



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 1 0 1 9 7 2 5 6

Company name in full Iconic Labs Plc

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) William Antony

Surname Batty

3 Administrator's address

Building name/number 3 Field Court

Street Grays Inn

Post town London

County/Region

Postcode W C 1 R 5 E F

Country

4 Administrator's name ①

Full forename(s) Hugh Francis

Surname Jesseman

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 3 Field Court

Street Grays Inn

Post town London

County/Region

Postcode W C 1 R 5 E F

Country

② Other administrator


Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6	Period of progress report											
From date	^d 0	^d 4	^m 0	^m 6	^y 2	^y 0	^y 2	^y 1				
To date	^d 0	^d 3	^m 0	^m 6	^y 2	^y 0	^y 2	^y 2				

7	Progress report											
<input checked="" type="checkbox"/> I attach a copy of the progress report												

8	Sign and date											
Administrator's signature	Signature 								X			
Signature date	^d 1	^d 7	^m 0	^m 6	^y 2	^y 0	^y 2	^y 2				

**Presenter information**

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

Contact name **Sheniz Bayram**

Company name **Antony Batty & Company LLP**

Address **3 Field Court**

Gray's Inn

Post town **London**

County/Region

Postcode **W C 1 R 5 E F**

Country

DX

Telephone **020 7831 1234**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

Iconic Labs Plc
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 04/06/2021 To 03/06/2022 £	From 04/06/2021 To 03/06/2022 £
	ASSET REALISATIONS		
Uncertain	Accounts Receivable	NIL	NIL
	Bank Interest Gross	1.55	1.55
Uncertain	Book Debts	NIL	NIL
46,770.00	Cash at Bank	36,000.00	36,000.00
NIL	Computer Equipment	NIL	NIL
Uncertain	Due from Joe Media	NIL	NIL
Uncertain	Intangibles	NIL	NIL
NIL	Intercompany - Labs IP	NIL	NIL
NIL	Plant & Machinery	NIL	NIL
NIL	Prepayments	NIL	NIL
4,058.00	Subsidiary Bank Accounts	NIL	NIL
993.94	Widecells Bank Account	NIL	NIL
		36,001.55	36,001.55
	COST OF REALISATIONS		
	Category 1 Expenses	2,097.15	2,097.15
	Category 2 Expenses	175.29	175.29
	RSN charges	1,780.00	1,780.00
	VAT	810.49	810.49
		(4,862.93)	(4,862.93)
	PREFERENTIAL CREDITORS		
(288,033.91)	HM Revenue & Customs	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(184,295.04)	Arch Capital Partners LLP	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,546,610.10)	Claims Subject to Litigation	NIL	NIL
(1,865,000.00)	Convertible Loans	NIL	NIL
(929,220.35)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1,970,429.34)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(6,731,766.80)		31,138.62	31,138.62
	REPRESENTED BY		
	Bank 1 Current - Interest bearing		31,138.62
			31,138.62

Note:


William Antony Batty
Joint Administrator

ICONIC LABS PLC - IN ADMINISTRATION

JOINT ADMINISTRATORS' SIX MONTHLY PROGRESS REPORT

DATE OF REPORT: 17 JUNE 2022

DELIVERED TO CREDITORS: 18 JUNE 2022

**ANTONY BATTY & COMPANY LLP
3 FIELD COURT
GRAYS INN
LONDON
WC1R 5EF**

ICONIC LABS PLC - IN ADMINISTRATION

JOINT ADMINISTRATORS' SIX MONTHLY PROGRESS REPORT

This report is prepared in accordance to the provisions of the Insolvency Act 1986, which require the Joint Administrators to provide creditors with a report on the progress of the Administration. The report has been prepared for the purpose of advising creditors and should be read in conjunction with our proposals and previous progress reports. The report is private and confidential and may not be relied upon, referred to, copied or quoted from, in whole or in part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

William Antony Batty and Hugh Francis Jesseman were appointed as Joint Administrators of Iconic Labs Plc on 04 June 2021.

The affairs business and property of the Company are being managed by the Joint Administrators, who act as the Company's agent and contract without personal liability.

In preparing this report the Joint Administrators have had to rely on some information provided by the Directors, management and others. It has not been possible to verify all such information. Therefore, the Joint Administrators take no responsibility for the completeness or accuracy of such information.

WA Batty, HF Jesseman and CE Howell are licensed as Insolvency Practitioners in the UK by The Institute of Chartered Accountants in England & Wales under S. 390 (2) of the Insolvency Act 1986.

Abbreviations used in this report:

- Iconic Labs Plc - ("the Company")
- William Antony Batty and Hugh Francis Jesseman - ("the Joint Administrators")
- European High Growth Opportunities Securitization Fund - ("EHGOSF")
- Arch Capital Partners LLP – ("Arch Capital")
- Judge Sykes Frixou – ("JSF")
- Stock Exchange - ("LSE")

ICONIC LABS PLC (“THE COMPANY”) – IN ADMINISTRATION

ADMINISTRATORS’ PROGRESS REPORT TO CREDITORS

For the six months ending 03 June 2022

STATUTORY INFORMATION

Company name:	Iconic Labs Plc
Formerly known as:	Widecells Group PLC
Court name and reference:	High Court of Justice, Business & Property Courts 000991 of 2021
Registered office:	3 Field Court, London,, WC1R 5EF
Former registered office:	7 Bell Yard, London, WC2A 2JR
Registered number:	10197256
Joint Administrators’ names;	William Antony Batty and Hugh Francis Jesseman
Joint Administrators’ address:	3 Field Court, Gray’s Inn, London, WC1R 5EF
Joint Administrators’ date of appointment:	04 June 2021
Actions of Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

EXTENSION OF ADMINISTRATION

On 13 May 2022, the secured creditor agreed to extend the Administration of the Company for a period of six months, such that the Administration will now automatically end on 03 December 2022.

ADMINISTRATORS’ ACTIONS SINCE LAST PROGRESS REPORT

The Joint Administrators’ have continued their communication with EHGOSF and Arch Capital regarding the various disputes. A settlement Agreement was agreed in principle in late 2021, we understand that negotiations are ongoing regarding the detailed terms of the Agreements documentation.

We have been liaising with the Board and major creditors regarding the Company exiting Administration and control being returned to the Board, it is intended that this will be achieved via a Company Voluntary Arrangement (“CVA”). The CVA proposals have been agreed subject to the finalisation of the Settlement Agreements.

If the CVA is approved and control returned to the Board, it is hoped, subject other statutory requirements been complied with, that the shares will be relisted.

As previously advised, EHGOSF filed Notice of Discontinuance of their Actions against Arch Capital and the Joint Administrators. The only remaining matter is to deal with each party’s costs. Agreement has been reached in principle between all parties and solicitors who acted in this matter and it should be completed concurrently with the global Settlement Agreement.

Please note that there is certain work that I am required by the insolvency legislation to undertake work in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is contained in the Appendices.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 04 December 2021 to 03 December 2022 is attached at Appendix 1, which I have reconciled to the financial records that I am required to maintain. Please note that receipts and payments in the account are shown net of VAT.

The balance of funds are held in an interest bearing estate bank account.

ASSETS

Intangible Assets

As advised previously, ITC were instructed to market the Company's web site and social media platform called GSN. The platform was valued by ITC, with an estimated realisable value of £30,000 to £40,000. ITC carried extensive marketing of the business by internet advertising through www.ip-bid.com distressed business for sale and received 14 separate enquires.

Offers from two separate third parties of have been received for this asset.

However, if the CVA is agreed, GSN will be retained by the Company.

Book Debts

Accounts Receivable

We can confirm that initial letters have been sent pursuing payment of the outstanding invoices and we have been corresponding with debtors appropriately., however most of the debts are disputed and relate to the Company's dispute with the Greencastle Media Group, which has claims against the Company.

All such claims will be settled by way of set-off if on completion of the global Settlement Agreement.

Prepayments

We are still investigating what the prepayments of £3,724 relate to, however in our experience it is not normally possible to recover prepaid sums.

Cash at bank

The company did not operate a Bank account, Loans to the Company were paid into the account of a wholly owned subsidiary, as previously reported £36,000 has been transferred from the subsidiaries bank account to the Administration account.

If the global Settlement Agreement and CVA are completed no further realisations are anticipated.

LIABILITIES

Secured Creditors

Arch Capital hold a legal mortgage, together with fixed and a floating charge over the assets of the Company, pursuant to the Debenture dated 12 November 2020. Arch Capital were owed a liquidated sum of approximately £184,295 at the date the Company entered administration.

As advised in our proposals, the Shard IA and the Debenture were assigned by Shard to Arch Capital on 3 June 2021 pursuant to the Assignment Agreement.

We have received a secured claim from Arch Capital made up of a principal debt of £146,368 with interest accruing at 10% per annum plus default interest accruing at a monthly rate of 4%; a claim in respect of the failure to deliver warrant debt of £234,750 and an additional claim of £4,000,000 in respect of the Company's breach by not entering into any agreement with existing lenders.

The Company disputes the amount of the Claims for £234,750 and £4,000,000.

All of Arch's Claims will be dealt with in the Global Settlement Agreement. Secured creditors cannot be bound by a CVA, however the CVA cannot proceed until the disputed Secured Claims had been settled.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case as there will not be a payment to the floating charge creditors the prescribed part will not be calculated.

Preferential Creditors

The statement of affairs did not anticipate any claims relating to employee claims but anticipated £288,034 in respect of secondary preferential creditors relating to HM Revenue & Customs ("HMRC") claim. I have received a claim from HMRC in respect of an estimated secondary preferential debt of £46,550.

Crown Creditors

In addition to the preferential claims discussed above, the Statement of Affairs did not include a claim owed to HMRC in respect of their non-preferential claim. However, HMRC have submitted an estimated unsecured claim of £21,822.

Any CVA will have to provide for Preferential Creditors to be paid in full, in priority to any payment being made to unsecured creditors.

Non-preferential unsecured Creditors

The statement of affairs included 51 non-preferential unsecured creditors with an estimated total liability of £4,340,830.

I have received claims from 20 creditors totalling £8,000,381 including claims from 2 creditors not originally on the Statement of Affairs of £201,472. I have not received claims from 33 creditors with original estimated claims in the statement of affairs of £135,992.

The directors have provided information about creditors and their claims, although some of the claims are disputed and subject to litigation. The unsecured creditor amount includes the following major unsecured creditors as detailed below:

EHGOSF – Convertible loan notes £1,865,000 Subject to the Company having sufficient authorised share capital the fund is likely to convert the loan notes into ordinary shares in the Company. The fund holds also warrants.

Greencastle Acquisition Limited £1,493,297 Greencastle are claiming to actually be owed £1,550,000 and the contractual offset of this sum against the £1,500,00 due from Greencastle to the Company. As noted above, Greencastle's claims will be settled by the Global Settlement Agreement.

DIVIDEND PROSPECTS

The only prospect of any return to unsecured creditors is by way of a CVA.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

No further matters that justified further investigation in the circumstances of this appointment have been brought to my attention.

Within three months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

PRE-ADMINISTRATION COSTS

On 17 August 2021 the following pre-administration costs were approved by the creditors:

Pre-administration fees charged by Antony Batty & Company LLP total £8,584, of which £5000 was paid prior to appointment.

The following statement sets out my pre-administration costs incurred. The statement also shows those fees and expenses that were paid prior to the Administration and those that remain outstanding and to be paid from Administration funds.

Description	Paid pre-appointment £	To be paid £	Total £
Administrators' pre-administration remuneration	5,000.00	3,584.50	8,584.50
Total			8,584.50

ADMINISTRATORS' REMUNERATION

Our remuneration was approved on a time cost basis based on a fee estimate of £150,113. The fee estimate acts as a cap and we cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

Our total time costs to 03 June 2022 amount to £176,125, representing 423 hours of work at a blended charge out rate of £416 per hour, of which £12,386, representing 31 hours of work, was charged in the period since 03 December 2021, at a blended charge out rate of £401 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £284 in my fees estimate. There is a significant difference in the blended rate charged, compared with the estimated blended rate because due to the fact most of the work undertaken in this matter required a more senior member of staff.

Our time costs exceed the amount given in the original estimate. The increased time is due to the ongoing negotiations surrounding the Global Agreement.

We have not been able to draw any remuneration in this matter to date.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of

Insolvency Practice 9, and they can be accessed at <http://www.antonybatty.com/insolvency-resources>. There are different versions of these Guidance Notes, and you should refer to the most recent version. Please note that we have also provided further information about an office holder's remuneration and expenses in our practice fee recovery sheet, which is enclosed at Appendix 5.

ADMINISTRATORS' EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

We have incurred total expenses of £2,272 to date of which was drawn during the period of this report.

I have used the following professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Judge Sykes Frixou	Solicitors	Time costs
London Stock Exchange	RSN Notices	Standard Premiums

JSF have been unpaid fees of £57,278 plus VAT and unpaid expenses of £99 in respect of advice legal advice provided during the course of the Administration. JSF are a firm of solicitors experienced in providing advice in insolvency situations and in preparation of sale agreements. Their fee is based on their time costs.

LSE has been paid £1,780 plus VAT during the period of this report for publishing RSN Announcements.

The following professional advisors have not been used in the period of this report although their fees remain unpaid:

ITC Valuers have unpaid fees of approximately £2,500 plus VAT in respect of the valuation and forthcoming sale of the Company's GSN platform. ITC is a firm of valuers experienced in valuing and marketing assets in insolvency situations. Their fee is based on their time costs and they will be paid a percentage of any sale.

Marriott Harrison LLP have unpaid fees of £132,000 in respect of dealing with the EHGOSF Litigation and our Witness Statement. We are pursuing EHGOSF for our legal costs associated with the Litigation, following the Litigation being discontinued. MH are a firm of solicitors experienced in providing advice in insolvency situations and their fee is based on their time costs. Agreement has been reached in principle between all parties to settle MH's cost and should be completed concurrently with the global Settlement Agreement.

Marsh Limited will be paid £148 in respect of specific bonding cover, which is required for each insolvency appointment. Marsh Limited provides specialist insolvency insurance and bonding service. The premium is based on their standard charges.

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee

arrangement with them. I also confirmed that they hold appropriate regulatory authorisations. I have reviewed the fees they have charged and am satisfied that they are reasonable in the circumstances of this case.

We have not incurred any category 1 expenses in the period of this report.

We are required to seek approval before I can pay any expenses to associates or pay expenses where there is an element of shared costs, which are known as category 2 expenses. I have obtained approval to pay the following category 2 expenses. I have not incurred any category 2 expenses in the period of this report.

Details of the category 2 expenses that I have paid to date and in the reporting period are included in the receipts and payments account attached.

Nature of expense	Estimated expenses	Expenses incurred to date	Expenses Unpaid
Statutory Advertising	£336	£178	-
Specific Bonding	-	£148	£148
Postage	£431	£175	-
Storage Costs	£630	£0	-
Legal Fees	£260,000	£189,377	£189,377
Agents Fees	£15,000	£2,500	£2,500
IT Services	-	£1,919	-
Total	£276,397	£194,297	£192,025

As you can see above, while the total expenses we incurred were in line with the total expenses I estimated we would incur when our remuneration was approved, some expenses were higher than I estimated, and some were lower than we estimated. The reasons for this are the attendance to various legal matters that have arisen during the course of the Administration.

DISCHARGE

I am seeking a decision by correspondence from the creditors that the Joint Administrators be released from any Personal Liability at the end of the Administration. If you wish to vote on the decision, you must complete and return the enclosed notice of decisions by correspondence to me by no later than 23.59 on 06 July 2022, the decision date. If you have not already submitted a proof of debt, please complete the enclosed form and return it to me, together with the relevant supporting documentation. Your vote on the resolutions will not count unless you have lodged a proof of debt by no later than 23.59 on 06 July 2022.

You are also invited to determine whether to form a Creditors' Committee, and a notice of invitation to form a Creditors' committee and further instructions are enclosed. To enable you to make an informed decision as to whether you wish to either seek to form a Committee, or to nominate yourself to serve on a Committee, further information about the role of the Committee and what might be expected from its members has been prepared by R3 and can be found is available at the link <http://www.creditorinsolvencyguide.co.uk/>.

The following documents are enclosed with this report:

- Notice of decision for which approval is sought;
- Voting Form;
- Notice of invitation to form a Creditors' Committee and;
- Proof of debt form.

Please note that I must receive at least one vote by the decision date or the decision will not be made. I would therefore urge you to respond promptly.

Should any creditor or group of creditors wish to request a physical meeting of creditors, they must do so within 5 business days of the delivery of the notice that accompanies this letter, such requests must be supported by valid proof of their debt (if not already lodged). I will convene a meeting if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means all creditors.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Antony Batty & Company LLP can be found at <http://www.antonybatty.com/insolvency-resources>.

SUMMARY

The Administration will remain open until all the realisable assets have been dealt with and the Company has successfully been moved into CVA. I estimate that this will take approximately 6 months, and once these matters have been finalised the Administration will cease and my files will be closed. If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Sheniz Bayram by email at sheniz@antonybatty.com, or by phone on 020 7831 1234.



William Antony Batty
Joint Administrator
Date: 17 June 2022

The affairs, business and property of the Company are being managed by the Joint Administrators, William Antony Batty and Hugh Francis Jesseman. The Joint Administrators act as agents of the Company and contract without personal liability.

Iconic Labs Plc
(In Administration)
Joint Administrators' Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 04/06/2021 To 03/12/2021 (£)	From 04/12/2021 To 03/06/2022 (£)	Total (£)
Plant & Machinery	NIL	0.00	0.00	0.00
Computer Equipment	NIL	0.00	0.00	0.00
Intangibles	Uncertain	0.00	0.00	0.00
Intercompany - Labs IP	NIL	0.00	0.00	0.00
Due from Joe Media	Uncertain	0.00	0.00	0.00
Book Debts	Uncertain	0.00	0.00	0.00
Prepayments	NIL	0.00	0.00	0.00
Subsidiary Bank Accounts	4,058.00	0.00	0.00	0.00
Accounts Receivable	Uncertain	0.00	0.00	0.00
Cash at Bank	46,770.00	36,000.00	0.00	36,000.00
Widecells Bank Account	993.94	0.00	0.00	0.00
Bank Interest Gross		0.00	1.55	1.55
		36,000.00	1.55	36,001.55
PAYMENTS				
Category 1 Expenses		0.00	2,097.15	2,097.15
Category 2 Expenses		0.00	175.29	175.29
VAT		0.00	810.49	810.49
RSN charges		0.00	1,780.00	1,780.00
HM Revenue & Customs	(288,033.91)	0.00	0.00	0.00
Arch Capital Partners LLP	(184,295.04)	0.00	0.00	0.00
Trade & Expense Creditors	(929,220.35)	0.00	0.00	0.00
Convertible Loans	(1,865,000.00)	0.00	0.00	0.00
Claims Subject to Litigation	(1,546,610.10)	0.00	0.00	0.00
Ordinary Shareholders	(1,970,429.34)	0.00	0.00	0.00
		0.00	4,862.93	4,862.93
Net Receipts/(Payments)		36,000.00	(4,861.38)	31,138.62
MADE UP AS FOLLOWS				
Bank 1 Current - Interest bearing		36,000.00	(4,861.38)	31,138.62
		36,000.00	(4,861.38)	31,138.62

Note:



William Antony Batty
Joint Administrator

Time Entry - SIP9 Time & Cost Summary

ICONIC - Iconic Labs Plc
Project Code: POST
From: 04/12/2021 To: 03/06/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	0.30	6.40	0.00	0.30	7.00	2,583.50	369.07
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	10.50	10.90	0.00	0.00	21.40	8,865.00	414.25
Investigations	0.00	0.40	0.00	0.00	0.40	150.00	375.00
Realisations of Assets	0.00	2.10	0.00	0.00	2.10	787.50	375.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	10.80	19.80	0.00	0.30	30.90	12,386.00	400.84
Total Fees Claimed						0.00	
Total Disbursements Claimed						2,272.44	

Time Entry - SIP9 Time & Cost Summary

ICONIC - Iconic Labs Plc
Project Code: POST
From: 04/06/2021 To: 03/06/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	42.20	70.40	0.00	1.00	113.60	44,729.00	393.74
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	146.40	46.90	1.20	0.00	194.50	83,353.00	428.55
Investigations	49.30	23.30	0.00	0.00	72.60	30,469.50	419.69
Realisations of Assets	29.00	13.10	0.30	0.00	42.40	17,574.00	414.48
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	266.90	153.70	1.50	1.00	423.10	176,125.50	416.27
Total Fees Claimed						0.00	
Total Disbursements Claimed						2,272.44	

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing Corporation Tax returns.

2 Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

3 Specific Matters

Dealing with matters surrounding the agreement of negotiations to finalise the Global Agreement and placing the Company into CVA.

Antony Batty & Company LLP**Time Costs – Charge out rates per hour and disbursements policy.****1 July 2021 – 30 June 2022**

Hourly charge out rates	2021\22
Office Holder (e.g. Administrator)	£455
Senior Manager	£395
Case Manager	£375
Senior Administrator 1	£285
Senior Administrator 2	£325
Administrator	£195
Junior Administrator	£110
	2018/21
Office Holder (e.g. Administrator)	£435
Senior Manager	£380
Case Manager	£340
Senior Administrator 1	£260
Senior Administrator 2	£295
Administrator	£175
Junior Administrator	£95

Please note that these rates may be increased from time to time. Creditors will be notified of changes in the annual report.

Time is recorded in units of six minutes: the minimum unit of time is therefore 6 minutes.

Members of staff with the appropriate level of experience and authority have been and will be used for the various aspects of work necessary in this assignment.

Disbursement Policy

Please note that the liquidator's disbursements are charged out at the following rates:-

Category 1 - represent recovery of necessarily incurred disbursements at the cost incurred.

Sundry disbursements, such as advertising, where incurred appropriately, are recharged at 100% of the cost incurred.

There is a statutory requirement to advertise the following notices in the London Gazette: first meeting of creditors, resolutions for winding-up, appointment of Liquidators, final meetings and notices to creditors to submit claims. Statutory advertising costs are at a fixed rate of £89.20 plus VAT per advert.

Insurance and bonding is recharged at 100% of the relevant charge to the office holder.

There is a statutory requirement for the Liquidator to apply for specific bond cover based on the expected realisations in each appointment. The bond premiums may be found on our website: <http://antonybatty.com/insolvency-resources>.

Travel costs with the exception of mileage costs are recharged at 100% of the cost incurred.

VAT is charged as appropriate.

Category 2

Postage Royal Mail postage rates.

Travel: where Antony Batty & Company LLP staff use their own vehicles in the course of their duties in this matter, the mileage is recharged at 45p per mile.

VAT is charged as appropriate.

PRACTICE FEE RECOVERY POLICY FOR ANTONY BATTY & COMPANY LLP

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at <http://www.antonybatty.com/insolvency-resources>. Alternatively a hard copy may be requested from Antony Batty & Company LLP, 3 Field Court, Gray's Inn, London, WC1R 5EF or office@antonybatty.com. Please note, however, that the guides have not yet been updated for the revised legislation, so we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

In respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Case Administration (including statutory reporting).
- Realisation of Assets.
- Investigations.
- Creditors (claims and distributions).
- Trading
- Case specific matters.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in six minute units with supporting narrative to explain the work undertaken.

Charge out Rates

Grade of staff	Current charge-out rate per hour, effective from 1\7\21 £
Partner – appointment taker	455
Senior Manager	395
Manager	375
Senior Administrator 1	285
Senior Administrator 2	325
Case Administrator	195
Junior case administrator	110

These charge-out rates charged are reviewed on 1 June each year and are adjusted to take account of inflation and the firm's overheads.

Members of staff with the appropriate level of experience and authority will be used for the various aspects of work necessary in this assignment.

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs on certain cases:

When we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Direct Costs

Where we seek approval on a percentage and / or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The following are direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work where the office holder is to be remunerated for such work on either a percentage or fixed fee basis:

- Case Administration (including statutory reporting) –costs of case management system.
- Realisation of Assets costs of case management system.
- Investigations - costs of case management system.
- Creditors (claims and distributions) - costs of case management system.
- Trading - costs of case management system.

Mixed basis

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

Members' Voluntary Liquidations and Voluntary Arrangements

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the

insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

The London Gazette's price list can be accessed at <https://www.thegazette.co.uk/place-notice/pricing>. The Marsh Limited specific bond premiums may be found on our website: <http://antonybatty.com/resource>.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

The practice intends to seek approval to recover the following Category 2 expenses that include an element of shared costs:

Postage: Royal Mail postage rates (Non-franked mail).

Travel: where Antony Batty & Company LLP staff use their own vehicles in the course of their duties in this matter, the mileage is recharged at 45p per mile.

VAT is charged as appropriate.

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists*;
- Employment Claims specialists*; and
- GDPR/Cyber Security specialists*.

* Note: where such professional advisors are instructed on a case, the office holder will not charge any remuneration to the case in respect of such work, other than in respect of supervising and monitoring their work.

Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If

approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the “blended” rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder’s remuneration and / or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder’s remuneration and / or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under Rule 18.9 of the Insolvency (England and Wales) Rules 2006, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder’s remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under Rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder’s fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.