

**2.24B****Administrator's progress report**

Name of Company
Centreless Tooling Company Limited

Company number
01452089

In the High Court Birmingham District Registry
---

Court case number
8193 of 2010

We  
Mark Jeremy Orton  
KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
United Kingdom


Richard James Philpott  
KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
United Kingdom

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

from
22 April 2010

to
21 October 2010

Signed

  
Joint Administrator

Dated

18 November 2010

**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. The contact information that you give will be visible to searchers of the public record.

Luke Powell KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH DX Number    DX 709850 Birmingham 26		Tel +44(0)121 335 2488 DX Exchange
--	--	---------------------------------------

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

WEDNESDAY



A13

\*A8B0BPKD\*

01/12/2010

163

COMPANIES HOUSE



**Centreless Tooling Company Limited  
(in administration)**

Report to Creditors pursuant to Rule 2.47 of  
the Insolvency Rules 1986 (as amended)  
17 November 2010

KPMG LLP Restructuring  
MJO/SN/LP IF Report to creditors

## **Notice: About this report**

This Report has been prepared by Mark Jeremy Orton and Richard James Philpott the Joint Administrators of Centreless Tooling Company Limited solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 (as amended) on the progress of the administration and for no other purpose. It is not suitable to be relied upon by any other person or for any other purpose or in any other context.

This Report has not been prepared in contemplation of it being used and is not suitable to be used to form any investment decision in relation to the debt of or any financial interest in Centreless Tooling Company Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 (as amended) does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Mark Jeremy Orton and Richard James Philpott are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Joint Administrators act as agents for Centreless Tooling Company Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.

## **Contents**

1	Glossary	5
2	Statement of Proposals	6
3	Progress of the Administration to Date	6
4	Expenses for the Period	10
5	Comments on Appendices	11

## **Appendices**

Appendix 1 – Statutory Information

Appendix 2 – Receipts and Payments

Appendix 3 – Office Holders' Time Costs

Appendix 4 – Schedule of Expenses

## **Executive Summary**

- Mark Jeremy Oton and Richard James Philpott of KPMG LLP were appointed as Joint Administrators of Centreless Tooling Company Limited by the Company's directors on 22 April 2010
- This progress report covers the 6 month period from appointment to 22 October 2010
- It is estimated that the preferential creditors are unlikely to be repaid in full in this matter and based on the expected level of realisations and the amounts owed to the secured creditors the Bank is likely to suffer a shortfall. Therefore there is no prospect of any funds being available for unsecured creditors
- Full details of the Joint Administrators Progress Report are attached together with all the relevant statutory information included by way of Appendices. This document in its entirety constitutes the Joint Administrators Progress Report

## **1 Glossary**

Administration Order	The Administration Order granted in the High Court of Justice Chancery Division Birmingham District Registry Court No 8193 of 2010
Administrators	Mark Orton and Richard Philpott, both of KPMG LLP One Snowhill Snowhill Queensway Birmingham B4 6GH
Barclays	Barclays Bank plc
Company	Centreless Tooling Company Limited
Directors	Sandra Baker Mark Craddock Richard Aukland Roy Tandy
Act	The Insolvency Act 1986 (as amended by The Enterprise Act 2002)

## **2 Statement of Proposals**

The Administrators' Statement of Proposals was circulated on 11 June 2010.

In accordance with Paragraph 58 of Schedule B1 of the Act, the Administrators elected not to convene a meeting of creditors; a meeting was not subsequently requisitioned by creditors to consider the proposals. The meeting of creditors was therefore conducted by correspondence.

The proposals are deemed to have been approved by creditors in accordance with Rule 2.33(5) of the Rules.

Our proposals with regards the drawing of Administrators' remuneration and discharge of Administrators' liability will require approval by the secured and preferential creditors of the Company. We shall seek this approval in due course and can confirm that no fees have been drawn to date.

## **3 Progress of the Administration to Date**

### **3.1 Purpose of the administration**

In accordance with paragraph 3(1) Schedule B1 of the Insolvency Act 1986 the purposes of the administration were:

- (a) rescuing the Company as a going concern or,
- (b) achieving 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) or
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

As previously advised, the initial purpose of the administration was to rescue the Company as a going concern pursuant to paragraph 3(1)(a) of Schedule B1 to the Insolvency Act 1986. However, this was not achievable due to the level of Bank and other creditor indebtedness at the date of the Administrators' appointment.

Consequently, the Joint Administrators performed their functions within the paragraph 3(1)(b) objective of achieving 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).

This has been achieved by maximising the realisation of the Company's assets via a going concern sale of the business which included the stock, plant and equipment. The going concern sale also enhanced the collection of the Company's debtor book. We are currently in the process of realising the Company's freehold property.

### **3.2 Strategy and Trading**

#### *Trading*

Immediately following our appointment on 22 April 2010 we attended the Company's premises and consulted with the directors to review continuing operations and to gain an understanding of the level of assets in the Company. It was clear from our review that there was little scope to trade the business for an extended period of time or to sell it as a going concern.

On this basis, we made the majority of the 24 employees redundant immediately upon appointment. We retained 6 employees to deal with administrative duties, obtain financial information and help to realise the remaining work in progress. A small amount of trading was carried out while we attempted to pursue a sale of the business and assets and we currently estimate that administration trading in the period will result in a break even position.

#### *Sale of business*

Following a two week marketing period, the only party interested in a going concern sale was CT Machine Tools Limited, a company owned by Sandra Baker, the former major shareholder and MD of Centreless Tooling Company Limited. On 18 May 2010 the business and the majority of the Company's assets were sold to CT Machine Tools for a total consideration of £40,000. This was in excess of our agents' valuation of the assets sold. Under the terms of the SPA (sale and purchase agreement) a four month license to occupy was granted to the purchaser at market rental which reduced security and other costs while we marketed the property.

This sale was an excellent outcome as it maximised realisations for the key physical assets and the continuity given by a going concern sale helped to maximise book debtor realisations.

The sale of the business and assets to management also resulted in six jobs being saved and mitigated claims for arrears of wages and holiday pay, thus providing a better outcome than would have been achieved if the Company was immediately placed in liquidation.



### 3 Book debts

The Company's sales ledger at appointment was approximately £123,000. We instructed a member of our debt recovery team to collect out the book debts with the help of the Company's accountant.

Book debts at appointment	
	£000's
Net ledger balance	123
Less	
Credit balances	3
Paid pre appointment	(30)
Disputed balances	(20)
General Provision @20%	(5)
Net collectable ledger	71

Source: Management information

£68,000 of the book debts have already been collected with a balance of £3,000 left to realise.

### 4 Freehold property and other assets

#### Freehold property

The freehold premises occupied by Centreless Tooling Company Limited are based on Hulmore Way, Tamworth. Our agents have marketed the Company's freehold property over the past six months by advertising in the local and regional press, targeting their network of agents and also any potential special purchasers that we identified.

A renewed marketing campaign is due to be undertaken during the remaining part of the year.

We are currently in receipt of one offer from a potential purchaser which we identified. This offer is below our agent's minimum valuation and has therefore not been accepted.

### ***Stock and work in progress***

Upon appointment there was limited stock on site. The work in progress was completed and realised by five of the remaining employees during the two weeks whilst a purchaser for the business was sought.

### ***Other assets***

The majority of the assets of the company were sold to CT Machine Tools with the exception of five pieces of plant and one vehicle as part of the sale of the business outlined above. Of the remaining assets the Administrators were successful in selling two of the retained machines for a total consideration of £30,500 shortly after the date of administration. This was again in excess of our agent's valuation.

The Administrators' agents GVA Grimley conducted a full marketing process in the period following administration in an attempt to realise the remaining assets. The vehicle was sold to a third party for a consideration of £11,000. The remaining plant and machinery only attracted interest from CT Machine Tools Limited and as a result was sold to them for a total consideration of £3,000 on 24<sup>th</sup> August 2010. This sale was recommended by our agents.

## ***4.1.1 Liabilities***

### ***4.1.1.1 Secured Creditors***

As previously reported Barclays Bank plc (Barclays) was the Company's main lender with indebtedness at appointment of £423,000.

Based on current forecasts Barclays will not be repaid their indebtedness in full and the amount of the final distribution to the Bank will be dependent on the outcome of the sale of the Company's freehold property.

### ***4.1.1.2 Preferential Creditors***

Claims in respect of certain arrears of wages and holiday pay rank preferentially. Preferential creditors at the date of our appointment were made up of employee arrears of wages and holiday pay claims amounting to approximately £22,000.

Based on most recent estimated outcome it is unlikely that preferential creditors will be repaid.

### ***4.1.1.3 Unsecured Creditors***

As previously reported in their Statement of Affairs the directors estimate that the Company has total unsecured liabilities of £367,000.

The extent of preferential and secured creditor claims in this matter together with the costs incurred in attending to the administration, are likely to exceed the level of realisations and therefore it is unlikely that a dividend to unsecured creditors will be available

The prescribed part provision of the Act where a percentage share of realisations from net floating charge assets is set aside for unsecured creditors is not relevant in this administration as the secured creditors charge was registered prior to the introduction of the enterprise act

## **5 Expenses for the Period**

Our receipts and payments for the period are set out in the attached Receipts and Payments Account (see Appendix 2)

The office holders' time costs for the period of this report are also attached (see Appendix 3). In the six month period to 22 October 2010, we have incurred time costs of £170,092.00 representing 630.71 hours at an average hourly rate of £269.68. This includes work undertaken in respect of tax, VAT, employee pensions and health and safety advice from KPMG LLP in-house specialists. It is not anticipated that there will be a full recovery of our costs outlined above.

Key areas where costs have been incurred are as follows:

- Marketing the business and negotiating with interested parties in respect of the sale of business and assets
- Taking control of the Company and assets during the administration and attempt to secure ongoing trading from appointment
- Ongoing administration trading
- Monitoring and progressing debtor collections
- Dealing with creditor queries and
- Attending to all statutory duties that are associated with this type of insolvency

As reported, the Joint Administrators have not drawn any fees to date and will be seeking approval from the secured creditors and preferential creditors that their fees be approved on a time cost basis in accordance with Rule 2.106 (5A) (b) of the Insolvency Amendment Rules 1986.

Administrators' Expenses for this period total £1241.90 which are yet to be paid (see Appendix 4 for details).

Additional information about the expenses charged for the period is available from the office holder upon request by any secured creditor and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 2.48A IR86 and to challenge the administrator's remuneration and expenses under Rule 2.109 IR8 are included in Appendix 4 should creditors wish to do so.

A creditors' guide to fees can be found at [http://www.r3.org.uk/uploads/sip/SIP9\\_v5\\_April\\_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf) however if you are unable to access this guide and would like a copy please contact Luke Powell of my staff on 0121 335 2488

## **5 Comments on the Appendices**

### **5.1 Appendix 1: Statutory information**

This appendix contains certain information necessary to be provided to creditors in accordance with Rule 2.33 of the Insolvency Rules 1986 (as Amended)

### **5.2 Appendix 2: Receipts & payments account for the period**

The Administrators' receipts and payments account for the period from 22 April 2010 to 21 October 2010 is attached. The figures on the account are shown net of VAT

### **5.3 Appendix 3: Analysis of office holders' time costs**

This analysis is based on the period from appointment 22 April 2010 to 21 October 2010

### **5.4 Appendix 4: Expenses for the period**

Expenses for the period are summarised in Appendix 4 which exclude the time costs that are analysed in Appendix 3

This concludes the Joint Administrators' progress report to creditors. In accordance with Rule 2.47 of the Insolvency Rules 1986 (as Amended) the next progress report is due at the anniversary of the administration or at its conclusion whichever is sooner. Should you require any further information please contact Luke Powell of my staff on 0121 335 2488

Yours faithfully  
For and on behalf of Centreless Tooling Company Limited



Mark Jeremy Orton  
*Joint Administrator*

The affairs, business and property of the Company are being managed by the joint administrators. The joint administrators act as agents of the Company and contract without personal liability. Mark Jeremy Orton and Richard James Philpott are both authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

## Appendix 1

### Statutory information

Company name and Trading style	Centreless Tooling Company Limited
Administration Order	The Administration Order granted in the High Court of Justice, Chancery Division, Birmingham District Registry Court No 8193 of 2010
Date of appointment	22 April 2010
Present Administrators' details	Mark Orton is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association  Richard Philpott is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2) of Schedule B1 of the Act
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations
Company Directors	Mark Craddock Sandra Baker Richard Aukland Roy Tandy
Company Secretary	Sandra Baker
Date of incorporation	3 October 1979
Company registration number	01452089
Previous registered office	Hillmore Way, Two Gates, Tamworth, Staffordshire, B77 5AG
Present registered office	KPMG LLP, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH

Trading address	Hillmore Way Two Gates Tamworth Staffordshire B77 5AG
-----------------	---

Details of the Company's share capital and holdings

Authorised share capital	1000 Ordinary Shares
Issued share capital	106 Ordinary Shares
Shareholders	Sandra Baker -50 ordinary shares
	DJ Baker Will Trust - 50 ordinary shares
	Donald Allcott – 6 ordinary shares

**KPMG-**

**KPMG LLP**

*Centless Tooling Company Limited (in administration)  
Joint administrators – Mark Jeremy Orton and Richard James Philpott  
17 November 2010*

## **Appendix 2**

### **Receipts and payments from 22 April 2010 to 21 October 2010**

Centreless Tooling Company Limited  
(In Administration)  
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 22/04/2010 To 21/10/2010	From 22/04/2010 To 21/10/2010
<b>FIXED CHARGE ASSETS</b>		
Bank interest gross	0.41	0.41
	<u>0.41</u>	<u>0.41</u>
<b>ASSET REALISATIONS</b>		
Plant & machinery	50,455.00	50,455.00
Motor vehicles	10,750.00	10,750.00
Stock - work in progress	23,500.00	23,500.00
Book debts	78,738.62	78,738.62
Property rights Patents	3,000.00	3,000.00
Goodwill	2,000.00	2,000.00
	<u>168,443.62</u>	<u>168,443.62</u>
<b>OTHER REALISATIONS</b>		
Bank interest gross	34.89	34.89
License to occupy	3,000.00	3,000.00
Trading Surplus (Deficit)	<u>(4,080.21)</u>	<u>(4,080.21)</u>
	<u>(1,045.32)</u>	<u>(1,045.32)</u>
<b>COST OF REALISATIONS</b>		
Agents' Valuers' fees	5,500.00	5,500.00
Legal fees	20,737.40	20,737.40
Telephone Telex Fax	325.14	325.14
Heat & light	534.81	534.81
Rates	18,099.97	18,099.97
Wages & salaries	5,756.59	5,756.59
PAYE & NIC	1,617.13	1,617.13
Bank charges	207.57	207.57
	<u>(52,778.61)</u>	<u>(52,778.61)</u>
	<u>114,620.10</u>	<u>114,620.10</u>
<b>REPRESENTED BY</b>		
Floating charge VAT receivable		4,993.39
Fixed charge current		6,074.36
Floating charge current		109,764.87
Fixed charge VAT payable		(658.93)
Floating charge VAT payable		(5,553.59)
		<u>114,620.10</u>



Mark Jeremy Orion  
Administrator



---

**KPMG**

**KPMG LLP**

*Centreless Tooling Company Limited (in administration)*  
*Joint administrators – Mark Jeremy Orton and Richard James Philpott*  
*17 November 2010*

## **Appendix 3**

### **Analysis of Office Holders' Time Costs**

**For Period 22 April 2010 to 22 October 2010**

SIP9 Analysis dated 05/11/2010

Case name: Cereless Tooling Company Limited

Appointment date: 22/01/2010

22/01/2010 to 22/01/2010

	Partner Director	Manager	Administration	Support	Total hours	Time cost	Average hourly rate
<b>Trading</b>							
<b>Cashiering</b>							
General (Cashiering)			2.00	6.50	8.70	£ 77.50	£135.34
<b>Employees</b>							
Correspondence		16.00			6.00	£5,120.00	£320.00
Officer (tax payments service)		7.00			7.00	£544.00	£320.00
Partners reviews			1.00		1.00	£225.00	£225.00
<b>Tax</b>							
Tax reviews (CT and VAT)		1.20	3.20		4.40	£,104.00	£250.91
Post appointment corporation tax		2.40	1.60		4.00	£ 332.00	£332.00
Post appointment VAT			0.50		0.50	£112.50	£225.00
<b>Administration &amp; planning</b>							
<b>Cashiering</b>							
General (Cashiering)	0.90		21.30	19.00	42.10	£7,002.50	£173.46
Reconciliation & PS (corporate reviews)			4.26	0.20	4.46	£982.00	£220.18
<b>General</b>							
Books and records			7.00		7.00	£1,575.00	£225.00
<b>Statutory and compliance</b>							
Appointment and related to notices	4.50	12.10	46.15	1.50	64.25	£15,525.75	£241.65
Bonding and bond release			1.30		1.30	£292.50	£225.00
Checklists & reviews			21.40		21.40	£4,881.00	£228.08
Pre appointment checks		4.00	3.00		7.00	£2,022.50	£277.05
Reports to debenture holders	7.00	5.00	9.00	0.10	21.10	£7,140.50	£338.41
Strategy documents	3.60	1.00	10.50		15.10	£4,621.50	£306.06
<b>Tax</b>							
Tax reviews (CT and VAT)		9.50	16.10		25.60	£6,360.50	£248.46
Post appointment corporation tax			6.00	0.20	1.80	£693.00	£385.00
Post appointment PAYE		2.20			2.20	£704.00	£320.00
Post appointment VAT	0.10	1.70	4.95		6.75	£1,503.50	£222.74
<b>Creditors</b>							
<b>Creditors and claims</b>							
General correspondence		0.50	50.90	3.85	55.25	£12,121.75	£219.40
ROF Claims			0.00		1.00	£225.00	£225.00
Statutory reports	1.50	10.10	26.25	2.30	42.15	£1,294.25	£267.95
<b>Employees</b>							
Correspondence		7.30			7.30	£2,531.00	£346.71
Officer (tax payments service)		5.60			5.60	£1,856.00	£320.00
Partners reviews		1.60	6.30	0.20	8.10	£1,950.50	£240.60
<b>Investigation</b>							
<b>Directors</b>							
Directorial duties submission	0.00	1.70	3.10		4.80	£ 354.00	£276.33
Directors questionnaires checklists		1.50	6.00		17.50	£4,477.50	£255.86
Statement of affairs			4.00		4.00	£900.00	£225.00
<b>Investigations</b>							
Correspondence to investigations			1.75		7.75	£288.75	£ 65.00
Review of pre appointment actions			5.00		5.00	£1,200.00	£240.00
<b>Realisation of assets</b>							
<b>Asset Realisation</b>							
Debtors		6.00	4.40	0.10	66.50	£20,609.00	£314.34
Freehold property		24.00	2.60		26.60	£1,000.00	£387.69
Leasehold & stock		4.00	0.00		7.00	£2,115.00	£302.14
Other assets			2.00		2.00	£450.00	£225.00
Plant and machinery		20.50	37.50		58.00	£16,790.00	£286.48
Sale of business	4.00	16.00	25.50		45.50	£13,977.50	£307.20
Stock and work			0.00		13.00	£2,925.00	£225.00
<b>Trading code used outside trading period</b>							
<b>Trading</b>							
Sales		0.50			3.50	£1,417.50	£435.00
<b>Total in period</b>					<b>600.71</b>	<b>£1,170,092.00</b>	<b>£269.66</b>

**Scale rates**

The table below details the relevant rates and increase per grade since the date of administration

<b>Grade</b>	<b>2009/2010 £</b>	<b>2010/2011 £</b>
<b><i>KPMG Restructuring Partners and Staff</i></b>		
Partner	515	535
Director	440	460
Senior Manager	405	425
Manager	320	345
Senior Administrator	225	240
Assistant Administrator	165	175
Support	105	110

## **Appendix 4**

### **Schedule of expenses for the period**

**22 April 2010 to 22 October 2010**

Creditors are reminded that the basis on which fees have been reported has been agreed, however to determine if the quantum of the fees to be taken is reasonable the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with rule 2.48A IR86. This request must be made within 21 days receipt of the report. The full text of that rule can be provided on request. In addition creditors are reminded that the quantum can be challenged by unsecured creditor(s) with at least 10% in value excluding that creditors claim by making an application to court in accordance with rule 2.109 IR86. The full text of this rule can also be provided on request.

#### **Insolvency Rules 1986**

##### **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, 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

## **2.109 Creditors' claim that remuneration 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) An 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

(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