proposals are approved; or
  - (c) Once asset disposals are complete, the Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch.B1 IA86, following registration of which the Company will be dissolved three months later. If permission is not granted the Administrators will place the Company into creditors' voluntary liquidation or otherwise act in accordance with any order of the court.



### **3. Summary of Administrator' proposals**

- viii) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 in respect of any action of theirs as Administrators of the Company at a time determined by the Court.
- ix) It is proposed that the unpaid pre-Administration costs detailed at Appendix A are approved for payment as expenses of the Administration.
- x) It is proposed that the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No.9) be charged in accordance with the Administrators' firm's policy as set out in Appendix D. It will be for the creditors' committee to fix the basis and level of the Administrators' fees and Category 2 disbursements but if no committee is appointed, it will be for the general body of creditors to determine these instead. In any event, the basis of the Administrators' remuneration and Category 2 disbursements are to be fixed no later than 18 months after the date of the Administrators' appointment.

Creditors are asked to vote upon the following matters: -

- The approval of the Administrators' proposals for achieving the purpose of administration
- The basis and level of the Administrators' fees and Category 2 disbursements

#### **Modifications to the proposals**

That the Administrators exit from Administration into CVL as soon as is practical but in any event no later than 1<sup>st</sup> April 2012.

That the Administrators take on the role of Liquidators with the intention of carrying out a full forensic investigation into the Company's affairs.

That the Liquidators consider making claims against the Directors on the basis of their findings in due course.

## 4. Receipts and payments account for the period from 24 August 2011 to 23 February 2012, and to 18 March 2012

Parkridge Gate Developments Limited (in administration)				
Administrators' receipts and payments account from 24 August 2011 to 18 March 2012				
	24 August 2011 to 23 February 2012	24 February 2012 to 18 March 2012	Total	Directors' statement of affairs (£)
<b>FIXED CHARGE REALISATIONS</b>				
None	-	-	-	-
	-	-	-	-
<b>FIXED CHARGE COSTS OF REALISATIONS/PAYMENTS</b>				
None	-	-	-	-
	-	-	-	-
<b>BALANCE OF FIXED CHARGE FUNDS</b>	-	-	-	-
<b>FLOATING CHARGE REALISATIONS</b>				
Interest received	0.01	0.02	0.03	-
VAT (post appointment)	29.45	-	29.45	-
	29.46	0.02	29.48	-
<b>Payments</b>				
None	-	-	-	-
	-	-	-	-
<b>PREFERENTIAL CREDITORS</b>				
Employees arrears of wages and holiday pay	-	-	-	-
<b>BALANCE OF FLOATING CHARGE FUNDS</b>	29.46	0.02	29.48	-
<b>Balance held in a high interest account</b>	29.46	0.02	29.48	

## 5. Statement of expenses incurred from 24 August 2011 to 23 February 2012, and to 18 March 2012

	Paid to 23 February 2012	Paid to 18 March 2012	Incurred but not paid to 18 March 2012
<b>Expenses incurred by the Administrators</b>	<b>£</b>	<b>£</b>	<b>£</b>
Office holders' fees	Nil	Nil	66,844.40
Office holders' disbursements (travel/photocopying/postage etc)	Nil	Nil	692.82
Payments made by PHL	Nil	Nil	168.62
Agents fees	Nil	Nil	Nil
Legal fees	Nil	Nil	1,791.30

## 6. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 24 August 2011 to 23 February 2012, and to 18 March 2012

### Narrative of work carried out for the period 24 August 2011 to 23 February 2012, and to 18 March 2012

The key areas of work have been: -

- Strategy and planning issues
- Statutory and other compliance
- Dealing with employees
- Investigations

### Charge-out rate summary for the period 24 August 2011 to 23 February 2012

Classification of work	Partner / Director (Hrs)	Senior Manager / Manager (Hrs)	Executive (Hrs)	Analyst / Support (Hrs)	Total hours (Hrs)	Time cost (£)	Average hourly rate (£/hr)
Strategy and planning	9.3	20.8	-	-	30.0	11,527.65	384
Accounting and treasury	-	0.2	2.3	2.8	5.3	962.80	183
Statutory and other compliance	0.5	55.9	61.0	5.7	123.0	28,077.10	228
Freehold/leasehold property	-	-	-	-	-	-	-
Other assets	2.3	5.2	0.8	-	8.3	2,885.20	348
Trading	-	-	-	-	-	-	-
Employees / pensions	-	1.4	22.0	7.5	30.8	6,310.65	205
Tax/VAT	-	1.2	9.9	-	11.0	2,512.20	228
Creditors	-	8.9	1.1	12.3	22.3	4,589.60	206
Reporting	-	-	-	-	-	-	-
Investigations	-	3.6	18.5	-	22.1	4,230.60	191
Closure/exit routes	-	-	0.8	-	0.8	134.40	168
Sale of business	2.1	-	-	-	2.1	1,092.00	520
Site clearance	-	-	-	3.5	3.5	504.00	144
<b>Total to 23 February 2012</b>	<b>14.2</b>	<b>97.0</b>	<b>116.3</b>	<b>31.7</b>	<b>259.1</b>	<b>62,826.20</b>	<b>242</b>

## 6. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 24 August 2011 to 23 February 2012, and to 18 March 2012

### Charge-out rate summary for the period 24 February 2012 to 18 March 2012

#### Summary of time charged to 18 March 2012

Classification of work	Partner / Director (Hrs)	Senior Manager / Manager (Hrs)	Executive (Hrs)	Analyst / Support (Hrs)	Total hours (Hrs)	Time cost (£)	Average hourly rate (£/hr)
Strategy and planning	-	0.1	-	-	0.1	19.15	383
Accounting and treasury	-	0.2	-	1.0	1.2	210.20	175
Statutory and other compliance	-	2.1	20.2	-	22.3	4,021.50	180
Freehold/leasehold property	-	-	-	-	-	-	-
Other assets	-	5.0	-	-	5.0	1,495.00	299
Trading	-	-	-	-	-	-	-
Employees / pensions	-	-	-	-	-	-	-
Tax/VAT	-	0.7	1.6	1.8	4.1	945.70	234
Creditors	-	-	-	-	-	-	-
Reporting	-	-	-	-	-	-	-
Investigations	-	0.3	0.5	-	0.8	173.70	217
Closure/exit routes	-	-	0.8	-	-	-	-
Sale of business	8.9	-	-	-	-	-	-
Site clearance	-	-	-	-	-	-	-
<b>Total to 23 February 2012</b>	<b>8.9</b>	<b>8.4</b>	<b>23.1</b>	<b>2.8</b>	<b>33.4</b>	<b>6,865.25</b>	<b>206</b>

Current charge out rates	Supervisors' staff	Specialist (max)	
<b>Grade</b>	<b>£/hr</b>	<b>£/hr</b>	
Partner	730	840	The time charged to the administration is by reference to the time properly given by the Administrator's and their staff in attending to matters arising. It is the Administrator's policy to delegate tasks in the arrangement to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Administrator's themselves.
Director	436	793	
Senior manager	383	541	Set out here are the relevant charge-out rates per hour worked for the grades of the Administrator's staff actually or likely to be involved on this assignment. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs. In common with all professional firms, the scale rates used by the Administrator's may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. Any material amendments to these rates will be advised to the creditors and / or the creditors' committee in the next statutory report. Specialist departments within PricewaterhouseCoopers LLP, such as Tax, VAT and Pensions, do sometimes charge a small number of hours, should we require their expert advice. Their rates do vary, however, the figures shown give an indication of the maximum rate per hour.
Manager	299	357	
Executive (qual)	226	268	
Executive (unqual)	168	268	
Analyst	142	221	
Support Staff	76	-	

## 6. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 24 August 2011 to 23 February 2012, and to 18 March 2012

### Disbursements for services provided by the Administrators' own firm(s) (Category 2 disbursements)

The Administrators' firm's expenses policy allows for all properly incurred expenses to be recharged to the case. Disbursements are charged to the assignment as follows: -

<b>Policy</b>	<b>Costs to date £</b>
Photocopying is charged at 5 pence per sheet for creditors and bulk copying.	243.71
Mileage - At a maximum of 64pence per mile (up to 2,000cc) or 81 pence per mile (over 2,000cc).	164.67
All other disbursements are charged at cost	284.44
<b>Total to 18 March 2012</b>	<b>692.82</b>

The Administrators' have incurred disbursements of £692.82 in the periods to 18 March 2012. This balance will be drawn in the liquidation.

### Summary of legal and other professional firms instructed in the period 24 August 2011 to 23 February 2012, and to 18 March 2012

<b>Service provided</b>	<b>Name of firm / organisation</b>	<b>Reason selected</b>	<b>Basis of fees</b>
Legal advice	Wragge & Co	Expertise	Timecosts
Chattel agents and valuers	Edward Symmons LLP	Local knowledge and expertise	% of realisations

## 7. Statement of creditors' rights

The IR86 provide for creditors to request further information and challenge the Administrators' remuneration and expenses. The relevant provisions are as follows: -

### **Rule 2.48A Creditors' request for further information**

(1) If—

- (a) within 21 days of receipt of a progress report under Rule 2.47—
  - (i) a secured creditor, or
  - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2).

(2) The administrator complies with this paragraph by either—

- (a) providing all of the information asked for, or
- (b) so far as the administrator considers that—
  - (i) the time or cost of preparation of the information would be excessive, or
  - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
  - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information.

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just.

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just.”.

### **Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive**

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

(1A) Application may be made on the grounds that—

- (a) the remuneration charged by the administrator,
- (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
- (c) expenses incurred by the administrator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.

## **7. Statement of creditors' rights**

(1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business]days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.

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

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

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

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

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