

AM03

Notice of administrator's proposals



Companies House

SATURDAY



A15 *A7YFPN4X* 02/02/2019 #5
COMPANIES HOUSE

1 Company details

Company number 1 0 7 9 5 5 2 0
Company name in full Harrogate Bar Co. 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>✕</div>	
Signature date	<div><div>^d2^d9</div><div>^m0^m1</div><div>^y2^y0^y1^y9</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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Christopher
Surname Brooksbank

3 Insolvency practitioner's address

Building name/number Moorend House
Street Snelsins Lane
Post town Cleckheaton
County/Region West Yorkshire
Postcode B D 1 9 3 U E
Country

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.

Harrogate Bar Co. 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.

Contents

- ☐ Interpretation
- ☐ Statutory information
- ☐ Details of appointment of administrators
- ☐ Circumstances giving rise to our appointment
- ☐ Statement of affairs
- ☐ The administration period
- ☐ Estimated outcome for creditors
- ☐ Proposals for achieving the purpose of the administration
- ☐ Pre-administration costs
- ☐ Remuneration and disbursements
- ☐ Other information to assist creditors
- ☐ Conclusion
- ☐ Appendices
 - 1. Account of receipts and payments
 - 2. Director's statement of affairs
 - 3. Remuneration and expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Harrogate Bar Co. Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 7 December 2018
"the administrators", "we", "our", "us"	Julian Pitts of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ, Andrew Mackenzie of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ, and Christopher Brooksbank of O'Haras Limited, Moorend House, Snellsins Lane, Cleckheaton, West Yorkshire, BD19 3UE
"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	Harrogate Bar Co. Limited	
Date of Incorporation:	31 May 2017	
Company registered number:	10795520	
Company registered office:	Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ	
Former registered office:	32 Park Cross Street Leeds LS1 2QH	
Principal business activities:	Leisure - Bars and Restaurants	
Directors and details of shares held in the Company (if any):	Name	Shareholding
	Ms Vivienne Wilson	N/A
Auditors:	Hentons Chartered Accountants, Northgate, 118 North Street, Leeds, LS2 7PN	
Share capital:	1 Ordinary Share at £1	
Shareholders:	Burningnight Limited- In Administration, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ	

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	7 December 2018
Court:	In the High High Court of Justice, Business and Property Courts in Leeds, Insolvency Companies List
Court Case Number:	1261 of 2018
Person making application:	Burningnight Limited- In Administration, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
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 31 May 2017 and the principal activity of the Company was the rental of licensed premises. The Company is one of several subsidiary companies of Burningnight Limited ("Burningnight").

Burningnight was formed to open bars and pubs in key areas across the UK. Between October 2010 and March 2017, Burningnight opened a range of Bierkellers in Leeds, Liverpool, Manchester, Cardiff, Birmingham and Nottingham.

The Company entered into a lease of the premises at Montpellier Gardens, Harrogate in 2018 with Burningnight acting as guarantor. The premises opened in May 2018 trading as the Potting Shed, Harrogate following the Company entering into an agreement to trade using the intellectual property of the Potting Shed brand. The Company instructed The Potting Shed Trading Limited to trade the bar on its behalf for a monthly management fee.

Burningnight was placed into administration by the secured creditor, Crowdstacker Corporate Services Limited ("Crowdstacker") and Andrew Mackenzie and Julian Pitts were appointed as joint administrators on 28 September 2018. Prior to their appointment, the subsidiary companies had been in dialogue with Davis Coffey Lyons ("DCL") to market the venues for sale and following their appointment, the administrators of Burningnight as shareholders of the subsidiaries, through Burningnight in Administration became a party to this process.

Andrew Mackenzie and Julian Pitts were also appointed as joint administrators to Cornertrack Limited ("Cornertrack") and Burningnight (Services) Limited ("BNS") on 9 October 2018 and 9 November 2018 respectively. The appointment in respect of Cornertrack was pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986. The appointment in respect of BNS was by Crowdstacker pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986. Cornertrack and BNS are both 100% subsidiaries of Burningnight.

The joint administrators have sought to sell the business of Burningnight but this was hindered by the multiple problems encountered due to the trading entity (Visionary) and lease holding companies for the bar premises not being under the direct control of the joint administrators. With lease and hire creditors seeking payment only a limited time was available to realise the value available from Burningnight.

Unfortunately, it was not possible to complete a sale of the Burningnight group's business and assets, either as a whole or in part in the timescales afforded. Therefore, Burningnight Limited in administration, in its capacity as a creditor of the Company, applied to Court to put the Company (and a number of other group companies) into administration and protect the value of the whole of the Group and the Company's assets. Subsequently, Andrew Mackenzie and Julian Pitts of Begbies Traynor together with Christopher Brooksbank of O'Haras Limited were appointed joint administrators by the Court on 7 December 2018.

They were also appointed as joint administrators of Visionary, the operating company which traded the bar operations.

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 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 in due course.

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	£2,300,000 (£1,800,000 plus interest)
Preferential Creditors	£nil
Unsecured Creditors	£91,958

A statement of the Company's estimated financial position, together with a list of creditors, as at 7 December 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. The details for the estimated financial position have been extracted from the Company's records and therefore, no warranty can be given to the accuracy of the details.

6. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is our combined account of receipts and payments from the commencement of administration, 7 December 2018 to 29 January 2019.

Work undertaken by the Administrators and their staff

Upon appointment, the joint administrators continued to trade the bar and other bars within the group whilst the marketing process, which had started prior to administration, concluded. We continued to liaise with all parties who expressed any interest (12 expressions of interest) in the bars as a going concern.

Following conclusion of the marketing process, certain assets of the Burningnight group were sold to Access Commercial Investors 6 Limited ("Access") on 21 December 2018. There were no other interested parties left at this date who could perform in the timescale required. Access have been granted a licence to occupy for a period of six months over each of the trading premises falling in the group, including the Company's leasehold premises in Harrogate. They have also been granted a licence to use the intellectual property by the group.

As part of the sale, a Deed of Novation has been entered into, further details of which are set out at section 7 of this report and a Debenture has been granted by Access as security together with a personal guarantee, provided by a consultant of Access, Matthew Haycox.

VAT Refund

The Company has received a VAT refund from HM Revenue & Customs in the sum of £6,018.

Licence Fee

In accordance with the terms of the licence to occupy Access are to pay two weeks in advance in respect of all property costs to the joint administrators. To date, we are holding the sum of £26,265 which represents the property costs for the period from 21 December 2018 to 31 January 2019. We have been liaising with the landlord of the premises in order to discharge these sums and the amount due is yet to be confirmed in this respect, in accordance with the premises lease.

Other Matters

There are certain tasks that we have a statutory obligation to undertake on appointment and therefore the necessary documents have been filed with the Registrar of Companies and notice of our appointment has been advertised in the London Gazette. We have paid the sum of £85 to Courts Advertising Limited in respect of the cost incurred. Formal notice of our appointment has also been sent to the Company.

We have dealt with all creditor queries as and when they have been received.

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.

7. ESTIMATED OUTCOME FOR CREDITORS

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

Secured creditor

On or around 18 July 2018 Access Finance Group provided a loan facility to the Burningnight subsidiaries following which the subsidiaries drew down circa £1.8m.

The Company granted a debenture to Access Commercial Investors 1 Limited ("Access Commercial") purporting to give a fixed and floating charge over all assets and undertakings of the business. This debenture was created on 27 July 2018 and registered at Companies House on 27 July 2018. The sum of approximately £66,000 was advanced by Access Commercial to the Company and in accordance with the facility was accruing interest.

The Company also entered into a cross corporate guarantee with Access Commercial on 27 July 2018 in respect of all monies, debts and liabilities of the other subsidiary companies of the Burningnight group

Preferential creditors

We understand that the Company had no employees and that all employees were employed through other group companies and therefore there are no known preferential creditors.

Unsecured creditors

Claims of unsecured creditors were estimated at £91,958. The breakdown of creditors at Appendix 2 is an estimate only and is subject to change following determination of the amounts outstanding.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditor as follows:

Secured creditor

In accordance with a Deed of Novation dated 21 December 2018 entered into by the Company (and other Burningnight subsidiary companies), the Company is released and discharged from its obligations and liabilities to pay the debt outstanding to Access Commercial and any other Access Finance Group company. Access has assumed all obligations and liabilities due under the loan facility provided to the Burningnight subsidiaries.

There is therefore no liability outstanding to the secured creditor.

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)).

As a consequence of the Deed of Novation entered into by the Company and Access Commercial (as detailed above), to the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, Section 176A will not apply and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

It is anticipated that there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors. However should any value be realised in respect of the Company's interest in the premises lease, this position may change. We will of course keep creditors informed in this respect.

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 that 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). This would normally envisage a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation)

It was not considered possible to achieve objective 3(1)(a) as the Company had a significant level of high interest loans to the secured creditor, for which it was unable to meet the contractual repayments and no other party would assume the terms of the secured debt as was evidenced in the sales process.

We consider that the objective 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, has already largely been achieved due to a sale of certain assets of the Burningnight group to Access and novation of the secured debt in this Company and other subsidiary companies.

The sale agreement also seeks to protect the creditors from default and anti embarrassment provisions

We consider that being able to continue to trade in the context of an administration as an alternative to an immediate cessation of trade of the bars and liquidation of the Company has enhanced the prospects for creditors and given the opportunity to mitigate losses by the continued occupation of the premises with a view to realising the Company's interest in the lease either by way of an assignment or sale. The overall administration strategy not only provided the opportunity for the landlord to mitigate their loss but also;

- the secured debt was novated at £2.3m
- the asset lease companies' claims have not crystallised against the group
- deposit customers were honoured
- the value of intellectual property has been preserved
- staff working in the bars retained employment

The administration has created a moratorium over the Company and safeguarded it against any action by creditors.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the following matters:

- Collection of the licence fee in accordance with the licence to occupy;
- Facilitate an assignment or sale of the premises lease in order to realise the Company's interest, and
- 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 or former officers of the Company or any person, firm or company that supplies or has supplied goods or services to the Company.

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.

Creditors' Voluntary Liquidation

A situation may arise whereby realisations made exceed current expectations and that a distribution becomes available 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 creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator

We confirm that as part of our proposals we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the

Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

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 an assignment of the lease. 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 took steps, following legal advice, to protect the Company's assets for the benefit of creditors which included obtaining as much information as possible on the Company's financial position. Prior to the Court hearing on 7 December 2018 it was necessary to undertake planning in order to implement a strategy to ensure that the Company's assets were safeguarded and the bar continued to trade upon the Court order being made on 7 December 2018 ("the Work").

This Work was carried out before the Company entered administration to ensure that the bar that traded from the Company's premises could continue to trade and in turn the Company's interest in the premises lease was protected. 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	2,245.50	449.10	2,694.60
	O'Haras Limited	300.00	60.00	360.00
Legal Fees- Total costs incurred by solicitors in dealing with the pre work required in providing advise and preparing the court applications on all subsidiary companies for which each subsidiary company in administration is jointly and severally liable.	Gosschalks	23,000.00	4,600.00	27,600.00
TOTAL PRE-ADMINISTRATION COSTS		25,545.50	5,109.10	30,654.60

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, by seeking decisions of 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 and O'Haras Limited for attending to matters as set out in the fees estimate.

It is for the creditors' committee to approve the basis of our remuneration under Rule 18.18 of the Rules, but if no such committee is appointed it will be for the creditors to determine. We intend to deal with this by seeking decisions of creditors via correspondence.

Appendix 3 sets out our firms' 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 7 December 2018.

Disbursements

We propose that disbursements for services provided by our firms and/or entities within the Begbies Traynor Group, be charged in accordance with our firms' policies, 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 £55.

Legal Fees

We have instructed solicitors, Gosschalks, to provide general administration strategy and advice, deal with the court applications in respect of the subsidiaries (the court order allows for their costs to be payable as an expense of the administrations), advise the administrators of the security granted by the Company to the secured creditor and deal with the sale of certain assets of the subsidiaries. Their total costs incurred to date across all subsidiary administrations are £106,000 together with disbursements of £15,000 which represent counsel's fees of Hugh Jory.

Furthermore, Lupton Fawcett and Evans Law were instructed to provide the joint administrators with independent legal advice on the validity of the security granted by the Company.

The legal fees incurred above are all jointly and severally owed by each subsidiary company in administration

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 enquires 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 have not been made aware of any sales of the Company's assets to connected parties.

Deemed delivery

These proposals will be deemed to have been delivered on 31 January 2019.

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.

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 31 January 2019. 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.

A handwritten signature in black ink, appearing to read 'J N R Pitts', with a vertical line extending upwards from the top of the signature.

J N R Pitts
Joint Administrator

Date: 29 January 2019

ACCOUNT OF RECEIPTS AND PAYMENTS

7 December 2018 to 29 January 2019

S of A £	£	£
ASSET REALISATIONS		
VAT Refund	6,017.83	
Rent	15,625.01	
Service Charge	3,003.26	
Insurance	1,250.00	
Rates	<u>6,386.37</u>	
		32,282.47
COST OF REALISATIONS		
Statutory Advertising	<u>84.60</u>	
		(84.60)
		<u><u>32,197.87</u></u>
REPRESENTED BY		
Vat Receivable		16.92
Bank 1 Current		37,433.89
Vat Payable		(5,252.94)
		<u><u>32,197.87</u></u>

Julian Pitts
Joint Administrator

ESTIMATED FINANCIAL POSITION AS AT 7 DECEMBER 2018

	Notes	Book Value	Estimated to Realise
Fixed Charged Assets			
Leasehold Property	1	-	Uncertain
Less: Access Commercial Investors 1 Limited/ Access Group	2	(2,300,000)	<u>(2,300,000)</u>
Surplus/(Shortfall)			<u>(2,300,000)</u>
Floating Charge Assets			<u> </u>
Available to Preferential Creditors			-
Less: Estimated preferential creditors	3		-
Less: Estimated prescribed part	4		-
Available to Floating Charge Creditors			<u>-</u>
Less: Estimated floating charge creditors			(2,300,000)
Available to Unsecured creditors			(2,300,000)
Less: Estimated unsecured creditors	5		(25,958)
Less: Intercompany balances			(66,000)
Surplus / (shortfall) as regards unsecured creditors	6		<u><u>(2,391,958)</u></u>

ESTIMATED FINANCIAL POSITION AS AT 7 DECEMBER 2018

1. The book value of the Company's leasehold property in the Company's balance sheet dated 31 October 2018 is £Nil. The estimated to realise figure is uncertain. We are currently in discussions with interested parties in respect of any assignment or sale of the Company's interest.
2. Access Commercial Investors Limited ("Access Commercial") hold a fixed and floating charge debenture created on 27 July 2018 and registered at Companies House on 27 July 2018. The Company also entered into a cross corporate guarantee with Access Commercial on 27 July 2018 in respect of all monies, debts and liabilities of the Company and other subsidiary companies within the Burningnight group of companies. Following a Deed of Novation entered into on 21 December 2018 by the Company and Access Commercial and other Access Finance Group companies, Access has assumed all obligations and liabilities due under the loan facility provided to the Burningnight subsidiaries and there is therefore now no liability due to the secured creditor.
3. 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.
4. 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.
5. Creditors' claims are subject to agreement and will not be prejudiced by omission from the Statement of Affairs or by inclusion in a different amount from that claimed.
 6. 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
 7. 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 are not aware of any transactions however our investigations in this regard are on-going.

Begbies Traynor (Central) LLP
Harrogate Bar Co. Limited
B - Company Creditors

Key	Name	Address	£
CA00	Access Commercial Investors Limited	4 Brewery Place, Leeds, LS10 1NE	2,300,000.00
CB00	Burningnight Limited- In Administration	Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ	66,000.00
CC00	CBRE Limited	Asset Services, Pacific House, 70 Wellington Street, Glasgow, G2 6UA	25,957.80
CH00	Harrogate Borough Council	PO Box 787, Harrogate, HG1 9RW	1.00
4 Entries Totalling			2,391,958.80

Signature

REMUNERATION AND EXPENSES

Total time spent to 29 January 2019 on this assignment amounts to 52 hours at an average composite rate of £298 per hour resulting in total time costs of £15,572

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

- ☐ Begbies Traynor (Central) LLP's charging policy
- ☐ O'Haras Limited'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):

It may become necessary to instruct Eddisons Commercial Limited to provide assistance in valuing the assets of the Company and provide any 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

(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 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

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

O'Haras Limited Practice Fees and Disbursements Recovery Policy

Time Cost basis

When charging fees on a time cost basis we use charge out rates appropriate for the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge out Rates

Grade of Staff	Current Charge out Rate (Effective from 1 January 2013) £ per hour
Director	300 - 400
Senior Manager	250 - 300
Manager	200 - 250
Administrator	175 - 200
Support Staff	150 - 175
Time costs are calculated using 6 minute units.	

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

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP 9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or O'Haras Limited, in the case of the latter, the invoices makes a reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors, either by a direct payment from the estate or where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of Category 1 disbursements are statutory advertising, external meeting room hire, external storage and archiving costs, specific bond insurance, Company search fees, postage, travel expenses and photocopying (where a third party is used).

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the bases of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying (internal), internal room hire, internal storage and mileage

It is proposed that the following Category 2 disbursements are recovered as follows:

Postage:	
1 st Class	£1.10
2 nd Class	£1.00
Airmail	£2.00
Other	According to weight and size
Photocopying	Up to 20p per sheet
Mileage	70p per mile
Internal Room Hire	£25 - £100 per meeting

PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR O'HARAS LIMITED

The following information is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

Licensing Body

Christopher Brooksbank is licensed to act as an Insolvency Practitioner ("IP") in the United Kingdom by the Insolvency Practitioners Association ("IPA").

Code of Ethics and Rules Governing Actions

All IP's are bound by the rules of their professional body, including any that relate specifically to insolvency. All IPA members are required to act in accordance with the IPA's Ethics Code for Members as well as complying with the Statement of Insolvency Practice (SIP's) and to take account of guidance given by the IPA. Details of the required code of ethics, regulations and guidance can be found at

Complaints

At O'Haras Limited we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of a particular case then in the first instance you should contact the IP acting as office holder (Christopher Brooksbank).

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to Stephen O'Hara, addressed to our offices situated at Moorend House, Snells Lane, Cleckheaton West Yorkshire, BD19 3UE who will then endeavour to deal with this.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, if you are not satisfied that your complaint has been resolved or dealt with appropriately, then you may complain to the regulatory body that licenses the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA and you can make submission using an on-line form available at: [www.itservices.gov.uk/ipcomplaints](#); or you can email: ipcomplaints@itservices.gov.uk; or you may phone: 0300 678 0015 – calls are charged at up to 12p per minute from a land line, or for mobiles, between 3p and 45p per minute if you are calling from the UK.

Professional Indemnity Insurance

O'Haras Limited's professional indemnity insurance is provided by Brunel Professional Risk.

VAT

O'Haras Limited is registered for VAT under registration number 975 6645 64.

PRE ADMINISTRATION TIME COSTS SUMMARY

CASE NAME: Harrogate Bar Co. Limited

CASE TYPE: Administration

OFFICE HOLDERS: Julian Pitts, Andrew Mackenzie and Christopher Brooksbank

DATE OF APPOINTMENT: 7 December 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 administrators spoke with legal advisors as regards practical, technical and legal aspects of the case to ensure efficient progress and to put a strategy in place ahead of our appointment to ensure the efficient trading of the unit.

1.4 Complexity of work undertaken prior to appointment

The work undertaken by the proposed administrators was of a reasonably complex nature, particularly due to the shareholder action required in order to preserve the value of the Company's assets

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 and mitigate any creditors' losses.

1.7 The views of the creditors

Throughout the process, the Company's secured creditor, Access Property Finance Limited have been kept informed of the strategy. The landlord of the Company's premises were aware of the marketing process and the entry into administration.

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

The administrators are seeking a decision of creditors 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 our appointment.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2.1 Begbies Traynor (Central) LLP's and O'Haras Limited's policies 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												
Assets		0.2	1.7							1.90	760.50	400.26
Creditors												
Other Matters												
Administration												
Case planning												
Negotiation of sale of business +/- assets												
Other creditors												
Secured - correspondence and meetings												
Meetings and correspondence with directors	3.0									3.00	1,485.00	495.00
Travel												
Total hours by staff grade	3.0	0.2	1.7							4.9		
Total time cost by staff grade £	1,485.00	89.00	671.50								2,245.50	
Average hourly rate £	495.00	445.00	395.00									456.27
Total fees drawn to date £											0.00	

Time Entry - SIP9 Time & Cost Summary

H387 - Harrogate Bar Co. Limited
All Pre Appointment Project Codes
To: 06/12/2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	1.00	0.00	0.00	0.00	1.00	300.00	300.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
General Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tracing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	1.00	0.00	0.00	0.00	1.00	300.00	300.00
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis 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 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

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progression 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 Services 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 seeking information from third parties and considering information received from creditors and the Company's accountants and seeking information from the Company's directors by means of questionnaire and direct requests.

Realisation of assets

Following appointment, we continued to trade the bars in administration with the assistance of Convivial Solutions Limited in order to preserve and protect the Company's interest in the lease. Following conclusion of the marketing campaign certain of the Burningnight group's assets were sold to Access who were also granted a licence to occupy the premises. Full details are set out in the attached proposals.

This has enabled the continued trade of the bars with a view to achieving an assignment or sale of the Company's interest in the lease and in turn mitigating any loss to creditors.

Following such sale we have also continued to liaise with the landlord of the leasehold premises and the marketing agents DCL.

We have received the sum of £6,018 in respect of a VAT refund due to the Company.

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

In accordance with a Deed of Novation entered into by the Company and the Access Finance Group companies, the secured creditor's debt has been novated to Access. Further details of this transaction are detailed in the attached proposals.

We have dealt with all unsecured creditor queries as and when they have been received. 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.

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 internal meetings to discuss practice, technical and legal aspects of the case and to ensure efficient progress

We also spent time determining whether the Company had opted to tax on the Property.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliance progression of the administration, which ensures 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

Our pre-administration costs are unpaid and we are seeking that they be paid as an expense of the administration. Further details of our pre-administration costs are attached at this appendix and referred to at Section 9 in the main body of the statement of proposals.

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 ensures that the joint administrators and their staff carry out their work to high professional standards.

The joint administrators will draft and issue interim progress reports on a 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

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 director 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 if 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

We will continue to collect the licence fee in accordance with the licence to occupy and liaise with the landlord in order to discharge the rent, service charge and insurance accruing. We will also seek to realise the Company's interest in the leasehold premises either by way of assignment or sale. Time spent will also include liaising with the landlord.

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

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.

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 unsecured creditors 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 unsecured creditors.

Time will also be spent holding internal and external meetings.

We do not consider it will not be necessary to instruct solicitors to deal with any litigation in respect of any breach of contract or pursuing any amounts outstanding under the sale agreement so time has not been estimated against this category. Should this be necessary we will revert to creditors accordingly.

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 £47,702. 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 Harrogate Bar Co. Limited - Administration - 80HA785 ADM : Time Costs Analysis From 07/12/2018 To 29/01/2019

Staff Grade	Consolidated Partner	Director	Sr Admin	Eng	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	1.0									3.0	1,265.00	428.33
Administration		2.1						2.3	0.3	5.0	1,417.00	283.40
Total for General Case Administration and Planning	1.0	2.1						2.3	0.3	6.0	2,702.00	337.75
Compliance with the Insolvency Act, Rules and best practice	1.0				3.8		0.5	2.9	0.2	8.7	2,085.00	239.66
Appointment												
Banking and Bonding	0.1								0.9	1.0	175.50	175.50
Case Closure												0.00
Stationery reporting and statement of affairs								4.8		4.8	672.00	140.00
Total for Compliance with the Insolvency Act, Rules and best practice	1.1		0.3		3.8		0.5	7.7	1.1	14.5	2,632.50	292.24
Investigations												
CCPA and investigations			0.9							0.9	355.50	395.00
Total for Investigations			0.9							0.9	355.50	395.00
Realisation of assets												0.00
Debt collection												0.00
Property business and asset sales	0.3	2.1	4.2		4.3			3.6		20.5	7,281.00	355.66
Realisation of Third Party assets												0.00
Total for Realisation of assets	0.3	2.1	4.2		4.3			3.6		20.5	7,281.00	355.66
Trading												0.00
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
Secured												0.00
Others		0.2								0.2	89.00	445.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions		0.2								0.2	89.00	445.00
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, judgments and travel												0.00
Seeking decisions of creditors			0.6									0.00
Meetings												0.00
Other								0.5		0.5	237.00	395.00
Tax										0.5	70.00	140.00
Litigation								0.5		0.5	70.00	140.00
Total for Other matters			0.6					1.0		1.6	377.00	235.63
Total hours by staff grade	8.4	4.4	6.3		8.1		0.5	14.6	1.4	45.7		
Total time cost by staff grade	4,158.00	1,958.00	3,276.50		2,025.00		67.50	2,044.00	196.00		13,747.00	
Average hourly rate £	495.00	445.00	395.00	0.00	250.00	0.00	175.00	140.00	140.00			300.61
Total fees drawn to date £											0.00	

Time Entry - SIP9 Time & Cost Summary

H387 - Harrogate Bar Co. Limited
All Post Appointment Project Codes
From 07/12/2018 To 29/01/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	4.20	0.00	2.20	0.10	6.50	1,825.00	280.77
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
General Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurgencies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	4.20	0.00	2.20	0.10	6.50	1,825.00	280.77
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

HARROGATE BAR CO. 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	46.20	11,008.00	238.27
Compliance with the Insolvency Act, Rules and best practice	42.80	11,082.50	258.94
Investigations	42.00	11,385.00	271.07
Realisation of assets	26.50	6,442.50	243.11
Dealing with all creditors' claims (including employees), correspondence and distributions	22.80	5,724.00	251.05
Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures), meetings, tax, litigation, pensions and travel	6.00	2,060.00	343.33
Total hours	186.30		
Total time costs		47,702.00	
Overall average hourly rate £			256.05

Although the fees estimate indicates that the total time costs for this matter will be £47,702, we are aware that there are 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.

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: 29 January 2019

Fee Estimate

SIP9 Harrogate Bar Co. 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	1.00	-	2.00	-	-	-	-	1.00	-	4.00	1,510.00	377.50
Administration	1.00	1.00	2.00	-	-	-	-	1.00	0.20	5.20	1,895.00	365.00
Total for General Case Administration and Planning:	2.00	1.00	4.00	-	-	-	-	2.00	0.20	9.20	3,405.00	370.43
Compliance with the Insolvency Act, Rules and best practice	1.00	-	2.00	-	0.80	-	0.50	3.00	-	7.30	1,992.50	272.95
Appointment	0.50	-	0.50	-	-	-	-	1.00	1.00	3.00	725.00	241.67
Banking and Bonding	1.00	-	3.00	-	-	-	-	4.00	-	8.00	2,240.00	280.00
Case Closure	1.00	-	4.00	-	-	-	-	5.00	-	10.00	2,775.00	277.50
Statutory reporting and statement of affairs	1.00	-	9.50	-	0.80	-	0.50	13.00	1.00	28.30	7,732.50	273.23
Total for Compliance with the Insolvency Act, Rules and best practice:	3.50	-	10.00	-	10.00	-	-	5.00	-	28.00	8,565.00	306.61
Investigations	2.00	1.00	10.00	-	10.00	-	-	5.00	-	28.00	8,565.00	306.61
Realisation of assets	2.00	1.00	10.00	-	10.00	-	-	5.00	-	28.00	8,565.00	306.61
Realisation of assets	1.00	-	2.00	-	-	-	-	1.00	-	4.00	1,425.00	356.25
Debt collection inc property, loan accounts, assets	1.50	-	-	-	2.00	-	-	-	-	3.50	1,242.50	355.00
Property, business and asset sales	-	-	1.00	-	-	-	-	2.00	-	3.00	675.00	225.00
Refention of Tiller/Third party assets	2.50	-	3.00	-	2.00	-	-	3.00	-	10.50	3,442.50	318.33
Total for Realisation of assets:	2.50	-	3.00	-	2.00	-	-	3.00	-	10.50	3,442.50	318.33
Trading	-	-	-	-	-	-	-	-	-	-	-	-
Total for Trading:	-	-	-	-	-	-	-	-	-	-	-	-
Dealing with all creditors claims (including employees), correspondence and distributions	1.00	-	1.00	-	-	-	-	1.00	-	3.00	1,030.00	343.33
Secured	1.00	0.20	3.00	-	-	-	0.60	3.00	-	7.80	2,294.00	294.10
Others	-	-	-	-	-	-	-	-	-	-	-	-
Creditors committee	-	-	-	-	-	-	-	-	-	-	-	-
Total for Dealing with all creditors claims (including employees), correspondence and distributions:	2.00	0.20	4.00	-	-	-	0.60	4.00	-	10.80	3,524.00	307.78
Other matters which includes meetings, tax, litigation, pensions and travel	2.00	-	2.00	-	-	-	-	2.00	-	6.00	1,780.00	296.67
Seeking decisions of creditors	1.00	-	1.00	-	-	-	-	-	-	2.00	890.00	445.00
Meetings	-	-	-	-	-	-	-	-	-	-	-	-
Other	1.00	-	1.00	-	-	-	-	1.00	1.00	4.00	1,170.00	292.50
Tax	-	-	-	-	-	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-	-	-	-	-	-
Total for Other matters:	2.00	-	2.00	-	-	-	-	1.00	1.00	6.00	2,060.00	343.33
Total hours by staff grade:	14.00	2.20	32.50	-	12.80	-	1.10	28.00	2.20	92.80	-	-
Total time cost by staff grade:	6,930.00	979.00	12,837.50	-	3,200.00	-	192.50	3,920.00	308.00	-	28,452.00	-
Average hourly rate £:	495.00	445.00	395.00	345.00	250.00	225.00	175.00	140.00	140.00	-	-	306.59
Total fees drawn to date £:	-	-	-	-	-	-	-	-	-	-	-	-

Detailed SIP9 Fee Matrix Time & Cost Estimate

Harrogate Bar Co. Limited - In Administration

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
101 101 - Case planning	3.00	0.00	3.00	0.00	6.00	1,500.00	250.00
103 103 - General Admin	5.00	0.00	10.00	5.00	20.00	4,000.00	200.00
104 104 - Maintenance of records	0.00	0.00	1.00	3.00	4.00	500.00	125.00
105 105 - Statutory reporting	2.00	0.00	5.00	0.00	7.00	1,600.00	228.57
106 106 - Cashiering	0.00	0.00	1.00	0.00	1.00	200.00	200.00
107 107 - Reviews	2.00	0.00	4.00	0.00	6.00	1,400.00	233.33
Administration & Planning	12.00	0.00	24.00	8.00	44.00	9,200.00	209.09
600 600 - Case Specific	2.50	0.00	5.00	0.00	7.50	1,750.00	233.33
Case specific matters	2.50	0.00	5.00	0.00	7.50	1,750.00	233.33
500 500 - Creditors	2.00	0.00	5.00	1.00	8.00	1,700.00	212.50
502 502 - Claims	1.00	0.00	1.00	2.00	4.00	700.00	175.00
503 503 - Employees	3.00	0.00	0.00	0.00	0.00	0.00	Nil
Creditors	3.00	0.00	6.00	3.00	12.00	2,400.00	200.00
200 200 - Investigations	2.00	0.00	10.00	2.00	14.00	2,800.00	200.00
Investigations	2.00	0.00	10.00	2.00	14.00	2,800.00	200.00
300 300 - Realisation of assets	2.00	0.00	5.00	5.00	13.00	2,400.00	184.62
302 302 - ROT	0.00	0.00	0.00	0.00	0.00	0.00	N
303 303 - Debt collection	1.00	0.00	2.00	0.00	3.00	700.00	233.33
Realisation of Assets	4.00	0.00	7.00	5.00	16.00	3,100.00	193.75
Total Hours	23.50	0.00	52.00	18.00	93.50	19,250.00	205.88

HARROGATE BAR CO. 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.	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.	17.60
4.	Legal fees	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	97,000 – 150,000
5.	Legal disbursements	The disbursements of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements	18,000 – 30,000

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