

The Insolvency Act 1986

Administrator's progress report

Name of Company

Burns-Anderson Limited

Company number

02073962

In the
High Court of Justice, Chancery Division, Bristol
District Registry

(full name of court)

Court case number
697 of 2012Insert full
name(s) and
address(es) of
administrator(s)We (a)
Nigel Morrison
Grant Thornton UK LLP
Hartwell House
55-61 Victoria Street
Bristol
BS1 6FTAlistair Wardell
Grant Thornton UK LLP
11-13 Penhill Road
Cardiff
CF11 9UPRichard White
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

administrators of the above company attach a progress report for the period

From

To

Insert date

(b) 11 November 2014

(b) 10 May 2015

Signed

Joint Administrators

Dated

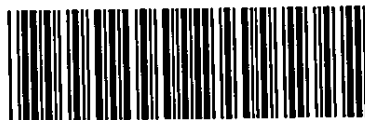
28/5/15

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

Nigel Morrison
Grant Thornton UK LLP
Hartwell House
55-61 Victoria Street
Bristol

DX Number

0161 953 6900
DX Exchange

A30 19/06/2015 #160
COMPANIES HOUSE

A13 06/06/2015 #152
COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



Our Ref NZM/ZLC/RJJ/TXA/B01623/
Your Ref

To the creditors

28 May 2015

Dear Sirs

Recovery and Reorganisation

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester M3 3EB

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Burns-Anderson Limited - In Administration (BAL or the Company)
High Court of Justice, Chancery Division, Bristol District Registry
No 697 of 2012

1 Introduction

1 1 Following my appointment as joint administrator of the Company with Alistair Wardell and Richard White by the directors on 3 July 2012, I now report on the progress of the administration to 10 May 2015 and attach

- Appendix A, Form 2 24B, together with an account of our receipts and payments for the period from 11 November 2014 to 10 May 2015 and also for the whole administration to date
- Appendix B, a statement of the remuneration charged by the joint administrators in the period 11 November 2014 to 10 May 2015 and a statement of expenses incurred in the period
- Appendix C, an analysis of our time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2 48A)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses, if excessive (Rule 2 109)

1 2 Please note that we are all authorised by the Insolvency Practitioners Association to act as insolvency practitioners

1 3 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them

1 4 In addition to the Company we were also appointed as administrators of the following companies

- Honister Capital Limited (HCL),
- Sage Financial Services Limited (SFSL),
- Honister Partners Limited (HPL), and
- B-A Financial Limited (BAFL)

Chartered Accountants

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- 1 5 The above companies together with BAL are collectively referred to as "the Group" in this report. BAFL is a subsidiary of BAL and HPL, BAL and SFSL are subsidiaries of HCL.
- 1 6 The administrators' proposals for the Company were contained in our report dated 23 August 2012 and were approved at a meeting of creditors held on 10 September 2012. A creditors committee was formed at the meeting.
- 1 7 It was proposed that the administration would end by the Company going into creditors voluntary liquidation, or if no monies were available for unsecured creditors, by the dissolution of the Company.

2 Statutory information

- 2 1 The company's statutory details are as follows:

Registered number	02073962
Registered office	c/o Grant Thornton UK LLP 4 Hardman Square Spinningfields Manchester M3 3EB

3 Progress report

- 3 1 We set out this section under the following key headings:

- i Appointment of professional advisers
- ii Accrued income and continuing collection of commissions
- iii Novation income
- iv Professional indemnity insurance, run off cover and the Financial Services Compensation Scheme
- v Captive
- vi Investigations
- vii Debtors
- viii Corporation tax refund
- ix Intra Group debts
- x Recharges of expenses of the administrations

(i) Appointment of professional advisers

- 3 2 The professional advisers appointed remain the same for this Company as in our proposals, other than the appointment of FTI Consulting, a firm with expertise in the valuation of financial services business and Bedell Cristin an offshore law firm with expertise in Guernsey law.

(ii) Accrued income and continued collection of commissions

- 3 3 MacRobins Limited (MRP), to whom the administrators sold the Company's right title and interest in its trail commission on 27 July 2012, continue to liaise with product providers to ensure that commissions due to the Company are collected.

3 4 Since 11 November 2014 I have received Active Advisor income of £35,043 and Orphan commission of £38,764. These amounts do not include the distribution for the 3 months to 30 April 2015, which was received on 14 May 2015. Total Active Advisor income for the administration period now stands at £568,172 and Orphan commission is £321,251, excluding the distribution for the 3 months to 30 April 2015.

3 5 The statement of affairs stated that such commission income accrued but not received at 3 July 2012 amounted to £207,797.

(iii) Novation income

3 6 As previously reported I agreed to novate the commission income trail to eight BAL advisers for 53% of the recurring fee income as at the date of our appointment. The total novation fee income generated totals £227,750.

3 7 The deadline for completing novations (31 December 2014) has now passed and part of the novation income noted above may be refundable in certain circumstances, as set out in the Advisor Novation letter, where a product provider has not completed the novation by either acceding to the novation or following the provider's own procedures.

(iv) Professional indemnity insurance, run off cover and the Financial Services Compensation Scheme (FSCS)

3 8 As previously reported, it was not possible to put in place Professional Indemnity (PI) run off cover for the post appointment period as the premiums demanded by insurers were too prohibitive.

3 9 At the date of our appointment there were 118 PI claims against BAL. Since then new claims arising have been notified to the FSCS who will pay valid claims up to a certain limit now that they have declared the Company to be in default.

3 10 As previously advised the Group's primary insurer has presented a legal argument asserting that it is not currently liable for the claims. A number of claims are now being litigated by claimants and I await the outcome of those cases before incurring the cost of considering challenging the position. The primary insurer continues to refuse to provide us with information relating to each claim on cost grounds and I may need to apply to Court to obtain this information.

3 11 The FSCS provided us with details of the claims received by them to 31 March 2015 which showed that the FSCS had received 419 claims post administration of which 177 have been settled. The total amount of claims that have been settled is £4,494,916 although the FSCS may have made payments less than this due to the limit cap it applies.

(v) Captive

3 12 Prior to its insolvency, the Group had established a captive insurance cell (the Captive) in Guernsey to self-insure the excess layer of insurance imposed on the Group by the primary insurer.

- 3 13 Lawyers in Guernsey (Bedell Cristin) have recently advised on the position of the Captive and the options available. It is possible that funds from the Captive will be repatriated through the commutation of the Captive insurance policies. However, the amount of funds to be repatriated and the allocation across the Group has yet to be established.

(vi) Investigations

- 3 14 As previously advised, following receipt of Counsel's opinion I commissioned an independent valuation of the share capital of Willis Owen Limited (WO) as at the date of the transfer (December 2011) from HCL to, the then newly formed, Honister Capital Holdings Limited.
- 3 15 I have since received the valuers report which concluded that the consideration received by HCL for the transfer of WO fell within the range of potential values of WO at December 2011. For this reason, I have concluded that it is not in the best interest of creditors to pursue a claim against HCHL. I also explored the possibility of assigning any potential claim to a third party, however, they declined to make any offer.
- 3 16 BAL has an unsecured claim against HCL of £213,820.

(vii) Debtors

- 3 17 As previously reported, the table below shows the debtors of BAL, as included in the statement of affairs lodged at Companies House at £6,249,228.

	£	£
Income accrual due from insurance companies		584,617
Estimate due from advisers re clawback		437,000
Adviser debtor balances		707,781
Complaints debtors		
Mortgage endowment complaints	4,230	
Exceptional complaints	4,189,761	
Other complaints	175,560	
FSCS claim re Keydata complaints	641,993	5,011,544
Sundry other debtors		21,072
Doubtful debt provision		(512,786)
		6,249,228

- 3 18 The income accrual due from insurance companies and the estimate due from advisers re clawback totalling £1,021,617 are not capable of being recovered for the reasons given in our last report.
- 3 19 Adviser debtor balances relate to amounts owed by 210 advisers to BAL at the date of our appointment which totalled £707,781.
- 3 20 In order to pursue these debts further I require information from the PI insurers in order to finalise any amounts that may be due from the advisers. In many instances the outcome of the insurance claim also needs to be known. I expect that the recovery of these balances will be problematic and potentially subject to offset claims, I am however, seeking a proposal from MRP to assist in this process.

3 21 In order to pursue the complaint debtors of £5,011,544 I again need information from insurers in order to pursue the advisers involved. In addition, I need to ascertain the actual amounts that have been paid out by the Company in respect of each claim.

3 22 To date debtor realisations have been £39,535 with £37 being realised since 11 November 2014.

(viii) Corporation tax refund

3 23 I have recovered refunds of pre-appointment corporation tax paid in the sum £139,839.

(ix) Intra group debts

3 24 The directors' statement of affairs showed that BAL is owed £1,269,102 by other Group companies which the directors expected would realise c £1.1 million.

3 25 Any recovery of these debts is dependent on the dividends that will be paid out in due course by the other Group companies. However, this is unlikely to occur for several years.

(x) Recharges of the expenses of the administrations

3 26 I have explained in previous reports how costs incurred in HCL, the holding company, were recharged to the other companies in the group. HCL continues to incur costs that need to be recharged.

£	Allocation of costs incurred	Transferred to date	Recovery from MRP	Net paid to 10/5/15	Transferred to pay	Still to Transfer
SFSL	365,469	308,082	(30,099)	277,983	52,565	4,822
BAL	205,709	177,089	(18,073)	159,016	25,561	3,059
HPL	431,739	349,930	(63,786)	286,144	77,101	4,708
BAFL	5,472	5,472	-	5,472	-	-
Total	1,008,389	840,573	(111,958)	728,615	155,227	12,589

3 27 The table above indicates that total costs of £1,008,389 have been incurred by HCL of which BAL's share is £205,709. BAL had re-imbursed HCL an amount of £177,089 of which £18,073 was recovered from MRP to 10 May 2015 under an agreement to share certain professional costs.

(xi) Extension of the administration

3 28 The administration of BAL was due to expire on 2 July 2013. The administrators made an application to the Court in April 2013 to extend the administration for a period of two years. The Court approved the application and the administration is due to expire now on 3 July 2015.

3 29 In accordance with paragraph 76(2)(b) of Schedule B1 of the Insolvency Act 1986, the Administrators will make a further application to Court to extend their term of office in order to allow sufficient time to finalise outstanding matters.

3 30 Should the application be successful it will give a revised date for the automatic termination of the Administration of 3 July 2016.

4 Outcome for creditors

- 4.1 There are no preferential or secured creditors in BAL.
- 4.2 I anticipate that a dividend will be paid to the unsecured creditors of BAL, although I am unable to estimate the timing or quantum of any dividend at this stage largely because the level of unsecured creditor claims is constantly changing as uninsured Professional Indemnity claims continue to be made by clients and the level of on-going commission is difficult to predict.
- 4.3 As previously reported, it could be several years before the administrators are in a position to make a distribution to unsecured creditors.

5 Joint administrators' remuneration and expenses

- 5.1 On 21 September 2012 the creditors committee resolved that we draw our remuneration by reference to our time costs. You will note from the SIP 9 table attached at Appendix C that our time costs to date are £508,448 and from the receipts and payments account attached at Appendix A that we have drawn £339,148.
- 5.2 We have held regular meetings with the committee and put to them our costs to 31 October 2013 (which totalled £395,199) for approval. They approved £347,718 of this amount of which we had drawn £339,148 up to 10 May 2015 (as shown in the receipts and payments account at Appendix A).
- 5.3 I await the following approval from the creditors' committee in respect of time costs incurred in BAL:
- time costs for the period 1 November 2013 to 31 March 2014 amounting to £48,191
 - time costs for the period 1 April 2014 to 2 July 2014 amounting to £24,384
- 5.4 We are also in discussions with the creditors' committee as to the basis of our future remuneration.
- 5.5 In addition we have drawn expenses of £1,774 as indicated in Appendix A and have further expenses to take in due course as set out in Appendix B.
- 5.6 Significant time costs have been incurred in HCL due to the management time required with matters that relate to the entire Group. These costs include dealing with employee matters, property matters, IT, storage of records, FSA/FSCS communications, tax investigations, distribution of commission income and dealing with PI claims. The costs have been incurred for the benefit of the subsidiary companies and have not benefitted the administration of HCL. Therefore, these costs need to be recharged to the subsidiary companies by way of a management charge, which is in line with the Group's pre-appointment practice for such costs.

- 5 7 A detailed analysis has been undertaken of our time costs in HCL to 30 April 2015 to re-allocate the time spent in HCL to each of the other Group companies. The table below shows the amounts that have been re-allocated to each company to form the basis of the management charge.

£	Time costs
SFSL	246,246
HPL	286,767
BAL	156,184
HPL	689,196
Time costs to remain in HCL	208,327
Total	897,524

- 5 8 Of the total allocated to BAL of £156,184 above, we have put £104,354 to the creditors committee for approval. They have approved £85,870 of which we have drawn £85,870 as at 10 April 2015 (as shown in Appendix A). We await the following further approval from the committee:

- time costs in HCL for the period 1 November 2013 to 31 March 2014 amounting to £15,901
- time costs in HCL for the period 1 April 2014 to 2 July 2014 amounting to £4,242

- 5 9 We have further time costs incurred allocated to BAL of £31,687 for which approval to bill has not as yet been sought.
- 5 10 An analysis of the total time costs of HCL is provided at Appendix C which shows total time costs of £904,226 to 10 May 2015. Please note that the table above only includes time costs to 30 April 2015.
- 5 11 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively, we will supply this information by post on request. Time is charged in 6 minute units.

6 Other expenses incurred by the joint administrators

- 6 1 Please refer to Appendix B which shows the expenses incurred and paid in the period.
- 6 2 Legal costs relate to advice that I have received from TLT LLP in relation to the ownership of commission, the sale to MacRobins Limited, the novation offer, the subsequent further documentation required to implement the novation (including liaising with product providers to effect the last part of the novation process), insurance matters and other legal issues as they arise in the administration.

- 6.3 The administrative expenses relate to heat and light, property expenses, rates, statutory advertising and bank charges

Yours faithfully
for and on behalf of Burns-Anderson Limited

A handwritten signature in black ink, appearing to read 'Nigel Morrison', with a long horizontal stroke extending to the right.

Nigel Morrison
Joint Administrator

The affairs, business and property of Burns-Anderson Limited are being managed by
Nigel Morrison, Alistair Wardell and Richard White, appointed as joint administrators on
3 July 2012

Enc

Burns-Anderson Limited - in administration
Summary of receipts and payments
from 3 July 2012 to 10 May 2015

	Statement of Affairs	From 03-Jul-12 to 10-Nov-14	From 11-Nov-14 to 10-May-15	Total
	£	£	£	£
Receipts				
Active Advisor Income		533,129 11	35,042 99	568,172 10
Novation Income		227,750 02	0 00	227,750 02
Orphan Income		282,487 16	38,763 68	321,250 84
Pre Admin Bank Accounts Suspense		2,335 54	-2,313 48	22 06
Miscellaneous Income		11,737 83	968 36	12,706 19
Sage - Loan	776,000 00	0 00	0 00	0 00
Group Undertakings - HCL	45,212 00	0 00	0 00	0 00
Group Undertakings - HIPL	4,395 00	0 00	0 00	0 00
Suspense (MacRobins)	234,704 00	0 00	0 00	0 00
Fixtures & fittings	5,000 00	0 00	0 00	0 00
Book Debts	6,249,228 00	39,498 01	37 50	39,535 51
Novation Administration Fee		11,193 13	0 00	11,193 13
Corporation Tax Refund	22,625 00	139,839 63	0 00	139,839 63
Cash at Bank	1,785,166 00	1,780,992 29	0 00	1,780,992 29
Accrued income	207,797 00	0 00	0 00	0 00
Misc Float Receipts		60 00	0 00	60 00
Bank/ISA InterestGross		51,288 18	6,219 90	57,508 08
Misc Float Payments		10 00	0 00	10 00
Vat Payable		2,867 49	0 00	2,867 49
HMRC - VAT received/paid		458 39	0 00	458 39
		3,083,646 78	78,718 95	3,162,365 73
Payments				
Heat & Light		1,949 98	0 00	1,949 98
Property Expenses		119 36	0 00	119 36
Postages		104 00	0 00	104 00
Re-imbursement of Honister Capital Ltd		148,881 27	10,134 45	159,015 72
Preparation of S of A		7,500 00	0 00	7,500 00
Administrators Fees - Honister Capital		85,870 00	0 00	85,870 00
Administrators Fees		339,147 96	0 00	339,147 96
Administrators Expenses		1,773 64	0 00	1,773 64
Committee Expenses		494 05	0 00	494 05
VAT irrecoverable		62,038 32	2,247 85	64,286 17
Legal Fees (1)		155,223 25	8,243 00	163,466 25
Professional Fees		5,514 00	0 00	5,514 00
Corporation Tax		0 00	120 99	120 99
Storage Costs		0 00	4,665 00	4,665 00
Statutory Advertising		153 00	0 00	153 00
Rates		1,162 00	0 00	1,162 00
Insurance of Assets		474 88	0 00	474 88
Bank Charges		1,057 27	111 13	1,168 40
Vat on Purchases		57,085 82	333 75	57,419 57
		868,548 80	25,856 17	894,404 97
Net Receipts/(Payments)		2,215,097 98	52,862 78	2,267,960 76
Made up as follows				
Floating Current Account		935,460 70	50,514 54	985,975 24
Corporate Bonus Account 2		1,276,964 06	5,021 46	1,281,985 52
Pre-Appointment Current Account		2,673 22	-2,673 22	0 00
		2,215,097 98	52,862 78	2,267,960 76

The Insolvency Act 1986

Administrator's progress report

Name of Company
Burns-Anderson Limited

Company number
02073962

In the High Court of Justice, Chancery Division, Bristol District Registry (full name of court)
--

Court case number 697 of 2012

Insert full
ne(s) and
dress(es) of
ministrator(s)

We (a)
Nigel Morrison
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Richard White
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30 Finsbury Square
London
EC2P 2YU

administrators of the above company attach a progress report for the period

Insert date

From
(b) 11 November 2014

To
(b) 10 May 2015

Signed

Joint Administrators

Dated

28/5/15

B Remuneration charged and expenses incurred by the administrators in the period

	Charged/incurred in period 11/11/2014 to 10/05/2015	Cumulative charged/incurred to 10/05/2015	Of which paid to 10/05/2015
	£	£	£
Joint administrators' fees			
Time costs	17,193	511,400	339,148
HCL Time costs recharge (time analysed to 30 April 2015)	31,687	156,184	85,870
Expenses	0	0	1,774
Expenses of the administration:			
Administrative expenses	0	4,938	4,938
Legal fees	8,243	163,466	163,466
Intra group charges	10,134	183,766	159,016
Preparation of statement of affairs	0	7,500	7,500
Insurance	0	475	475
Professional fees	0	5,514	5,514
Committee Expenses	0	494	494
Storage Costs	4,665	4,665	4,665

C SIP 9 information

Introduction

The following information is provided in connection with the administrators' remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

	From 01/07/09	From 01/07/10	From 01/07/11	From 01/07/12	From 01/07/13	From 01/07/14
	£	£	£	£	£	£
Partners up to	510	535	560	580	600	740
Managers up to	385	405	425	440	455	470
Administrators up to	275	285	300	310	320	345
Assistants and support staff up to	190	195	205	210	220	230

Disbursements

Out of pocket expenses are charged at cost and mileage is charged at standard rates. VAT is added to disbursement charges as necessary.

Burns-Anderson Limited - in Administration - B30201623 - SIP 9 TIME COST ANALYSIS

Job(s) ADM, CMU

Transaction period 03/07/2012 to 10/05/2015

Export version - standard Export version - Detailed Version

Standard	Partner		Manager		Executive		Administrator		Total		Avg Hrly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	99 48	46,849 90	283 75	109,858 00	189 38	49,262 95	128 72	21,609 50	701 33	227,580 35	324 50
Creditors	6 00	2,790 00	282 75	111,647 00	144 10	35,595 00	179 75	29,401 50	612 60	179,433 50	292 90
Hiatus period											
Investigations			5 25	2,077 50	2 10	567 00	3 50	603 75	10 85	3,248 25	299 38
Realisation of Assets	10 50	4,897 50	182 50	63,318 50	106 30	27,908 50	10 60	1,838 50	289 90	97,963 00	337 92
Trading					0 97	223 10			0 97	223 10	230 00
Total	115 98	54,537 40	734 25	286,901 00	442 85	113,556 55	322 57	53,453 25	1,615 65	508,448 20	314 70

Total fees billed to date (Time) : £ 425,000

Comprising

Total fees billed to date (Time) HCL £ 85,852

Total fees billed to date (Time) BAL £339,148

Honister Capital Limited - in Administration - H30201345 - SIP 9 TIME COST ANALYSIS

Job(s) ADM, CMU

Transaction period 02/07/2012 to 10/05/2015

Export version - standard Export version - Detailed Version

Standard	Partner		Manager		Executive		Administrator		Total		Avg Hry Rate 312 10
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	167 99	84,697 30	728 65	289,784 75	326 96	83,309 55	489 43	76,853 50	1,713 03	534,645 10	
Creditors	4 30	1,936 50	209 50	81,153 25	168 17	40,938 80	120 10	17,886 75	502 07	141,915 30	282 66
Hiatus period											
Investigations			68 95	27,373 50	13 75	3,654 50	3 25	575 00	85 95	31,603 00	367 69
Realisation of Assets	8 50	3,967 50	313 60	125,741 00	222 80	54 105 00	69 85	10,974 75	614 75	194,788 25	316 86
Trading			1 50	600 00	2 81	674 30			4 31	1,274 30	295 66
Total	180 79	90,601 30	1,322 20	524,652 50	734 49	182,682 15	682 63	106,290 00	2,920 11	904,225 95	309 65
Total fees billed to date (Time) : £ 151,786											

Total fees billed to date (Time) HPL £ 236,587

Total fees billed to date (Time) SFSL £195,519

Total fees billed to date (Time) BAL £85,870

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

Rule 2.48A

- (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

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive

Rule 2 109

- (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 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