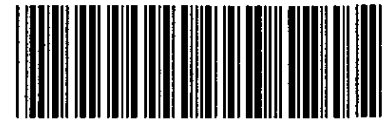




SATURDAY



A22 *A895BZ4H* #43
06/07/2019
COMPANIES HOUSE

1 Company details

Company number 0 6 4 7 3 5 2 3
Company name in full Sports Café 2008 (Leeds) 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 ①

Full forename(s) Andrew
Surname Mackenzie

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

5 Administrator's address ②

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.

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

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 0	^d 7	^m 1	^m 2	^y 2	^y 0	^y 1	^y 8
To date	^d 0	^d 6	^m 0	^m 6	^y 2	^y 0	^y 1	^y 9

7 Progress report

I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 0	^d 3	^m 0	^m 7	^y 2	^y 0	^y 1	^y 9
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AM10

Notice of administrator's progress report



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 **leeds@begbies-traynor.com**

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 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



Julian Pitts, Andrew Mackenzie and Christopher Brooksbank were appointed joint administrators on 7 December 2018

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.

Sports Café 2008 (Leeds) Limited (In Administration)

Progress report of the joint administrators

Period: 7 December 2018 to 6 June 2019

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. 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.

Contents

- Interpretation
- Statutory information
- Details of appointment of administrators
- Progress during the period
- Estimated outcome for creditors
- Pre-administration costs
- Remuneration and disbursements
- Expenses
- Assets that remain to be realised and work that remains to be done
- Other relevant information
- Creditors' rights
- Conclusion
- Appendices
 - 1. Account of receipts and payments
 - 2. Time costs information
 - 3. Statement of administrators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Sports Café 2008 (Leeds) Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 7 December 2018
"the administrators" "we" "our" and "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, Snelsins 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 Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Sports Café 2008 (Leeds) Limited
Date of Incorporation:	15 January 2008
Company registered number:	06473523
Company registered office:	Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	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
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Christopher Brooksbank of O'Haras Limited, Moorend House,
Snelsins Lane, Cleckheaton, West Yorkshire, BD19 3UE

Date of administrators' appointment: 7 December 2018

Court: In the High High Court of Justice, Business and Property Courts in
Leeds, Insolvency Companies List

Court Case Number: 2018-1264 of 2018

Person making appointment /
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) 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.

Extensions of the administration period There have been no previous extensions to the administration
period.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 7 December 2018 to 6 June 2019.

What work has been done in the period of this report, 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 at Appendix 2.

General case administration and planning

Due to the complexity of the administration and the significant number of matters which we are required to deal with on an ongoing basis means that a sizeable proportion of costs have been charged to case planning and strategy. Our strategy and approach to addressing such matters has remained proportionate and is subject to ongoing consideration as the administration progresses.

We have formulated an appropriate strategy and then monitored and reviewed that strategy; including meetings with internal and external parties to agree the same and meetings and correspondence with solicitors to discuss and agree strategy and to seek strategy advice.

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 to review progress. Time spent also includes complying with internal filing and information recording practices, including documenting strategy decisions made.

Time has been spent uplifting the Company's books and records held in storage. The Company's books and records have been forensically reviewed and an inventory undertaken.

Whilst not all of this work benefits creditors financially, it is necessary to ensure the efficient and compliant progression of the administration and ensures that the joint administrators and their staff carry out their work to high professional standards. Such strategy has enabled us to ensure all matters continue to be progressed in an effective and timely manner.

Compliance with the Insolvency Act, Rules and best practice

There are certain tasks which we 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 paid the sum of £85 to Courts Advertising in respect of the advertising costs incurred.

We have also prepared and sent our Statement of Proposals dated 29 January 2019 together with supporting documentation, to provide creditors with a detailed explanation of the reasons for the failure of the Company, the progress made during the administration and the work which will be undertaken in order to achieve the objective of the administration.

Time spent also includes banking and other cashiering related activities.

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

Investigations

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

Detailed forensic investigations have been carried out (and are ongoing) into the conduct of the Company, its directors and other connected third parties. This has included examining the Company's books and records in our possession both electronic and hard copy, information provided by third parties, creditors and the Company's advisors. Our investigations also included arranging interviews with key staff and directors.

Our in-house forensic team have carried out detailed investigations and forensic analysis of the Company's records, including bank statement analysis and forensic review of the Company's accounting systems.

Realisation of assets

Cash at Bank

The sum of £411 held in the Company's former bank account with Natwest Bank has been transferred to the Company in administration's bank account.

We have ensured that the funds held have been appropriately invested and the sum of £32 has accrued in respect of bank interest.

Marketing Process

The Company was a party to the lease of the premises at The Headrow, Leeds which opened as the Bierkeller Entertainment Complex Leeds. The Leeds bar was traded by Visionary Leisure Limited ("Visionary"), a subsidiary company of the Burningnight Group, which is also in administration.

The details of the marketing process carried out and the subsequent sale of certain assets of the Burningnight group to Access Commercial Investors 6 Limited ("Access 6") on 21 December 2018 were fully set out in the joint administrators' proposals.

As a part of that sale, Access 6 were granted a license to occupy over each of the trading premises in the group for a period of six months, including the Company's leasehold premises in Leeds. They were also granted a license to use the intellectual property owned by the group.

Licence to Occupy

Following the granting of the licence to occupy to Access 6, the administrators advised the landlord of the position and have continued to correspond with the landlord and Access 6, as and when appropriate, in order to obtain updates as to whether or not an assignment of the lease was to take place. The correspondence in this respect has been far more protracted than anticipated.

The landlord advised the joint administrators that it was not prepared to grant an assignment of the lease to Access 6 and following further significant correspondence, the landlord instructed solicitors to apply to court to lift the statutory moratorium in order for the landlord to be able to take action to recover the premises.

The joint administrators subsequently, on the advice of solicitors, entered into a tomlin order with the landlord whereby it was agreed that the proceedings would be stayed on the basis that the administrators terminated the licence, would secure the premises and return the keys to the landlord. Upon the landlord receiving the keys, the leases to the premises were treated as having been surrendered by operation of law.

In consideration of the surrenders, it was agreed that any licence fee received by the Company could be retained.

It was further agreed upon surrender of the leases, that the Company and its joint administrators would be released from any and all liability (whether current or future) in relation to the leases or their occupation of the premises.

License Fee

In accordance with the original terms of the license to occupy, Access 6 paid a licence fee two weeks in advance covering all property costs. We have received the sum of £129,551 in respect of the property costs for the period from 21 December 2018 to the date of the termination of the licence to occupy.

The sum of £41,162 has been paid to Leeds City Council in respect of business rates for the period 7 December 2018 to 31 March 2019.

As detailed in the joint administrators' proposals, Visionary traded the bar and other bars within the group from the date of our appointment to 20 December 2018. Therefore, the sum of £4,968 has been recharged to Visionary Leisure Limited in administration in relation to the business rates paid by the Company for the period of trading, being 7 December 2018 to 20 December 2018.

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

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.

Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel

Extensive time has been spent attending telephone meetings with third party independent advisors to agree marketing strategy and the offers received on the marketing and the sale of the group companies. Meetings have also been held with external independent legal advisors as regards practical, technical and legal aspects of the case to ensure efficient progress.

We have sought a decision from the unsecured creditors on the approval of our remuneration and disbursements on a time cost basis and the approval of our proposals.

Following the issue of our Statement of Proposals, we received sufficient requests from creditors to seek a decision from creditors as to whether to approve our proposals via a qualifying decision procedure at a virtual meeting. The virtual meeting was held on 14 March 2019. Crowdstacker Corporate Services Limited paid a deposit of £3,314 to cover the costs of the requisition decision and £225 in respect of disbursements, which will be reimbursed as an expense of the administration, as agreed by the creditors of the Company.

Time has also been spent in dealing with the review of the VAT and corporation tax returns in respect of the administration period.

Whilst this does not benefit creditors financially, it is necessary in accordance with statutory requirements and best practice.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals.

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

Secured creditor

As part of the sale of certain assets of the Burningnight group, a Deed of Novation has been entered into by the Company (and other Burningnight subsidiary companies), resulting in its release and discharge from its obligations and liabilities to pay the debt outstanding to Access Commercial Investors 1 Ltd ("Access Commercial") and any other Access Finance Group company. Access 6 has assumed all obligations and liabilities due under the loan facility provided to the Burningnight subsidiaries.

Preferential creditors

There are no known preferential creditors.

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals.

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

Based upon realisations to date and estimated future realisations it is anticipated that there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors after defraying the costs associated with the administration.

Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, 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.

6. PRE-ADMINISTRATION COSTS

On 15 February 2019 the following amounts in respect of unpaid pre-administration costs were approved by decision of creditors sought via a Decision Procedure:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	2,521.00	504.20	3,025.20
	O'Haras Limited	350.00	70.00	420.00
	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	4,600
TOTAL PRE-ADMINISTRATION COSTS		25,895.50	5,179.10	31,074.60

7. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed 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 in attending to matters as set out in the fees estimate dated 29 January 2019.

We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor Group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Begbies Traynor (Central) LLP's time costs for the period from 7 December 2018 to 6 June 2019 amount to £46,774 which represents 139 hours at an average rate of £36 per hour.

O'Haras Limited's time costs for the period from 7 December 2018 to 6 June 2019 amount to £9,730 which represents 34 hours at an average rate of £290 per hour.

Further information in relation to our time costs is set out at Appendix 2 and provides details of the work undertaken by us and our staff following our appointment only.

To 6 June 2019, neither Begbies Traynor (Central) LLP nor O'Haras Limited have drawn any funds on account of our remuneration, against total time costs of £46,775 and £9,730, incurred respectively since the date of our appointment.

As can be seen from the information above, we have exceeded the limit of our previously approved estimate of £47,702. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reasons why the previously approved estimate has been exceeded are as follows:

- We have undertaken and anticipate undertaking additional work not envisaged at the time the fees estimate was prepared. The amount of time spent in correspondence with the landlord and Access 6 in relation to the licence to occupy and the potential assignment of the lease is significantly higher than that originally envisaged.
- Due to the complexity of the administration and the significant number of matters which we are required to deal with on an ongoing basis, the time spent on general case administration and planning is significantly higher than originally estimated.
- Extensive time has been spent in dealing with the surrender of the leases of the property and the third party assets held in the premises. Time has been spent in liaising with the lease and finance companies to arrange collection of their equipment and facilitating access to the property via the landlord and their agents.
- Further time has been incurred in dealing with the creditor's request to convene a qualifying decision procedure in order to seek a decision on the approval of the joint administrators' proposals.
- Following investigations, we have submitted a notice of claim to third parties and are currently finalising details of those claims and holding meetings with all relevant parties in order to further consider the issuing of such claims.

Whilst we have exceeded the original fee estimate, we do not anticipate that we will need to seek further approval to the increase to our fee estimate as the time costs that we will be able to draw will be limited to the amount that is realised for the assets.

Disbursements

To 6 June 2019, Begbies Traynor (Central) LLP have incurred disbursements in the sum of £104.

O'Hara's Limited have incurred disbursements in the sum of £35.

Category 2 Disbursements

No Category 2 Disbursements have incurred on the case.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017 which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the administration would total between £115,207 and £180,207. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged. A significant portion of the legal fees incurred are all jointly and severally owed by each subsidiary company in administration.

9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

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 dependent 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.

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 the law and by our regulatory body.

Compliance with the Insolvency Act, Rules and best practice

We 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.

We will draft and issue interim progress reports on a six monthly basis to provide an update to the creditors of the progress 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 conclusion. This will provide creditors with an overview of the administration, including all realisations, costs and the final outcome for creditors.

We will also continue to 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

We have carried out a detailed investigation into the Company's affairs which are now reaching conclusion. We are fully considering the outcome of such investigations with our solicitors and, should it be necessary, intend to liaise with major creditors to determine what, if any, further action is to be taken. As detailed above, we have submitted a notice of claim to third parties and are further considering whether these claims should be issued.

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

Realisation of assets

We are not aware of any further assets to be realised apart from the potential claims against third parties that have been identified.

It is not known at present what the outcome of those claims will be and whether there will be any financial benefit to creditors.

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

We will continue to deal with any queries received from creditors of the Company.

Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel

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?

We estimate that the costs of the future work to be carried out as detailed above will be approximately £10,000.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 29 January 2019, which included all of the expenses that we anticipate that we will incur throughout the administration.

10. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors'. We have complied with our duties in this respect.

Investigations

We have carried out a detailed investigation into the conduct of the Company and its financial affairs. These investigations have included a forensic analysis of the Company's bank statements, review of the Company's

books and records both electronic and hard copy and review of the Company's accounts system and accounts and are continuing as part of the wider "group" investigations.

Connected party transactions

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

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.

11. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

12. CONCLUSION


We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.


J N R Pitts
Joint Administrator

Dated: 3 July 2019

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 7 December 2018 to 6 June 2019

S of A £	£	£
ASSET REALISATIONS		
Cash at Bank	410.55	
Deposit - Costs	3,314.00	
Deposit - VM Disbursements	224.98	
Bank Interest Gross	32.11	
Rates recharge - VLLtd	4,967.84	
Rent	76,666.66	
Service Charge	10,796.64	
Insurance	3,140.74	
Rates	<u>38,947.03</u>	
		138,500.55
COST OF REALISATIONS		
Statutory Advertising	84.60	
Rates	<u>41,162.12</u>	
		(41,246.72)
		<u><u>97,253.83</u></u>
REPRESENTED BY		
Bank 1 Current		123,147.12
Vat Control Account		(25,893.29)
		<u><u>97,253.83</u></u>
		 Julian Pitts Joint Administrator

TIME COSTS INFORMATION

- a. Begbies Traynor (Central) LLP's charging policy;
- b. O'Haras Limited's charging policy;
- c. Begbies Traynor (Central) LLP's Time Costs Analysis for the period from 7 December 2018 to 6 June 2019; and
- d. O'Haras Limited's Time Costs Analysis for the period from 7 December 2018 to 6 June 2019.

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 <http://www.insolvency-practitioners-association.co.uk/insolvency-practitioners-association-ethics-code-for-members>.

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, Snelsins 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.gov.uk/government/organisations/the-insolvency-service/about-us/insolvency-practitioner-complaints or you can email: ip-complaints@insolvency.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.

Sip9 Sports Cafe 2008 (Leeds) Limited - Administration - 80SP153-ADM : Time Costs Analysis From 07/12/2018 To 06/06/2019

Staff Grade	Consultant/Partner	Director	Senior Mgr	Asst Mgr	Shr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average Hourly Rate £
General Case Administration and Planning	10.0		4.9				1.4		16.3	7,081.50	434.45
Administration		4.0	4.2				9.1	0.6	17.9	4,797.00	267.96
Total for General Case Administration and Planning:	10.0	4.0	9.1				10.5	0.6	34.2	11,878.50	347.32
Compliance with the Insolvency Act, Rules and best practice	1.0		0.8			0.6	2.9		6.1	1,522.00	248.51
Appointment											
Banking and Bonding	0.1						0.2	2.9	3.2	483.50	151.08
Case Closure											0.00
Statutory reporting and statement of affairs	0.8		2.5	0.3			6.6		10.2	2,382.50	233.58
Total for Compliance with the Insolvency Act, Rules and best practice:	1.9		3.3	1.1		0.6	9.7	2.9	16.5	4,388.00	255.03
Investigations	4.0	0.3	5.0				1.0		10.3	4,228.50	410.53
Total for Investigations:	4.0	0.3	5.0				1.0		10.3	4,228.50	410.53
Realisation of assets											0.00
Debt collection											0.00
Property, business and asset sales	12.9	3.8	17.6	3.8			0.3		38.4	16,020.50	417.20
Retention of Title/Third party assets			1.3	8.1			7.6		17.0	3,662.50	211.91
Total for Realisation of assets:	12.9	3.8	18.9	11.9			7.9		55.4	19,683.00	354.21
Trading											0.00
Total for Trading:											0.00
Dealing with all creditors (including employees), correspondence and distributions	1.4	0.4					0.2		2.7	1,021.50	376.33
Secured											0.00
Others											0.00
Creditors committee											0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions:	1.4	0.4				0.7	0.2		2.7	1,021.50	376.33
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	2.0		1.7				0.4		4.1	1,717.50	418.90
Seeking decisions of creditors											0.00
Meetings	0.6		7.5				2.7		10.8	3,637.50	336.81
Other							0.5		0.5	70.00	140.00
Tax							1.4	0.1	1.5	210.00	140.00
Litigation											0.00
Total for Other matters:	2.6		9.2				6.0	0.1	16.9	5,635.00	333.43
Total hours by staff grade:	32.8	8.5	45.5	13.0		1.3	34.3	3.6	138.0		
Total time cost by staff grade:	16,238.00	3,782.50	17,972.50	3,250.00		227.50	4,802.00	504.00	46,174.50		
Average hourly rate £:	495.00	445.00	395.00	250.00	0.00	175.00	140.00	140.00			336.51
Total fees drawn to date £:										0.00	

Time Entry - SIP9 Time & Cost Summary

S585 - Sports Cafe 2008 (Leeds) Limited
 All Post Appointment Project Codes
 From: 07/12/2018 To: 06/06/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	3.70	0.00	5.70	0.10	9.50	2,550.00	268.42
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.50	0.00	0.00	0.00	0.50	150.00	300.00
General Disbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	4.00	0.00	1.00	0.00	5.00	1,450.00	290.00
Realisation of Assets	18.60	0.00	0.00	0.00	18.60	5,480.00	294.62
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	26.80	0.00	6.70	0.10	33.60	9,730.00	289.58
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Bond Fee	Marsh Limited	20.00	0.00	20.00
Legal Fees	Gosschalks Solicitors	120,000	Nil	120,000
Statutory Advertising	Courts Advertising Limited	84.60	0.00	84.60