



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://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 WC 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 WC 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	<sup>d</sup> 0	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 6	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
To date	<sup>d</sup> 0	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 0	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
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**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

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

Statement of Affairs £		From 04/06/2022 To 02/11/2022 £	From 04/06/2021 To 02/11/2022 £
	<b>ASSET REALISATIONS</b>		
Uncertain	Accounts Receivable	NIL	NIL
	Bank Interest Gross	1.59	3.14
Uncertain	Book Debts	NIL	NIL
46,770.00	Cash at Bank	NIL	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
		1.59	36,003.14
	<b>COST OF REALISATIONS</b>		
	Category 1 Expenses	148.00	2,245.15
	Category 2 Expenses	1,425.66	1,600.95
	Office Holders Fees	24,376.52	24,376.52
	RSN charges	NIL	1,780.00
	VAT	5,190.03	6,000.52
		(31,140.21)	(36,003.14)
	<b>PREFERENTIAL CREDITORS</b>		
(288,033.91)	HM Revenue & Customs	NIL	NIL
		NIL	NIL
	<b>FLOATING CHARGE CREDITORS</b>		
(184,295.04)	Arch Capital Partners LLP	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(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
	<b>DISTRIBUTIONS</b>		
(1,970,429.34)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(6,731,766.80)</b>		<b>(31,138.62)</b>	<b>(0.00)</b>
	<b>REPRESENTED BY</b>		
			<b>NIL</b>

Note:

William Antony Batty  
Joint Administrator

**ICONIC LABS PLC - IN ADMINISTRATION**

**JOINT ADMINISTRATORS' FINAL REPORT**

**DATE OF REPORT: 08 NOVEMBER 2022**

**ANTONY BATTY & COMPANY LLP  
3 FIELD COURT  
GRAY'S INN  
LONDON  
WC1R 5EF**

## **ICONIC LABS PLC - IN ADMINISTRATION**

This report is prepared in accordance with the provisions of the Insolvency Act 1986, which require the Joint Administrators to provide creditors with details of their proposals to achieve the objective of the Administration. The report has been prepared for the purpose of advising creditors. 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.

WA Batty and HF 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.

WA Batty, HF Jesseman and CE Howell are licensed as Insolvency Practitioners in the UK by The Institute of Chartered Accountants in England & Wales.

### **Abbreviations used in this report:**

- Iconic Labs Plc- ("the Company")
- William Antony Batty and Hugh Francis Jesseman- ("the Joint Administrators")
- HM Revenue & Customs - ("HMRC")
- European High Growth Opportunities Securitization Fund- ("EHGOSF")
- Arch Capital Partners LLP- ("Arch Capital")
- Judge Sykes Frixou- ("JSF")
- Company Voluntary Arrangement- ("CVA")

**ICONIC LABS PLC – IN ADMINISTRATION  
FORMERLY WIDECHELLS GROUP PLC**

**STATUTORY INFORMATION**

Company name:	Iconic Labs Plc
Court name and reference	High Court of Justice, Business & Property Courts 000991 of 2021
Company number:	10197256
Trading address:	Waverley House, 9 Noel Street, London, W1F 8GQ
Registered office:	3 Field Court, London, WC1R 5EF
Former registered office:	7 Bell Yard, London, WC2A 2JR
Principal trading activity:	Media & Technology Company
Joint Administrators' names:	William Antony Batty & Hugh Francis Jesseman
Joint Administrators' address:	3 Field Court, Gray's Inn, London, WC1R 5EF
Date of appointment	04 June 2021
Appointment made by:	Arch Capital Partners LLP, Qualifying Floating Charge Holder
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.

On 13 May 2022, the secured creditor agreed to extend the Administration of the Company for a period of 6 months.

**SUMMARY OF THE ADMINISTRATORS' PROPOSALS**

The following proposals were approved, with modifications by the creditors by way of a Decision Procedure on 17 August 2022.

(a) we continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we:

- (i) dispose of some or all of the assets (but, as regards any claims which the Company has against Arch, Greencastle Media, former directors and anyone who has acted as a de facto or shadow director, not before having established that a rescue of the Company as a going concern is incapable of achievement), recover book debts, investigate any disputed claims against the Company where necessary and recover the cash at bank;
- (ii) subject to (i) above, sell the Company's assets at such time(s) on such terms as we consider appropriate;
- (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods and / or services to the Company and including matters pertaining to the validity of the floating charge under which the administrators were appointed;
- (iv) if funding can be obtained on acceptable terms, make CVA proposals to creditors or cause the Company to enter into such other funding arrangements as may be available and which are considered to be viable in the circumstances with the aim of a restructure and rescue of the Company as a going concern being achieved and control of the Company being returned to the directors; and

- (v) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals;
- (b) if there are no assets for distribution to unsecured creditors or if a CVA or other funding arrangement is not considered to be viable or any CVA which is proposed is not agreed by creditors and, where appropriate, shareholders, or, having been approved is successfully challenged, the Administration of the Company will end by us being obliged to file a notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered;
- (c) the Administration of the Company will end by giving notice to the Court, creditors and Registrar of Companies that the objective of the Administration has been achieved; and
- (d) subject to any Order the Court may make the Joint Administrators will be released from any personal liability at the end of the Administration.

### **STEPS TAKEN DURING THE ADMINISTRATION**

Immediately on appointment, we wrote to all current and former directors of the Company requesting their co-operation with obtaining Company information and completion of Statement of Affairs ("SofA") as of the date of appointment.

On receipt of the completed SofA, we took steps to investigate the location of, and recover the Company assets as detailed in the asset section of this report.

We were approached by several third parties who have expressed an interest in the purchase of the assets, specifically Gay Star News ("GSN") a social media platform. Accordingly, we engaged ITC Valuers ("ITC") to market the Company's interest in this platform. However, as the CVA has now been agreed GSN has been retained by the Company.

As advised in previous reports, we were contacted by King & Wood Mallesons ("KWM") legal representatives of EHGOSF with claims that our appointment was invalid. Marriott Harrison LLP ("MHLLP") a firm of solicitors were engaged to advise on communications with KWM and the validity of our appointment.

Prior to the Company going into Administration and our appointment, the Company issued a notice to its members of a General Meeting ("GM") to be held on 15 June 2021 in order to pass a number of resolutions, as mentioned in previous reports.

On 11 June 2021, we received a notice from KMW of an urgent Court application by EHGOSF seeking to require the GM to proceed that the Administration appointment was made for an improper purpose. The application was heard on the 14 June 2021 and it was ordered by Court that the GM should be adjourned and other matters be heard at a later hearing set for October 2021 and in September 2021 EHGOSF filed a Notice of Discontinuance of their Actions against Administrators.

As previously advised, EHGOSF filed Notice of Discontinuance of their Actions against Arch Capital and the Joint Administrators and each party's costs have now been agreed and paid.

A Settlement Agreement was approved by all parties and implemented.

As a result, CVA proposals were approved by Creditors on 22 September 2022, it is now intended that control of the Company is returned to the Board, who will seek to have the shares relisted.

Please note that there is certain work that we are 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 our last progress report is contained in the Appendices.

## **OUTCOME OF ADMINISTRATION**

In accordance with the Administrators' modified Proposals the Administration will now end and control of the Company will return to the directors.

Our initial intention was to pursue objective (a) of Administration, namely the rescue of the Company as a going concern by restoring solvency via a CVA. Accordingly, the Administration can be brought to an end.

## **RECEIPTS AND PAYMENTS ACCOUNT**

Our Receipts & Payments Account for the period from 04 June 2022 to 02 November 2022 is attached at Appendix 1 which I have reconciled to the financial records that we are required to maintain.

## **ASSETS**

### **Physical Assets**

#### Computer Equipment & Plant & Machinery

The SOA indicated that the Company owned computer equipment, plant & machinery, although given the Company's had no physical presence in the UK, we were unable to locate any such assets.

Immediately on appointment, we instructed IT specialists Simpology Limited ("Simpology") who specialise in IT support and management, to take backups and control of the Company's historic e-mails.

We were approached by an ex-employee of GSN who advised that he had access codes to a storage unit in East London. Immediately on advice of the unit, ITC contacted the Big Yellow Storage site manager to gain access. The site contained various pieces of computer equipment and GSN merchandise. Our agents advised that the removal of the assets would cost more than any potential recovery. Therefore, the decision was made to abandon the assets on site.

### **Intangible Assets**

As advised ITC were instructed to market and sell the Company's web site and social media platform called GSN. The platform had been valued with an estimated realisable value of £30,000 to £40,000. ITC carried extensive marketing of the business by internet advertising through [www.ipbid.com](http://www.ipbid.com) distressed business for sale and received 14 separate enquires.

Offers from two separate third parties were received for this asset. However, as the CVA has now been agreed, GSN will have been retained by the Company.

### **Book Debts**

#### Accounts Receivable

The directors have provided copies of outstanding debtor invoices totalling £457,203. After contacting the debtors it became apparent most of the debts are disputed and related to the Company's dispute with the Greencastle Media Group, which has claims against the Company.

All such claims were settled by way of set-off on completion of the Settlement Agreement.

#### Due from Joe Media

In addition, the SOA included a sum of £300,436 stated to be due from Joe Media Limited. We understand that this sum was part of the Greencastle Media Group disputed sums and has been settled by way of set off.

#### Other debtors

The SOA also shows other debtors of £966,682 and to date I have not received any recoveries in respect of this asset as the debtor position is a complex situation.

As noted above, the Company provided management services to Greencastle Acquisition Limited ("Greencastle"), an Irish Company under the control of Mr Sefton which owned the media brands "TLE", "Joe and Her Media" and "Lovin". In consideration for the entering into of this management services agreement, the Company had lent Greencastle £1m in connection with Greencastle's £8m acquisition of Joe and Her Media in July 2020.

Greencastle asserted that, at the date of Administration, the loan to it from the Company of £1m and approximately £500,000 of unpaid management fees owed to it by the Company were repaid by exercise of a contractual right of set off and that notice of this was given to the current board. The debts used to set off comprised unpaid consultancy fees, salaries, bonuses, pensions and notice totalling £1.55m due to Greencastle.

Greencastle's position was accepted by the Board and EHGSF and was dealt with by the Settlement Agreement.

#### Prepayments

Prepayments of £3,724 were reflected in the SOA, however in our experience it is not normally possible to recover prepaid sums. As no supporting documentation was received to confirm what these prepayments were in respect of, we have no other option than to write off this asset.

#### **Cash at Bank**

##### Corporate current account

The SOA stated that funds of £46,770 were being held on the corporate current account which was believed to be held with Santander UK Plc ("Santander"). We made contact with Santander who advised that the account was in the name of a different legal entity. We have not been able to trace a Bank account in the Company's name.

We identified that historic realisation from the issue of Convertible Loan Notes were paid into the account of a wholly owned subsidiary, as previously reported £36,000 was transferred from the subsidiary's bank account to the Administration account.

#### Group bank accounts

The SOA states that the various group company bank accounts hold funds totalling £994 and the subsidiary company bank accounts hold funds totalling £4,058. Details of the accounts were requested but as the directors of the subsidiaries did not have access to the accounts holding these funds, no recovery has been made.

### **LIABILITIES**

#### **Secured Liabilities**

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..

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 estimated damages arising from several breaches by the Company of the loan and other agreements with the secured lender.

As noted above, Company sought to dispute the estimated amount of these Claims of £234,750 and £4,000,000.

All of Arch's Claims have now been dealt with in the Settlement Agreement. Secured creditors cannot be bound by a CVA.

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. We 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.

The CVA provides 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. We 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. We have not received claims from 33 creditors with original estimated claims in the statement of affairs of £135,992.

All unsecured creditors will be settled in accordance with the CVA.

EHGOSF – Submitted a claim in the sum of £3 million in respect of Convertible Loan Notes and other claims. The CVA provides that EHGOSF will convert their unsecured claim of £3,000,000 against the Company, into £750,000 "New Convertible Loan Notes", being the equivalent of 25p in the £1."

Greencastle submitted an offset claim in the sum of £1,550,000 against the £1,500,00 due from Greencastle to the Company. As noted above, Greencastle's claims have now been settled by the Settlement Agreement.

#### **DIVIDENDS PROSPECTS**

On the basis of the information currently available no dividend will be declared to any class of creditors in the Administration as all creditor claims have been settled by the Settlement Agreement or 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 our attention.

Within three months of our appointment as Liquidator, we are required to submit a confidential report to the Secretary of State to include any matters which have come to our attention during the course of our 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. We would confirm that our 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 our 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 paid from Administration funds.

Description	Paid pre-appointment	Unpaid	Total
	£	£	
Administrators' pre-administration remuneration	5,000.00	3,584.50	8,584.50
<b>Total</b>			<b>8,584.50</b>

#### **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 actual total time costs to 28 October 2022 amount to £182,351, representing 442 hours of work at a blended charge out rate of £413 per hour, of which £6,180, representing 19 hours of work, was charged in the period since 03 June 2022, at a blended charge out rate of £330 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £284 in our fees estimate. There is a significant difference in the blended rate charged, compared with the estimated blended rate because due to the because 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 negotiations surrounding the Settlement Agreement.

We have invoiced £24,377 to 08 November 2022 which was paid from realisations during the period of this report. In addition, we have been paid £50,000 plus VAT from funds raised by the company post CVA, making total fees invoiced £74,377.

If the CVA completes as planned, the CVA Proposals provide for Antony Batty & Company will be paid further fees in respect of the Administration of a minimum of £60,000 up to the balance of unpaid approved fees being £79,320.

Appendix 2 contains further information about time spent on the Administration and has been categorised into the following headings:

- Administration and Planning: includes case planning, administrative set-up, appointment notification, statutory reporting, compliance, cashing, accounting and administrative functions.
- Realisation of Assets: includes identifying, securing, insuring assets, retention of title issues, debt collection, property, business and asset sales.

- Investigations: includes reporting on the conduct of directors, investigating antecedent transactions and any other investigations that may be deemed appropriate.
- Creditors: includes creditor set up, communication and meetings, reviewing and agreeing preferential and unsecured claims, corresponding with secured creditors, reviewing and obtaining advice in relation to security granted by the Company.

Time spent on this matter has predominantly been spent on the dispute, Court proceedings and negotiations surrounding the Settlement Agreement between EHGOFS and Greencastle.

The time spent on Administration and Planning functions includes considerable time spent preparing the statutory reports to creditors required in the Administration and in ensuring that the Administration is progressed effectively.

The affairs of the Company, especially in the debtor position are very complex and the initial enquiries revealed a number of complicated matters, which required further and extensive investigation.

As noted in the Asset section of the report, the Company held a wide variety of assets, which required different strategies in order to effectively deal with them.

Whilst the Joint Administrators have attempted to keep creditors & Members fully aware of the progress of the Administration, staff have received substantial enquiries from the Company's Members requesting detailed information which included the requirement to issue regular RSN announcements.

Due to the complexities of this case, the Administrators' and senior management have held regular case progression meetings and liaised closely with the various the Qualifying Floating Charge holder and legal representatives as well as regular meetings with the Company Directors. Work such as preparing the necessary reports to the creditors and case management on this assignment has predominantly been carried out by a manager with the suitable level of experience and authority necessary to progress the Administration. Less complex areas of work such as administrative functions have been carried out by junior grades of staff.

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/insolvencyresources>.

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 £5,626 including RSN notice fees of £1,780, of which I incurred £1,574 in the period since. We have drawn our expenses in full to the date of this report, of which £1,574 was drawn in the period since 03 June 2022.

Professional advisors used previously are detailed in our previous reports.

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

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Basis of Fees</b>
Judge Sykes Frixou	Solicitors	Time costs

JSF have been unpaid fees of £61,570 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. JSF have agreed to write off this sum.

The following professional advisors have not been used in the period of this report:

ITC valuers have not been paid a fee as GSN was not sold.

Marriott Harrison LLP ("MH") were paid a sum in full and final settlement of their fees and expenses by EHGOSF, as a result of EHGOSF discontinuing litigation which they brought against us. MH are a firm of solicitors experienced in providing advice in insolvency situations and their fee was based on their time costs.

The choice of professionals used was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them. We 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 incurred the following expenses in the period since our appointment as Administrators.

<b>Type of expense</b>	<b>Amount incurred in the reporting period</b>	<b>Amount accrued in total</b>	<b>Amount unpaid</b>
Specific Bonding	£0	£287	£0
Statutory Advertising	£0	£178	£0
IT Services	£0	1,919	£0

Details of the category 1 expenses that we have paid to date and in the reporting period are included in the receipts and payments account attached.

We are required to seek approval before we can pay any expenses to associates, or pay expenses where there is an element of shared costs, which are known as category 2 expenses. We have obtained approval to pay the following category 2 expenses. We have incurred the following category 2 expenses in the period since our appointment as Administrators:

Type of expense	Amount incurred in the reporting period	Amount accrued in total	Amount unpaid
Postage	£0	£175	£0

Nature of expense	Estimated expenses	Expenses incurred to date
Statutory Advertising	£336	£178
Specific Bonding	-	£287
Postage	£431	£175
Storage Costs	£630	£0
Legal Fees	£260,000	£138,150
Agents Fees	£15,000	£0
IT Services	-	£1,919
<b>Total</b>	<b>£276,397</b>	<b>£140,709</b>

As you can see above, while the total expenses we incurred were in line with the total expenses we 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.

#### **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 Administrators' 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 Administrators' 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>.

Antony Batty & Company LLP uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how Antony Batty & Company LLP uses your personal information on our website at <http://www.antonybatty.com/insolvency-resources>.

#### **SUMMARY**

In accordance with our Modified Proposals the Administration will now end and control of the Company will return to the directors.

The Administration as approved in the proposals is now complete, and our files will be closed. If creditors have any queries regarding the conduct of the Administration, or this report, or if they want hard copies of any of the documents made available on-line, they should contact Sheniz Bayram on the above telephone number, or by email at [Sheniz@antonybatty.com](mailto:Sheniz@antonybatty.com).



**William Antony Batty**  
**Joint Administrator**  
**Date: 08 November 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 03/06/2022 (£)	From 04/06/2022 To 02/11/2022 (£)	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		1.55	1.59	3.14
		<b>36,001.55</b>	<b>1.59</b>	<b>36,003.14</b>
<b>PAYMENTS</b>				
Office Holders Fees		0.00	24,376.52	24,376.52
Category 1 Expenses		2,097.15	148.00	2,245.15
Category 2 Expenses		175.29	1,425.66	1,600.95
VAT		810.49	5,190.03	6,000.52
RSN charges		1,780.00	0.00	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
		<b>4,862.93</b>	<b>31,140.21</b>	<b>36,003.14</b>
<b>Net Receipts/(Payments)</b>		<b>31,138.62</b>	<b>(31,138.62)</b>	<b>0.00</b>
<b>MADE UP AS FOLLOWS</b>				
Bank 1 Current - Interest bearing		31,138.62	(31,138.62)	0.00
		<b>31,138.62</b>	<b>(31,138.62)</b>	<b>0.00</b>

Note:

  
 William Antony Batty  
 Joint Administrator

## Time Entry - Detailed SIP9 Time & Cost Summary

ICONIC - Iconic Labs Plc  
 From: 04/06/2021 To: 28/10/2022  
 Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	3.30	17.00	0.40	2.20	22.90	8,268.50	361.07
101 : Case planning	2.50	0.00	0.00	0.00	2.50	1,103.50	441.40
103 : Appointment notification	6.20	8.30	0.00	0.00	14.50	5,644.00	389.24
104 : Maintenance of records	0.00	4.30	0.00	0.00	4.30	1,469.00	341.63
105 : Statutory reporting	16.30	17.80	0.00	0.00	34.10	13,927.50	408.43
106 : Pre Appointment	0.00	3.30	0.30	0.00	3.60	1,323.00	367.50
107 : Case Monitoring	2.00	14.30	0.00	0.00	16.30	6,217.00	381.41
110 : Members correspondence	12.80	9.10	0.00	0.00	21.90	8,921.00	407.35
<b>Administration &amp; Planning</b>	<b>43.10</b>	<b>74.10</b>	<b>0.70</b>	<b>2.20</b>	<b>120.10</b>	<b>46,873.50</b>	<b>390.29</b>
314 : Creditors Meetings	7.90	7.20	0.60	0.00	15.70	6,465.50	411.82
500 : Creditors	101.60	1.30	0.50	2.00	105.40	46,489.50	441.08
501 : Creditor Communication	8.90	13.20	0.10	0.00	22.20	8,752.50	394.26
503 : Secured creditor	0.70	0.60	0.00	0.00	1.30	522.50	401.92
505 : Progress Report	26.60	34.40	0.00	0.00	61.00	24,705.50	405.01
507 : Employee claims & redundancy matters	0.70	0.00	0.20	0.00	0.90	377.50	419.44
<b>Creditors</b>	<b>146.40</b>	<b>56.70</b>	<b>1.40</b>	<b>2.00</b>	<b>206.50</b>	<b>87,313.00</b>	<b>422.82</b>
200 : Investigations	49.30	20.70	0.00	0.00	70.00	29,494.50	421.35
201 : SIP 2 review	0.00	2.60	0.00	0.00	2.60	975.00	375.00
<b>Investigations</b>	<b>49.30</b>	<b>23.30</b>	<b>0.00</b>	<b>0.00</b>	<b>72.60</b>	<b>30,469.50</b>	<b>419.69</b>
300 : Realization of assets	7.80	10.80	0.00	0.00	18.60	7,485.00	402.42
301 : Ident, securing, insuring	0.00	0.40	0.00	0.00	0.40	152.00	380.00
303 : Debt Collection	0.60	2.10	0.00	0.00	2.70	975.00	361.11
305 : Legal matters	20.70	0.00	0.30	0.00	21.00	9,082.50	432.50
<b>Realisations of Assets</b>	<b>29.10</b>	<b>13.30</b>	<b>0.30</b>	<b>0.00</b>	<b>42.70</b>	<b>17,694.50</b>	<b>414.39</b>
<b>Total Hours</b>	<b>267.90</b>	<b>167.40</b>	<b>2.40</b>	<b>4.20</b>	<b>441.90</b>	<b>182,350.50</b>	<b>412.65</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	

Time Entry - SIP9 Time & Cost Summary

ICONIC - Iconic Labs Plc  
Project Code: POST  
From: 04/06/2022 To: 28/10/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	0.80	3.70	0.70	1.20	6.40	2,099.00	327.97
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	9.80	0.20	2.00	12.00	3,960.00	330.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of Assets	0.10	0.20	0.00	0.00	0.30	120.50	401.67
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	0.90	13.70	0.90	3.20	18.70	6,179.50	330.45
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

**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.
- Setting up physical case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Convening and holding a meeting of creditors to consider the Administrators' proposals (as applicable).
- 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 VAT returns.
- Preparing and filing Corporation Tax returns.
- Seeking approval from the secured creditor to extend the Administration.
- Seeking closure clearance from HMRC and other relevant parties.
- Preparing, reviewing and issuing a final report to creditors.
- Seeking discharge as Administrator.
- Filing final returns at Companies House and in Court (as applicable).

**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.

**Investigations**

- Submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act.

**Antony Batty & Company LLP****Time Costs – Charge out rates per hour and disbursements policy.****1 July 2021 to 30 June 2023****Hourly charge out rates**

	<b>2021\23</b>
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

Time is charged in unit of 6 minutes, the minimum unit of time is therefore six minutes.

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

**Disbursement Policy**

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

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

Sundry expenses, 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: Franked mail rates, or Royal Mail postage rates (as appropriate).

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](mailto: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.

Other than 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 01 July 21 to 30 June 2023 £
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 fee 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: Franked mail rates, or Royal Mail postage rates (as appropriate).

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.