

Administrator's progress report**2.24B**

Name of Company Keydata Investment Services Limited	Company Number 03714989
In the High Court of Justice, Chancery Division, Companies Court <small>(full name of court)</small>	Court case number 14997 of 2009

We, Dan Yoram Schwarzmann and Mark Charles Batten of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT, Administrators of the above company, attach a progress report for the period

from

8 December 2012

to

7 June 2013

Signed



Joint Administrator

Dated 5 July 2013



**Keydata Investment Services Limited – in Administration
High Court of Justice, Chancery Division, Companies Court
Case No. 14997 of 2009**

**Joint Administrators' progress report for the period from 8 December 2012
to 7 June 2013**

5 July 2013

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1. Joint Administrators' progress report for the period from 8 December 2012 to 7 June 2013

Introduction

In accordance with Rule 2.47 of the Insolvency Rules 1986 ("IR86"), the Joint Administrators ("the Administrators") write to provide creditors with details of the progress of the Administration of Keydata Investment Services Limited ("the Company" or "Keydata") since the Administrators' previous report dated 4 January 2013.

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.

A copy of this report is available for interested stakeholders on our dedicated website www.pwc.co.uk/KIS. We encourage creditors to review this website on a regular basis to obtain future updates.

There are insufficient funds available to allow for a dividend to preferential or unsecured creditors, and accordingly the Administrators will shortly seek to leave office.

Receipts and payments account

An account of the receipts and payments in the Administration for the period from 8 December 2012 to 7 June 2013 is set out in Section 3.

Expenses statement

A statement of the expenses incurred by the Administrators in the period 8 December 2012 to 7 June 2013 is included at Section 4.

The statement excludes any potential tax liabilities that may be payable as an expense of the Administration.

Administrators' remuneration

The Administrators' remuneration has been approved on a time costs basis by the Committee of Creditors. To 7 June 2013, the Administrators have drawn remuneration of £2,074,477. In addition, remuneration totalling £796,587 (plus VAT) has been paid from third party funding provided by certain banks and has been disclosed to your Committee.

The time cost charges incurred in the period covered by this report are £114,378.30. The Administrators do not expect to be able to draw any remuneration in relation to these costs due to a lack of available funds in the estate.

Consequently, the time costs incurred by the Administrators do not necessarily reflect the amount that will be or has been drawn, subject to valid fee approvals having been obtained, as remuneration by the Administrators during the course of the Administration. We have not drawn our full fees due to a lack of funds.

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 8 December 2012 to 7 June 2013 is provided in Section 5.

Creditors of the Company

We consider any individual or company who has received notice that this report is available, to be a potential creditor of the Company. This includes former employees who are owed monies by the Company and trade creditors.

Investors in products administered by the Company are only creditors if they have suffered a loss caused by the Company. We consider the following categories of investors may be creditors:

- investors with SLS Capital S.A. (in Liquidation) ("SLS") backed products described as Secure Income Bond 1, 2 or 3;

1. Joint Administrators' progress report for the period from 8 December 2012 to 7 June 2013

- investors with Hometrak S.A. ("Hometrak") backed products described as Income Property Bonds; and
- investors with Lifemark S.A. (in Liquidation) ("Lifemark") backed products described as Secure Income Plan, Income Plan, Defined Income Plan or Secure Income Bond 4.

Any investor who has received compensation from the Financial Services Compensation Scheme ("FSCS") or ex gratia payments from Norwich & Peterborough Building Society (now Yorkshire Building Society) ("N&P") is likely to have assigned their entitlement to rank as a creditor of the Company to that entity.

Accordingly, we have not given notice of this report to any creditor identified as having received compensation from the FSCS or an ex gratia payment from N&P.

Website updates

We continue to update our website www.pwc.co.uk/KIS on a regular basis with news and information for creditors and other interested stakeholders.

Creditors' rights

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Section 6.

Objective of the Administration

The statutory objective of the Administration is 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.

Keydata Investment Products Nominees Limited ("KIPN")

Dan Schwarzmann and Mark Batten were appointed liquidators of this Company on 15 April 2013 with a view to facilitating payments on behalf of

SMP Trustees Limited to Lifemark Bondholders. A first interim distribution has now been paid to relevant Bondholders of 7.125%.

Outcome for creditors

It is now clear that while the liquidation of KIPN is providing some return to creditors with claims based upon Lifemark backed investments, no funds will be available in the administration of Keydata Investment Services Limited to allow for a dividend to preferential or the general body of unsecured creditors.

At the last meeting of your Creditors Committee, it was accepted by the Committee that the Administrators may begin to take steps to conclude the Administration for commercial reasons and because there may be a statutory imperative to do so.

Accordingly, in the circumstances the Administrators consider that they are now obliged to seek to exit the administration per the provisions of paragraph 79 of Schedule B1 of the Insolvency Act 1986.

Further to a consideration of the exit routes available, in order to preserve certain potential legal claims that may be brought by the FSCS with a view to making recoveries into KIS, the Joint Administrators intend to make an application to Court to place the Company into compulsory liquidation. It is anticipated that the Official Receiver will be appointed as liquidator. Prior to making the application to Court, the Administrators need to seek clearance from H M Revenue & Customs and to deal with certain administrative matters.

Next report

It is anticipated that the application will be made shortly and the Administrators anticipate that they will circulate their next report to creditors at the conclusion of the Administration.

1. Joint Administrators' progress report for the period from 8 December 2012 to 7 June 2013



Mark Batten
Joint Administrator
Keydata Investment Services Limited

Dan Schwarzmann and Mark Batten of PricewaterhouseCoopers LLP were appointed Joint Administrators of Keydata Investment Services Limited on Monday 8 June 2009, to manage its affairs, business and property as agents without personal liability. Dan Schwarzmann and Mark Batten are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The Joint Administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Administration.

1. Joint Administrators' progress report for the period from 8 December 2012 to 7 June 2013

Hometrak backed products and SLS backed products

The position with respect to Hometrak backed products and SLS backed products remains unchanged from the Administrators' previous progress report dated 4 January 2013.

It appears unlikely that there will be funds available to allow for a return to investors of SLS and / or Hometrak backed products.

FSCS compensation

We strongly encourage investors to consider submitting their claim for compensation to the FSCS if they have not already done so. Please note that the final decision as to whether an investor is entitled to receive compensation rests with the FSCS alone.

The maximum compensation available to each individual investor will be £48,000, calculated as 100% of the first £30,000 loss suffered and 90% of the next £20,000 loss suffered.

Please contact the FSCS directly on 020 7741 4100 or alternatively 0800 678 1100 if you have not received a claim form or wish to discuss your claim.

Any investor who has received compensation from the FSCS is likely to have assigned their entitlement to rank as a creditor of the Company to the FSCS.

Reinvestment in an ISA product

Keydata distributed ISA reinvestment certificates to investors who held ISA products backed by Hometrak and SLS.

This certificate enables ISA investors to deposit the amount of capital originally invested in these products back into an ISA and thus regain their ISA tax exemptions. In addition, ISA investors holding products backed by

Hometrak and SLS via an ISA manager other than Keydata will benefit in the same way.

If you have not received an ISA reinvestment certificate and are eligible to do so please contact Vinesh Vagadia on 020 7212 1456 to request a replacement.

New legislation came into effect on 8 August 2012 which provides investors with a set timeframe within which to reinvest in an ISA product. Further details regarding the legislation are available at www.legislation.gov.uk/ukxi/2012/1871/contents/made.

1. Joint Administrators' progress report for the period from 8 December 2012 to 7 June 2013

Lifemark backed products

The investment products backed by Lifemark are described as Secure Income Plan, Income Plan, Defined Income Plan or Secure Income Bond 4.

Income payment position

Since 25 January 2010 no income or capital has been received from Lifemark for onward transmission to investors. The Company is unable to make payments to individual investors until it has received the corresponding funds from Lifemark.

Current status

As previously advised, in a hearing held on 3 May 2012, the District Court in Luxembourg was requested to pronounce the dissolution and order the liquidation of Lifemark and on 11 May 2012 the Court did so. The Court has nominated Mr. Jean-Paul Hoffmann as bankruptcy judge and Maitre Alain Rukavina as liquidator. The judgment terminates the functions of the Commission de Surveillance du Secteur Financier ("CSSF") as supervisory commissioner of Lifemark.

SMP Trustees Limited, the Trustee, appointed Zolfo Cooper LLP on 19 September 2012 as its agent under an Agency Agreement to assist the Trustee with, amongst other things, the management and realisation of the secured property.

On 20 September 2012 Zolfo Cooper LLP issued a Notice of Enforcement of Security to Lifemark bondholders.

Based on information provided by Zolfo Cooper LLP the secured property consisted of 218 life settlement policies with a face value of approximately \$660 million. Minimal cash balances were available on enforcement and, as a result, the Trustee arranged interim funding to ensure that the secured

property continued to be maintained whilst the options available in respect of the life settlement portfolio were considered.

Based on current information it is expected that the total eventual returns to Bondholders will be approximately 12% to 15% of the nominal amount of the bonds (or capital invested) which will be returned over a number of distributions. For investors through KIPN and/or KIS this estimated return is before deduction of the amount to be retained by KIPN for facilitating the payment of distributions. The total final returns to Bondholders are based on a variety of factors and may be more or less (even substantially less) than these estimated returns, depending on the outcome of certain outstanding issues relating to the enforcement which may reduce the returns to Bondholders.

Distributions will be made as and when the Trustee concludes that it is appropriate to do so but as an indicative guide it is envisaged that a distribution will be made following the Court hearing anticipated to be in October 2013 with subsequent distributions in February 2014 and August 2014.

These dates may be amended in the event that the amounts available for distribution to Bondholders are received earlier or later. The amount that is available to be distributed at each date will be subject to several factors including the extent of further asset realisations at the time but as an indicative guide Bondholders should expect to receive between 1.5% and 3.0% of the nominal value of the bonds from each of the following distributions (before the KIPN deduction if applicable). The amount and timing of distributions will be determined at the Trustee's sole discretion and are subject to change.

The Company had a key role in dealing with the Lifemark Bondholders as some 94% by value are Keydata investors. However, following the appointment of liquidators to KIPN, the Administrators have no further substantive role to play.

1. Joint Administrators' progress report for the period from 8 December 2012 to 7 June 2013

As noted above, an initial interim distribution of 7.125% has been made to Bondholders by the liquidators of KIPN.

FSCS

As previously reported, we strongly encourage investors to consider submitting their claim for compensation to the FSCS if they have not already done so. Please note that the final decision as to whether an investor is entitled to receive compensation rests with the FSCS alone.

The maximum compensation available to each individual investor will be £48,000, calculated as 100% of the first £30,000 loss suffered and 90% of the next £20,000 loss suffered.

Please contact the FSCS directly on 020 7741 4100 or alternatively 0800 678 1100 if you have not received a claim form or wish to discuss your claim.

Any investor who has received compensation from the FSCS is likely to have assigned their entitlement to rank as a creditor of the Company to the FSCS.

Norwich & Peterborough Building Society's (now Yorkshire Building Society) ex gratia payments to clients

All investors who have received an ex gratia payment from N&P will have assigned their entitlement to rank as a creditor of the Company to N&P.

N&P's programme of making ex gratia payments to N&P's Keydata customers in exchange for the assignment of rights is nearing completion. This process includes a settlement with the FSCS where it had previously issued payments to Keydata customers.

Reinvestment in an ISA product

Keydata distributed ISA reinvestment certificates to investors who held ISA products backed by Lifemark.

This certificate enables ISA investors to deposit the amount of capital originally invested in these products back into an ISA and thus regain their ISA tax exemptions. In addition, ISA investors holding products backed by Lifemark via an ISA manager other than Keydata will benefit in the same way.

If you have not received an ISA reinvestment certificate and are eligible to do so please contact Vinesh Vagadia on 020 7212 1456 to request a replacement.

New legislation came into effect on 8 August 2012 which provides investors with a set timeframe within which to reinvest in an ISA product. Further details regarding the legislation are available at <http://www.legislation.gov.uk/uksi/2012/1871/contents/made>

Surrender restrictions

Prior to our appointment, investors were able to effect a quasi surrender of Lifemark backed products. This was possible because when an investor wished to surrender their investment it would be offered to the market and another party would purchase it. However, there is no longer an active market for these investments and surrenders are not presently possible.

Any investor who is not eligible to claim compensation from the FSCS or entitled to receive ex gratia payments from N&P, or who does not wish to submit such a claim for compensation, will have to hold their investment, subject to the terms of the liquidation.

1. Joint Administrators' progress report for the period from 8 December 2012 to 7 June 2013

Commissions payable to the Company

The Company has not received any commission payments from Lifemark since our appointment on 8 June 2009. The total amount outstanding to the Company at the end of April 2012 was £22.75 million.

The Company has not waived any of its rights to receive payment from Lifemark and has submitted all due invoices to Lifemark's former Provisional Administrator. However, in view of the liquidation of Lifemark it would not appear to be feasible for any recovery to be made in relation to these commissions.

2. Statutory and other information

Court details for the Administration:

Full name:

High Court of Justice, Chancery Division, Companies Court,
Number 14997 of 2009

Trading name:

Keydata Investment Services Limited

Registered number:

Keydata Investment Services Limited

Registered address:

3714989

Company directors:

7 More London Riverside, London, SE1 2RT

Company secretary:

Mr Stewart Ford, Mr Craig McNeill and Mr Mark Owen

Shareholdings held by the directors and secretary:

Mr Craig McNeill

Date of the Administration appointment:

Less than 1%

Administrators' names and addresses:

8 June 2009

Dan Schwarzmann and Mark Batten of PricewaterhouseCoopers LLP, 7 More London
Riverside, London SE1 2RT

Details of any extension(s) to the initial period of appointment

12 Month Extension to 7 June 2011

12 Month Extension to 7 June 2012

24 Month Extension to 6 June 2014

None

Changes in office holder:

Appointor's / applicant's name and address:

The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London,
E14 5HS

Objective being pursued by the Administrators:

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

Division of the Administrators' responsibilities:

During the period for which the Administration is in force, any act required or
authorised under any enactment to be done by either or both of the Joint

Administrators, may be done by any one or more of the persons for the time they hold
office

Proposed end of the Administration:

The Joint Administrators may use any, or a combination of, exit route strategies in
order to bring the Administration to an end

Estimated dividend for unsecured creditors:

Not currently estimated

Estimated values of the prescribed part and the company's net property:

A prescribed part is not applicable in this case

Whether and why the Administrators intend to apply to court under

Section 176A(5) IA86:

The European Regulation on Insolvency Proceedings (Council

Regulation(EC) No. 1346/2000 of 29 May 2000):
The European Regulation on Insolvency Proceedings (Council Regulation (EC) No.
1346/2000 of 29 May 2000) does not apply to this Administration as the Company is
an investment undertaking for the purposes of Article 1(2) of those regulations

3. Receipts and Payments incurred in the period 8 December 2012 to 7 June 2013

	As at 8 December 2012	Movement from 8 December 2012 to 7 June 2013	As at 7 June 2013
Receipts			
Cash at bank	3,379,191		3,379,191
Third party funding	3,278,700		3,278,700
Reimbursement of costs from KIPN	0	54,708	54,708
Reimbursement of costs from Lifemark	743,578		743,578
Reimbursement of costs of distributing ISA certificates	8,569		8,569
Reimbursement of costs of migrating plans	44,054		44,054
Reimbursement of costs from SMP Trustees	10,000	5,000	15,000
FSCS related work	44,308		44,308
Sale of other assets	11,956		11,956
Sundry income	41,076		41,076
Bank interest	4,984	77	5,061
VAT	20,828		20,828
	<u>7,587,244</u>	<u>59,785</u>	<u>7,647,029</u>
Payments			
Trading deficit	3,530,343		3,530,343
Administrators' fees	2,074,477		2,074,477
Administrators' disbursements - Category 1	69,981		69,981
Administrators' disbursements - Category 2	3,448		3,448
Agents' fees and disbursements	3,605		3,605
Repayment of funding from third party	260,077		260,077
Statutory meeting expenses	34,417		34,417
Statutory advertising	1,234		1,234
Statutory expenses	47	110	157
Distribution of statutory reports	141,941	6,177	148,118
Storage costs	1,032	2,818	3,850
Creditors' Committee expenses	1,052		1,052
Legal fees and disbursements	896,487		896,487
Interest on third party funding	120,500		120,500
Bank Charges	739		739
VAT (recoverable at 1%)	392,081		392,081
	<u>7,531,461</u>	<u>9,105</u>	<u>7,540,566</u>
Funds in hand	55,783	50,680	106,463

4. Statement of expenses incurred in the period 8 December 2012 to 7 June 2013

In addition to those costs shown on the receipts and payments account, the following further costs have been incurred and remain unpaid:

	Incurring 8 December 2012 to 7 June 2013 £
Storage costs	331.40

5. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 8 December 2012 to 7 June 2013

Narrative of work carried out for the period 8 December 2012 to 7 June 2013

The key areas of work have been:

Accounting and treasury

- Authorising payment requests, supporting information, journals, accounting maintenance and issuing remittance advices;
- Managing funds held;
- Processing and recording of transactions for receipts and payments purposes;
- Undertaking bank reconciliations; and
- Managing the post-Administration bank accounts.

Creditor and investor enquiries / website communications

- Maintaining investor details;
- Dealing with claims received, queries and correspondence from creditors;
- Responding to letters and calls from investors with products managed by the Company;
- Communicating with investors, creditors, IFAs and other parties; and
- Maintaining and updating the website.

Lifemark

- Liaising with Zolfo Cooper LLP and SMP Trustees;
- Arranging for notices to be sent to bondholders;
- Dealing with the Luxembourg regulator, Liquidators of Lifemark, the Financial Services Authority ("FSA") and other parties in relation to Lifemark's Liquidation and potential recoveries;
- Liaising with the FSCS in relation to Lifemark;
- Preparing and submitting a proof of debt to the Bankruptcy Judge in Luxembourg; and
- Dealing with investor queries in relation to Lifemark.

5. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 8 December 2012 to 7 June 2013

Statutory and other compliance

- Preparing and sending the interim progress report;
- Maintaining and reviewing statutory and regulatory requirements and ensuring compliance; and
- Preparing for and holding a meeting of the Creditors' Committee.

Strategy, planning and administration

- Meetings to monitor the appropriateness of the strategy for the Administration. Considering case related matters affecting realisations, exit route strategy, returns to creditors / investors, etc;
- Addressing and responding to queries and correspondence from stakeholders and affected parties; and
- Reviewing internal files and records maintenance.

Tax and VAT

- Dealing with various tax compliance matters relating to trading of the business and regular liaison with HMRC.

Our remuneration

As detailed in our previous reports to creditors, the FSA Client Money Rules specify that investors' funds should be held in segregated client accounts. They are, therefore, deemed to be protected client monies which cannot be used to settle the costs of trading the Company or our remuneration. Such funds have now been paid to investors where possible and the remainder of these funds are held in separate administration bank accounts.

Up to 7 December 2012 we have drawn remuneration totalling £2,074,477 (plus VAT) from the estate. After 7 December 2012, remuneration totalling £796,587 (plus VAT) has been paid from third party funding provided by certain banks. These payments were in accordance with the resolution approved by the Creditors' Committee, referred to below.

Approval of our remuneration by the Creditors' Committee

The Creditors' Committee is provided with a comprehensive disclosure of our time costs at each convened meeting, in accordance with the Statement of Insolvency Practice 9.

At the first meeting of the Creditors' Committee the following resolution was approved in respect of our remuneration:

5. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 8 December 2012 to 7 June 2013

"THAT, the Joint Administrators' remuneration be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration and that the Joint Administrators be authorised to draw their fees on account to the end of December [2009]."

We have not drawn our fees in full due to lack of available funds.

Keydata Investment Services Ltd - in Administration							
8 December 2012 to 7 June 2012							
Classification of Work	Partner / Director (Hrs)	Senior Manager / Manager (Hrs)	Senior Associate (Hrs)	Associate / Support (Hrs)	Total Hours (Hrs)	Time Cost (£)	Average Hourly Rate (£)
Accounting and treasury	-	3.30	-	30.50	33.80	8,737.10	258.49
Creditor and investor enquiries / website communications	1.12	6.85	43.50	79.90	131.37	37,275.20	283.74
Statutory and other compliance	-	8.00	51.10	19.30	78.40	26,716.30	340.77
Strategy, planning and administration	20.90	21.30	36.40	18.70	97.30	41,649.70	428.05
Total	22.02	39.45	131.00	148.40	340.87	114,378.30	327.76
Total Time Cost: (£)	14,723.20	18,973.50	46,898.00	33,783.60			
Average Hourly Rate: (£)	668.63	480.95	358.00	227.65			

5. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 8 December 2012 to 7 June 2013

Category 2 disbursements

Category 2 disbursements include costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs. These costs are subject to approval by those responsible for approving remuneration.

Accordingly, a resolution was sought from the Creditors' Committee in respect of Category 2 disbursements and the following resolution was approved:

"THAT, in accordance with the Statement of Insolvency Practice No. 9, the Joint Administrators be authorised to draw Category 2 disbursements (i) for mileage at a rate of up to 50p per mile for 2,000cc engines or up to 70p per mile for engines over 2,000 and (ii) for photocopying at a rate of 3p per sheet."

As at 7 June 2013 we have drawn Category 2 disbursements of £3,448 plus VAT covering the period 8 June 2009 to 31 December 2010.

6. 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.

6. Statement of creditors' rights

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.

(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