

AM03

Notice of administrator's proposals



Companies House

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

1	Company details	
Company number	07773640	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Playrcart Limited	
2	Administrator's name	
Full forename(s)	William Antony	
Surname	Batty	
3	Administrator's address	
Building name/number	3 Field Court	
Street	Gray's Inn	
Post town	London	
County/Region		
Postcode	WC1R5EF	
Country		
4	Administrator's name ①	
Full forename(s)	Hugh	① Other administrator Use this section to tell us about another administrator.
Surname	Jesseman	
5	Administrator's address ②	
Building name/number	3 Field Court	② Other administrator Use this section to tell us about another administrator.
Street	Gray's Inn	
Post town	London	
County/Region		
Postcode	WC1R5EF	
Country		

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Notice of Administrator's Proposals

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Statement of proposals

☒ I attach a copy of the statement of proposals**7**

Qualifying report and administrator's statement ^①

☒ I attach a copy of the qualifying report☐ I attach a statement of disposal

^① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8

Sign and date

Administrator's
Signature

Signature

X



X

Signature date

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AM03

Notice of Administrator's Proposals



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	Will Rushing
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 and dated 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

**Joint Administrators' Proposals relating to
Playrcart Limited ("the Company") – In Administration**

Issued on: 22 February 2024

Delivered to creditors on: 28 February 2024

Hugh Jesseman and I are the Joint Administrators of the Company and these are our statutory proposals relating to the Company.

1. STATUTORY INFORMATION

Company Information

Company name:	Playrcart Limited
Previous name:	N/A
Trading name:	N/A
Company number:	07773640
Date of incorporation:	14 September 2011
Trading address:	Unit 12, 23 Southampton Place, London, WC1A 2D
Current registered office:	3 Field Court, Gray's Inn, London WC1R 5EF
Former registered office:	30 City Road, London, EC1Y 2AB
Principal trading activity:	Software development and advertising service

Appointment Details

Administrators	William Antony Batty and Hugh Jesseman
Administrators' address	Antony Batty & Company LLP 3 Field Court, Gray's Inn, London, WC1R 5EF
Date of appointment	7 February 2024
Court name and reference	High Court of Justice Business & Property Courts of England & Wales 000437 of 2024
Appointment made by:	Glen Dormieux, a Director on behalf of the Board
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.

Officers of the Company:

Directors:	Name:	Shareholding
	Glen Dormieux	1,000,000 class A 1,963 class B 1,878 class D
	Richard Mason	347,090 class A 1,499 class C 7,518 class D\

Company secretary:	Name:	Shareholding
	Glen Dormieux	See above

Share capital

Allotted, called up and fully paid

5,506,264 class A ordinary shares of £0.001 each

132,255 class B ordinary shares of £0.001 each

173,615 class C preferred shares of £0.001 each

429,650 class D preferred shares of £0.001 each

Charges

Noteholders – Debenture – 27 September 2023

Phoenix Adtech Services LLC – Debenture containing fixed and floating charge – 13 December 2023

2. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATORS

Creditors should note that, unless otherwise stated, this section of my proposals has been prepared based on information provided to me by the directors of the Company and not from my personal knowledge as Administrator.

Playcart Limited has been an innovative company in the AdTech industry. It was founded in September 2011 by Glen Dormieux (“GD”) with an ambitious vision to allow consumers to complete purchases within adverts/videos online. GD initially raised development capital through Crowdcube and friends & family in 2014, resulting in the first prototype. This solution attracted a major international publisher to trial the technology in Latin America. Early success and growing metrics caught the attention of Telefonica S.A. enabling Playcart to join their UK Wayra accelerator scheme in 2017. GD developed the software together with Richard Mason, an experienced IT professional with a background in eCommerce. They continued to develop the technology over the following years, pivoting towards a software which was compatible with most ad formats/sizes. Playcart launched Proof of Concept (“POC”) campaigns from January 2021 onwards. Concurrently, GD also pursued an Intellectual Property (“IP”) strategy to patent this innovative technology in the major jurisdictions throughout the world – which, to date, has resulted in three granted patents, two in the US and one in South Africa.

Playcart were invited to pitch and subsequently won the Inaugural Global Award for Charity Innovation at the Reimagining Fundraising global call event hosted by UNICEF and other major Non-Governmental Organisation (“NGO”) charities.

In Q1 2021, GD stepped down as CEO, due to health, handing over the leadership to the then company Chairman.

In January 2022, the company raised growth capital from a consortium of private UK/US investors to accelerate investment into aggressive sales and marketing efforts, following some successful POCs with large Consumer Packaged Goods (“CPG”) brands. They hired a Chief Revenue Officer (“CRO”) who pursued a direct CPG brand sales approach. However, this strategy took much longer to convert than anticipated due to a longer than expected sales cycle.

During this 18 month period, however, numerous clients began the onboarding process with Playrcart which included American Heart Association, Unilever, Procter & Gamble, Johnson & Johnson, Coca - Cola, L'Oreal, Group M (WPP), and others.

Smaller POC campaigns were run during this period with limited trial budgets, resulting in promising results, especially for Vodafone. Such positive metrics resulted in Playrcart winning a prestigious Performance Marketing Award for industry innovation.

In October 2022, Playrcart required follow-on capital which it raised from the UK/US consortium, having greatly increased its monthly burn (particularly salaries and office rent) to a peak of circa £320,000 per month in December 2022. Playrcart hired a new UK MD who pursued a media agency growth strategy. However, this strategy also proved much slower to lead to sales conversions than anticipated, and in April 2023 needed further equity funding from the UK/US consortium to remain solvent.

In June 2023, Playrcart signed its first annual licence fee with AT&T for \$120,000 plus a \$20,000 integration fee.

Recognising the discrepancy between the ambition and potential of the team, product offering, platform capabilities and the capital structure of the Company, the directors and stakeholders began consulting on a potential restructuring during Summer 2023 and reinstalled GD as Exec Chair. The burn rate was then significantly reduced by making a number of redundancies (circa 65%) and renegotiating the office lease (note: by December 2023, the monthly burn rate was reduced to circa £100,000 from a high water mark of £320,000). At the same time, a smaller consortium of the UK/US investors started to fund the company via secured loan notes (secured against the company's IP), initially as individuals and latterly through a US incorporated entity called Phoenix AdTech Services LLC. Thirdly, one of the Board Directors/advisors (Abeed Janmohamed) started to soft market the company to see if there was any market interest from potential buyers/investors to acquire the company. Unfortunately, no offers were received.

During this period, Playrcart also had significant money owed to it by debtors. It had an outstanding HM Revenue & Customs ("HMRC") Research & Development tax refund from FY22 for circa £120,000 and accounts receivable from clients totally circa £160,000. Playrcart has historically had a number of issues with collecting on accounts receivables in a timely manner (a process which was not previously managed adequately). In December 2023, the Board sought insolvency advice, and was informed that as long as it had confidence that the UK/US consortium investors would continue to invest in the secured loan notes, at least to help with cashflow issues until it had received the HMRC payment and payments from clients for its accounts receivable, that it could continue trading as a going concern.

In January 2024, having invested circa £1.1 million into the secured loan notes, Phoenix AdTech Services LLC announced it would be making no further working capital loans to Playrcart. With unsecured debts (of circa £500,000), ongoing salary/office rent obligations and the absence of any other funding or investment being available, the Board sought insolvency advice from Antony Batty & Co LLP and concluded that it had no alternative but to take steps to put the Company into Administration.

Reasons for entering administration included:

- Long sales conversion cycle
- Fulfilment integration cycle.
- Tech integration issues which delayed adoption.

- Difficulties collecting on accounts receivables.
- High overheads and burn rate which could not be funded (affected by market downturn in appetite to fund).

A summary of the Company's recent trading performance is shown below.

	Management Accounts	Statutory Accounts	Statutory Accounts
	1 January 2023 to 31 October 2023	1 January 2022 to 31 December 2022	1 January 2021 to 31 December 2021
Turnover	139,417	147,200	80,204
Cost of Sales and Overheads/ Administrative Expenses	(1,977,042)	(3,172,244)	(644,645)
Tax on loss	-	-	36,566
Net Profit/ Loss after tax	(1,837,625)	(3,025,007)	(608,079)

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

Events prior to the Administration

Antony Batty & Company LLP ("ABc") were introduced to the Company on 9 January 2024.

ABc were formally instructed on 24 January 2024 and a Notice of Intention to appoint an administrator by the directors was filed in the High Court and served on the charge holders

Prior to the appointment of Administrators, Antony Batty & Company LLP acted as advisors to the Board as a whole acting on behalf of the Company. No advice was given to the individual directors regarding the impact of the insolvency of the company on their personal financial affairs. Whilst not formally in office at that time, Antony Batty & Company LLP was still required to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.

During the Notice period, I was liaising with the Company and advisors in order to determine if it may be possible to sell the Company business and assets as a going concern, on a prepack basis.

The prospective Administrators and the Directors engaged ITC Valuers ("ITC") to value the assets and to assist with marketing the business. ITC are an independent firm of property and business agents who are very experienced in insolvency sales such as these. ITC are members of the National Association of Valuers & Auctioneers ("NAVA").

Solicitors, Judge Sykes Frixou Limited ("JSF"), were instructed to assist with the sale of the business and assets of the Company, including the drafting of the asset sale agreement, the Deeds of Security Release and advising generally.

ITC received an offer for the business and assets, subject to contract from Glui Inc on 5 February 2024 which ITC recommended the Administrators should pursue following their appointment.

On 7 February 2024, Hugh Jesseman and I were appointed by Glen Dormieux, a director of the Board, as Joint Administrators of the Company and took over from the Board responsibility for the management of the affairs, business and property of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs.

As required by the Insolvency Code of Ethics, Hugh Jesseman and I considered the various potential threats to our objectivity arising from this prior involvement as disclosed above. Having reviewed the potential threats as regards integrity, objectivity, professional competence, and due care, confidentiality, and professional behaviour, we considered that these were not significant and were at an acceptable level such that we could still act objectively and hence could be appointed Joint Administrators of the Company.

Having reviewed details of the marketing of the business, the valuation provided, and the credentials of the valuers, we were satisfied that these were appropriate and that the proposed pre-pack sale represented the best option for creditors. Accordingly, the sale of the business and assets to Glui Inc. was completed on 16 February 2024.

3. OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATORS' STRATEGY FOR ACHIEVING THEM

As Administrators of the Company, Hugh Jesseman and I are officers of the Court, and must perform our duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to:

- (a) rescue the Company as a going concern; or
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

The second objective could not be achieved as the amount due to the Company's charge holders compared to the value of its assets means that there are only sufficient assets to make a distribution to the charge holders and any preferential creditors. As a result, we are seeking to achieve objective (c) for the Company, and will do this by achieving a prompt sale of the business and assets so as to maximise the value available to creditors.

I consider that a sale of the Company's business and assets by an Administrator on a going concern basis would result in higher realisations being achieved for the business, in particular goodwill and IPR, than if the business was closed and liquidated. The increased realisations would benefit secured and preferential creditors.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If we are unable to complete the Administration of the Company within 12 months then we will either apply to the Court, or seek a decision from the creditors to extend the duration of the Administration.

The secured creditors were notified on 25 January 2024 of the proposed appointment of the Joint Administrators by the Directors.

4. ACTIONS OF THE ADMINISTRATORS FOLLOWING APPOINTMENT

Since we were appointed as Administrators on 7 February 2024, we have negotiated and completed a sale of the business and certain assets, the details of which are summarised below. I have issued formal notification of our appointment to the Company, Companies House, and advertised the appointment in the London Gazette.

Much of our time has been spent dealing with the proposed “pre-packaged sale”, completion matters and meeting the statutory requirements in respect of pre-pack transactions.

Having reviewed details of the marketing of the business, the valuation provided and ITC’s recommendation to accept the offer, together with the credentials of the valuers, we were satisfied that these were appropriate and that the proposed pre-pack sale represented the best option for creditors. Accordingly, the sale of the business and certain assets to Glui Inc. was completed on 16 February 2024.

Following the completion of the sale, I will now deal with the formalities of legally transferring assets and assigning certain contracts to the Purchaser. All Employees have transferred to the Purchaser under the Transfer of Undertakings (protection of employment) Regulations 1981.

I had to undertake this work either as part of my routine administrative functions, or in order to protect and realise the assets of the Company. In addition, I have undertaken routine statutory and compliance work, such as drafting and issuing statutory reports. I have also spent time on planning strategy for achieving the proposed objective of the administration, and how best to achieve this.

I decided that the objective of the Administration was best achieved for the Company by an early sale of the business, as a going concern.

The following comprises my disclosure to creditors in order to meet the requirements of Statement of Insolvency Practice 16 as regards the pre-pack sale.

SIP 16 Disclosures

The following comprises my disclosure to creditors in order to meet the requirements of Statement of Insolvency Practice 16 (“SIP 16”) in respect of the pre-pack sale. SIP 16 came into force on 1 January 2009 and was most recently revised with effect from 1 April 2021. Statements of Insolvency Practice are guidance notes issued to licensed insolvency practitioners with a view to maintaining standards by setting out required practice and harmonising practitioners’ approach to particular aspects of insolvency.

SIP 16 is issued under procedures agreed between the insolvency regulatory authorities acting through the Joint Insolvency Committee (‘JIC’). It was commissioned by the JIC, produced by the

Association of Business Recovery Professionals, and has been approved by the JIC and adopted by both the ICAEW and the IPA, our Regulatory bodies.

SIP 16 concerns arrangements where the sale of all or part of a company's business and assets is negotiated with a purchaser prior to the appointment of an Administrator who finalises the sale immediately on, or shortly after, their appointment. SIP 16 can be located on the R3 website at <https://www.r3.org.uk/technical-library/england-wales/sips/more/29131/page/1/sip-16-prepackaged-sales-in-administrations/>

I provide below an explanation and justification of why a pre-packaged sale was undertaken:

Role of the Insolvency Practitioner

Prior to the appointment of an Administrator, an IP may act in an advisory capacity to the Company. During this time the insolvency practitioner's role is not to advise the directors personally or any parties connected with any eventual purchaser of the Company's business or assets. I would confirm that the directors were advised to take their own independent advice on their position in this regard.

I was introduced to the Company by a Noteholder and shareholder via a telephone enquiry on 9 January 2024. I was introduced to Glen Dormieux, a representative of the Board on 17 January 2024 to discuss the financial affairs of the Company.

Prior to the commencement of the Administration, I advised the Board as a whole, acting on behalf of the Company, about the Company's financial difficulties and provided advice about the options available to the Company to help determine an appropriate course of action to take. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, I was still required to act in my dealings with the Company in accordance with the Insolvency Code of Ethics.

As Administrators, we are Officers of the Court and take over the management of the Company affairs from the Board. As noted above I am seeking to achieve statutory objective (c) of administration, namely, to realise property in order to make a distribution to one or more secured or preferential creditors.

To help me achieve the objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. I must also act in the interests of the creditors of the Company as a whole other than where objective (c) is being pursued, I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.

On the basis of the information provided, the various insolvency procedures open to the Company were reviewed and discussed with the Company's representatives. These options were considered in the context of the Company's position, financially and as regards any options for support, the intended sale, and the outcome for creditors and other stakeholders, including the Company's workforce.

A sale had to be completed at the earliest opportunity because there were no funds or income available to pay staff, rent and other overheads which would have been required to maintain the business as a going concern. Had the business been closed and staff made redundant it is likely that a number of the highly skilled employees might have accepted jobs elsewhere which could have diminished the value of the business.

It was apparent that a pre-pack sale of the business would enable us to achieve the objective set out above by preserving value in the assets by enabling a seamless transfer of the business and continuity of services to clients, it also enabled a distribution to the secured creditors. I can confirm that the outcome achieved as a result of the pre-pack sale, was the best available outcome for creditors of the Company as a whole in all the circumstances of the case and that it did not unnecessarily harm the interests of the creditors of the Company as a whole.

Ultimately the Company was placed into Administration, and I was appointed Joint Administrator. Further information on the circumstances leading up to the Administration appointment are provided in section 2 above.

Following our appointment, we reviewed the financial information available, ITC's valuation, the marketing process, and details of the offer received.

Pre-appointment considerations

A number of alternative options to a pre-pack sale of the business were carefully considered.

In light of the financial position of the Company, it was imperative that any sale took place as quickly and seamlessly as possible to preserve the Goodwill of the Company and retain all of its skilled workforce.

The 7 members of staff in any sale were entitled to protections under Transfer of Undertakings (Protection of Employment) regulations, commonly known as TUPE. By completing a transaction in this manner, all jobs would be preserved and staff contracts transferred to the purchaser.

The Company could have been placed into Liquidation. This, however, could have resulted in a loss of the value of the goodwill which forms a significant part of the Company's commercial appeal. A subsequent sale of the assets would have resulted in an inferior outcome for creditors in terms of realisations.

A company Voluntary Arrangement ("CVA") Could not have been successful as the Company had insufficient funding and working capital to continue trading.. As noted earlier in the report, the Company's Secured creditors and existing shareholders had declined to provide further funding, which would be a pre-requisite for a successful CVA.

As Administrators of the Company, the pre-pack sale of the business would enable us to achieve the objective set out above as the realisations made will enable me to make a distribution to the secured creditor(s), while the transfer of the employees to the purchaser means that the Company has no preferential creditors, although there are still liabilities to HMRC as secondary preferential creditors. I can also confirm that the outcome achieved as a result of the pre-pack sale was the best available outcome for creditors of the Company as a whole in all the circumstances of the case and that it did not unnecessarily harm the interests of the creditors of the Company as a whole.

Valuation of the business and assets

The Company instructed ITC, a firm of independent valuers with significant experience within the insolvency services industry, including working for the Official Receiver. A valuation was provided by ITC, who confirmed their independence.

The valuation of assets was provided on both a willing buyer basis (“WBV”) and a forced sale basis (“FSV”), being the most likely outcomes of the administration. Given this was a pre-packed sale, the WBV is the most relevant valuation.

Market Value (In-Situ)/ Willing Buyer – This is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. This valuation basis further assumes that the assets are treated as follows:

- the plant and equipment will remain as a whole in-situ in their existing location following sale;
- the value provided is the gross value and does not allow for any agent’s commission or other sale fees;
- all plant and equipment valued will be available for sale at the one time.

Market Value (Ex-Situ)/ Forced Sale Value – This is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. This valuation basis further determines that the assets are treated as follows:

- the plant and equipment has been valued as individual items for removal;
- the value provided is the gross value and does not allow for any agent’s commission or other sale fees;
- all plant and equipment valued will be available for sale at the one time.

The goodwill valuation took into account the investment made into intangible asset development and the knowledge/knowhow associated with the directors/development team.

Asset category	Valuation basis & amount (£)		Sale Consideration (£)
	(e.g. Market value in-situ)	(e.g. Market value ex-situ or Orderly Liquidation Value etc)	
<u>Fixed charge assets</u>			
Intellectual Property	200,000	100,000	579,998
Goodwill	50,000	Nil	1
Lease	Nil	Nil	Nil
<u>Floating charge assets</u>			
Work in progress			1
IT Equipment and Office Furniture	10,000	3,000	5,000
Total	260,000	103,000	585,000

I am not aware that of any of the Company's assets have been acquired from an insolvency process within the previous 24 months.

The total sale consideration apportioned to intangible assets is very considerably in excess of the valuation of the relevant assets. The amount apportioned to floating charge assets is within the range provided in ITC's valuation.

Debtors, any assets remaining on the trading premises and cash at bank were expressly excluded from the sale.

Marketing of the business and assets

At all times prior to the Administration, the Board of directors remained responsible for and in control of the Company's affairs. The Board were advised in my letter of engagement that any director or third party who is a party to a decision that causes a company to incur credit and who knows that there is no good reason to believe that it will be repaid, may be liable in respect of the credit so incurred.

Before my formal instruction, the Company engaged ITC to conduct a valuation of the business, on a WBV and FSV basis. This was carried out with my knowledge and took place on 31 January 2024. I reviewed the credentials of ITC, noted their extensive experience in insolvency valuation and the fact they are based locally to the Company. I further took into account that ITC are led by professionally-qualified staff. I consequently opted to rely on their prior work in respect of the valuations rather than instruct a new agent.

Following my meeting with the board of directors I liaised with ITC to establish an appropriate marketing strategy.

(a) Strategy

Marketing commenced on 27 January 2024, ITC placed an advert for the business and assets on IP Bid.com and approached parties from their database of potentially interested parties, who they considered may buy the business. The advert was accompanied by a "short notice" sale banner which alerted potential interested parties to the accelerated nature of the sale and marketing process and served to ensure a sale could be completed in the short timescale required to preserve the value of the Company's goodwill. The advert on IP Bid.com generated thirty-one expressions of interest, the deadline for which had been set at 7 February 2024, with proof of funds. Of these expressions, all were deemed to be reasonable prospects and non-disclosure agreements ("NDAs") were issued to all thirty-one parties, of which eleven returned non-disclosure agreements. A sales pack was sent out to all eleven parties. The only offer received was from Glui Inc, a connected party who offered £585,000, comprising £35,000 in cash and £550,000 to be set off against their secured debt.

As the Glui offer was in excess of ITC's WBV valuation and was the only offer received, I concluded that this offer represented the best available outcome for the Administration.

(b) Broadcast obligations

As discussed earlier, the Company was widely marketed by ITC, with the offer being reviewed by the Evaluator.

As noted above the Board had carried out a “soft marketing” of the Company in 2023 and had approached its existing lenders and shareholders for further funding. The Board advised shareholders that a pre-pack sale was proposed and invited them to contact ITC to express and interest in the business and assets either from themselves or their contacts.

(c) Justification of the marketing strategy

The strategy was employed in consideration of:

- The lack of funding or income to support ongoing trading and the risk of losing highly skilled members of staff.
- The advert on IPBid.com was deemed effective for the Company’s requirements together with direct approaches to parties identified by ITC from its databases.

(d) Independence

I am satisfied that, in light of the time and financial considerations, the best outcome was achieved for creditors. I am happy that reliance on ITC helped me to achieve this and the large number of interested parties is evidence of the suitably wide scope of the marketing.

(e) Publicise rather than simply publish

The level of interest to the advert illustrates that the business was suitably publicised, and the opportunity was provided for wide participation in the sale and marketing process.

(f) Connectivity

The business was marketed via an established online portal used for selling distressed business

(g) Comply or explain

I am satisfied that I complied with regulatory requirements and that, as the only formal bid for the business came from a connected party, and the sale of the business was advertised to an appropriately wide market, that the best available outcome for creditors was achieved.

Details of the pre-pack sale

A sale of the business and certain assets of the Company was finalised on 16 February 2024.

The sale was to Glui Inc, a company formed in Delaware with Company Number 3035954 whose registered address is at 1266 W Places Ferry Road NW, Suite 157, Atlanta, GA, 30327.

Glui is a secured creditor of the Company, having acquired the security held by Phoenix AdTech Services LLC and the Noteholders. Accordingly, Glui is considered to be a “connected” party. Erin and Karl Dasher are understood to be the beneficial owners of Glui Inc.

The Purchaser offered to buy certain assets, both tangible and intangible, of the Company (specifically excluding receivables, and cash at bank), for a sum considerably in excess of ITC’s WBV valuation. The

consideration payable is £585,000, being offset against monies due to Glui under the Phoenix AdTech Services Ltd and the Noteholders Fixed Charges it acquired and £35,000 cash on completion.

This, combined with the fact that their bid was the only offer received, and secured staff employment, led me to conclude that this offer represented the best available outcome for the Administration.

The Purchaser has agreed to use their reasonable endeavours to assist with the collection of the debtor amounts due which have been excluded from the sale for a commission of 15%.

Evaluator's Report

A pre-pack sale to a connected person can only take place if they obtain a qualifying report on the proposed transaction from an independent person known as an evaluator. I can confirm that I have received a report in this case, from the Pre-Pack Pool Limited and enclose a copy in the Appendices of these proposals for your information. I would advise you that the report provided to me included information that was, in my opinion, confidential and/or commercially sensitive, so I have excluded that information from the enclosed report.

I am satisfied that the report was made by a suitably qualified and experienced independent person who holds appropriate professional indemnity insurance and who is not excluded by the insolvency legislation from acting as an evaluator. I have reviewed the report and am satisfied that it contains the information required by the insolvency legislation, such that it is a qualifying report.

As you can see from the report, the evaluator concluded that the consideration for the pre-pack sale and the grounds for the pre-pack sale are reasonable in the circumstances. Consequently, I proceeded with the pre-pack sale of the assets of the Company on the terms considered and reported on by the evaluator and set out above.

Connected party Pre-pack

Purchasers who are connected persons are also encouraged to, but are not required to, prepare a viability statement indicating how their business will survive for at least 12 months from the date of the purchase, and detailing what they will do differently from the Company in Administration in order that the business will not fail. In this instance, while I indicated to the purchaser that they prepare a viability statement, my understanding is that one has not been prepared. Notwithstanding this the Evaluator was satisfied that the business would be run and financed in a totally different manner.

Conclusion

We confirm that the sale price achieved, and also the outcome, was the best available outcome for creditors of the Company as a whole in all the circumstances of the case and that the pre-pack sale achieves the statutory purpose of the Administration that I am seeking to achieve in respect of the Company.

In addition to the above, we have undertaken routine statutory and compliance work set out in the Appendices. These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

5. FINANCIAL POSITION OF THE COMPANY

A summary of the Company's estimated financial position as at 7 February 2024, is attached in the Appendices. Although this information in respect of employees will be removed before the proposals are filed at Companies House, we are required to include it with these proposals by rule 3.35 of the Insolvency (England and Wales) Rules 2016. As a result, this is a valid use of the personal data of the individual creditors and is not a breach of the General Data Protection Regulations (GDPR)).

Comments on the Estimated Financial Position

ASSETS

5.1. Licence to Occupy

The Company's licence in relation to Unit 12, 23 Southampton Place, London, WC1A 2DA has been valued by ITC Valuers on a Willing Buyer and a Forced Sale basis, and on both bases is considered to have no commercial value. Accordingly the premises have been vacated and the Licence has been abandoned.

5.2. Goodwill & Intellectual Property

This represents the trading name, the contact details, intellectual property, website and web domain and social media pages. Intellectual property includes patents granted and pending.

5.3. Book debts

Book debts included the AT&T Annual License fee, as this has only been part delivered and the purchaser will have to incur significant costs in order to fulfil the terms of the licence, it was agreed that 20% of the invoiced Licence fee of £52,662 would be payable to the Company and 80% will be due to the buyer.

5.4. Audio Visual and IT Equipment

Mainly comprised Lap top computers used by Company staff. These were valued by ITC Valuers on both a Willing Buyer and Forced Sale Value.

5.5. Cash at Bank

Cash at bank of £15,650.68 has been received.

LIABILITIES

5.6. Secured Creditors

The Company gave a specific charge to Noteholders on 27 September 2023 and fixed and floating charges to Phoenix Adtech Services Ltd on 13 December 2023. They were owed £956,356 and £132,520 respectively. The forms of security were subsequently acquired by Glui Inc.

Having reviewed the Security and timing of the loans our Solicitors consider that only £558,366 excluding interest was secured, the balance of the debt was unsecured.

5.7. Preferential creditors

The employees have been transferred to the purchaser under the terms of the sale agreement, and hence there will be no ordinary preferential creditors.

HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential unsecured debts. The total owed in respect of PAYE/NIC is estimated at £241,400.

5.8. Prescribed part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £800,000.

The Company gave a floating charge to Phoenix Adtech Services Ltd on 13 December 2023, subsequently transferred to Glui Inc. and the prescribed part provisions will apply. The Statement of affairs shows that the net property of the Company is £Nil and I estimate that the prescribed part of the net property for unsecured creditors is Nil. However, these estimates do not take into account the costs of the Administration which will reduce the amount of the Company's net property. Since the Company's net property is likely to be less than £10,000, the insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. I am of the view that the costs of distribution would be disproportionate and so will not be making a distribution of the prescribed part of the net property to unsecured creditors.

Unsecured Creditors

Based on the financial information from the Company's books and records, unsecured trade & expense creditors are estimated to total £268,038 from 13 creditors, excluding the unsecured amount due to the charge holders.

To date the Joint Administrators have not received any claims from unsecured creditors.

Based on current known information about the Company's financial position, and after taking into account the anticipated office holders' fees and expenses, I anticipate that a dividend will be paid to secondary preferential creditors, as shown by the enclosed estimated outcome statement.

6. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

I attach in the Appendices a receipts and payments account covering the period since the date the Company entered into Administration, which I have reconciled to the financial records that I am required to maintain. All amounts are shown net of VAT. The receipts represent the assets realised to date, as detailed above.

7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION

In order to achieve the objective of the Administration of the Company I propose to

- 1) Complete a pre-pack sale of the business and the orderly disposal of the company's other assets;
- 2) collect book debts;
- 3) Resolve remaining matters relating to the sale;
- 4) Liaise with secured creditors and secondary preferential creditors;
- 5) Recover any remaining assets including any cash held on the Company account;
- 6) Realise any other recoverable debt.

Based on current known information about the Company's financial position, and after taking into account the anticipated office holders' fees and expenses, I think that a small dividend will be paid to secondary preferential creditors, as shown by the enclosed estimated outcome statement in the Appendices.

8. ADMINISTRATORS' REMUNERATION AND EXPENSES

I attach a copy of my practice fee recovery policy in the Appendices.

I will be reporting to creditors separately in relation to fees and expenses shortly.

The following professional advisors have undertaken work on this case to date:

Professional Advisor/Agent	Nature of Work	Fee Arrangement
ITC Valuers	Valuing and realising assets	Fixed fee
Judge Sykes Frixou	Legal advice	Time cost
P Marsh	Swearing fee	Fixed fee
Courts Advertising	Statutory advertising	Standard premium
Marsh UK Limited	Specific bonding	Standard premium

ITC provided the valuation information to the Company, completed the marketing process, and assisted with the negotiations of the terms of the sale agreement. They have also assisted in finalising the sale agreement, provided further valuation and marketing information to the appointed

Joint Administrators, and liaised/negotiated with the charge holders. Their fee is based a fixed fee and a percentage of realisations, an estimate of the fee is given below.

Judge Sykes Frixou drafted the sale agreement, liaised/negotiated with the purchaser, provided legal advice in relation to various charges and assisted with final work on the sale agreement, and oversaw the sale itself. They also assisted in relation to the charge holders, including the deeds of release. An estimate of the fee is given below.

Courts Advertising Limited ("Courts") are being utilised to issue statutory advertising notices. Courts provides services to publish statutory notices with the London Gazette. The premium is based on their standard charges.

Marsh Limited ("Marsh") are being instructed to place 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.

My choice of professional advisors was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also confirmed that they hold appropriate regulatory authorisations. I consider that the basis on which they will charge their fees represents value for money.

My category 1 expenses incurred to date are estimated to amount to £22,175 in total, and are made up as follows:

Nature of category 1 expense	Estimated £
Valuation/agent fees	£12,000
Legal fees	£10,000
Statutory advertising	£ 110
Postage	£ 5
Swearing Fee	£ 60

I have not paid any category 1 expenses to date.

I anticipate that category 1 expenses totalling £22,305 will arise in this case, together with any subsequent Liquidation, as detailed in the Appendices. I am able to pay expenses without needing to obtain approval, but when I issue statutory reports in the Administration or any subsequent Liquidation, I will compare the actual expenses incurred with the original estimate provided and will explain any material differences.

I do not anticipate incurring any category 2 expenses at present. However, I will be seeking a decision from creditors in due course to enable me to pay such expenses, in the event that they do arise. In total, I anticipate that category 1 and category 2 expenses of £22,305 will arise in this case, together with any subsequent Liquidation.

I have already commented in this report about the likelihood of a return being made to each class of creditor of the Company, but also attach an estimated outcome statement in the Appendices. This sets out in numerical form the anticipated realisations that will be made, based on the estimated value of the Company's assets as detailed earlier in my report, together with the estimated payments to be

made, based on my proposed remuneration and estimated expenses as detailed above. While every effort has been taken to make this as accurate as possible, creditors will appreciate that it will be affected by any differences between the amounts actually realised compared with the estimated value of assets, and by any differences between actual expenses incurred and those included in my estimate.

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 <https://www.antonybatty.com/insolvencyresources/>. There are different versions of these Guidance Notes, and in this case please 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 in the Appendices.

9. PRE-ADMINISTRATION COSTS

The Board of Directors instructed me to assist them in placing the Company in Administration on 24 January 2024. They agreed that I should be paid my pre-administration costs on a time cost basis estimated at £20,000.

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 where approval is being sought to pay them from Administration funds.

Description	Paid pre-appointment £	To be paid £
Administrators' pre-appointment remuneration	15,000	5,000
Valuation agents	Nil	12,000
Legal fees	Nil	4,000
Postage	Nil	3
Total	15,000	21,003

Judge Sykes Frixou drafted the sale agreement, liaised/negotiated with the purchaser, provided legal advice in relation to various charges and assisted with final work on the sale agreement, and oversaw the sale itself. They also assisted in relation to the charge holders, including the deeds of release. An estimate of the fee is given below.

ITC provided the valuation information to the Company, completed the marketing process, and assisted with the negotiations of the terms of the sale agreement. They have also assisted in finalising the sale agreement, provided further valuation and marketing information to the appointed Joint Administrators, and liaised/negotiated with the charge holders. Their fee is based a fixed fee and a percentage of realisations, an estimate of the fee is given below.

My choice of professional advisors was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also confirmed that they

hold appropriate regulatory authorisations. I consider that the basis on which they will charge their fees represents value for money.

I also assisted the Board take the appropriate steps to place the Company into Administration. This task, together with some of the other tasks mentioned above are required by statute or regulatory guidance, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

10. ADMINISTRATORS' INVESTIGATIONS

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

11. EU REGULATION ON INSOLVENCY PROCEEDINGS

I consider that these are "COMI proceedings" since the Company's registered office and its trading address is in the United Kingdom, such that its centre of main interest is in the United Kingdom.

12. ADMINISTRATORS' PROPOSALS

In order to achieve the objective set out at section 3 above, Hugh Jesseman and I formally propose to creditors that:

- (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) Complete the formalities of the pre-pack sale of the business and the orderly disposal of the company's other assets;
 - (ii) collect book debts;
 - (iii) Resolve remaining matters relating to the sale;
 - (iv) Liaise with secured creditors and secondary preferential creditors;
 - (v) Recover any remaining assets including any cash held on the Company account;
 - (vi) Realise any other recoverable debt.
 - (vii) sell the Company's remaining assets at such time(s) on such terms as we consider appropriate;
 - (viii) 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 or services to the Company; and
 - (ix) 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.

The Administration of the Company will end by either:

- (a) filing 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.
- (b) 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.

13. APPROVAL OF PROPOSALS

Since the purpose of the Administration is to achieve objective (c), that is to realise property in order to make a distribution to one or more secured or preferential creditors of the Company, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals.

However, a creditor, or creditors, whose debts amount to at least 10% of the total debts of the Company can require me to hold a decision procedure to enable creditors to consider whether or not to approve these proposals and/or to consider such other decision as they see fit. Such a request must be received by me within 8 business days from the date these proposals are delivered to the creditors. If creditors do not require me hold a decision procedure within that time period, then these proposals will be deemed to have been approved.

Creditors should note that I need not initiate the decision procedure unless the creditor, or creditors, requisitioning the decision procedure provides me with such amount that I request from them to meet the expenses of the requisitioned decision procedure.

I am seeking a decision from the creditors to approve my proposals using the deemed consent procedure.

If a creditor agrees with the proposed decision to approve my proposals, then they do not need to do anything. Unless 10% of creditors, who would be entitled to vote at a qualifying decision procedure, object to the decision to approve my proposals they will automatically be approved on 11 March 2024.

If a creditor wishes to object to the decision, they must complete and return the enclosed notice of objection so that it is received by me by no later than 23.59 hours on 11 March 2024. If a creditor has not already submitted proof of their debt, they should complete the enclosed form and return it to me. Objections by a creditor will not count unless they have lodged a proof of debt by no later than 23.59 on 11 March 2024.

It is my responsibility to determine whether any objections received are sufficient for this Deemed Consent Procedure to end without a decision being made. If sufficient objections are received, then I will write to creditors to seek approval for this decision using a qualifying decision process.

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 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."

14. FURTHER INFORMATION

To comply with the Provision of Services Regulations, some general information about Antony Batty & Company LLP, including about our complaints policy and Professional Indemnity Insurance, can be found at <https://www.antonybatty.com/insolvency-resources/>.

If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available on-line, they should contact Will Rushing on the above telephone number, or by email at will@antonybatty.com.



William Antony Batty
JOINT ADMINISTRATOR

The Joint Administrators are agents of the Company and act without personal liability.

Appendix [1.]: Details of work to be undertaken in the Administration

Administration:

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/electronic case files (as applicable).

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 (as applicable).

Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).

Preparing, reviewing and issuing proposals to the creditors and members.

Filing the proposals at Companies House.

Seeking approval of the proposals by way of deemed consent.

Reporting on the outcome of the approval of the proposals to the creditors, Companies House and the Court.

Seeking fee approval by decision process.

Supervising the work of advisors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.

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 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 6 month progress reports to creditors and members.

Filing progress reports at Companies House.

Preparing and filing VAT returns.

Preparing and filing Corporation Tax returns.

Seeking closure clearance from HMRC and other relevant parties.

Preparing, reviewing and issuing final reports to creditors and members.

Filing final reports at Companies House.

Realisation of assets:

Arranging suitable insurance over assets.

Regularly monitoring the suitability and appropriateness of the insurance cover in place.

Corresponding with debtors and attempting to collect outstanding book debts.

Supervising the work of advisors instructed on the case to assist in dealing with the collection of book debts; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.

Liaising with the bank regarding the closure of the account.

Instructing agents to value known assets.

Liaising with agents to realise known assets.

Instructing solicitors to assist in the realisation of assets.

Creditors:

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

Maintaining up to date creditor information on the case management system.

Issuing a notice of intended dividend and placing an appropriate gazette notice.

Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.

Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.

Investigations:

Recovering the books and records for the case.

Listing the books and records recovered.

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

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors.

Appendix [2.]: Estimate of expenses to be incurred in the Administration

Type of category 1 expense	Estimated Amount £
Bonding - this is insurance required by statute that every officeholder has to obtain for the protection of each estate, with the premium being based on the value of the company's assets.	£105
Gazetting – various notices relating to the company have to be placed in the London Gazette.	£221
Postage	£25
Swearing Fee	£60
Judge Sykes Frixou, solicitors	£10,000
ITC Valuers, valuation agents	£12,000
Total estimated category 1 expenses	<hr/> £22,411

Appendix 3.

ESTIMATED OUTCOME STATEMENT

	£	£
Floating charge assets – Estimated to Realise:		
Goodwill		1
Intellectual Property		579,998
Chargeholder		(550,000)
		<u>29,999</u>
Other assets – Estimated to Realise:		
IT Equipment & Office Furniture		5,000
Book Debts/WIP		52,133
Cash at Bank		15,878
		<u>103,010</u>
Pre-Appointment fees outstanding (approval to be sought):	(5,000)	
Estimated Administration fees and expenses: -		
Administrators' fees	(75,000)	
Expenses	(411)	
		<u>(80,411)</u>
		22,599
Estimated agent costs (valuation agents & solicitors)		(22,000)
Surplus funds/(deficiency)		<u><u>599</u></u>
Estimated preferential creditors		0
Estimated secondary preferential creditors		(241.399)
Prescribed Part		0
Floating Charge Holder		0
Estimated unsecured creditors		(845,149.46)
Estimated dividend to unsecured creditors		0p in the £

Playrcart Limited
(In Administration)
Joint Administrators' Summary of Receipts and Payments
To 22 February 2024

RECEIPTS	Statement of Affairs (£)	Total (£)
Goodwill	1.00	0.00
Intellectual Property	579,998.00	0.00
IT Equipment & Office Furniture	5,000.00	0.00
Book Debts/WIP	52,133.00	0.00
Cash at Bank	15,878.00	15,650.68
		<hr/>
		15,650.68
		<hr/>
PAYMENTS		
Chargeholder	(550,000.00)	0.00
HMRC - PAYE \ NIC employee deductions	(241,399.00)	0.00
Employee Arrears/Hol Pay	(4,066.47)	0.00
Pension Schemes	(11,305.00)	0.00
Trade & Expense Creditors	(268,038.00)	0.00
Employees - Unsecured	(30,779.11)	0.00
US Internal Revenue Service	(4,196.00)	0.00
Unsecured Chargeholder Balance	(538,876.00)	0.00
Preference Shareholders	(617.64)	0.00
Investment Shareholders	(132.25)	0.00
Ordinary Shareholders	(5,506.26)	0.00
		<hr/>
		0.00
		<hr/>
Net Receipts/(Payments)		15,650.68
		<hr/>
 MADE UP AS FOLLOWS		
Bank 1 Current - Interest bearing		15,650.68
		<hr/>
		15,650.68
		<hr/>

Evaluators Report on proposed pre-packaged sale involving Playcart Limited and Erin Dasher Glui Inc., pursuant to the Administration (Restriction on Disposal to Connected Parties Regulations 2021 (the Regulations)).

Background.

1. The business and / or assets of Playcart Limited are the subject of a substantial disposal pursuant to regulation 3 of the Regulations) to Glui Inc..
2. The Applicant is a connected party to Playcart Limited as defined in paragraph 60A(3) of Schedule B1 of the Insolvency Act 1986 in that it he / she is an associate, as defined in section 435 of the Insolvency Act 1985/article 4 of the Insolvency (Northern Ireland) Order 1989 of a director, shadow director or company officer of Playcart Limited.

3. The relevant property subject to the substantial disposal is stated to be:

Client List Customer Database Fixtures and Fittings Goodwill Intellectual Property Rights IT Equipment and Office Furniture Trading Name Work in Progress

4. The consideration for this substantial disposal is stated to be:

Total consideration is £585,000

5. In the absence of creditor approval of this substantial disposal, a connected party purchaser is required to obtain a qualifying report in accordance with section 6 of the Regulations, and this report has been commissioned for that purpose.

Qualifications of Evaluator.

1. I am satisfied that I am a qualified Evaluator within the meaning of regulation 10 of the Regulations. I possess the relevant knowledge and experience to provide this report, and I have been accepted as an approved Evaluator by Pre Pack Pool Ltd. Details of my personal and professional qualifications may be scrutinised at www.prepackpool.co.uk
2. I confirm that I satisfy the requirement for independence in relation to the substantial disposal as specified in regulation 12 of the Regulations. I have no personal, professional or other connection to any party connected to Playcart Limited or Glui Inc. and no relationship, bias or ethical conflict exists which prevents me from evaluating this application solely on its merits. I am not excluded from acting as an Evaluator by reason of regulation 13 of the Regulations.
3. The proposed administrator, where appointed, has raised no objection to my suitability as an Evaluator.

Professional Indemnity Insurance.

For the purposes of this report, I am acting as an Agent of Pre Pack Pool Ltd (the company), and I am covered by the company's Professional Indemnity Insurance as required by regulation 11 of the Regulations. Details of this Professional Indemnity Insurance policy as required by regulation 7(c) of the Regulations are as follows:-

Insurer: American International Group UK Ltd, The AIG Building, 58 Fenchurch Street, London, EC3M 4AB.

Insured: Pre Pack Pool Ltd.

Policy number: 34601784

Risks covered: Miscellaneous Professional Indemnity Breach of Professional Duty

Cover £2,000,000.00

Exclusions from cover: Territorial Exclusion, Cyber Exclusion

Previous Evaluation Reports.

The Applicant has stated that no previous Evaluation Reports have been obtained in relation to this substantial disposal, and I have no reason to believe that this statement is incorrect.

Evaluator's Opinion.

In accordance with regulation 7 of the Regulations, I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.

Principal reasons for this opinion are as follows:-

Based on the information provided and other research carried out, the company has been [REDACTED] and [REDACTED] attention paid to the technology underpinning the delivery of services and also to the debtor book. It may also be that there was an [REDACTED] of the costs and an [REDACTED] of the sales lead times together with [REDACTED] pricing but that is only a subjective observation. [REDACTED] the incoming CEO has a turn-around strategy and financial support to be able to do so. The old-co does have some customers and of course employees and the provision of a pre-pack deal will allow both the customers and staff to be retained and the business to be run as an ongoing concern. No party will be significantly disadvantaged from the pre-pack, as opposed to a liquidation. The valuation has been professionally carried out and in examining the supplied forecast and historic data this does seem to be reasonable and justified. Because of the professional valuation I deemed it unnecessary to carry out further financial analysis of the valuation. It also appears that there is a future for the business. It is therefore my opinion that it is not unreasonable to proceed.

In forming my opinion I have relied upon the following information provided by the Applicant together with freely available information in the public domain:-

Case application Draft sale agreement Financial pack Jan 2024 Management accounts to dec 2023 Shareholders list Desktop valuation (ITC valuers) Administration information (the story) Web searches inc. LinkedIn, social media, Companies House etc.

I have not carried out an audit of this information.

For the avoidance of doubt, I express no view on whether Glui Inc. is, or will in the future remain a going concern, neither do I express an opinion on any decision by the proposed administrator to enter into a pre-packaged sale. These are matters for the proposed administrator to determine.

Evaluator.

Alec Sanderson For and on behalf of Pre Pack Pool Ltd.

Date 08-02-2024

Insolvency Act 1986

Playrcart Limited
Company Registered Number: 07773640

Estimated Statement Of Affairs as at 7 February 2024

	Book Value £	Estimated to Realise £	£
ASSETS			
Goodwill		1.00	
Intellectual Property	98,589.00	579,998.00	
Chargeholder		(550,000.00)	
		29,999.00	29,999.00
IT Equipment & Office Furniture	18,702.00		5,000.00
Book Debts/WIP (Count=0)	85,332.00		52,133.00
Cash at Bank	15,878.00		15,878.00
PAYE & NI			(241,398.94)
			(138,388.94)
LIABILITIES			
PREFERENTIAL CREDITORS:-			
Employee Arrears/Hol Pay		6,153.10	
Pension Schemes		11,305.00	
			17,458.10
			(155,847.04)
2nd PREFERENTIAL CREDITORS:-			
HMRC - PAYE \ NIC employee deductions		241,399.00	
			241,399.00
			(397,246.04)
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			NIL
			(397,246.04)
Estimated prescribed part of net property where applicable (to carry forward)			
			NIL
			(397,246.04)
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
			NIL
			(397,246.04)
Estimated prescribed part of net property where applicable (brought down)			
			NIL
			(397,246.04)
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		268,038.00	
Employees - Unsecured		34,039.46	
US Internal Revenue Service		4,196.00	
Unsecured Chargeholder Balance		538,876.00	
			845,149.46

Insolvency Act 1986

Playrcart Limited
Company Registered Number: 07773640

Estimated Statement Of Affairs as at 7 February 2024

	Book Value £	Estimated to Realise £
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(1,242,395.50) <u>(1,242,395.50)</u>
Issued and called up capital		
Preference Shareholders		617.64
Investment Shareholders		132.25
Ordinary Shareholders		5,506.26
		<u>6,256.15</u>
TOTAL SURPLUS/(DEFICIENCY)		<u><u>(1,248,651.65)</u></u>

Antony Batty & Company LLP
 Playcart Limited
 Company Registered Number: 07773640
 B - Company Creditors

Key	Name	Address	£
CA00	Anthony Abenante	215 West 78th St. Apt 8C, New York, NY, 10024 USA	32,428.00
CC00	CSC Global	InvoiceInquiry@cscglobal.com	169.10
CD00	Dominic Shorthouse	4 Wedderburn Road, London, NW3 5QE	49,999.00
CD01	DDK & Company LLP	50 Jericho Quadrangle, Suite 220, Jericho, NY 11753	1,632.00
CD02	Department of the Treasury Internal Revenue Service	Austin, TX 73301-0002, USA	4,196.00
CG00	Gravita / Jeffreys Henry	sudhir.rawal@gravita.com	43,038.79
CH00	HMRC PAYE & NI	HMRC, Direct, BX5 5BD	241,398.94
CH01	Highstead Partners	nick.harvey@highsteadpartners.co.uk	27,000.00
CK00	Karl/Erin Dasher	1867 West Wesley Road, Atlanta, GA 30327, USA	616,448.00
CM00	MacFarlanes LLP	Rosie.Duckworth@macfarlanes.com	74,354.80
CM01	Mike Stewart	116 E 68th Street, #9B, New York, NY 10065, USA	55,000.00
CO00	Outreach	accountsreceivable@outreach.io	2,251.53
CP00	Paris Smith LLP	jennifer.packer@parissmith.co.uk	3,576.60
CP01	Potter Clarkson LLP	Peter.Finnie@potterclarkson.com	69,182.85
CP02	Phoenix AdTech Services	3500 South DuPont Highway, Dover, Kent County, Delaware 19901, USA	132,520.00
CP03	Smart Pension	The Smart Building, 136 George Street, London, W1H 5LD	11,305.15
CP04	Peter Scott	Latimer House, Bedham Lane, Fittleworth, West Sussex, RH20 1JL	50,000.00
CR00	Rob McGrath	1867 West Wesley Road, Atlanta, GA 30327, USA	72,427.00
CS00	Scott Kieffer	181 Kieffer RD , Springfield, Georgia , 31329, USA	80,054.00
CV00	Volando Global	abeed@volandoglobal.com	22,396.37
CW00	Wirebox Ltd	john.trowbridge@wirebox.co.uk	475.20
CW01	Tim Weatherseed	t_weatherseed@hotmail.com	453.34
CZ00	ZoomInfo Technologies LLC	charles.newton-savage@zoominfo.com	23,507.39
23 Entries Totalling			1,613,814.06

Antony Batty & Company LLP
 Playcart Limited
 Company Registered Number: 07773640
 C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HA00	Ariadne Capital Limited		Ordinary	0.00	161,700	0.00	0.00
HA01	Assure Labs GB 2022		Ordinary	0.00	340,842	0.00	0.00
HA02	David Avery-Gee		Ordinary	0.00	9,398	0.00	0.00
HA03	Fayaz Abdul		Other	0.00	2,157	0.00	0.00
HA04	Abdul-Jalil Ali		Other	0.00	647	0.00	0.00
HA05	David Aristotle		Other	0.00	1,079	0.00	0.00
HA06	Chris Armstrong		Other	0.00	216	0.00	0.00
HA07	Russell Aubrey		Other	0.00	863	0.00	0.00
HA08	Anthony Abenante		Preference	0.00	20,000	0.00	0.00
HA09	John Paul Armenio		Preference	0.00	22,556	0.00	0.00
HA0A	Cat Acevedo		Preference	0.00	4,000	0.00	0.00
HB00	Junayd Bell		Other	0.00	540	0.00	0.00
HB01	James Bradley		Other	0.00	216	0.00	0.00
HB02	David Bromley		Other	0.00	2,157	0.00	0.00
HC00	Ian Carlisle		Ordinary	0.00	82,102	0.00	0.00
HC01	Cityhill Investments Limited		Ordinary	0.00	20,526	0.00	0.00
HC02	Diane Campbell		Other	0.00	22	0.00	0.00
HC03	Crowdcube Limited		Other	0.00	22	0.00	0.00
HD00	Glen Dormieux		Preference	0.00	1,878	0.00	0.00
			Ordinary	0.00	1,000,000	0.00	0.00
			Other	0.00	1,963	0.00	0.00
HD01	Dominic Shorthouse		Preference	0.00	12,904	0.00	0.00
			Ordinary	0.00	197,353	0.00	0.00
HD02	Stephan Dowers		Ordinary	0.00	17,726	0.00	0.00
HD03	Paul Denley		Other	0.00	10,782	0.00	0.00
HD04	Denis Diop		Other	0.00	647	0.00	0.00
HD05	Colin Dormieux		Other	0.00	540	0.00	0.00
HD06	Teresa Dormieux		Other	0.00	324	0.00	0.00
HD07	Karl Dasher		Preference	0.00	28,392	0.00	0.00
HE00	Andrew Elman		Ordinary	0.00	20,526	0.00	0.00
HE01	Henri Etchegoyen		Preference	0.00	684	0.00	0.00
			Ordinary	0.00	5,640	0.00	0.00

Antony Batty & Company LLP
 Playcart Limited
 Company Registered Number: 07773640
 C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HF00	John and Charlotte Field		Ordinary	0.00	134,773	0.00	0.00
HF01	Nigel Foster		Ordinary	0.00	86,255	0.00	0.00
HF02	Anne Foster		Ordinary	0.00	83,367	0.00	0.00
HG00	Christopher Greener		Ordinary	0.00	32,346	0.00	0.00
HG01	Miles William Griffiths		Other	0.00	108	0.00	0.00
HG02	Sanjay Gupta		Preference	0.00	1,549	0.00	0.00
HH00	Abigail Hemingway		Preference	0.00	1,878	0.00	0.00
			Ordinary	0.00	1,000,000	0.00	0.00
			Other	0.00	21,564	0.00	0.00
HH01	Lord Clive Hollick		Preference	0.00	14,749	0.00	0.00
			Ordinary	0.00	210,222	0.00	0.00
			Ordinary	0.00	53,909	0.00	0.00
HH02	Julian Hucker		Ordinary	0.00	35,276	0.00	0.00
HH03	Graeme Henderson		Ordinary	0.00	17,638	0.00	0.00
HH04	Simon Haywood		Other	0.00	2,157	0.00	0.00
HH05	Chris Hemingway		Other	0.00	21,564	0.00	0.00
HH06	John Hemingway		Other	0.00	108	0.00	0.00
HH07	Julian Henley		Other	0.00	10,782	0.00	0.00
HH08	Paul Howes		Other	0.00	12,939	0.00	0.00
HJ00	Alan Jones		Ordinary	0.00	123,156	0.00	0.00
HK00	Ashmeet Kandhari		Preference	0.00	6,830	0.00	0.00
			Ordinary	0.00	137,278	0.00	0.00
			Other	0.00	540	0.00	0.00
HK01	Alastair Kight		Other	0.00	22	0.00	0.00
HK02	Sean Kavanagh		Other	0.00	44	0.00	0.00
HK03	Nathan Kendall		Preference	0.00	36,612	0.00	0.00
HK04	Jim Kirkpatrick		Ordinary	0.00	60,599	0.00	0.00
HK05	Scott Kieffer		Ordinary	0.00	25,296	0.00	0.00
HL00	Darren Leigh		Other	0.00	13,635	0.00	0.00
HL01	Oliver Leigh		Ordinary	0.00	5,748	0.00	0.00
			Ordinary	0.00	5,748	0.00	0.00
			Ordinary	0.00	5,748	0.00	0.00
HL02	Mitchell Leigh		Ordinary	0.00	5,748	0.00	0.00
HL03	Jacob Leigh		Ordinary	0.00	5,748	0.00	0.00
HL04	Jason Leigh		Ordinary	0.00	5,748	0.00	0.00

Antony Batty & Company LLP
 Playcart Limited
 Company Registered Number: 07773640
 C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HL05	Level 33 Capital		Preference	0.00	11,800	0.00	0.00
			Ordinary	0.00	60,150	0.00	0.00
HL06	Roger Leese		Other	0.00	2,157	0.00	0.00
HL07	Richard Logan		Other	0.00	1,079	0.00	0.00
HL08	Matthew Lovett		Other	0.00	87	0.00	0.00
HM00	Stuart McGuire		Ordinary	0.00	11,200	0.00	0.00
HM01	Gail McGuire		Ordinary	0.00	3,750	0.00	0.00
HM02	Matthew Male		Other	0.00	216	0.00	0.00
HM03	Sachin Mehta		Other	0.00	216	0.00	0.00
HM04	Rob McGrath		Preference	0.00	30,843	0.00	0.00
HN00	Notwics Limited		Ordinary	0.00	13,295	0.00	0.00
HP00	Jonathan Pickering		Ordinary	0.00	20,940	0.00	0.00
HP01	Jane Pickering		Ordinary	0.00	20,939	0.00	0.00
HP02	Play RC SPV		Ordinary	0.00	431,032	0.00	0.00
HP03	Matthew Piper		Other	0.00	13,478	0.00	0.00
HP04	Hershel Paulk		Preference	0.00	3,872	0.00	0.00
HR00	Richard Mason		Preference	0.00	9,017	0.00	0.00
			Ordinary	0.00	347,090	0.00	0.00
HR01	Daniel Robinson		Other	0.00	216	0.00	0.00
HR02	Alexis Rog		Other	0.00	8,626	0.00	0.00
HS00	Peter Scott		Preference	0.00	127,164	0.00	0.00
			Ordinary	0.00	178,417	0.00	0.00
HS01	William Salomon		Preference	0.00	4,491	0.00	0.00
			Ordinary	0.00	93,233	0.00	0.00
HS02	Paul Shannon		Ordinary	0.00	15,728	0.00	0.00
HS03	Jenna Alexandria Scott		Preference	0.00	455	0.00	0.00
			Ordinary	0.00	7,820	0.00	0.00
HS04	Lauren Nicola Scott		Preference	0.00	455	0.00	0.00
			Ordinary	0.00	7,820	0.00	0.00
HS05	Oliver Francis Heguy Scott		Preference	0.00	455	0.00	0.00
			Ordinary	0.00	7,820	0.00	0.00
HS06	Josh Stanbury		Other	0.00	22	0.00	0.00

Antony Batty & Company LLP
Playcart Limited
Company Registered Number: 07773640
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HS07	Michael Stewart		Preference	0.00	162,751	0.00	0.00
HT00	Chris Townsend		Preference	0.00	60,545	0.00	0.00
			Ordinary	0.00	32,841	0.00	0.00
HT01	Tom Shorthouse		Ordinary	0.00	8,016	0.00	0.00
HT02	Denise Thomas		Other	0.00	22	0.00	0.00
HT03	Malcolm Thomas		Other	0.00	44	0.00	0.00
HT04	Matthew Tomkin		Other	0.00	22	0.00	0.00
HT05	Greg Taxin		Preference	0.00	20,000	0.00	0.00
HW00	Wayra UK Limited		Preference	0.00	13,467	0.00	0.00
			Ordinary	0.00	349,366	0.00	0.00
			Other	0.00	432	0.00	0.00
HW01	Gavin Winston		Preference	0.00	18,796	0.00	0.00
HW02	Rosalind Webber		Preference	0.00	1,503	0.00	0.00
HW03	Tim Weatherseed		Preference	0.00	1,503	0.00	0.00
HZ00	Paulo Zaniboni		Ordinary	0.00	23,635	0.00	0.00
44 Ordinary Entries Totalling					5,506,264		
39 Other Entries Totalling					132,255		
27 Preference Entries Totalling					617,646		

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.

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	Hourly Charge-Out Rate
	1 July 2023 to 30 June 2024
	£
Office Holder	580
Senior Manager	460
Manager	395
Senior Administrator 2	375
Senior Administrator 1	295
Case Administrator	210
Junior case administrator	140

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, Postage (Franked postage rates/Royal Mail postage rates (non-franked mail)), external meeting room hire (where the room is only hired for that meeting), external storage, specific penalty bond insurance, and insolvency case management software fees charged on a per case basis.

Statutory advertising costs are at a fixed rate of £110.80 plus VAT per advert. The Marsh Limited specific bond premiums may be found on our website: <http://antonybatty.com/insolvency-resources>.

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:

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.

ANTONY BATTY & COMPANY LLP**TIME COSTS – CHARGE OUT RATES PER HOUR AND EXPENSES POLICY.****1 JULY 2023 TO 30 JUNE 2024**

Historic hourly charge out rates	13/17	17/18	18/21	21/23	23/24
Office Holder (e.g., Administrator)	£399	£429	£435	£455	£580
Director	£-	£-	£-	£-	£460
Senior Manager	£235	£375	£380	£395	£395
Case Manager	£295	£335	£340	£375	£375
Senior Administrator 2	£-	£-	£295	£325	£-
Senior Administrator 1	£235	£255	£260	£285	£295
Administrator	£145	£160	£175	£195	£210
Junior Administrator	£80	£90	£95	£110	£140

Time is charged in unit of six 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.

Expenses 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 £110.80 plus VAT per advert.

Insurance and bonding are 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.

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

Category 2

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.