

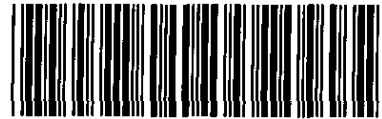
AM03

Notice of administrator's proposals



Companies House

MONDAY



A19 *A7KJF1EH* 10/12/2018 #212
COMPANIES HOUSE

1 Company details

Company number 0 7 3 2 0 4 0 4

Company name in full Cornertrack Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Julian

Surname Pitts

3 Administrator's address

Building name/number Fourth Floor

Street Toronto Square

Post town Toronto Street

County/Region Leeds

Postcode L S 1 2 H J

Country

4 Administrator's name

Full forename(s) Andrew

Surname Mackenzie

1 Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address

Building name/number Fourth Floor

Street Toronto Square

Post town Toronto Street

County/Region Leeds


Postcode L S 1 2 H J

Country

2 Other administrator
Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	<div>Signature</div> <div></div> <div>X</div>		<div>X</div>
Signature date	<div>^d<div>3</div>^d<div>0</div></div>	<div>^m<div>1</div>^m<div>1</div></div>	<div>^y<div>2</div>^y<div>0</div>^y<div>1</div>^y<div>8</div></div>

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	Laura Amann
Company name	Begbies Traynor (Central) LLP
Address	Fourth Floor Toronto Square
Post town	Toronto Street
County/Region	Leeds
Postcode	L S 1 2 H J
Country	
DX	
Telephone	0113 244 0044

**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



Beggies Traynor

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

Cornertrack Limited (In Administration)

Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Comertrack Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 9 October 2018
"the administrators", "we", "our", "us"	Andrew Mackenzie of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Julian Pitts of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. STATUTORY INFORMATION

Name of Company	Cornertrack Limited	
Date of Incorporation:	20 July 2010	
Company registered number:	07320404	
Company registered office:	Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ	
Former registered office:	Sovereign House 4th Floor, 1-2 South Parade, Leeds, LS1 5QL	
Trading address:	Sovereign House 4th Floor, 1-2 South Parade, Leeds, LS1 5QL	
Principal business activities:	Leisure - Bars and Restaurants	
Directors and details of shares held in the Company (if any):	Name	Shareholding
	Mr Allan Harper	N/A
	Mr Darren Harvey	N/A
	Mr Daniel Morris-Jowett	N/A
Auditors:	Hentons Chartered Accountants, Northgate, 118 North Street, Leeds, LS2 7PN	
Share capital:	1 Ordinary share at £1 each	
Shareholders:	Burningnight Limited (In Administration)	

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	9 October 2018
Court:	High Court of Justice, Business and Property Courts in Leeds, Insolvency Companies List (ChD)
Court Case Number:	974 of 2018
Person making appointment:	The directors of the Company.
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- "3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole."

4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

The Company was incorporated on 20 July 2010 as a subsidiary company of Burningnight Limited ("Burningnight"). Burningnight was incorporated to open bars and pubs in key areas across the UK and the Company was incorporated in order to supply Burningnight's bars and pubs with beer.

Between October 2010 and March 2017, Burningnight opened a range of Bierkellers across the UK in Leeds, Liverpool, Manchester, Cardiff, Birmingham and Nottingham, incorporating subsidiary companies within the group structure to enter into the premises leases with Burningnight acting as guarantor. The Company supplied beer to these subsidiary companies.

During this time the Company entered into the leased/hire agreements with various lessors in respect of the fixtures and fittings and equipment at the premises of the subsidiary companies. This included agreements entered into in respect of full refurbishments of the bars and pubs within the group of companies.

The group's consolidated accounts for the year ended 31 July 2017 (signed 20 July 2018) showed a loss for the financial year of £1.5m. Despite this loss, the directors of the group of companies were confident that the companies could return to profitability and reached the conclusion that the Company could continue to trade.

In June 2018, one of the group companies, B & W Logistics Limited, which traded the Bierkeller outlets was placed into administration by the secured creditor and Christopher Brooksbank of O'Haras Limited was appointed administrator.

In mid-August 2018 the Cardiff Bierkeller was closed as it was trading at a significant loss. The directors attributed this loss to the location of the venue and the significant works taking place in the surrounding area.

The above factors had a significant impact on Burningnight and the Company, with Burningnight subsequently being placed into administration by the secured creditor, Crowdstacker Corporate Services Limited and Andrew Mackenzie and Julian Pitts being appointed as joint administrators on 28 September 2018.

As a result, the Company approached Begbies Traynor (Central) LLP for professional advice regarding its current position and the options available for the Company going forward. Based on our assessment it was evident that the Company was insolvent and it would not be able to continue. It was also imperative that the position in relation to the leased/hire equipment be protected as the fixtures and fittings, furniture and equipment was needed in order to ensure continued trade of the subsidiary companies whilst a sale was negotiated.

The directors therefore instructed us to assist with taking immediate steps to appoint administrators pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986. As such, after a board meeting held on 26 September 2018, the directors filed a Notice of Intention to Appoint Administrators in the Leeds High Court on the same day.

Following the secured creditor's consent to the administration, a Notice of Appointment of Administrators was filed in the Leeds High court on 9 October 2018 and Andrew Mackenzie and Julian Pitts of Begbies Traynor (Central) LLP were duly appointed as joint administrators of the Company on 9 October 2018.

Under the provisions of paragraph 100(2) of Schedule B1 to The Insolvency Act 1986 the administrators carry out their functions jointly and severally and either administrator has the power to exercise any function.

5. STATEMENT OF AFFAIRS

Formal notices have been sent to the Company's directors to submit a statement of affairs pursuant to Rule 3.27 of the Insolvency Rules 2016. To date, no complete statement of affairs has been received but we understand that steps are being taken by the directors to comply with their statutory duties in this regard and will be submitting the statement of affairs shortly.

In the circumstances, Rule 3.35(1) of the Insolvency Rules 2016 dictates that we must provide details of the financial position of the Company at the latest practicable date (which must, unless the court otherwise orders, be a date not earlier than that on which the company entered administration), a list of the Company's creditors including their names, addresses and details of their debts, including any security held, and an explanation as to why there is no statement of affairs.

The creditors can be summarised as follows (estimated figures):

Secured Creditors	£9,413,138
Preferential Creditors	£12,191
Unsecured Creditors	£4,628,274

A statement of the Company's estimated financial position, together with a list of creditors, as at 9 October 2018 is included at Appendix 2. Please note that this list is based on information provided by the directors of the Company and does not necessarily represent a definitive list.

6. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 9 October 2018 to 30 November 2018.

Work undertaken by the Administrators and their staff

Initial actions

Following our appointment on 9 October 2018 we immediately collated all the necessary financial and other information to ensure we could carry out all statutory obligations and ensure the efficient conduct of the administration. This included obtaining copies of all outstanding customer invoices, leased/hire agreements and employee records.

We instructed our insurance brokers, Eddisons Insurance Services Limited, to obtain open cover insurance in respect of any assets owned by the Company, including the motor vehicles subject to leased/hire agreements with the Company.

There are certain tasks that we have a statutory obligation to undertake on appointment including issuing a notice of our appointment in the London Gazette and filing a copy with the Registrar of Companies. Formal notice of appointment has also been sent to the Company and to the secured creditor.

An initial letter was sent to the creditors advising of the administration and requesting a statement of account showing amounts due from the Company. These statements are continuing to be received and processed.

We have also written to all professional and financial advisors of the Company in order to ascertain information they may hold in respect of the Company and have liaised with the Company's bank and Crowdstacker Corporate Services Limited, the secured creditor.

We have assisted the nine employees of the Company in making claims to the Redundancy Payments Office following their redundancy. We have provided the employees with all the necessary information they require in order to complete their claim online. We have also dealt with all queries we have received from former employees of the Company who left prior to our appointment but had outstanding redundancy pay and other monies owed.

We have dealt with all unsecured creditor queries as and when they have been received, as well as a number of creditors who have come to light since our appointment. We have logged creditor claims but have not yet taken steps to agree or admit claims.

Fixtures & Fittings, Plant and Machinery and Office Furniture and Equipment

The majority of the fixtures and fittings and plant and machinery of the Company, whilst leased and hired through the Company from third party suppliers, are not controlled by the Company and are fitted in the outlets and/or used by the group companies in order to trade.

The administrators and their appointed agents, Eddisons Commercial Limited ("Eddisons") have been liaising with the lessors in order to collate the leased/hire purchase agreements, ascertain the location of those goods and determine the arrears position.

We understand that the Company may own some of the equipment however our investigations in this regard are still on-going.

Property

Bingley Tavern, Bingley

The Company owned the freehold property known as the Bingley Tavern. The Company granted a fixed charge over the property to Carlsberg UK Limited on 19 March 2018 and in accordance with that charge appointed LPA Receivers on 23 August 2018.

Upon our appointment we instructed our solicitors to advise us on the validity of Carlsberg UK Limited's security and that the appointment of the LPA Receivers is valid. Our solicitors have advised that the appointment is valid.

The property has been valued on a vacant possession basis between £275,000 and £325,000. Our understanding is that the property is currently occupied.

The redemption figure provided by Carlsberg UK Limited totals £874,537 and therefore it is not anticipated that they will recover their principal debt.

Ovenden Hotel, Halifax

Following our appointment, we made enquiries with the Land Registry as to whether the Company owned any property registered with the Land Registry. The search results confirmed that the Company owned the freehold property known as the Ovenden Hotel, Halifax. The Company granted a fixed charge to Access Property Finance Limited on 26 January 2017.

Our understanding is that the property was subject to a fire in July 2013 and was demolished earlier this year. We have instructed our agents to value the land and advise on an appropriate realisation strategy.

Book Debts

The value of the book debts as at 9 October 2018 total £188,856. We have endeavoured to collect these amounts however, the responses received to date are that the debtors have either gone away or they have requested further information. Following initial investigations, it appears that these debtors are connected parties by way of common directorship and associated persons.

At the date of our appointment the Company had other debtors outstanding in the sum of £712,603 however the sum of £507,870 is due from B & W Logistics Limited which, as detailed above, is in administration. We will issue a claim to the administrators for this sum however we do not anticipate a dividend distribution from this source.

The sum of £204,732 is due from Authentic Alehouses Limited, in relation to a long term loan agreement entered into by the Company. We have instructed Gosschaiks Solicitors to provide their advice in respect of this agreement.

Investigations are on-going in respect of the debtors and other debtors due from associated companies.

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the estimated statement of financial position) are as follows:

Fixed Charge creditors

Carlsberg UK Limited ("Carlsberg") has a fixed charge created on 19 March 2018 and registered at Companies House on 26 March 2018 over the property known as the Bingley Tavern, 57 Main Street, Bingley, BD16 2HZ. In accordance with their fixed charge, they appointed Paul Derek Maloney as LPA Receiver on 23 August 2018.

We have been advised that the amounts outstanding to Carlsberg total £874,537. The property has been valued between £275,000 and £325,000 (with vacant possession). It is therefore anticipated that Carlsberg will suffer a shortfall on its lending.

Huddle Capital (Securities) Limited ("Huddle") has a fixed charge created on 1 August 2017 and registered at Companies House on 22 August 2017 over the property known as Slam, Wilson Street, Middlesbrough, TS1 1SN. This property is no longer owned by the Company. We are in the process of establishing whether Huddle suffered a shortfall following the sale.

Access Property Finance Limited ("Access") has a fixed charge created on 26 January 2017 and registered at Companies House on the same date over the property known as The Ovenden Hotel, Ovenden Way, Halifax, HX3 5NW. We understand that Access provided a loan to the Company and the amount outstanding is currently £108,351.

Secured creditors

The Company granted a debenture to Crowdstacker Corporate Services Limited ("Crowdstacker") consisting of a fixed and floating charge debenture over the entire assets and undertakings of the business created on 30 September 2016 and registered at Companies House on 11 October 2016. The sum of £7,536,230 is outstanding to Crowdstacker together with interest of £894,021.

Crowdstacker have a cross guarantee and indemnity in its favour against other group companies in respect of amounts owed.

Based upon estimated future realisations there will be insufficient funds available to enable the secured creditors to be paid in full and it is anticipated that they will suffer a shortfall on their lending.

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £12,191.

We consider that there may be sufficient funds for a dividend to be paid to preferential creditors, depending on the final quantum of realisations from the Company's book debts.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part of net property* if:

- ☐ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

We have estimated, to the best of our knowledge and belief, the Company's net property, to be £59,153 and the prescribed part of the Company's net property to be £14,830.

Unsecured creditors

Claims of unsecured creditors are estimated at £4,628,274. This comprises: hire purchase and lease commitments, amounts owed to connected companies and trade creditors. The breakdown of creditors at Appendix 2 is an estimate only and is subject to change following determine of the amounts outstanding in particular the hire purchase and lease commitments entered into by the Company are still being determined.

Based upon estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors other than possibly by virtue of the prescribed part.

Effect of administration on limitation periods under the Limitation Act 1980

As explained in our initial correspondence confirming our appointment as administrators, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of

the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

It is not possible to rescue the Company on a going concern basis as it had significant liabilities at the date of our appointment and had limited projected income which would have been insufficient to meet those liabilities.

The administration has created a moratorium over the Company and safeguarded it against any action by creditors. It was also imperative that the position in relation to the leased/hire equipment be protected as the fixtures and fittings, furniture and equipment was needed in order to ensure continued trade of the subsidiary companies whilst a sale was negotiated. The administration of the Company provides the mechanism for the leased/hire agreements to be novated rather than the agreements being terminated.

We have been able to immediately take control of the Company's books and records ensuring access to as much information and documentation as possible.

Employee entitlements will also be paid from the Redundancy Payments Office quicker than would have been possible had the Company entered liquidation through a court petition or by a decision of creditors.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to continue to manage the affairs of the Company and conclude the realisation of the Company's property. The principal matters to deal with in this respect are:

- Complete the realisations of the Company's assets and book debts;
- Continue to liaise with the lessors in relation to the agreements entered into by the Company in relation to the fixtures and fittings, equipment and goods supplied to the subsidiary companies and novate where appropriate;
- To continue with investigations 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 of former offices of the Company or any person, firm or company that supplies or has supplied goods or services to the Company;
- Agree secured and preferential creditor claims and distribute funds when appropriate;
- If a dividend distribution is to be made to the unsecured creditors via the prescribed part, agree unsecured creditor claims and distribute funds when appropriate; and

- Deal with the settlement of any outstanding administration costs and expenses.

Following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most cost effective steps to formally conclude the administration.

Exit from Administration

Dissolution

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

Compulsory Liquidation

Certain events may arise which mean that it becomes in the Company's interests to move from administration to compulsory liquidation. Such events being that the only remaining matter to deal with is the investigations into the Company's affairs which can be dealt with more practically with the Company in liquidation. As there is no anticipated dividend distribution to unsecured creditors (other than via the prescribed part) the Company cannot exit administration via creditors' voluntary liquidation.

Contingency plan – extending the administration

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude the realisation of the Company's property and investigations into the affairs of the Company. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

9. PRE-ADMINISTRATION COSTS

In the period before the Company entered administration, we advised the Company on the most appropriate insolvency procedure having reviewed its financial position and future viability and subsequently assisted the directors with the formalities of placing the Company into administration ("the Work").

The Work was carried out before the Company entered administration in an attempt to identify the difficulties facing the business and consider possible solutions available to the Company and its directors. As the Work identified the issues facing the business, we aided the director of the Company to plan for an inevitable insolvency event. We consider that the Work has furthered the achievement of the objective of administration being pursued, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

The pre-administration costs are broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	9,359.50	1,862.30	11,221.80
TOTAL PRE-ADMINISTRATION COSTS		9,359.50	1,862.30	11,221.80

The pre-administration costs are unpaid and we are seeking that they be paid as an expense of the administration. Approval to discharge such costs ("the unpaid pre-administration costs") as an expense is required from the creditors' committee, or in the absence of a committee, or if the committee does not make a determination, the secured creditor of the Company and by seeking decisions of the preferential creditors. Payment of the unpaid pre-administration costs requires separate approval and is not part of our proposals subject to approval.

In order to provide sufficient information to consider approval of the payment of the unpaid pre-administration costs, a Pre-Administration Time Costs Analysis and a pre-administration Time Costs Summary appear at Appendix 3. These show the number of hours spent by each grade of staff involved in the case and give the average hourly rate charged. They also provide an explanation of the work undertaken prior to our appointment.

10. REMUNERATION AND DISBURSEMENTS

Remuneration

We propose that the basis of our remuneration be fixed under Rule 18.16 of the Rules by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters as set out in the fees estimate.

We consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part fund of any net floating charge property). In these circumstances, if there is no creditors' committee, or the committee does not make a determination, it is for each secured creditor and the preferential creditors of the Company to determine the basis of our remuneration under Rule 18.18 of the Rules.

Appendix 3 sets out our firm's hourly charge out rates, our fees estimate and the time that we and our staff have spent in attending to matters arising in the administration since 9 October 2018.

Disbursements

We propose that disbursements for services provided by our firm and/or entities within the Begbies Traynor Group, be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by us and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

Estimate of expenses

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 3.

Expenditure incurred to date

Since our appointment, the following expenses have been incurred:

- Statutory advertising costs of £85.
- Bond premium of £20.

Agent's Fees – Eddisons Commercial Limited ("Eddisons") and Eddisons Insurance Services Limited ("EIS")

Eddisons and EIS are associated companies within the Begbies Traynor Group and require Category 2 approval from creditors. Full details of these costs are set out in the attached appendices. Eddisons are providers of chattel assets valuations, etc and EIS are providers of insurance services.

Eddisons have incurred costs totalling £1,500 in providing assistance with the leased/hire equipment and collating and reviewing all the agreements with the Company.

EIS has provided open cover insurance for the Company since appointment. Their costs for dealing with this will be paid by the insurance provider by way of commission, further details of which are set out in the appendices. The estimated costs of insuring the Company's assets are £3,500.

11. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

We have a statutory duty to investigate the conduct of the directors and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

Investigations carried out to date

We have undertaken an initial assessment of possible actions in relation to the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect.

Our investigations are on-going.

Connected party transactions

We understand that prior to administration there have been transactions entered into by the Company with third parties and sales of the Company's assets. These transactions are being investigated and we will provide creditors with an update in our next progress report.

Deemed delivery

These proposals will be deemed to have been delivered on 4 December 2018.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

12. CONCLUSION

As explained in Section 7 above, the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of the prescribed part).

In the circumstances, we are not required to seek a decision from the creditors on the approval of our proposals. However, creditors, whose debts amount to at least 10% of the total debts of the Company, may request that a decision is sought from the unsecured creditors as to whether to approve our proposals, via a qualifying decision procedure. Any such request must be delivered to our office in writing within 8 business days of 4 December 2018. If no such requests are received, our proposals are deemed to have been approved by the creditors. Where the proposals are deemed to have been approved, we will write to you to confirm that is the position.

Subject to the approval of our proposals we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.



Julian N R Pitts
Joint Administrator

Date: 30 November 2018

ACCOUNT OF RECEIPTS AND PAYMENTS

9 October 2018 to 30 November 2018

S of A £	£	£
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NIL

REPRESENTED BY

NIL

Julian Pitts
Joint Administrator

ESTIMATED FINANCIAL POSITION AS AT 9 OCTOBER 2018

	Notes	Book Value	Estimated to Realise
Fixed Charged Assets			
Freehold Property - Bingley Tavern	1	339,909	325,000
Less: Carlsberg UK Limited		-	(874,536)
Surplus / (Shortfall)			<u>(549,536)</u>
 Freehold Property - The Ovenden Hotel, Halifax	2	260,717	Uncertain
Less: Access Property Finance Limited		-	(108,351)
Surplus / (Shortfall)			<u>(108,351)</u>
 Leasehold Improvements	3	2,058,774	-
Fixtures and Fittings	4	404,686	-
Software Development	5	21,195	-
Less: Crowdstacker Corporate Services Limited	6	(8,430,251)	(8,430,251)
Surplus / (Shortfall)			<u>(8,430,251)</u>
 Floating Charge Assets			
Trade Debtors	7	188,857	37,771
Other Debtors	8	712,603	204,732
Plant & Machinery	9	504,204	-
Computer Equipment	10	172,717	-
 Available to Preferential Creditors			242,503
Less: Estimated preferential creditors	11		(12,191)
Less: Estimated prescribed part	12		(49,062)
Available to Floating Charge Creditors			<u>181,249</u>
Less: Estimated floating charge creditors			(8,430,251)
Available to Unsecured creditors			(8,249,002)
Less: Estimated unsecured creditors	16		(2,627,335)
Less: HMRC - PAYE	13		(255,646)
Less: HMRC - VAT	14		(425,728)
Less: Creditors who have subsequently claimed			(65,110)
Less: Finance creditors	15		(911,177)
Less: Intercompany balances			(343,604)
Less: Carlsberg UK Limited b/d			(549,536)
Less: Access Property Finance Limited			(108,351)
 Surplus / (shortfall) as regards unsecured creditors	17		<u>(13,535,489)</u>

ESTIMATED FINANCIAL POSITION AS AT 9 OCTOBER 2018

1. The freehold property known as The Bingley Tavern is subject to a fixed charge granted in favour of Carlsberg UK Limited. The book value of the property has been taken from the Company's records as at 9 October 2018. The estimated to realise figure is based on a valuation obtained by the LPA Receiver. Further details of Carlsberg's security together with the amounts outstanding are set out in the body of the proposals at Section 7.
2. The freehold property known as The Ovenden Hotel is subject to a fixed charge granted in favour of Access Property Finance Limited. The book value of the property has been taken from the Company's records as at 9 October 2018. It is understood that the property was subject to a fire in July 2013 and was demolished earlier this year. The estimated to realise figure is uncertain. Further details of Access' security together with the amounts outstanding are set out in the body of the proposals at Section 7.
3. The book value of the leasehold improvements has been taken from the Company's records as at 9 October 2018. These represent improvements to various bars and pubs within the group, being Manchester, Cardiff, Nottingham, Liverpool, Leeds and Birmingham as well as other pubs understood to no longer be group assets and/or were never group assets. Further investigations in this respect are on-going. The estimated to realise value is nil.
4. The book value of the fixtures and fittings has been taken from the Company's records as at 9 October 2018. The value of these represent fixtures and fittings in the venues of Liverpool, Manchester, Cardiff, Nottingham, Leeds, Birmingham, the Company's head office and another pub understood to be no longer a Company asset. Further investigations in this respect are on-going. The estimated to realise value is nil.
5. The software development value is that stated in the Company's records as at 9 October 2018 and are amounts capitalised in respect of group systems. The estimated to realise figure is nil.
6. Crowdstacker Corporate Services Limited holds a fixed and floating charge debenture over the entire assets and undertakings of the business. Further details of Crowdstacker's security and the amounts outstanding are set out in the body of the proposals at Section 7. The amount outstanding to Crowdstacker is the total sum outstanding in respect of all loans to the Company including interest.
7. The value of the Company's book debt ledger as at the date of appointment is £188,857. We have made a 80% provision on the book debts based on the responses received to date from our attempts at realisation. As detailed in our report above, the debtors all appear to be connected parties.
8. At the date of appointment, other debts had a book value of £712,603. The amount of £507,870 is outstanding from B & W Logistics Limited in administration. We do not anticipate a dividend distribution from the administration and have therefore made a full 100% provision on this debt. The sum of £204,732 is outstanding from Authentic Alehouses Limited, a connected company. Details of this loan are set out in the body of our proposals at Section 6.
9. The majority of the Company's plant and machinery and equipment are subject to leased/hire purchase agreements. We are continuing to investigate what, if any, equipment is owned by the Company.

10. The book value of the computer equipment has been taken from the Company's records as at 9 October 2018 and is amounts capitalised in respect of group systems.
11. The claims of the Department for Business, Energy and Industrial Strategy represent employees' estimated claims under The Employment Rights Act 1996 in respect of arrears of pay to a maximum of £800 per employee and holiday pay which are claimed preferentially, and pay in lieu of notice, redundancy pay and arrears of pay in excess of £800 which are non-preferential.
12. Section 176A(2) of the Act requires the administrators to set aside the prescribed part of the Company's net property for the satisfaction of unsecured debts. "**Net property**" means the amount which would, if it were not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of realisation). The **prescribed part** is 50% of the first £10,000 and 20% of the remaining net property (up to a maximum of £600,000).

We will not be required to set aside the prescribed part of net property if:

- a. The net property is less than £10,000 and we think that the cost of distributing the prescribed part would be disproportionate to the benefit;
 - b. Or if the net property is more than £10,000, if the provision is disapplied by the court on the application of the administrator on cost-benefit grounds.
13. The claim of HM Revenue & Customs represents PAYE outstanding.
 14. The claim of HM Revenue & Customs represents VAT outstanding.
 15. The indebtedness to various of the lessors is supported by a personal guarantee from Allan Harper and Daniel Morris-Jowett.
 16. Creditors' claims are subject to agreement and will not be prejudiced by omission from the estimated financial position or by inclusion in a different amount from that claimed.
 17. The estimated total deficiency, including the calculation of the prescribed part of the Company's net property, is subject to the costs of administration and distribution for which no provision is made in the statement of affairs.
 18. Transactions with directors and associates.

Standard practice requires disclosure to the creditors of any transactions (other than in the ordinary course of business) between the Company (including any of its subsidiaries or any other company in which it has or had an interest) and any of its directors or their associates (as defined in Section 435 of the Act) in the period of **two years** prior to the commencement of administration, and in the period since the commencement of the administration, or proposed to be undertaken.

We understand that prior to administration these have been transactions entered into by the Company with third parties and sales of the Company's assets. These transactions are being investigated and we will provide creditors with an update in our next progress report.

Cornertrack Limited

B - Company trade creditors

Name	Address	£
Adapt Computers Systems Limited	c/o CMR Insurance Services Limited, Central House, 3-4 Chalice Close, Wallington, Surrey, SM6 9RU	1,423.80
Alan Courtenay Limited	17 Upton Road, Poole, BH17 7AF	2,934.00
All Clear Services	Station Street, Wednesbury, WS10 8BW	2,605.86
Allan Harper SIPP (Dandy Lion)	Trafford House, Chester Road, Manchester, M32 0RS	46,926.66
Amberstone Technology Limited	Cambridge House, Barrington Road, Shepreth, Royston, Hertfordshire, SG8 6QB	700.18
Apogee Corporation Limited	Jesson House, Electric Avenue, Withaue St Hughes, Lincoln, LN6 9BJ	2,315.62
Appleton Estates	Appleton House, Main Street, York, YO23 7DG	2,500.00
Assured Management Limited	Matthew Murray House Suite 1, Matthew Murray House, 97 Water Lane, Leeds, LS11 5QN	211.09
ATG Health & Safety Consultants Limited	Ordinance House, Unit 6 East Terrace Business Park, Chorley, Lancashire, PR7 6TB	486.00
Audi Financial Services Limited	Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR	10,817.69
Barmaster Limited	Unit 3, Highcliffe Mills, Bruntcliffe Lane, Morley, Leeds, LS27 9LR	1,601.36
BCH Consulting Limited	Beech Cottage, Blackroot Close, Hammerwich, Staffordshire, WS7 0LA	30,150.07
BGT Leisure Limited	52 Bradford Road, Menston, West Yorkshire, LS29 6BX	80,000.00
BOC Limited	The Priestley Centre, 10 Priestley Road, The Surrey Research Park, Guildford, Surrey, GU2 7XY	426.18
Brands Reunited Limited	Matrix Studio Complex, 91 Peterborough Road, London, SW6 3BU	322.94
Brewing & Distilling Company Limited	Unit 3, North Hill Road, Dishforth, North Yorkshire, YO7 3DH	3,287.73
Brian Walker Electrical	Stubley Farm, Stubley Farm Road, Heckmondwike, West Yorkshire, WF16 9DD	10,300.00
British Telecommunications Plc	81 Newgate Street, London, EC1A 7AJ	637.33
Burningnight Limited	Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ	323,400.98
Cave Direct Beer Merchants	Unit B9/B10 Larkfield Trading Estate, New Hythe Lane, Larkfield, Kent, ME20 6SW	8,012.97
Ceramique Internationale Limited	1 Royds Lane, Lower Wortley Ring Road, Leeds, LS12 6DU	8,810.29
Comms Express Limited	Unit 7 Grafton Place, Dukes Park Industrial Estate, Chelmsford, Essex, CM2 6TG	5,836.74
Charles Wells	The Brewery, Havelock Street, Bedford, MK40 4LU	14,951.74
Close Lockyers	Unit 7, The Office Village, Silkwood Park, Wakefield, WF5 9TJ	2,518.88
Davenham Portfolio Management Limited	55 King Street, Manchester, M2 4LQ	15,875.00
Environmental Refurb & Demolition Limited	249 Wyke Lane, Bradford, BD12 9EL	3,960.00
Furniture Productions (Contracts) Limited	191 Thornton Road, Bradford, BD1 2JT	1,750.00
Garrie Coleman	44 Woodlands Green, Middleton, St George, Darlington, Teeside, DL2 1NE	854.35
GB Group Plc	The Foundation, Herons Way, Chester Business Park, Chester, CH4 9GB	1,076.40
Glisten Water Limited	20C Main Street, Garforth, Leeds, LS25 1AA	8,925.00
Harper Pickles SIPP	Trafford House, Chester Road, Manchester, M32 0RS	46,582.41
HB Clark	Unit 10, Station Lane Industrial Estate, Birtley, Durham, DH3 1DQ	232,086.69
Heineken UK Limited	3-4 Broadway Park, South Gyle Broadway, Edinburgh, EH12 9JZ	240,751.47
HM Revenue & Customs	First Floor, Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	681,192.00
ID Management Systems Limited	14 Cathedral Road, Cardiff, CF11 9LJ	129.54
Broom House Investments Limited	T/A James Clay, River Street, Brighouse, HD6 1LU	23,998.90
JS Design	TBC	3,525.00

Kaplan Financial	1st Floor, Vine House, Vine Lane, Newcastle, NE1 7PW	1,579.00
Knights Professional Services Limited	The Brampton, Newcastle, Staffordshire, ST5 0QW	931.60
Leaseplan UK Limited	165 Bath Road, Slough, Berkshire, SL1 4AA	547.72
Lex Autolease Limited	Heathside Park, Heathside Park Road, Stockport, Cheshire, SK3 0RB	1,056.84
Lichfield Safe Centre Limited	Spread Eagle House, 1 Church Street, Lichfield, Staffordshire, WS13 6DZ	372.00
Liverpool Craft Beer	62-64 Bridgewater Street, Liverpool, Merseyside, L1 0AY	182.14
L.T. Management	31 Haverscroft Industrial Estate, New Road, Attleborough, Norfolk, NR17 1YE	126,284.09
Magic Rock Brewing Co Limited	Willow Park Business Centre, Willow Lane, Huddersfield, HD1 5EB	1,301.23
Matthew Clark Bibendum Limited	Whitchurch Lane, Bristol, BS14 0JZ	656,626.93
Mercedes-Benz	Calder Park, Peel Avenue, Durkar, Wakefield, WF2 7UA	345.96
Mercedes-Benz Financial Services	Buckingham Road, Brackley, NN13 7DN	4,516.40
Metis Law Solicitors	84 Albion Street, Leeds, LS1 6AD	4,750.00
Michael Page International Recruitment Limited	3rd Floor Wellington House, 20 Queensmere, Slough, Berkshire, SL1 1DB	3,240.00
Molson Coors Brewing Company (UK) Limited	Selectapost 46, Sheffield, S97 3FT	319,836.86
Monster Worldwide Limited	Chancery House 53-64, Chancery Lane, London, WC2A 1QS	399.98
Nicholas Warner	TBC	9403.83
Nottingham City Council	Processing & Enforcement Services, PO BOX 10169, Nottingham, NG1 9HS	90.00
Parthenon Facilities Management Limited	c/o AIG Europe Limited, The AIG Building, 2-8 Aitrye Road, Croydon, CR9 2LG	107,264.24
Pensions Control Account	c/o Begbies Traynor, 4th Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ	9,331.37
PHS Group	c/o Personnel Hygiene Services Limited, Block B Western Industrial Estate, Caerphilly, CF83 1XH	259.20
Plan.com	c/o Plan Communications Ltd	1.00
Pieminister Limited	24 Stokes Croft, Bristol, BS1 3PR	1,076.43
Power Epos Limited	528 - 532 Prescott Road, Old Swan, Liverpool, L13 3DB	33,526.08
Reward Telecoms Limited	Wesley House, PO Box 87, Wakefield, West Yorkshire, WF2 6YS	18.00
Rockstar Drinks Limited	Unit 6 Staden Lane Business Park, Buxton, Derbyshire, SK17 9RZ	1,296.00
S A Brian & Company Limited	Dragon Brewery, Pacific Road, Cardiff, CF24 5HJ	190.16
Safe & Sound Vehicle Equipment Limited	41 Kent Close, Pudsey, Leeds, LS28 9EY	1,398.00
Safestore Limited	83 Roseville Road, Leeds, West Yorkshire, LS8 5DT	2,130.84
SAGE (UK) Limited	North Park, Newcastle, NE13 9AA	3,441.62
Saltire Brewery	Unit 6 County Works, Dockfield Road, West Yorkshire, BD17 7AR	510.70
Simon P Lewis	TBC	660.00
Simple Trick Limited	4th Floor Sovereign House, 1-2 South Parade, Leeds, LS1 5QL	17,963.63
Site Evaluation & Assessments Limited	TBC	298,800.00
Smarttrack Limited	63 Fosse Way, Syston, Leicestershire, LE7 1NF	33.98
Sorted Media UK	t/a FYI Market, The Old Firestation, 47 Westfield Road, Leeds, LS3 1DG	77.84
Spotcap Limited	Regal House, 14 James Street, London, WC2E 8BU	88,546.87
Target Fire Protection Limited	Unit 3B, Buckley Road Industrial Estate, Rochdale, OL12 9EF	448.37
The Fire Academy	The Mad Hatter at Greystones, Buckden, North Yorkshire, BD23 5JA	1,108.00
The Pop 2015 Limited	TBC	21,245.66
Timothy Taylor & Co. Limited	Knowle Spring Brewery, Keighley, West Yorkshire, BD21 1AW	2,209.53
Tracker Network UK Limited	1 Furzeground Way, Stockley Park, Uxbridge, Middlesex, UB11 1BD	1,198.00

Trick Switch Limited	Sovereign House, 1-2 South Parade, Leeds, LS1 5QL	17,181.34
Visionary Leisure Limited	Suite 52, 33 Great George Street, Leeds, West Yorkshire, LS1 3AJ	20,059.27
Volkswagen (Audi Financial Services)	Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR	1,205.21
VJC	TBC	33,500.00
WBK Limited	Hornbuckle Farm, Drift Road, Maidenhead, SL6 3TZ	2,541.16
Weightmans LLP	No1 Spinningfields, Hardman Square, Manchester, M3 3EB	3,350.40
Woods Whur 2014 Limited	Devonshire House, 38 York Place, Leeds, LS1 2ED	351.10
Zen Internet Limited	Sandbrook Park, Sandbrook Way, Rochdale, OL11 1RY	3,485.36
Total		3,627,758.61

Cornertrack Limited

B - Creditors subsequently come to light

Name	Address	£
Blue Logic Computer Systems Limited	Bramley Grange, Skeltons Lane, Leeds, LS14 3DW	1.00
Bedford Canning Company Limited	Marston's House, Brewery Road, Wolverhampton, WV1 4JT	1.00
British Gas Trading Limited	c/o Moon Beaver Solicitors, 260 Avenue West, Skyline 120, Great Nolley, Braintree, Essex, CM77 7AA	273.60
Calderdale Council	Public Services, Mulcture House, Mulcture Hall Road, Halifax, HX1 1SP	75.00
E.ON UK plc	c/o Knights plc, Riverside Court, Wilmslow, SK9 1DL	60,698.45
East Riding of Yorkshire Council	County Hall, Beverley, East Riding of Yorkshire, HU17 9BA	144.61
Euro Car Parks Limited	30 Dorset Square, London, NE1 6QJ	70.00
Harrogate Borough Council	Parking Services, PO Box 787, Harrogate, HG1 9RW	50.00
HSBC Bank plc	33 Park Row, Leeds, LS1 1LD	1.00
JD Parking Consultants Limited	c/o Gladstones Solicitors, The Terrace, High Legh Park Golf Club, Warrington Road, Knutsford, Cheshire, WA16 6AA	320.00
Liverpool City Council	Licensing & Public Protection, Community Services, Cunard Building, Water Street, Liverpool, L3 1AH	540.00
KD Media Publishing Limited	Pantile House, Newlands Drive, Witham, Essex, CM8 2AP	1.00
Manchester City Council	PO Box 532, Town Hall, Manchester, M60 2LA	60.00
Natwest Bank plc	Cards, Customer Services, PO Box 5747, Southend-on-Sea, SS1 9AJ	733.79
Nottingham City Council	Processing & Enforcement Services, PO Box 10169, Nottingham, NG1 9HS	90.00
ParkingEye Limited	40 Eaton Avenue, Buckshaw Village, Chorley, PR7 7NA	100.00
Saltaire Brewery Limited	County Works, Dockfield Road, Shipley, West Yorkshire, BD17 7AR	1,787.46
Sefton Council	Parking Services, 2nd Floor Pavilion Buildings, 99-105 Lord Street, Southport, PR8 1RH	50.00
Traffic Enforcement Centre	County Court Business Centre, St Katherine's House, 21-27 St Katherine's Street, Northampton, NN1 2LH	113.00
Total		65,109.91

Cornertrack Limited**B - Finance Companies**

Name	Address	£
Admiral Leasing	Chambers Business Centre, Chapel Road, Oldham, OL8 4QQ	816.62
ALD Automotive Limited	Oakwood Drive, Emersons Green, Bristol, BS16 7LB	436.62
Aldermore Bank plc	Springfield House, 76 Wellington St, Leeds, LS1 2AY	61,333.90
Amicus Asset Finance	1st Floor, 33 Cornhill, London EC3V 3ND	21,186.60
Approved Business Credit Limited	P.O.Box 595, Macclesfield, SK10 9HF	13,902.12
Arkle Finance Limited	52-60 Sanders Road, Wellingborough, NN8 4BX	151,510.93
Armada Investments Limited	Armada House, Odhams Wharf, Topsham, Devon, EX3 0PB	140,041.30
Asset Adv	Matrix House Basing View, Basing View, Basingstoke, RG21 4DZ	1.00
A.V.I	TBC	4,721.00
Bathgate Finance	The Loft, Brook House, Brook Terrace, West Kirby, Wirral, CH48 4DX	6,176.85
Black Arrow Finance Limited	3rd Floor Profile West, Great West Road, Brentford, Middlesex. TW8 9ES	2,822.73
BNP Paribas Leasing Solutions Limited	St James Court, St James Parade, Bristol, BS1 3LH	5,905.44
Bibby Leasing Limited	7 Airport West, Lancaster Way, Warren House Lane, Yeadon, Leeds, LS19 7ZA	103,880.58
Conister Bank	Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN	60,206.40
Close Bros Finance	The Kerry Suite, Gt Hollenden Business Ctr, Mill Lane, Hildenborough, Kent, TN15 OSQ	4,044.90
Corporate Asset Solutions	Manor Farm, Chilworth Old Village, Southampton, SO16 7JP	16,292.95
CIT Vendor Finance	PEAC (UK) Limited, Inspired, Easthampstead Road, Bracknell, RG12 1YQ	4,074.72
D&D Leasing UK	Studio 404, The Light Bulb, 1 Filament Walk, Wandsworth, London, SW18 4GQ	10,928.94
Dell Bank International Limited	Innovation House, Cherrywood Science & Technology Park, Dublin 18, Ireland	11,580.08
Federal Capital	14a Old Marsh Farm Barns, Welsh Road, Sealand, Flintshire, CH5 2LY	34,640.13
First Business Securities	The Studio, Kings Langley, Matts Hill Road, Sittingbourne, ME9 7XA	3,132.72
G.E Capital Equipment Finance Limited	2630 The Quadrant, Aztec West, Almondsbury, Bristol, BS32 4GQ	15,368.30
Grenke Leasing Limited	5th Floor, Saxon House, 3 Onslow Street, Guildford, Surrey, GU1 4SY	12,038.10
Hampshire Trust Bank	55 Bishopsgate, London, EC2N 3AS	3,359.67
Haydock Finance	Greendbank Business Park, Challenge House, Challenge Way, Blackburn, BB1 5QB	5,895.12
Hobart (ITW)	Southgate Way, Orton Southgate, Peterborough, PE32 6GN	6,500.00
Investec Asset Finance plc	Reading International Business Park, Reading, RG2 6AA	18,438.36
LDF Finance No.2 Limited	Dee House, St David's Park, Ewlow, Flintshire, CH5 3XF	1,734.11
Liberty Leasing Limited	Liberty House, Brook Avenue, Warsash, Southampton, Hampshire, SO31 9HP	4,710.59
Nucleus Cflow Limited	2 Gees Court, London, W1U 1JA	72,261.94
PEAC (UK) Limited	Administrative Office, Block 2, Blackrock Business Park, Carysfort Avenue, Blackrock	3,506.96
Portman Asset Finance	Northampton Business Park, 600 Pavillion, Northampton, NN4 7SL	1.00

Rivers Leasing	Amba House, 15 College Road, Harrow, HA1 1BA	7,677.93
Societe Generale Equipment Finance	Parkshot House, 5 Kew Road, Richmond, Surrey, TW9 2PR	22,450.44
Shawbrook Bank Limited	Shawbrook House, The Dorking Business Park, Station Road, Dorking, Surrey, RH4 1HJ	11,543.34
Shire Leasing	c/o Baker Tilly, Creditor Services, Salisbury House, 31 Finsbury Circus, London, EC2M 5SQ	64,335.00
Siemens	Stoke Poges, Sefton Park Bells Hill, Stoke Poges, Buckinghamshire, SL2 4JS	3,276.03
Volkswagen Financial Services (UK) Limited	c/o Lester Aldridge, Russell House, Oxford Road, Bournemouth, BH8 8EX	444.35
Total		911,177.77

Cornertrack Limited
B - Secured Creditors

Name	Address	£
Access Property Finance Limited	4 Brewery Place, Brewery Place, Leeds, LS10 1NE	108,351.00
Crowdstacker Corporate Services Limited	Floors 1 & 2 6 Victoria Street, St Albans, Herts, AL1 3JB	8,430,251.00
Carlsberg UK Limited	Customer Accounts Dept., Hunslet Road, Leeds, LS10 1JQ	874,536.00
Total		9,413,138.00

REMUNERATION AND EXPENSES

Total time spent to 30 November 2018 on this assignment amounts to 178 hours at an average composite rate of £193 per hour resulting in total time costs of £34,409.

To assist creditors in determining this matter, the following further information appears in this appendix:

- ❑ Begbies Traynor (Central) LLP's charging policy
- ❑ Pre-administration Time Costs Summary with Pre-Administration Time Costs Analysis
- ❑ Narrative summary of time costs incurred
- ❑ Table of time spent and charge-out value
- ❑ The Administrators' fees estimate
- ❑ Details of the expenses that the Administrators consider will be, or are likely to be, incurred

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor Group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited to provide assistance in valuing the assets of the Company, liaising with third party suppliers in order to collate the leased/hired purchase agreements and preparing valuations. Their charges will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Eddisons Insurance Services Limited

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance is £6,000 inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Leeds office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
	1 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	60 – 110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

The office holder may use the services of BTG Forensic during the course of the case. BTG Forensic is a specialist department of the office holder's firm which provides forensic accounting services. The current charge-out rates applying to work carried out by BTG Forensic are as follows:

Grade of staff	Charge-out rate (£ per hour)
Partner	250
Senior Manager	175

PRE ADMINISTRATION TIME COSTS SUMMARY

CASE NAME: Cornertrack Limited

CASE TYPE: Administration

OFFICE HOLDERS: Andrew Mackenzie and Julian Pitts

DATE OF APPOINTMENT: 9 October 2018

1 CASE OVERVIEW

1.1 This overview is intended to provide sufficient information to enable the body responsible for the approval of pre-administration costs to consider the level of those costs in the context of the case.

1.2 Time costs information

Details of the time spent by each grade of staff prior to the appointment of the administrators and the overall average hourly charge out rate for the pre-administration work are set out in the attached table.

Full details of the work undertaken by the administrators and their staff prior to appointment are set out below and in the administrators' Statement of Proposals.

1.3 Overview of work undertaken prior to appointment

Prior to appointment, the proposed administrators met with the directors to assess the financial position of the Company and to establish a strategy.

1.4 Complexity of work undertaken prior to appointment

The work undertaken has been relatively straightforward.

1.5 Exceptional responsibilities

There have been no exceptional responsibilities in respect of the work undertaken prior to the administrators' appointment.

1.6 The proposed Administrators' effectiveness

The strategy for the administration was established quickly in order to achieve the best possible outcome for the Company's creditors. In addition, the administration appointment documents were produced efficiently and at the lowest possible cost.

1.7 The views of the creditors

Throughout the process, the Company's secured creditor, Crowdstacker Corporate Services Limited, have been kept informed of the strategy.

1.8 Approval of fees, expenses and disbursements incurred in the period prior to appointment

The administrators are seeking a resolution in relation to their pre-administration costs as follows: that the unpaid pre-administration costs detailed in the joint administrators' statement of proposals for achieving the purpose of administration, be approved for payment.

1.9 Expenses and disbursements incurred in the period prior to appointment where payment is proposed to be made to Begbies Traynor and/or another entity with Begbies Traynor Group

No expenses have been incurred prior to the appointment.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2.1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at this Appendix.

2.2 The rates charged by the various grades of staff who may work on a case are attached at this Appendix.

Staff Grade		Consultant/ Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration	Administration								0.7		0.70	77.00	110.00
	Case planning	1.5									1.50	592.50	395.00
Assets	Negotiation of sale of business +/- assets												
Creditors	Other creditors												
	Secured - correspondence and meetings												
Other Matters	Meetings and correspondence with directors	22.0									22.00	8,690.00	395.00
	Travel												
Total hours by staff grade		23.5							0.7		24.2		
Total time cost by staff grade £		9,282.50							77.00			9,359.50	
Average hourly rate £		395.00							110.00				386.76
Total fees drawn to date £												0.00	

SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis [for the period of the report] attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case.

What work has been done [in the period of the report since we were appointed, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached.

General case administration and planning

The joint administrators have formulated an appropriate strategy and monitored and reviewed that strategy; including meetings with internal and external independent advisors to consider practical, technical and legal aspects of the case.

We are required to maintain records to demonstrate how the case is administered and to document the reasons for any decisions that materially affect the case. This includes regular updates with staff and regular case management and reviewing of progress. Time spent also includes complying with internal filing and information recording practices, including documenting strategy decisions. We have dealt with the Company's books and records held in storage and uplifted the same, carrying out an inventory of those records.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the administration, which ensures that the joint administrators and their staff carry out their work to high professional standards.

Compliance with the Insolvency Act, Rules and best practice

There are certain tasks which the joint administrators have a statutory obligation to undertake during the administration. We have notified the various bodies of our appointment, including creditors and the Registrar of Companies, and advertised our appointment in the London Gazette.

We have also prepared our Statement of Proposals, as we are obliged to do, to provide creditors with a detailed explanation of the reasons for the failure of the Company, the progress made during the administration to date and the work which will be undertaken going forward in order to achieve the objective of the administration.

This work has not benefitted creditors financially but is necessary in accordance with the Insolvency Act and best practice.

Investigations

The joint administrators have a duty to examine the conduct of the Company and its directors in order to identify what assets are available for realising for the benefit of the creditors, including any actions against directors or other parties, such as challenging transactions at undervalue or preferences. Such

investigations will also enable the joint administrators to report to The Insolvency Service on the conduct of the directors so that the Insolvency Service may consider whether disqualification proceedings are appropriate.

We have carried out an initial assessment of the conduct of the Company and its directors. In the early stages of the administration, this work has involved examining the Company's books and records in our possession, seeking information from third parties and considering information received from creditors and the Company's accountants and seeking information from the Company's directors and other senior staff by means of questionnaire and direct requests.

Realisation of assets

We have obtained copies of outstanding customer invoices and supporting information to assess the accuracy of the book debt ledger. We have written to all debtors to ensure that payment is obtained as soon as possible.

We have instructed agents to assist with the collating and valuing of the leased/hire purchase equipment and agreements entered into by the Company. This has included liaising with the owners/lessors as appropriate. Time has been spent dealing with the queries of the lessors and advising them on their arrears and on-going liabilities accruing.

We have raised demands for payment to the operating company, Visionary Leisure Limited ("VLL") for all the leased/hire equipment, fixtures and fittings and plant and machinery currently located in the bars and chased payment of these.

Time has been spent in establishing sums due in respect of inter company balances and pursuing settlement of these.

At the date of our appointment, the Company had leased/hire purchase agreements in place for several motor vehicles. These motor vehicles were in possession of employees of the group companies and other connected companies not within the group. Time has been spent liaising with the lessors in order to have the motor vehicles collected or novated as appropriate following our agents confirming that there was no equity available from the motor vehicles for the benefit of the estate.

We have also ensured that appropriate insurance cover is in place on the Company's owned assets (if any) until they have been disposed of.

Dealing with all creditors' claims (including employees), correspondence and distributions

There are a number of different classes of creditor involved in the administration that require the joint administrators' attention. In particular, the joint administrators have liaised with the secured creditor, providing weekly updates on the progress made in the administration.

We have dealt with all unsecured creditor queries (including owners/lessors of equipment, as and when they have been received, as well as a number of creditors who have come to light since our appointment. We have maintained a database as regards creditors' contact details and claims and logged their claims and supporting information.

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters in the joint administrators' progress reports.

Time has been spent dealing with the nine employee claims including providing them with details of their claims as set out in the Company's books and records including arrears of wages, holiday pay, pension arrears, redundancy payment and payments in lieu of notice. We have also liaised with the Redundancy Payments Office to ensure that the employees' claims have been dealt with efficiently and such entitlements received as soon as possible.

Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures), meetings, tax, litigation, pensions and travel

Time has been spent attending telephone meetings with the secured creditor and third party independent advisors. Meetings have also been held with external legal advisors as regards practical, technical and legal aspects of the case to ensure efficient progress.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the administration, which ensure that the joint administrators and their staff carry out their work to high professional standards.

Time Costs Analysis

An analysis of time costs is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

As the administration progresses, updates will need to be made to the strategy dependant upon the outcome of the realisations and investigations. This will include meetings between members of staff to formulate the strategy moving forward and ensure that the strategy is achieved. As detailed above, we are also required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case on an ongoing basis. This will include compliance reviews, internal checklist updates, periodic case reviews and maintaining case files.

Whilst this work will not benefit creditors financially, it is necessary to ensure efficient progress of the case and is required in accordance with law and by our regulatory body.

Compliance with the Insolvency Act, Rules and best practice

The joint administrators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensure that the joint administrators and their staff carry out their work to high professional standards.

The joints administrators will draft and issue interim progress reports on six monthly basis to provide an update to the creditors of the progression made during the administration. These documents will be filed to meet statutory requirements.

In addition, a final progress report will have to be produced once the administration has reached its conclusions. This will provide creditors with an overview of the administration, including all realisations, costs and the final outcome for creditors.

Should the administration need to be extended beyond its statutory term of 12 months, the administrators have a duty to seek an extension, firstly from the creditors and subsequently by Order of the Court, should a further extension be required.

The joint administrators will also periodically monitor realisations and compare to the statutory bond level to ensure that sufficient cover is in place at all times in order to protect the interests of the Company's creditors.

Time will be spent in monitoring and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments.

Investigations

As detailed in Section 11 of the main body of the proposals, the joint administrators are undertaking an investigation into a number of matters in relation to the Company and its affairs. Although we are not in a position to disclose such details to creditors in this respect, we will update creditors in our future progress reports of our findings into the conduct of the Company.

Investigations will include examining the Company's books and records, considering the information received from creditors and the Company's accountants and seeking information from the Company's directors and other senior staff by means of questionnaires and/or interviews. Time will also be spent reconstructing the financial affairs of the Company.

We will instruct solicitors to assist in pursuing any actions identified if required. It may be necessary to appoint agents to assist in gathering evidence and in exploring further existence and value of assets. If necessary we will liaise with major creditors about further action to be taken.

Time will be spent submitting a report to the Insolvency Service and preparing and submission of a supplementary report is required and assisting the Insolvency Service with its investigations.

It is unclear at present whether the work carried out will lead to any financial benefit to creditors.

Realisation of assets

The principal matters that require further work are to realise the Company's assets and continue to pursue the Company's outstanding book debts. We will undertake an exercise to identify what unencumbered assets are owned by the Company, if any, and realise such assets.

We will continue to liaise with the lessors of the equipment in the various outlets.

We will continue to maintain appropriate insurance cover and ensure compliance with insurer's requirements.

Dealing with all creditors' claims (including employees), correspondence and distributions

We will continue to deal with the number of different clauses of creditors involved in the administration.

Time will be spent maintaining the database as regards creditors' contact details and claims, responding to creditors' queries and logging their claims and supporting information. This will include employees' claims and queries.

It will be necessary to continue to liaise with the various lessors in respect of the leased/hire equipment.

Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures) tax, litigation, pensions and travel

We will be seeking a decision from the secured creditor on approval of our remuneration and disbursements on a time cost basis and the approval of our proposals. If in the event the administration cannot be finalised within the period of one year, it may be necessary to seek an extension from the relevant class of creditor.

Time will also be spent holding internal and external meetings.

In accordance with law and best practice we will also ensure submission of VAT and corporation tax returns to HMRC in respect of the administration period.

Whilst the above work will not benefit creditors financially, it is necessary in accordance with statutory requirements and best practice.

How much will this further work cost?

As detailed in the fee estimate attached at Appendix 3, we estimate the total time costs for the administration to total £143,350. Please be advised that this is just an estimate based upon the time spent on similar historic cases.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above, as well as expenses that we have already incurred, are set out in the estimate of anticipated expenses attached at appendix 3.

SIP9 Cornertrack Limited - Administration - 80CO635.ADM : Time Costs Analysis From 09/10/2018 To 30/11/2018

Staff Grade	Consultant/Partner	Director	Sr. Mng.	Mgr.	Sr. Admin	Admin	Jr. Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	7.3		2.3						9.6	3,598.50	374.64
			5.6				27.6	0.3	33.7	4,807.00	142.64
	7.3		7.8				27.8	0.3	43.3	6,403.60	184.08
Compliance with the Insolvency Act, Rules and best practice			3.0				11.7	0.2	14.9	2,239.00	150.27
			0.4					0.1	0.5	135.00	270.00
											0.00
	0.8		2.2				3.9		6.8	1,427.00	206.61
	0.8		6.6				16.6	0.3	22.3	3,801.00	170.46
Investigations	1.5	0.6	2.7				1.0		5.3	1,561.50	300.28
	1.5	0.6	2.2				1.0		5.3	1,561.50	300.28
Realisation of assets			2.5				2.4		4.9	1,009.00	212.04
	2.2		21.4	1.0			5.4		30.0	8,302.00	276.73
			9.4				22.7		32.1	5,411.00	168.57
	2.2		33.3	1.0			30.6		67.0	14,783.00	220.19
Trading											0.00
											0.00
Dealing with all creditors (including employees), correspondence and distributions			5.5				29.5		35.2	5,029.00	142.87
											0.00
	0.2										0.00
Other matters which includes seeking decisions of creditors, meetings, fax, litigation, pensions and travel	0.2		5.5				29.5		35.2	5,029.00	142.87
											0.00
			1.3				0.6		2.1	461.00	233.81
							3.1		3.1	341.00	110.00
											0.00
											0.00
	1.3						3.9		5.2	832.00	160.00
		0.8	55.7	1.0			108.4	0.6	178.3		
	4,746.00	207.00	17,267.00	205.00			11,924.00	66.00		34,409.00	
	395.00	345.00	310.00	205.00	0.00	0.00	110.00	110.00		192.98	
										0.00	

Fee Estimate

SIP9 Cornertrack Limited - In Administration

Estimated Time Costs Analysis

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	16.00	-	-	-	-	-	11.00	-	42.00	12,895.00	307.02
	Administration	4.00	3.00	-	-	-	-	30.00	3.00	55.00	10,895.00	198.09
	Total for General Case Administration and Planning:	20.00	3.00	-	-	-	-	41.00	3.00	97.00	23,793.00	245.26
	Appointment	5.00	4.00	-	-	-	-	20.00	2.00	38.00	7,945.00	209.08
Compliance with the Insolvency Act, Rules and best practice	Banking and Bonding	2.00	-	-	-	-	-	4.00	2.00	10.00	2,070.00	207.00
	Case Closure	5.00	-	-	-	-	-	12.00	2.00	27.00	5,995.00	222.04
	Statutory reporting and statement of affairs	10.00	-	-	-	-	-	20.00	-	47.00	11,420.00	242.98
	Total for Compliance with the Insolvency Act, Rules and best practice:	22.00	4.00	-	-	-	-	56.00	6.00	122.00	27,433.00	224.84
Investigations	CDDA and investigations inc bank accounts etc	30.00	3.00	-	25.00	-	-	25.00	-	103.00	26,960.00	261.75
	Total for Investigations:	30.00	3.00	-	25.00	-	-	25.00	-	103.00	26,960.00	261.75
	Debt collection inc property, loan accounts, assets	2.00	-	-	-	-	-	6.00	-	12.00	2,695.00	224.17
	Property, business and asset sales	30.00	5.00	-	2.00	-	-	5.00	-	67.00	22,280.00	332.61
Realisation of assets	Retention of Title/Third party assets	8.00	-	-	-	-	-	23.00	-	41.00	8,790.00	214.39
	Total for Realisation of assets:	40.00	5.00	-	2.00	-	-	34.00	-	120.00	33,765.00	281.38
	Trading	-	-	-	-	-	-	-	-	-	-	-
	Total for Trading:	-	-	-	-	-	-	-	-	-	-	-
Dealing with all creditors claims (including employees), correspondence and distributions	Secured	10.00	-	-	-	-	-	-	-	-	-	-
	Others	12.00	-	-	-	-	-	5.00	-	23.00	6,980.00	303.48
	Creditors committee	-	-	-	-	-	-	35.00	-	62.00	13,240.00	213.55
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	22.00	-	-	-	-	-	40.00	-	85.00	20,220.00	237.88
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors	2.00	-	-	-	-	-	-	-	4.00	1,410.00	352.50
	Meetings	9.00	-	-	5.00	-	-	4.00	-	26.00	7,500.00	288.46
	Other	-	-	-	-	-	-	-	-	4.00	1,240.00	310.00
	Tax	1.00	-	-	-	-	-	5.00	8.00	16.00	2,445.00	152.81
	Litigation	-	-	-	-	-	-	-	-	-	-	-
	Total for Other matters:	10.00	-	-	5.00	-	-	9.00	8.00	46.00	11,182.00	243.15
	Total hours by staff grade:	144.00	15.00	160.00	32.00	-	-	235.00	17.00	573.00	-	-
	Total time cost by staff grade:	56,880.00	5,175.00	49,600.00	6,560.00	-	-	22,550.00	1,870.00	-	143,363.00	-
	Average hourly rate £:	395.00	345.00	310.00	205.00	175.00	135.00	110.00	110.00	-	-	250.17
	Total fees drawn to date £:	-	-	-	-	-	-	-	-	-	-	-

CORNERTRACK LIMITED

THE ADMINISTRATORS' FEES ESTIMATE

Further to our appointment as administrators, we are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the administration is attached. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	97.00	23,790.00	245.26
Compliance with the Insolvency Act, Rules and best practice	122.00	27,430.00	224.84
Investigations	103.00	26,960.00	261.75
Realisation of assets	120.00	33,765.00	281.38
Dealing with all creditors' claims (including employees), correspondence and distributions	85.00	20,220.00	237.88
Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures), meetings, tax, litigation, pensions and travel	46.00	11,185.00	243.15
Total hours	573.00		
Total time costs		143,350.00	
Overall average hourly rate £			250.17

Although the fees estimate indicates that the total time costs for this matter will be £143,350 we are aware that there may be limited assets to realise and so the time costs that we will be able to draw will be limited to the amount that is realised for the assets. This is expected to be in the region of between £100,000 and £150,000. However, please note that should there be additional or unexpected asset realisations, we will look to draw our fees from those too.

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any work that is to be undertaken in any insolvency procedure following the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated: 30 November 2018

CORNERTRACK LIMITED

DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE LIKELY TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION

No.	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment, dividends etc.	169.20
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	20.00
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity	5,000.00
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	340.00
5.	Property agent's valuation and sale fees and disbursements	Eddisons fees in relation to assisting with collating and reviewing all the leased/hire equipment agreements.	1,500.00
		Fees estimated to be incurred in dealing with valuing the assets.	3,000.00
	Insurance	Eddisons Insurance Services Limited fees in obtaining open cover insurance	4,000.00
6.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	10,000.00
7.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate	100.00

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.