

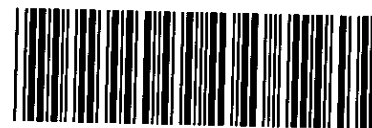
AM03

Notice of administrator's proposals



Companies House

SATURDAY



A17 *A858TF7L*
11/05/2019 #65
COMPANIES HOUSE

1 Company details

Company number 07004296

Company name in full The Redchurch Brewery Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) N A

Surname Bennett

3 Administrator's address

Building name/number Leonard Curtis

Street 5th Floor

Grove House

Post town 248a Marylebone Road

County/Region London

Postcode N W 1 6 B B

Country

4 Administrator's name ①

Full forename(s) Ian

Surname Yerrill

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Yerrill Murphy

Street 12 Romney Place

Maidstone

Post town Kent

County/Region

Postcode M E 1 5 6 L E

Country

② Other administrator


Use this section to tell us about
another administrator.

AM03
Notice of Administrator's Proposals

6 Statement of proposals

☒ I attach a copy of the statement of proposals

7 Sign and date

Administrator's Signature	Signature X  X											
Signature date	<table><tr><td>d</td><td>1</td><td>0</td><td>m</td><td>05</td><td>y</td><td>2</td><td>0</td><td>1</td><td>9</td></tr></table>	d	1	0	m	05	y	2	0	1	9	
d	1	0	m	05	y	2	0	1	9			



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**THE REDCHURCH BREWERY LIMITED
(IN ADMINISTRATION)**

Registered Number: 07004296

Court Ref: CR-2019-002970

High Court of Justice, Business and Property Courts of England and Wales

**Joint Administrators' Report and Statement of Proposals in accordance
with Para 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of
the Insolvency (England and Wales) Rules 2016**

Report date: 10 May 2019

Date report deemed to be delivered to creditors: 14 May 2019

Decision date: 30 May 2019

Leonard Curtis contact details:

5th Floor, Grove House, 248a Marylebone Road,
London NW1 6BB

Tel: 020 7535 7000 Fax: 020 7723 6059

General email: creditors@leonardcurtis.co.uk

Email for requests for a physical meeting: LONDON.meetingreq@leonardcurtis.co.uk

Ref: L/18/RAW/RED08/1040

CONTENTS

1	Introduction
2	Statutory Information
3	Historical Background and Events Leading Up To Administration
4	Recent Trading Results and Current Financial Position
5	Events Following the Joint Administrators' Appointment
6	Achieving the Purpose of Administration
7	Joint Administrators' Proposals and Exit Route
8	Extension of Administration
9	Pre-Administration Costs
10	Joint Administrators' Remuneration and Disbursements
11	Estimated Outcome for Creditors
12	Release of Joint Administrators from Liability
13	Voting Procedure and Conclusion

APPENDICES

A	Joint Administrators' Statement of Proposals
B	Estimated Financial Position as at 3 May 2019, accompanying Notes and List of Creditors
C	Summary of Joint Administrators' Receipts and Payments from 3 May 2019 to 10 May 2019
D	Summary of Joint Administrators' Pre-Administration Costs
E	Joint Administrators' Fees Estimate incorporating time incurred to 7 May 2019
F	Joint Administrators' Statement of Likely Expenses
G	Estimated Outcome Statement
H	Leonard Curtis Policy regarding Fees, Expenses and Disbursements
I	Notice of a Decision Procedure by Correspondence
J	Voting Form for Creditors
K	Proof of Debt Form
L	Information in relation to the pre-packaged sale of the business and assets in accordance with the provisions of Statement of Insolvency Practice 16
M	Creditor's Election to Opt Out
N	Notice of General Use of Website to Deliver Documents
O	Notice of an Invitation to Creditors to Form a Creditors' Committee

TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL EMPLOYEES
ALL MEMBERS

1 INTRODUCTION

1.1 General information

1.1.1 I refer to the appointment of Ian Yerrill of Yerrill Murphy Business Recovery Limited ("YM") and I as Joint Administrators ("the Joint Administrators") of The Redchurch Brewery Limited ("the Company or "Redchurch") on 3 May 2019 and now write to present the Joint Administrators' proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act").

1.1.2 Para 3 of Schedule B1 to the Act requires the Joint Administrators to perform their 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.

1.1.3 I can confirm that in this case the Joint Administrators are of the opinion that the Company has sufficient property to enable a distribution to be made to unsecured creditors. Accordingly they are required to seek a decision from the Company's creditors as to whether they approve these Proposals. The Joint Administrators are also required to ask the creditors to determine, amongst other things, the basis upon which the Joint Administrators will draw their remuneration and Category 2 disbursements. It is our intention to seek these decisions by correspondence as provided for by the Act and the Insolvency (England and Wales) Rules 2016 ("the Rules"). Formal Notice of this Decision Procedure is attached at Appendix I. A voting form is attached at Appendix J. This form should be completed and returned to this office by 23:59 hours on the Decision Date, being 30 May 2019, with a completed proof of debt form (attached at Appendix K) or your vote will be disregarded, as will any forms returned after the decision date.

1.1.4 Creditors meeting the following minimum criteria may request in writing that the decisions be made at a creditors' meeting, rather than by correspondence:

- a) 10% in value of the creditors; or
- b) 10% in number of the creditors; or
- c) 10 creditors

1.1.5 Such a request must be made not later than five business days after the date on which these Proposals were delivered. The deemed date of delivery of this report is given on the front page. Requests should ideally be made to LONDON.meetingreq@leonardcurtis.co.uk.

1.1.6 In the event that no such request is received, the Joint Administrators will, as soon as reasonably practicable after the Decision Date specified on 1.3 above, report to creditors on the decisions taken.

1.2 Creditors' Right to Elect to Opt Out

1.2.1 Creditors have the right to elect to opt out of receiving further documents about the Administration unless:

- (i) The Act requires a document to be delivered to all creditors without expressly excluding opted-out creditors;
- (ii) It is a notice relating to a change in the office-holder or the office-holder's contact details; or

- (iii) It is a notice of a dividend or proposed dividend or a notice which the court orders to be sent to all creditors or all creditors of a particular category to which the creditor belongs.

- 1.2.2 Opting-out will not affect a creditor's entitlement to receive dividends should any be paid to creditors.
- 1.2.3 Unless provided to the contrary in the Rules, opting-out will not affect any right a creditor may have to vote in a decision procedure or to participate in a deemed consent procedure in the proceedings although the creditor will not receive notice of it.
- 1.2.4 A creditor who opts out will be treated as having opted out in respect of any consecutive insolvency proceedings of a different kind in respect of the Company.
- 1.2.5 Creditors may at any time elect to opt-out. The election to opt out must be by a notice in writing, authenticated and dated by the creditor and delivered to the office-holder. An example of such a Notice is attached at Appendix M. A creditor becomes an opted-out creditor when the notice is delivered to the office-holder and will remain an opted-out creditor for the duration of the proceedings unless the opt-out is revoked.
- 1.2.6 An opted-out creditor may revoke the election to opt out by a further notice in writing, authenticated and dated by the creditor and delivered to the office-holder. The creditor ceases to be an opted-out creditor from the date the notice is received by the office-holder.

1.3 Notice of General Use of Website to Deliver Information

- 1.3.1 Section 246B of the Act and Rule 1.49 of the Rules allow an office-holder who is required to deliver certain documents to satisfy that requirement by delivering a notice which states that the document is available for viewing and downloading on a website.
- 1.3.2 Attached at Appendix N is the Notice which the Joint Administrators are issuing in this case. You should note that the Notice extends to all future documents, with some exceptions, to be issued in this case, as provided for by Rule 1.50 of the Rules.
- 1.3.3 The relevant website address for the viewing and downloading of documents is:
Webpage: <https://leonardcurtis.insolvencydata.co.uk>
The Key Code is: **4P5NQAMB** (case sensitive)

1.4 Notice of an Invitation to Creditors to Form a Creditors' Committee

- 1.4.1 Creditors are entitled to decide whether a Creditors' Committee should be established if sufficient creditors are willing to be members of that committee.
- 1.4.2 Attached at Appendix O is Notice of an Invitation to form a Creditors' Committee. Any nominations must be delivered to the Joint Administrators by the Decision Date shown on the front of this report and can only be accepted if the Joint Administrators are satisfied as to the creditors' eligibility under Rule 17.4 of the Rules.
- 1.4.3 In order to assist creditors in making an informed decision on whether they wish to be nominated to serve on a committee, creditors are encouraged to access the document below, which provides information on the rights, duties and functions of creditors' committees.

<https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>

2 STATUTORY INFORMATION

- 2.1 The Administration proceedings are under the jurisdiction of the High Court of Justice, Business and Property Courts of England and Wales ("the High Court") under Court reference CR-2019-002970.
- 2.2 During the period in which the Administration is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.
- 2.3 The notice to change the Company's registered office from 275-276 Poyser Street, London E2 9RF ("Poyser Street premises") to 5th Floor, Grove House, 248a Marylebone Road, London NW1 6BB has been sent to Companies House for filing. The registered number is 07004296. The Company traded as its registered name.

- 2.4 The Company's directors are:

Name	Role	Date Appointed
Gary Ward	Director	28 August 2009
Tracey Cleland	Director	19 May 2011

- 2.5 The Company's authorised share capital is 13,720,854 ordinary £0.001 shares comprising of 11,981,147 ordinary A shares and 1,739,707 investment B shares, all of which has been issued. The principal shareholders are Gary Ward ("Mr Ward") (36.5% representing 4,010,000 A ordinary shares of £0.001 each) and Tracey Cleland ("Ms Cleland") (36.7% representing 5,045,000 A ordinary shares of £0.001). The remaining shareholders are a significant number of crowd fund investors, headed by Crowdcube (26.8%).

- 2.6 According to the information at Companies House, the Company has the following registered charges:

Chargeholder	Date created	Description	Amount secured £	Assets Charged
HSBC Bank Plc	13 March 2018	Debenture	All liabilities	All assets

- 2.7 The EU Regulation on Insolvency Proceedings 2015 applies to this Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION

- 3.1 The Company was incorporated on 28 August 2009 and commenced trading in 2011.
- 3.2 The Company was founded by Mr Ward and Ms Cleland. Mr Ward is a qualified solicitor who ran his own law practice and Ms Cleland was a former creative manager at Nickelodeon, before they founded Redchurch.
- 3.3 The Company traded from leasehold premises at 15-16 Mead Industrial Estate, Harlow, Essex CM20 2SE ("the Harlow Premises"). It also operated a "Tap Room" from the Poyser Street premises ("the Poyser Street Premises").
- 3.4 The Company's main activity was the brewing of beer and specialised in craft beers. The Company had 16 staff at the Harlow premises and 2/3 full time and some part time staff at Poyser Street.
- 3.5 In 2011, Mr Ward began brewing beer at home and saw a rise in demand in the UK for craft brewed beers. As a result, he developed a business plan for the Company. Initially, two investors provided some seed capital and the Company began brewing from the railway arches in Poyser Street in August 2011. The business grew rapidly and funded an expansion to new premises in Harlow in 2016, following a successful crowdfunding campaign.

- 3.6 Over the years, the business had, in the main, been funded by way of loans from Ms Cleland and HSBC Bank Plc ("HSBC"), asset finance from HSBC Equipment Finance UK Limited and crowdfunding campaigns in 2016 and 2017.
- 3.7 The Company became a renowned craft brewery selling its beer nationally into blue chip clients, bars, restaurants and retail customers, as well as exporting its beers around the world. The Company also had its own original tap-room and barrel brew house. With the exception of the tap-room barrel brews, beers were brewed at its Harlow premises, which houses state of the art brewing equipment, a fully automated bottling and labelling line and a keg filling line.
- 3.8 The Company's problems first began in 2017, following the departure of its head of sales. This resulted in a significant downturn in revenue and coupled with increased competition following the rise in popularity in the demand for craft beer, the Company was unable to recover.
- 3.9 The directors advised that efforts to secure further investment over the last 12 months, proved unsuccessful. More recently, the Company had been experiencing financial difficulties and had come under creditor pressure, primarily from HM Revenue & Customs ("HMRC"), who threatened winding up action in respect of a debt in excess of £950k.
- 3.10 The Company had no immediate sources of funding and the directors had indicated that they were not in a position to provide further working capital.
- 3.11 The Company consulted YM for advice and options available and considered that, by reason of its liabilities, the Company could not continue to trade in its present form. Following a meeting of the Board of directors, it was therefore resolved that, it would be in the best interests of the Company and its creditors to appoint Joint Administrators of the Company. Consequently, a Notice of Intention to Appoint Administrators was filed at the High Court on 16 April 2019.
- 3.12 Leonard Curtis were subsequently instructed by the directors to consider and assist them with preparing and negotiating an agreement to sell the business and certain assets of the Company, by way of a pre-packaged ("Pre-Pack") sale through an Accelerated Mergers and Acquisitions ("AMA") process. The AMA process was initiated on 18 April 2019.
- 3.13 Throughout the engagement, Leonard Curtis advised the directors of their fiduciary duties to the Company and its creditors. No advice was given to the directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, Leonard Curtis was required to continue to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.
- 3.14 A Notice of Appointment of Administrators given by the directors on 3 May 2019 and filed in the High Court the same day with and Ian Yerrill of YM and Neil Bennett of Leonard Curtis being appointed as Joint Administrators ("the Joint Administrators").

4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

4.1 The Company's trading results for the years ending 30 June 2017 and 30 June 2018 are detailed below:

	Signed Year ended 30 June 2018 (£)	Signed Year ended 30 June 2017 (£)
Turnover	1,691,205	1,119,366
Cost of Sales	(781,435)	(636,082)
Gross Profit	909,770	483,284
Gross Profit %	54%	43%
Administrative expenses	(1,192,798)	(936,640)
Operating Profit/(Loss)	(283,028)	(453,356)
Interest and charges	(27,611)	(27,300)
Profit/(Loss) before tax	(310,639)	(480,656)
Taxation	18,356	124,307
Loss for the year	(292,274)	(356,349)

4.2 The balance sheets as at 30 June 2017 and 30 June 2018 are detailed below:

	Signed 30 June 2018 (£)	Signed 30 June 2017 (£)
Fixed Assets		
Intangible Assets	682	1,365
Tangible Assets	569,564	701,875
	570,246	703,240
Current Assets		
Stocks	84,900	103,019
Debtors	616,383	548,372
Cash	5,440	23,255
	706,723	674,646
Creditors: Amounts Falling due within one year	(1,172,724)	(1,070,951)
Net Current Assets/(Liabilities)	(466,001)	(396,305)
Total Assets less Current Liabilities	104,245	306,935
Creditors: Amounts falling due after more than year	(163,809)	(292,846)
Provision for liabilities	(77,932)	(77,932)
Net Assets	(137,496)	(63,843)
Represented by		
Called up share capital	1,372	1,249
Share premium reserve	734,319	515,821
Profit and Loss account	(873,187)	(580,913)
Total Equity	(137,496)	(63,843)

4.3 Statement of Affairs

- 4.3.1 The directors are required to lodge a statement of affairs as at 3 May 2019 which has to be filed with the Registrar of Companies. This document has not yet been received. In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.
- 4.3.2 Please note that no provision has been made in the Estimated Financial Position for costs and expenses of realisation, the costs of the Administration and any corporation tax which may be payable. The following comments are considered to be relevant and should be borne in mind when reading the figures:

4.4 Secured Creditor

HSBC Bank Plc ("HSBC") hold a debenture incorporating fixed and floating charges created on 13 March 2018 and registered at Companies House on 20 March 2018. HSBC are owed £40,319 in respect of a loan facility and HSBC Equipment Finance (UK) Ltd are owed £43,881 under various finance agreements.

4.5 Prescribed Part

- 4.5.1 The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the Administrator must make a *prescribed part* of the company's net property available to 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 claims.
- 4.5.2 The method of calculating the prescribed part and additional notes as regards its application are detailed in the notes at Appendix B.
- 4.5.3 Based upon the information currently available, it is anticipated that there will be sufficient realisations to discharge all secured claims with a surplus to unsecured creditors, and consequently the calculation of the funds available under the prescribed part will only be an academic exercise.

4.6 Preferential Claims

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay and certain pension contributions. The Company's employees at the Harlow Premises were transferred to Redchurch (London) Brewery Limited ("the Purchaser") on 3 May 2019 in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"), as such, there are not expected to be any preferential claims in the Administration.

4.7 Unsecured Claims

Based upon the information currently available, it is anticipated that there will be sufficient funds available to allow a dividend to be paid to unsecured creditors. This may be paid in the Administration with the consent of the court or by a subsequently appointed Liquidator, should liquidation be the appropriate exit route from the Administration process. Creditors are asked to forward full details of their claims using the proof of debt form attached at Appendix K.

4.8 Receipts and Payments

A receipts and payments account for the period of Administration to date is enclosed at Appendix C.

5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT

5.1 Sale of Business

5.1.1 Prior to and upon appointment, the Joint Administrators investigated the possibility of concluding a sale of what remained of the business and assets as it was considered that a sale of all or part of the business as a going concern would allow the following:

- Enhanced asset values;
- The potential of customer continuity and resultant improved debtor collections;
- Minimise preferential creditor claims; and
- Mitigate any finance creditor shortfall.

5.1.2 An offer of £240,000 was made by the Purchaser to the proposed Joint Administrators for the business and assets located at the Harlow Premises of the Company. Following advice from our appointed agents, Axia Valuation Services Limited ("Axia"), this offer was accepted and the business sale was concluded on 3 May 2019, following the Joint Administrators' appointment.

5.1.3 Please find enclosed at Appendix L information in relation to the pre-packaged sale of the business and assets in accordance with the provisions of Statement of Insolvency Practice 16 ("SIP16"), along with additional details regarding the marketing of the business and assets, the valuation basis as provided by Axia for the assets, and the transaction providing details of the assets involved in the sale.

5.2 The Poyser Street Premises

5.2.1 The assets contained within the Poyser Street Premises were excluded from the above sale. The assets located at the Poyser Street Premises comprise of plant and machinery, fixtures and fittings, office furniture and equipment and stock and are in fair condition.

5.2.2 Axia valued these assets at £4,600 (In-Situ) and £1,150 (Ex-Situ).

5.2.3 Following the Joint Administrators appointment, Axia have received an offer for these assets from a connected party including the rights within the Company's rent deposit for £10,000 plus VAT.

5.2.4 Axia are currently attempting to conclude this sale and further details will be provided in our next progress report to creditors.

5.3 Cash at Bank

The Company held a bank account with HSBC. At the date of appointment the credit balance was £30,745, which is expected to be received in full. We have written to HSBC to close the account and remit the balance held to the Administration.

5.4 Deposits and Prepayments

The Company's balance sheet as at 30 April 2019 showed deposits and prepayments totalling £115,716. The Joint Administrators will review these balances to determine whether there are likely to be any recoveries for the benefit of creditors.

5.5 Book Debts

The Company's receivables schedule shows a balance of £234,154 as at 3 May 2019. However, we understand that this figure includes a number of aged and bad debts which have not been written off and are considered to be uncollectable totalling approximately £35,000. The ledger will need to be fully reconciled in order to assess the level of collectability.

5.6 Director's Loan Account

The Company's records show that there is a debt of £21,062 owed to the Company. A reconciliation of the account will need to be undertaken to assess the level of likely recovery.

5.7 Professional Advisors and Subcontractors Used

On this assignment the Joint Administrators have used the professional advisors listed below.

Name of Professional Advisor	Service Provided	Basis of Fees
Shakespeare Martineau LLP	Legal advice	Time costs
Axia Valuation Services	Realisation of assets at the Poyser Street Premises	Time costs

Details of this firm's policy regarding the choice of advisors and the basis for their fees are given in Appendix H.

6 ACHIEVING THE PURPOSE OF ADMINISTRATION

6.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:

- (a) rescuing the Company as a going concern, or (if this cannot be achieved);
- (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 (if (a) and (b) cannot be achieved);
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

6.2 The Joint Administrators are obliged to perform their functions in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, the Joint Administrators have a duty not to unnecessarily harm the interests of the creditors as a whole.

6.3 It was not reasonably practicable to achieve objective (a) unless external funds were introduced to provide significant working capital to finance a Company Voluntary Arrangement and the Company was unable to survive in its current form regardless.

6.4 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration). In the opinion of the Joint Administrators, this objective is likely to be achieved as a sale of the business and certain assets in Administration has enabled enhanced values for the Company's assets to be achieved, resulting in a better return for creditors, as a whole, and funds being available to distribute to the Company's unsecured creditors. The achievement of this objective will not unnecessarily harm the interest of the creditors as a whole.

6.5 The third objective is to realise property in order to make a distribution to secured or preferential creditors. In the event that the second objective cannot be achieved, the third purpose will be achieved as the HSBC, the secured creditor will receive a distribution.

6.6 The Administration has been, and will continue to be financed by monies received from asset realisations.

7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

- 7.1 The Joint Administrators' Proposals for achieving the objective of Administration are attached at Appendix A.
- 7.2 The Joint Administrators have considered the various options available to the Company. As previously stated, based on information currently available, the Joint Administrators consider that realisations are likely to be sufficient to enable a dividend to be paid to unsecured creditors. In this situation, the Joint Administrators may apply to court for permission to make such a distribution in the administration. Alternatively, if considered preferable, on completion of the Administration, the Joint Administrators will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation ("CVL").
- 7.3 In the event that the Joint Administrators choose to place the Company into CVL, the Proposals provide for the appointment of myself and Ian Yerrill as Joint Liquidators. Creditors may nominate a different person to be Liquidator provided that the nomination is made after receipt of the Proposals and before they are approved.

8 EXTENSION OF ADMINISTRATION

- 8.1 The appointment of Joint Administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 8.2 In certain circumstances it may be necessary to extend the Joint Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding twelve months with the consent of:
- each secured creditor of the Company; and
 - if the company has unsecured debts, the unsecured creditors of the Company.
- 8.3 We do not believe that an extension to the Administration will be necessary in this case.

9 PRE-ADMINISTRATION COSTS

- 9.1 Pre-administration costs are defined as:

- Fees charged; and
- Expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the Company entered Administration (but with a view to its doing so). "Unpaid pre-administration costs" are pre-administration costs which had not been paid when the Company entered Administration.

9.2 Work undertaken by Leonard Curtis ("LC"), YM, Axia and Shakespeare Martineau ("SM")

- 9.2.1 LC were first approached by Ian Yerrill of YM on 11 April 2019, with the consent of the directors, to provide assistance in relation to the proposed Administration of the Company. YM had first been approached by the directors on 2 April 2019 and again on 4 April 2019 concerning the Company's financial position and to provide advice on the options available to them.
- 9.2.2 Axia were instructed on 17 April 2019 by the proposed Joint Administrators to value the Company's assets and advise on the acceptance of any offer received for the business and assets. Axia confirmed its independence and that the lead valuer involved was qualified and regulated by the National Association of Valuers and Agents, and that they hold adequate indemnity insurance to carry out such valuations.

- 9.2.3 SM were instructed by the proposed Joint Administrators on 16 May 2019 to draft the notice of intention to appoint administrators documentation; filing the relevant documentation at court; draft the appointment documentation and filing the same at court and prepare the sale and purchase agreement documentation, including a deed of release and licence to occupy.
- 9.2.4 All of the above work was necessary to be undertaken to complete a pre-packaged sale of the business and assets. As detailed in Section 5.1 of this report, an offer for the business and assets was accepted by the proposed Joint Administrators and completed on 3 May 2019.
- 9.2.5 By completing a pre-pack sale of the business and assets of the Company through an AMA process, the Joint Administrators have been able to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, and consequently the purpose of the Administration as referred to in Section 6 has been achieved.
- 9.2.6 Time charged and expenses incurred by the Joint Administrators and their agents and solicitors in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Leonard Curtis	Meetings with the Company and Directors, assessing the financial position of the Company, providing insolvency advice, assessing the appropriate strategy and consideration of whether an Administration purpose could be achieved. Dealing with the notice of intention and appointment documentation. Instructing agents and solicitors regarding the sale of the business and certain assets. Liaising with Axia throughout the AMA and sales process, discussions with interested parties and completing a sale of the business and assets through a pre-packaged sale. Time was also spent assisting the Directors in managing the financial position of the Company and cash flow monitoring for critical payments.	£23,669.50	-	-	£23,669.50
Yerrill Murphy	Meetings with the Company and Directors, assessing the financial position of the Company, providing insolvency advice, assessing the appropriate strategy and consideration of whether an Administration purpose could be achieved. Liaising with Axia regarding the valuation and marketing of the business and assets and the assets subject to finance. Dealing with the appointment documentation.	£8,136.00	-	-	£8,136.00

Axia Valuation Services Limited	Valuation of the business and assets including site visits and meetings with the directors, preparation of a valuation report, carrying out a sales process, negotiating with interested parties, reviewing and considering the offers received and recommending the offer for acceptance.	£34,386.70	-	-	£34,386.70
Shakespeare Martineau LLP	Preparing the notice of intention and appointment documentation and filing the same at court. Drafting the sale and purchase agreement and ancillary documents, and providing legal advice generally.	£9,468.00 (Time costs) £107.80 (Disbursements)	-	-	£9,468.00 (Time costs) £107.80 (Disbursements)
Total		75,768.00	-	-	75,768.00

- 9.2.7 Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that pre-administration time costs of £23,669.50 have been incurred by LC which represents 61.4 hours at a rate of £385.50 per hour. YM incurred time costs totalling £8,136 representing 27.5 hours at a rate of £296 per hour.
- 9.2.8 The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Joint Administrators' Proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively will be by a decision of the general body of creditors.

10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

General

- 10.1 The basis of the Joint Administrators' remuneration may be fixed either as a percentage of the value with which they have to deal ('a percentage basis'), as a set amount, or by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in a Fees Estimate. A combination of these bases may be fixed, with different bases being fixed in respect of different things done by the Joint Administrators. Additionally, where a percentage basis is fixed, different percentages may be fixed in respect of different things done by the Joint Administrators.

Approval by appropriate body

- 10.2 The Joint Administrators think that the Company will have sufficient property to enable a distribution to be made to unsecured creditors. In such circumstances, it is for the Creditors' Committee to determine the basis of remuneration. If there is no Committee, or if the Committee fail to make the requisite determination then the basis of remuneration must be fixed by a decision of the creditors.
- 10.3 The outcome of this decision will be reported to all creditors in due course.

Information to be given to creditors

- 10.4 The Joint Administrators wish, in this case, to seek the creditors' agreement to their remuneration being fixed by reference to the time properly given by them and their staff in attending to matters as set out in a Fees Estimate. Prior to seeking approval of this basis, the Joint Administrators are required to provide all known creditors with their Fees Estimate and details of the expenses that they consider will be, or are likely to be, incurred during the administration ("Statement of Likely Expenses").

The Fees Estimate

- 10.5 The Joint Administrators' Fees Estimate for the whole of the Administration is set out at Appendix E. It includes the following:

- Details of the work that the Joint Administrators and their staff propose to undertake;
- The hourly rate or rates that Joint Administrators and their staff propose to use; and
- The time that the Joint Administrators anticipate that each part of the work will take.

Details of the Joint Administrators' time costs to 7 May 2019 have also been included for comparison purposes. In summary, time costs of £3,545 have been incurred to date which represents 12.4 at a rate of £285.89 per hour.

- 10.6 The total amount of time costs as set out in the Fees Estimate is £54,130.50. Once approved by the appropriate body of creditors, the remuneration drawn by the Joint Administrators must not exceed this total amount without prior approval. It should be noted that in some instances payment of these costs will be limited to the amount of realisations available in the administration.
- 10.7 The Fees Estimate is based upon information currently available to the Joint Administrators. Based upon this information, the Joint Administrators do not anticipate that the Fees Estimate will be exceeded. However, should information come to light during the course of the Administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to creditors for further approval.
- 10.8 Details of the firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix H.
- 10.9 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded using the following link:

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

If you would prefer this to be sent to you in hard copy please email recovery@leonardcurtis.co.uk or contact Ronnie Walters of this office on 020 7535 7000

Statement of Likely Expenses

- 10.10 The Joint Administrators' Statement of Likely Expenses is set out for creditor information at Appendix F. To assist creditors' understanding of this information, it has been separated into the following categories:
- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
 - (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in this particular case. Also included within this category are costs that are directly referable to the Administration but are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 disbursements" and they may not be drawn without the approval of the creditors in the same way as fees and creditors will be contacted directly in this respect. The basis of the calculation of their recharge is detailed in Appendix H.

10.11 Further Updates

The Joint Administrators will provide creditors with an indication of whether the remuneration anticipated to be charged by them is likely to exceed the Fees Estimate, and if so the reasons for this, in their subsequent reports. Information will also be provided in subsequent reports on whether the expenditure detailed in the Statement of Likely Expenses has been or is likely to be exceeded and the reasons why.

11 ESTIMATED OUTCOME FOR CREDITORS

- 11.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.
- 11.2 The Estimated Outcome Statement assumes the following:
- a) That asset realisations are in line with those estimated at Appendix B;
 - b) That the Joint Administrators' Fees Estimate (as detailed at Appendix E) is approved and is not exceeded; and
 - c) That the expenses of the Administration are as set out in the Statement of Likely Expenses at Appendix F and are not exceeded.
- 11.3 In summary:
- Secured creditors – The secured creditor has been discharged in full.
 - Preferential creditors – It is not anticipated that there will be any preferential claims in the Administration.
 - Unsecured creditors – It is anticipated that there will be sufficient funds to enable a distribution to unsecured creditors, however, the quantum and timing of such a return remains uncertain at present.

12 RELEASE OF JOINT ADMINISTRATORS FROM LIABILITY

- 12.1 As soon as all outstanding matters in the Administration have been attended to it is anticipated that we will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically to CVL.
- 12.2 On the registration of the relevant notice with the Registrar of Companies, the Administration and the appointment of the Joint Administrators will automatically cease.
- 12.3 It is ordinarily for the creditors to fix the date upon which the Joint Administrators are discharged from liability in respect of any action of theirs during the Administration. The Voting Form at Appendix J includes a decision that we be discharged from liability immediately upon our appointment ceasing to have effect.

13 VOTING PROCEDURE AND CONCLUSION

- 13.1 It is important that you give careful attention to this report and its Appendices.
- 13.2 Details of all decisions to be made by creditors are included on Appendix I – Notice of a Decision Procedure by Correspondence. In order for your vote to count, you should ensure that your completed voting form (see Appendix J) has been delivered to the Joint Administrators on or before the Decision Date given on the front of this report and in Appendix I. Your vote should be accompanied by a proof of debt, unless one has previously been provided, failing which your vote may be disregarded.
- 13.3 Creditors' attention is drawn to Chapter 9 of Part 1 of the Rules, which detail the rules for delivery of documents.
- 13.4 Creditors will be notified of the outcome of the decision procedure in due course.

The Redchurch Brewery Limited - In Administration

Should you have any queries or require any further clarification please contact Ronnie Walters at my office, **in writing**.
Electronic communications should also include a full postal address.

for and on behalf of

THE REDCHURCH BREWERY LIMITED



N A BENNETT

Joint Administrator

N A Bennett is authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association under office holder number 9083 and Ian Yernll is authorised to act as an insolvency practitioner in the UK by the IPA under office holder number 8924

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation. It is further proposed that N A Bennett and Ian Yerrill be appointed Joint Liquidators of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65(3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that N A Bennett and Ian Yerrill be appointed Joint Liquidators of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administration.

APPENDIX B

ESTIMATED FINANCIAL POSITION AS AT 3 MAY 2019

A – Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets Subject to Asset Finance:		
Plant & Machinery	100,000	103,636
Less		
HSBC Equipment Finance (UK) Ltd	(34,745)	(34,745)
Surplus from Plant & Machinery c/f	65,255	68,891
Motor Vehicles	50,770	30,000
Less		
HSBC Equipment Finance (UK) Ltd	(2,358)	(2,358)
MotoNovo Finance	(9,136)	(9,136)
Surplus from Motor Vehicles c/f	39,275	18,505
Assets Subject to Fixed Charge:		
Goodwill	-	40,000
Intellectual Property	-	10,000
Leasehold Improvements	91,747	Nil
Less		
HSBC Bank Plc	(40,319)	(40,319)
Surplus/(Shortfall) to HSBC Bank Plc	51,428	9,681
Assets Subject to Floating Charge:		
Surplus from Plant & Machinery b/f	65,255	68,891
Surplus from Motor Vehicles b/f	39,275	18,505
Stock	87,425	40,499
Office Furniture, Fixtures and Computer Equipment	15,805	2,500
Plant & Machinery (unencumbered)	333,861	20,364
Customer Contracts	-	1
Cash at Bank	30,745	30,745
Book Debts	234,154	150,000
Deposits and Prepayments	115,716	Uncertain
Director's Loan Account	21,062	Uncertain
Uncharged Assets		
Nil		
Estimated total assets available for preferential creditors	994,726	341,187

Estimated Financial Position 3 May 2019 (cont/d)

A1 – Summary of Liabilities

	£	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)		341,187
Liabilities		
Preferential creditors:- Employee Wages and Holiday Pay		-
Estimated surplus/(deficiency) as regards preferential creditors		341,187
Estimated prescribed part of net property where applicable (to carry forward)		(71,237)
Estimated total assets available for floating charge holders		269,949
HSBC Bank Plc		-
Estimated surplus/(shortfall) of assets after floating charges		269,949
Estimated prescribed part of net property where applicable (b/down)		71,237
Total assets available to unsecured creditors		341,187
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade Creditors	238,354	
HM Revenue & Customs - PAYE & NIC	106,705	
HM Revenue & Customs - VAT	198,935	
HM Revenue & Customs - Beer Duty	667,035	
Director's Loan Account	110,086	
		(1,321,115)
Estimated (deficiency) as regards non-preferential creditors (Excluding any shortfall to floating charge holders)		(979,928)
Shortfall to floating charge holders (brought down)		Nil
Estimated total deficiency as regards creditors		(979,928)
Issued and called up capital		1,372
Share Premium Account		734,318
Estimated total deficiency as regards members	£	(1,715,618)

Note: You must include all creditors under hire-purchase, chattel leasing or conditional sale agreements services and creditors claiming retention of title over property in the company's possession

Name of Creditor or Claimant	Address --				Amount	Details of Security held by Creditor	Date security given	Value of Security
Affinity For Business	Alchemy - 2nd Floor	Bessemer Road	Welwyn Garden City	Hertfordshire	47.87	AL7 1HE		None
All Star Business Solutions Ltd	Windmill Hill Business Park	Swindon			802.14	SN5 6PE		None
Amazon Business	Amazon House	2 Pitfers Piece	Long Credon	Buckinghamshire	3,606.52	HP18 9PP		None
Beacon Water Treatment Ltd	Parsons Hall Industrial Estate	High Street	Trichester	Northamptonshire	418.68	NN29 7AB		None
Berkeley Stainless	Unit 11, Parkside Industrial Estate	Edge Ln St	Royleon	Oldham	551.81	OL2 6DS		None
Bibionneque Design Ltd	1-5 Clivenhoe Rd	London			2,310.00	EC1M 5PA		None
Biffa	Coronation Road	Cressex	High Wycombe	Buckinghamshire	856.69	HP12 3TZ		None
BOC	The Priestley Centre	10 Priestley Road	The Surrey Research Park Guildford, Surrey		4,714.30	GU2 7XY		None
Caps Cases Ltd	Studlands Park Industrial Estate	Newmarket	Suffolk		4,873.46	CB8 7AU		None
Carbon Accountancy	80-83 Long Lane	Barbican	London		3,480.00	EC1A 9ET		None
CBRE Ltd	St Martin's Court	10 Paternoster Row			90,467.42	EC4M 7HP		None
C D P Environmental Ltd	Suite 3	The Warren	Keslon	Bromley	1,336.51	BR2 7AL		None
Charles Faram	The Hop Store Monksfield Lane	Newland	Malvern	Worcestershire	4,993.01	WR13 5BB		None
City Electrical Factors	Georgina Mackie House	141 Farmer Ward Road	Kenilworth	Warwickshire	290.60	CV8 2SU		None
Close Brothers Brewery Rentals	Unit 1 Kingfisher Park Headlands Bus Ringwood		Hampshire	United Kingdom	13,250.40	BH24 3NX		None
Cool Chile Ltd	46 Concord Rd	Park Royal	London		60.23	W3 0TH		None
Corona	Brookleigh Milley Road	Wallham St. Lawrence	Reading	Berkshire	582.28	RG10 0JR		None
Dispense Systems	183 Station Lane	Hornchurch	Essex		668.00	RM12 6LL		None
Engie Gas	No. 1 Leeds	26 Whitehall Road	Leeds		1,486.61	LS12 1BE		None
Field Vision Ltd	Crown House	27 Old Gloucester Street,	London		450.00	WC1N 3AX		None
GaXC Cooling Systems Ltd	103 Middlehill Road	Wimborne	United Kingdom		768.00	BH21 2HL		None
GasPron Energy	Galeley Lip	Ship Canal House	98 King Street	Manchester	5,814.00	M2 4WU		None
Harlow Council	Civic Centre	The Water Gardens	College Square	Harlow	33,795.00	CM20 1WG		None
Harwoods Of London	Fruit & Vegetable Market	Nine Elms	London		1,226.36	SW8 5LL		None
Jane Jefferson Cleaning Ltd	23 Shackleton Court Maritime Quay	London			433.16	E14 3QF		None
JP Fletcher	29 Warford Court	Throgmorton Street	London		15,030.00	EC2N 2AT		None
Kegstar Ltd	Henry Wood House	2 Riding House Street,	London		1,224.00	W1W 7FA		None
L T Baldwin Transport Ltd	44-54 Orsett Road	Grays	Essex		1,460.34	RM17 5ED		None
Label Express	8 Bath House Road	Beddington Trading Park West	Beddington Lane	Croydon	3,866.64	CR0 4TT		None
Les Caves De Pyrene Ltd	Pew Corner	Old Portsmouth Road Arlington	Guildford		241.96	GU3 1LP		None
London Borough Tower Hamlets	Tower Hamlets Council	Town Hall	Mulberry Place	5 Clove Crescent	7,821.00	E14 2BG		None
Matthew Clark Bibendum Ltd	Whitchurch Lane	Bristol			2,799.98	BS14 0JZ		None
Microsoft	Microsoft Campus	Thames Valley Park,	Reading	Berkshire	32.52	RG6 1WG		None
Nectar Imports	Cold Berwick Hill	Berwick St. Leonard	Salisbury	Wiltshire	998.40	SP3 5SN		None
Network Bridge Ltd	Unit G36B Waterfront Studios	1 Dock Road	London		340.80	E16 1AH		None
Network Rail	1 Eversholt Street	London			53.47	NW1 2DN		None
Niche Solutions Ltd	5 Milton Trading Estate	Gaydon Rd	Milton Malsor	Northampton	3,410.00	NN7 3AB		None
Oasis Empire Ltd	Chatsworth House	2nd Floor	39 Chatsworth Road	Worthing	710.40	BN11 1LY		None
Office IS Ltd	Eastern House Commerce Way	Whitehall Industrial Estate	Colchester	Essex	431.89	CO2 8HS		None
Penta Foodservice Ltd	Penta House	Lynchford Lane	Farnborough	Hampshire	104.74	GU14 6JF		None
Real Ale Ltd	8 Old Lodge Place	Twickenham	Middlesex	England	134.28	TW1 1RQ		None

Note: You must include all creditors under hire-purchase, chattel leasing or conditional sale agreements services and creditors claiming retention of title over property in the company's possession

Name of Creditor or Claimant	Address --	Amount	Details of Security held by Creditor	Date security given	Value of Security
Real Ale Ltd / M&S	8 Old Lodge Place	378.72	TW1 1RQ	None	
Rudrt Macnamara Ltd	Island Works Holyhead Road	7.50	B21 0BS	None	
Simpsons Mail	Tweed Valley Mailings	500.00	TD15 2UZ	None	
Square Root London	Square Root Soda Works Unit D11	144.00	E10 7QP	None	
Steiner Hops London	185-189 High Street	5,820.94	CM16 4BL	None	
Swaledale Foods	Unit B Snaygill Industrial Estate	164.43	BD23 2QR	None	
The Arch Company Properties Ltd	140 London Wall	3,754.56	EC2Y 5DN	None	
The French Wine Project	9 Devonshire Mews	720.00	W4 2HA	None	
Them That Can	14 Winchester Walk	1,310.16	SE1 9AG	None	
Twist Print	Unit 277-278 Poyser Street	384.00	E2 9RF	None	
Vita Mojo Ltd	60 Cheapside	72.00	EC2V 6AX	None	
Waitrose	171 Victoria Street	9,154.50	SW1E 5NN	None	
Total		238,354.28			
Other Unsecured Creditors					
HM Revenue & Customs - PAYE & NI	Enforcement & Insolvency Service	106,705.00	BN12 4SE	None	
HM Revenue & Customs - VAT	Enforcement & Insolvency Service	198,935.00	BN12 4SE	None	
HM Revenue & Customs - Beer Duty	Enforcement & Insolvency Service	667,035.00	BN12 4SE	None	
Director's Loan Account	275-276 Poyser Street	110,085.00	E2 9RF	None	
		1,082,761.00			
		1,321,115.28			
Secured Creditors					
HSBC Bank Plc	Loan Management Unit	40,319.00	B3 2QZ	Debenture	All assets
	120 Edmund Street				
	Birmingham				
		40,319.00			

NOTES TO THE ESTIMATED FINANCIAL POSITION

All book values have been taken from the Company's latest financial information or from valuations obtained by independent valuers, Axia. It should be noted that no provision has been made for the costs and expenses of the Administration.

1. Plant and Machinery and Motor Vehicles subject to finance

The Company held plant and machinery and motor vehicles subject to finance agreements with HSBC Equipment Finance (UK) Limited and MotoNovo Finance.

2. Goodwill and Intellectual Property

Axia were instructed to provide a valuation of the Company's business intellectual property, including the business name/trading style, brands, copyright and domain names, goodwill, rights to design, databases, confidential information (including know-how and trade secrets) and other intellectual property rights ("Business Intellectual Property").

4. Secured Creditor

HSBC Bank Plc ("HSBC") hold a debenture incorporating fixed and floating charges created on 13 March 2018 and registered at Companies House on 22 March 2018. HSBC are owed £40,319 in respect of a loan facility provided to the Company.

5. Stock

The stock comprised of beer ingredients, bottled beer, keg beer, tank beer, packaging and miscellaneous spirits, wines and mixers.

6. Office Furniture and Computer Equipment

These assets relate to the fixtures and fittings at the Poyser premises, and office furniture and computer equipment and are in fair condition. As with assets of this nature, unless they are relatively new and of good specification, residual values are generally low.

7. Plant and Machinery (Encumbered and Unencumbered)

The plant and machinery comprised micro brewing equipment, beer dispensing equipment, barrels, fridges, freezers, a mill and miscellaneous ancillary equipment.

8. Cash at Bank

The Company held a bank account with HSBC. At the date of appointment the credit balance was £30,745. We have written to HSBC to close the account and remit any balances held to the Administration.

9. Book Debts

The Company's receivables ledger totalled £234,154 as at 3 May 2019. The Joint Administrators will review the position and determine the level of collectability as there are some known bad debts.

10. Deposits and Prepayments

The Company's records as at 30 April 2019 showed deposits and prepayments totalling £115,716. The Joint Administrators will review these to determine the level of collectability.

11. Director's Loan Account

The Company's records show that there is a director's loan account of £21,062 owing to the Company. A reconciliation of the account will need to be undertaken to assess the level of likely recovery.

12. Preferential Creditors

It is not anticipated that there will be any preferential claims in the Administration.

13. Prescribed Part

The Insolvency Act 1986 (as amended) provides that, where a company has created a floating charge after 15 September 2003, a prescribed part of the company's net property must be made available to the unsecured creditors and not be distributed to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

The net property represents the assets available after the costs and expenses of the insolvency procedure and the discharge of preferential creditors' claims in full. No provision has been included within the statement of affairs regarding the costs and expenses of the insolvency procedure.

The method of calculating the prescribed part is given below:

- Where the net property does not exceed £10,000 (the prescribed minimum) it may be considered that the cost of making a distribution is disproportionate to the benefits and no prescribed part is required to be set aside.
- Where the net property exceeds £10,000 the prescribed part is calculated at a value of 50% of the first £10,000 plus a further 20% of the net property which exceeds £10,000, up to a maximum prescribed part of £600,000.

Based upon the information currently available, it is anticipated that there will be sufficient realisations to discharge all secured claims with a surplus to unsecured creditors, and consequently the calculation of the funds available under the prescribed part will only be an academic exercise.

14. Trade and Expense creditors

In accordance with the Company's records as at 30 April 2019, it had 53 trade and expense creditors with debts totalling 238,354. The values shown should not be regarded as agreed amounts.

15. H M Revenue & Customs – PAYE / NI

The PAYE/NI outstanding balance has been extracted from the Company's books and records.

16. H M Revenue & Customs – VAT

The VAT outstanding balance has been extracted from the Company's books and records.

17. HM Revenue & Customs - Beer Duty

The beer duty outstanding balance has been extracted from the Company's books and records.

18. Director's Loan Account

Details of the director's loan account has been extracted from the Company's books and records. The value shown should not be regarded as an agreed amount.

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM 3 MAY 2019 TO 10 MAY 2019

	Estimated Financial Position £	Fixed Account £	Floating Account £	£
Receipts				
Goodwill	40,000	40,000.00	-	40,000.00
Intellectual Property	10,000	10,000.00	-	10,000.00
Plant and Machinery (Surplus after Asset Finance Settlement)	68,891	-	68,891.00	68,891.00
Motor Vehicles (Surplus after Asset Finance Settlement)	18,505	-	18,506.00	18,506.00
Stock	40,499	-	38,999.00	38,999.00
Office Furniture, Fixtures and Computer Equipment	2,500	-	1,000.00	1,000.00
Plant and Machinery (unencumbered)	20,364	-	16,364.48	16,364.48
Customer Contracts	1	-	1.00	1.00
Cash at Bank	30,745	-	-	-
Book Debts	150,000	-	-	-
Deposits and Prepayments	<i>Uncertain</i>	-	-	-
Director's Loan Account	<i>Uncertain</i>	-	-	-
	381,505	50,000.00	143,761.48	193,761.48
Payments				
None				
Distribution paid to Secured Creditor				
HSBC Bank Plc		(40,319.05)	-	(40,319.05)
		9,680.95	143,761.48	153,442.43

SUMMARY OF JOINT ADMINISTRATORS' PRE-ADMINISTRATION COSTS

Pre-Appointment Time Costs Incurred by Leonard Curtis

Leonard Curtis Limited	Director		Senior Manager		Manager 1		Administrator 4		Total		Average Hourly Rate
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Financial Assessment	28	1,260.00	145	5,945.00	-	-	-	-	173	7,205.00	416.47
Strategy & Purpose Evaluation	76	3,420.00	120	4,920.00	13	474.50	-	-	209	8,814.50	421.75
Preparation of Documents	-	-	83	3,403.00	-	-	75	1,125.00	158	4,528.00	286.58
Chargeholder	22	990.00	52	2,132.00	-	-	-	-	74	3,122.00	421.89
Total	126	5,670.00	400	16,400.00	13	474.50	75	1,125.00	614	23,669.50	
Average Hourly Rate (£)		450.00		410.00		365.00		150.00		385.50	

All Units are 6 minutes

Pre-Appointment Time Costs Incurred by Yerrill Murphy

	Partner Hours	Other Senior Professionals Hours	Total		Average Hourly Rate
			Hours	Cost £	£
Administration and Planning	17.40	6.40	23.80	6,974.00	293.03
Creditors	0.60	-	0.60	210.00	350.00
General Correspondence	-	0.40	0.40	64.00	160.00
Assets	2.40	0.30	2.70	888.00	328.89
Total	20.40	7.10	27.50	8,136.00	
Average Hourly Rate (£)				295.85	

DETAILED ANALYSIS OF PRE-ADMINISTRATION COSTS

Financial Assessment

- Liaising with directors regarding the financial position of the Company;
- Reviewing and assessing financial information provided by the Company;
- Assessing the Company's cash flow requirements in the period up to the date of Administration;

Strategy & Purpose Evaluation

Time has been spent in relation to the preparation of the strategy and purpose evaluation. This included but was not limited to:

- Meeting initially with the directors to ascertain all pertinent issues;
- Circulating a conflict of interest email to all members of LCBSG staff;
- Formation of case strategy and preparation of a Strategy Note;
- Considering whether it was appropriate to trade the Company and offer it for sale as a going concern during the Administration;
- Preparation of a Strategy Note;
- Liaising with Axia Valuation Services ("Axia") with regards to the valuation of the business and assets;
- Reviewing the marketing of the business and assets by Axia to ensure it conformed with the marketing essentials set out in the Appendix to Statement of Insolvency Practice 16;
- Conducting the accelerated mergers and acquisition process and negotiating with interested parties; and
- Liaising with Axia regarding the offers received and obtaining their recommendations;
- Liaising with the Crowdcube Investors and major creditors.

Preparation of Documents

- Conducting anti-money laundering checks in accordance with mandatory requirements;
- Instructing Shakespeare Martineau ("SM") to prepare the appointment documentation;
- Reviewing the Notice of Intention to Appoint Administrators ("NOI") and Notice of Appointment ("NOA") as prepared by SM;
- Preparing the proposed Joint Administrators consents to act for the NOA; and
- Instructing and liaising with SM in relation to the SPA and ancillary documentation.
- Liaising with SM to ensure correct filing of both NOI and NOA at Court.

Chargeholder

- Preparation of a detailed note for HSBC Bank Plc ("HSBC") and estimated outcome statement to advise them on the strategy for the Administration; and
- Updating HSBC on a regular basis as to the sale process and requesting deed of release.

APPENDIX E

JOINT ADMINISTRATORS' FEES ESTIMATE INCORPORATING TIME INCURRED TO 7 MAY 2019

	FEES ESTIMATE			INCURRED TO 7 MAY 2019		
	Units	Total	Average Hourly Rate £	Units	Total	Average Hourly Rate £
Statutory & Review	165	6,117.50	370.76	5	75.00	150.00
Receipts & Payments	150	4,585.00	305.67	10	150.00	150.00
Insurance, Bonding & Pensions	55	1,970.00	358.18	-	-	-
Assets	210	7,115.00	338.81	15	485.00	323.33
Liabilities	222	7,538.00	339.55	6	90.00	150.00
Landlords	85	3,195.00	375.88	-	-	-
Debenture Holder	95	3,690.00	388.42	-	-	-
General Administration	145	4,850.00	334.48	-	-	-
Appointment	110	3,265.00	296.82	15	485.00	323.33
Post Appointment Creditor Reporting	260	8,430.00	324.23	73	2,260.00	309.59
Investigations	130	3,375.00	259.62	-	-	-
Total	1,627	54,130.50	332.70	124	3,545	285.89

All Units are 6 minutes

APPENDIX E (CONTINUED)

JOINT ADMINISTRATORS' FEES ESTIMATE

DETAILS OF WORK PROPOSED TO BE UNDERTAKEN

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve agreeing the case strategy and a month 1 review undertaken by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will, as a minimum, carry out three monthly reviews to ensure that the case is progressing as planned.
- Allocation of staff, management of staff, case resourcing and budgeting – It is anticipated that the majority of the work in respect of this matter will be carried out by manager and administrator level staff, with overview by the appointed office holders.
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9.
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice.
- The Joint Administrators are required under the Company Directors Disqualification Act 1986 ("CDDA") to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years.
- Review of the directors' Statement of Affairs and filing of document at Companies House in accordance with statutory requirements.
- Completion of case closing procedures at the end of the case.

To date, the following tasks have been completed under this category:

- Agreeing case strategy.
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice.

Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank accounts; both a fixed and floating account has been opened.
- Management of case bank accounts to ensure compliance with relevant risk management procedures.
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports.
- Regular review of case bank accounts by senior member of staff to ensure that fixed and floating charge assets have been properly identified and prescribed part funds have been set aside, where appropriate;
- Preparation of periodic estimated outcome statements to ensure that asset realisations and likely expenses are in line with those estimated in the Joint Administrators' Report and Statement of Proposals.
- Timely completion of all post appointment tax and VAT returns.
- Managing estate expenses.

To date, the following tasks have been completed under this category:

- Opening of case bank accounts; both a fixed and floating account has been opened.
- Accounting for the initial consideration.
- Preparation of an initial estimated outcome statement to determine the anticipated return to creditors.
- Preparation of a receipts and payments account for inclusion in this report.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect Company assets (see insurance and bonding matters below), whilst requirements in respect of Company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Calculation and request of Joint Administrators' bond in accordance with the Insolvency Practitioners Regulations 2005. A bond is a legal requirement on all Administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors.
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice.
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company's directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of unpaid contributions to the scheme.
- Liaising with pension companies to arrange for prompt wind up of schemes

To date, the following tasks have been completed under this category:

- Calculation and request of the Joint Administrators' bond in accordance with the Insolvency Practitioners Regulations 2005.

Assets

Time will be spent:

- Completing the sale and purchase agreement and receiving the sale consideration.
- Completing post sale duties contained within the sale and purchase agreement.
- Assisting with the novation of any contracts held by the Company to the Purchaser, as and when required.
- Liaising with solicitors, as required.
- Identification and return of third party assets, if appropriate.
- Liaising with the Company's bankers regarding the closure of the pre-appointment bank accounts.
- Reconciling the debtor position.
- Reviewing the other debtors and pursuing recovery of any balances owing.
- Reviewing the deposits and prepayments made by the Company to determine recoverability.
- Reviewing the director's loan account to determine recoverability.

To date, the following tasks have been completed under this category:

- Completion of the sale and purchase agreement and receiving the initial consideration.
- Completing post sale duties contained within the sale and purchase agreement.

Liabilities

This category of time includes both statutory and non-statutory matters.

Statutory

- Processing of claims from the Company's creditors – the Company's records indicate that there are a total of 53 creditors in the Administration, in addition to HMRC. Based on the estimated to realise value of the assets shown in the Estimated Financial Position, it is likely that there will be sufficient asset realisations to enable a distribution to unsecured creditors. At this stage, the Joint Administrators will simply be logging claims received. It will be responsibility of the subsequently appointed Joint Liquidators to adjudicate on claims once they are in a position to pay a distribution.
- Preparation, review and submission of pre-appointment tax and VAT returns.

Non-statutory

- Dealing with enquiries from the Company's creditors, as appropriate.

To date, none of the above tasks have been completed.

Landlords

- Review of the leases in respect of Company's trading premises.
- Liaising with the landlords in respect of the premises.
- Time will continue be incurred in monitoring payments received by the Purchaser in respect of the licence to occupy.
- Time will be spent in liaising with the landlord and the Purchaser with regards to an assignment of the lease/ surrender of the lease.

To date, time has been spent reviewing the leases.

Debenture Holder

- Updating HSBC Bank Plc ("HSBC") on the progress of the Administration and asset realisations; and
- Making distributions to discharge the amounts owed to HSBC.

To date, time has been spent confirming the Administration appointment with HSBC.

General Administration

- General planning matters.
- Setting up and maintaining the Joint Administrators' records.
- Arranging collection and storage of Company records.
- Dealing with general correspondence and communicating with directors and shareholders.

To date, the following tasks have been completed under this category:

- General planning matters;
- Setting up the Joint Administrators' records.
- Communicating with the directors regarding ongoing duties.

Appointment

- Statutory notifications to creditors and other interested parties following the Joint Administrators' appointment.
- Preparation of case plan.

The above tasks have now been completed and it is anticipated that no further time costs will be incurred under this category.

Post Appointment Creditor' Reporting

- Preparation of the Joint Administrators' letter to creditors regarding the pre-packaged sale of the business and certain assets in accordance with Statement of Insolvency Practice 16 ("SIP16").
- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the Administration.
- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (England and Wales) Rules 2016.
- Convening a decision by correspondence to agree Fees Estimate with appropriate body of creditors.
- Reporting on outcome of voting.
- Preparation of six monthly progress reports to creditors to provide an update on the Administration process.
- Preparation of a final progress report to conclude the Administration.

To date, the following tasks have been completed under this category:

- Preparation of the Joint Administrators' letter to creditors regarding the pre-packaged sale of the business and certain assets in accordance with SIP16.
- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the Administration.
- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (England and Wales) Rules 2016.
- Convening a decision by correspondence to agree Fees Estimate with appropriate body of creditors.

Investigations

- Collecting and reviewing the Company's records – this will mainly consist of reviewing bank statements and other information provided by creditors.
- Conducting initial investigations into the Company's affairs / records to identify the possibility of further realisations and enable the submission of returns due under the CDDA – The submission of returns under the CDDA is a statutory requirement and is unlikely to result in any benefit to creditors.

To date, none of the above tasks have been completed.

JOINT ADMINISTRATORS' STATEMENT OF LIKELY EXPENSES

Standard Expenses

Type	Description	Amount £
AML Checks	Electronic client verification	10.00
Bond Fee	Insurance bond	400.00
Document Hosting	Hosting of documents for creditors	28.00
Software Licence Fee	Case management system licence fee	87.00
Statutory Advertising	Advertising	85.95
Storage Costs	Storage of books and records	300.00
Post redirection	Redirection of post	-
	Total standard expenses	910.95

Case Specific Expenses

Type	Description	Amount £
Agents' Fees	Dealing with Post Appointment Matters	3,000.00
Debt Collection Fees	Costs of collection of debts	Uncertain
Professional Costs	Preparation of Statement of Affairs	2,500.00
Legal Fees	Dealing with Post Appointment Matters	5,000.00
Internal photocopying	Category 2 disbursement requiring specific creditor / committee approval	25.00
General stationery, postage, telephone etc.	Category 2 disbursement requiring specific creditor / committee approval (£100 per 100 creditors & members)	100.00
Storage of office files (6 years)	Category 2 disbursement requiring specific creditor / committee approval (2 boxes @ £81.25 per box)	162.50
	Total case specific expenses	10,787.50

ESTIMATED OUTCOME STATEMENT

	Estimated Financial Position £	Current Position £	Estimated Future £	Estimated Final Position £
Assets Subject to Asset Finance:				
Plant & Machinery	103,636	103,636	-	103,636
Less				
HSBC Equipment Finance (UK) Ltd	(34,745)	(34,745)	-	(34,744.52)
Surplus from Plant & Machinery c/f	68,891	68,891	-	68,891.00
Motor Vehicles	30,000	30,000	-	30,000
Less				
HSBC Equipment Finance (UK) Ltd	(2,358)	(2,358)	-	(2,358)
MotoNovo Finance	(9,136)	(9,136)	0	(9,136)
Surplus from Motor Vehicles c/f	18,505	18,506	0	18,506
Assets Subject to Fixed Charge:				
Goodwill	40,000	40,000	-	40,000
Intellectual Property	10,000	10,000	-	10,000
Less				
HSBC Bank Plc	(40,319)	(40,319)	-	(40,319)
Surplus/(Shortfall) to HSBC Bank Plc	9,681	9,681	-	9,681
Floating Charge Assets:				
- Surplus from Plant & Machinery b/f	68,891	68,891	-	68,891
- Surplus from Motor Vehicles b/f	18,505	18,506	-	18,506
- Stock	38,999	38,999	1,500	40,499
- Office Furniture, Fixtures and Computer Equipment	1,000	1,000	1,500	2,500
- Plant & Machinery (unencumbered)	16,364	16,364	4,000	20,364
- Customer Contracts	1	1	-	1
- Cash at Bank	30,745	-	30,745	30,745
- Book Debts	150,000	-	150,000	150,000
- Deposits and Prepayments	Uncertain	-	Uncertain	Uncertain
- Director's Loan Account	Uncertain	-	Uncertain	Uncertain
Estimated Assets Available to Preferential Creditors	334,187	153,442	187,745	341,187
Costs of Administration:				
- Pre-Appointment Costs				
Leonard Curtis Limited (time costs and expenses)	-	-	(23,670)	(23,670)
Yerrill Murphy (time costs and expenses)	-	-	(8,136)	(8,136)
Shakespeare Martineau LLP (time costs and expenses)	-	-	(9,576)	(9,576)
Axia Valuation Services	-	-	(34,387)	(34,387)
- Joint Administrators' Remuneration	-	-	(54,131)	(54,131)
- Joint Administrators' Expenses	-	-	(1,200)	(1,200)
- Agents' Fees and Expenses (dealing with post-appointment matters)	-	-	(3,000)	(3,000)
- Debt Collection Fees	-	-	Uncertain	Uncertain
- Professional Costs (preparation of Statement of Affairs)	-	-	(2,500)	(2,500)
- Solicitors' Fees and Expenses (dealing with post-appointment matters)	-	-	(5,000)	(5,000)
Estimated Assets Available to Preferential Creditors (after costs)		153,442	46,147	199,589

**ESTIMATED OUTCOME STATEMENT
CONTINUED**

	Current Position £	Estimated Future £	Estimated Final Position £
Estimated Assets Available to Preferential Creditors (after costs)	162,578	29,810	199,589
Preferential Creditors			-
Estimated Surplus as regards Preferential Creditors			199,589
Estimated Prescribed Part of Net Property where applicable (to carry forward)			-
Estimated Total Assets Available to Floating Charge Creditors			199,589
Floating Charge Creditor: HSBC Bank Plc			-
Estimated Surplus of Assets after Floating Charge Creditors			199,589
Estimated Prescribed Part of Net Property where applicable (bought down)			-
Total Assets Available to Unsecured Creditors			199,589
Estimated Unsecured Non-Preferential Creditors:			
· Trade and Expense Creditors			(238,354)
· HM Revenue and Customs (VAT & Beer Duty)			(865,970)
· HM Revenue and Customs (PAYE)			(106,705)
· Director's Loan Account			(110,086)
Estimated Deficiency as regards Unsecured Non-Preferential Creditors (before the costs of liquidation)			(1,121,526)
Estimated Dividend to Unsecured Non-Preferential Creditors - pence in £ (before the costs of liquidation)			15.11

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard £	Complex £
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187
Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per individual

The Redchurch Brewery Limited - In Administration

Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders. Cost per upload.	<table border="1"> <thead> <tr> <th>Type</th><th>First 100</th><th>Every addtl 10</th></tr> </thead> <tbody> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td colspan="2">£10 p.a. or £25 for life of case</td></tr> </tbody> </table>	Type	First 100	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
Type	First 100	Every addtl 10																								
ADM	£14.00	£1.40																								
CVL	£7.00	£0.70																								
MVL	£7.00	£0.70																								
CPL	£7.00	£0.70																								
CVA	£10.00	£1.00																								
BKY	£10.00	£1.00																								
IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£85.95 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements. These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

NOTICE OF A DECISION PROCEDURE BY CORRESPONDENCE

RE: THE REDCHURCH BREWERY LIMITED (IN ADMINISTRATION)

REGISTRATION NUMBER: 07004296

COURT DETAILS: HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

COURT REFERENCE : CR-2019-002970

NOTICE TO CREDITORS OF A DECISION PROCEDURE TO BE CONSIDERED BY CORRESPONDENCE
IN ACCORDANCE WITH PARA 51(1) OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986 AND RULES 15.8
AND 18.18 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016

We, N A Bennett of Leonard Curtis, 5th Floor, The Grove, 248A Marylebone Road London NW1 6BB and I D Yerrill of Yerrill Murphy Business Recovery Limited, Gateway House, Highpoint Business Village, Henwood, Ashford, Kent TN24 8DH, were appointed Joint Administrators of the Company on 3 May 2019.

NOTICE IS HEREBY GIVEN pursuant to Para 51(1) of Schedule B1 to the Insolvency Act 1986 and Rules 15.8 and 18.18 of the Insolvency (England and Wales) Rules 2016 that the creditors are being asked to make a decision as to whether they approve the Joint Administrators proposals set out at Appendix A, agree the basis of the Joint Administrators' remuneration and approve three other decisions by way of correspondence.

To participate in the vote creditors will need to have delivered a completed voting form to my office at 5th Floor, Grove House, 248a Marylebone Road, London NW1 6BB or via email to ronnie.walters@leonardcurtis.co.uk by 23:59 hours on 30 May 2019 together with a proof of debt form if one has not previously been lodged. Failure to deliver a proof of debt will result in your vote being disregarded.

NB. Creditors' attention is drawn to Chapter 9 of Part 1 of the Rules, which detail the rules for delivery of documents.

The resolutions to be considered are:

1. That the Joint Administrators' Proposals are approved.
2. In the absence of a creditors' committee, that the remuneration of the Joint Administrators be fixed by reference to time properly spent by them and their staff in attending to matters as set out in the Fees Estimate (for an amount not exceeding £54,130.50).
3. That the unpaid pre-administration costs as detailed in the Joint Administrators' Statement of Proposals be approved for payment as an expense of the Administration.
4. That the basis of the recharge of the Joint Administrators' category 2 disbursements be fixed by reference to the rates set out in the Joint Administrators' Statement of Proposals and that they be authorised to be reimbursed such disbursements as and when funds permit.
5. That the Joint Administrators be discharged from liability in respect of any action(s) of theirs as Joint Administrators pursuant to the provisions of paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, immediately upon their appointment ceasing to have effect.

Statutory Information and Creditors' Entitlement To Vote

In accordance with Rule 15.8 of the Insolvency (England and Wales) Rules 2016 please be aware of the following information:

- Creditors are only entitled to vote if they have delivered a proof of debt prior to the decision date and the claim has been accepted in whole or in part, together with a voting form. Whilst I am permitted to agree claims below £1,000 without a proof of debt, a creditor whose claim is less than £1,000 is not able to vote without having lodged a proof of debt. Creditors who have opted out from receiving notices may, nevertheless, vote if a proof of debt has been lodged.
- Creditors must deliver their voting form no later than 23:59pm on 30 May 2019. Forms should be posted to The Redchurch Brewery Limited at Leonard Curtis, 5th Floor, Grove House, 248a Marylebone Road, London, NW1 6BB. Alternatively voting forms can be faxed to 020 7723 6059 or submitted by email to ronnie.walters@leonardcurtis.co.uk.
- I am obliged to advise creditors that applications to have any decision reviewed must be made to High Court of Justice, Business and Property Courts of England and Wales under reference CR-2019-002970. Any such application should be made within 21 days of the decision date.
- If creditors are not satisfied with the decision procedure being used, they may request a physical meeting be convened providing their claim is 10% of the value of the creditors or 10% of the number of creditors request the same or 10 individual creditors request that a meeting be convened. All requests to hold a physical meeting should be made in writing but can be made by email to london.meetingreq@leonardcurtis.co.uk. Requests for a physical meeting should be made within five business days of delivery of this notice.

Dated 10/05/2019

Signed 

**N A BENNETT
JOINT ADMINISTRATOR**

Contact details

Neil A Bennett and Ian Yerrill
Leonard Curtis
5th Floor
Grove House
248a Marylebone Road
London
NW1 6BB
Tel: 020 7535 7000

VOTING FORM FOR CREDITORS

RE: THE REDCHURCH BREWERY LIMITED (IN ADMINISTRATION)

REGISTRATION NUMBER: 07004296

COURT DETAILS: HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

COURT REFERENCE : CR-2019-002970

Please indicate whether you are in favour or against each of the decisions set out below.

Please note that this form should be returned prior to 23:59 hours on 30 May 2019 to my offices at The Redchurch Brewery Limited. Alternatively the form can be faxed to Leonard Curtis on 020 7723 6059 or submitted by email to ronnie.walters@leonardcurtis.co.uk. In order for your vote to be valid a proof of debt should also have been lodged.

RESOLUTIONS TO BE CONSIDERED

Decision 1

That the Joint Administrators' Proposals are approved.

I am *in Favour / Against

Decision 2

In the absence of a creditors' committee, the remuneration of the Joint Administrators be fixed by reference to time properly spent by them and their staff in attending to matters as set out in the Fees Estimate (for an amount not exceeding £54,130.50).

I am *in Favour / Against

Decision 3

That the unpaid pre-administration costs as detailed in the Joint Administrators' Statement of Proposals be approved for payment as an expense of the Administration.

I am *in Favour / Against

Decision 4

That the basis of the recharge of the Joint Administrators' category 2 disbursements be fixed by reference to the rates set out in the Joint Administrators' Statement of Proposals and that they be authorised to be reimbursed such disbursements as and when funds permit.

I am *in Favour / Against

Decision 5

That the Joint Administrators be discharged from liability in respect of any action(s) of theirs as Joint Administrators pursuant to the provisions of paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, immediately upon their appointment ceasing to have effect.

I am *in Favour / Against

TO BE COMPLETED BY CREDITOR:

Dated: _____

Signed: _____

Name of creditor: _____

Position: _____

PROOF OF DEBT

RELEVANT DATE: 3 May 2019

Name of Company in Administration:

The Redchurch Brewery Limited

Company registered number:

07004296

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

8. Details of any document by reference to which the debt relates

9. Signature of creditor (or person authorised to act on the creditor's behalf)

10. Date of signing:

11. Address of person signing (if different from 2 above)

12. Name in BLOCK LETTERS

13. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.

APPENDIX L

INFORMATION IN RELATION TO THE PRE-PACKAGED SALE
OF THE BUSINESS AND ASSETS IN ACCORDANCE WITH
THE PROVISIONS OF STATEMENT OF INSOLVENCY PRACTICE 16

**THE REDCHURCH BREWERY LIMITED ("the Company" or "Redchurch")
(IN ADMINISTRATION)**

**INFORMATION REGARDING THE PRE-PACKAGED SALE OF THE BUSINESS AND ASSETS OF
THE REDCHURCH BREWERY LIMITED**

1 INITIAL INTRODUCTION

- 1.1 Leonard Curtis ("LC") were first approached by Ian Yerrill of Yerrill Murphy ("YM"), insolvency and business recovery professionals on 11 April 2019 to provide assistance in relation to the proposed Administration of the Company. YM had first been approached by the directors on 2 April 2019 and again on 4 April 2019 concerning the Company's financial position and to provide advice on the options available to them. LC were subsequently approached by YM on 11 April 2019 to assist them in dealing with the proposed Administration, with the consent of the directors of the Company.
- 1.2 We do not believe that there are any significant personal or professional relationships between the Company or its directors, YM and LC, and we confirm that we carried out the appropriate conflict review prior to accepting the appointment.

2 PRE-APPOINTMENT CONSIDERATIONS

2.1 The extent of the Administrators' involvement prior to the appointment and the Role of the Insolvency Practitioner ("IP")

- 2.1.1 Following LC's instruction, we wrote formally to the directors of the Company informing them that our role before any formal appointment would involve providing the following services:

- i) advising them on which insolvency process would be most appropriate for the Company;
- ii) dealing with all formalities relating to the appointment of Joint Administrators including giving appropriate notification of the intention to make such appointment to secured creditors and other parties entitled to receive notice;
- iii) preparing any reports necessary and attending Court hearings if appropriate;
- iv) advising them on the financial control and supervision of the business between the date of our engagement and the date of the appointment of Joint Administrators;
- v) advising them on whether an early sale of the Company's business and trading assets would be likely to be in the interests of creditors.

- 2.1.2 We made it clear that these services were to be given for the benefit of the creditors of the Company and that our role was not to advise the directors in their personal capacity. We recommended that they seek their own independent advice if they were uncertain on any matter, particularly if they had expressed, or were likely to express, an interest in purchasing the Company's business and trading assets.

- 2.1.3 Finally, we explained that initially an IP acts as professional adviser to the Company with responsibilities only to it and its directors. At this stage of the process the IP will assist the directors in making the right decision about what is the correct option for them to pursue in the best interests of creditors having regard to the Company's circumstances.

- 2.1.4 Once the Company has been placed into Administration, the IP becomes the Administrator with different functions and responsibilities. The Administrator is obliged to perform his functions and responsibilities in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, he has a duty not to unnecessarily harm the interests of creditors as a whole.

2.2 Background

- 2.2.1 The Company was incorporated on 28 August 2009. The current directors are Gary Ward and Tracey Cleland. The principal shareholders are Gary Ward (36.5% representing 4,010,000 A ordinary shares of £0.001 each) and Tracey Cleland (36.7% representing 5,045,000 A ordinary shares of £0.001). The remaining shareholders are a significant number of crowd fund investors, headed by Crowdcube (26.8%).
- 2.2.2 The Company's registered office is 275-276 Poyser Street, London E2 9RF and the principal trading address is at 15-16 Mead Industrial Estate, Harlow, Essex CM20 2SE. The Company also operates a "Tap Room" from the Poyser Street premises.
- 2.2.3 The Company's main activity was the brewing of beer, specialising in craft beers. At the date of Administration, the Company had 16 staff at the Harlow premises and 2/3 full time and some part time staff at Poyser Street.
- 2.2.4 The Company was founded by Gary Ward and Tracey Cleland. Mr Ward is a qualified solicitor who ran his own law practice and Ms Cleland was a former creative manager at Nickelodeon, before they founded Redchurch.
- 2.2.5 In 2011, Mr Ward began brewing beer at home and saw a rise in demand in the UK for craft brewed beers. As a result, he developed a business plan for the Company. Initially, two investors provided some seed capital and Redchurch began brewing from railway arches in Poyser Street in August 2011. The business grew rapidly and funded an expansion to new premises in Harlow in 2016, following a successful crowdfunding campaign.
- 2.2.6 Over the years, the business had, in the main, been funded by way of loans from Ms Cleland and HSBC Bank Plc ("HSBC"), asset finance from HSBC Equipment Finance UK Limited and crowdfunding campaigns in 2016 and 2017.
- 2.2.7 The Company became a renowned craft brewery selling its beer nationally into blue chip clients, bars, restaurants and retail customers, as well as exporting its beers around the world. The Company also had its own original tap-room and barrel brew house. With the exception of the tap-room barrel brews, beers were brewed at its Harlow premises, which housed state of the art brewing equipment, a fully automated bottling and labelling line and a keg filling line.
- 2.2.8 The Company's problems first began in 2017, following the departure of its head of sales. This resulted in a significant downturn in revenue and coupled with increased competition following the rise in popularity in the demand for craft beer, the Company was never able to recover. Accounts for the financial year to 30 June 2018 show that the Company incurred a loss of £292,274 on turnover of £1.691million.
- 2.2.9 The directors advised that efforts to secure further investment over the last 12 months to provide working capital, proved unsuccessful.
- 2.2.10 More recently, the Company had been experiencing financial difficulties and had come under creditor pressure, primarily from HM Revenue & Customs ("HMRC"), who threatened winding up action in respect of a debt in excess of £950k, of which £650k related to beer duty.
- 2.2.11 The Company had no immediate sources of funding and the directors had indicated that they were not in a position to provide further working capital. The shareholders, including a significant number of crowd fund investors, headed by Crowdcube, were approached to see whether they would be prepared to provide further working capital, but have not responded.

- 2.2.12 A Board meeting was initially held on 5 April 2019 to consider the Company's financial position and a further meeting of the directors was held on 16 April 2019 when it was reported that, in view of the Company's ongoing financial difficulties, the Company had consulted YM for advice and options available. The Board considered that the Company, by reason of its liabilities, could not continue to trade in its present form and it was resolved that, it would be in the best interests of the Company and its creditors to appoint Joint Administrators of the Company and that instructions be given to Shakespeare Martineau, solicitors, to prepare the necessary forms and accompanying documentation for service and filing at Court. Consequently, a Notice of Intention to Appoint Administrators ("NIA") for the appointment of Ian Yerrill of YM and Neil Bennett of LC was filed in the High Court by the directors on 16 April 2019.
- 2.2.13 It was also agreed that steps should immediately be taken to attempt to secure a sale of the Company's business and assets as a going concern which would be in the best interests of all stakeholders.
- 2.2.14 LC were subsequently instructed by the Board of directors on 16 April 2019 to consider and assist them with preparing and negotiating an agreement to sell the business and certain assets of the Company, by way of a pre-packaged ("Pre-Pack") sale and it was considered that this would best be achieved through an Accelerated Mergers and Acquisitions ("AMA") process. The AMA process was initiated on 18 April 2019 and deadline for best and final offers for the business and assets was set for 30 April 2019.
- 2.2.15 This resulted in 21 expressions of interest being received and requesting further information following the issuing of the Information Memorandum by our agents, Axia Valuation Services ("Axia"), and three confirmed offers were received by the deadline. An additional offer was received which Axia advised was not worthy of consideration as it included acquiring the Company's shares and a deferred payment plan. It was originally intended for Ian Yerrill and Neil Bennett to accept the appointment as Joint Administrators on 1 May 2019 (being the 10 business days following the filing of NIA) and, subject to a satisfactory offer being received and recommended for acceptance by Axia, complete a sale shortly thereafter.
- 2.2.16 However, Axia advised that, owing to the nature of the offers received, they required further time to consider them. The directors were advised and, in the circumstances, felt it appropriate to convene a further Board meeting to provide Axia with sufficient time to consider and assess the offers prior to the expiry of the NIA filed on 16 April 2019. The directors unanimously resolved to file a second NIA, which was filed at Court on 1 May 2019.
- 2.2.17 Throughout the engagement, LC advised the directors of their fiduciary duties to the Company and its creditors. No advice was given to the directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, LC were required to continue to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.
- 2.2.18 A Notice of Appointment of Administrators was given by the directors on 3 May 2019 and filed in the High Court the same day with and Ian Yerrill of YM and Neil Bennett of LC being appointed as Joint Administrators ("the Joint Administrators").

2.3 Details of charges registered against the Company

HSBC hold a debenture incorporating fixed and floating charges created on 13 March 2018 and registered at Companies House on 22 March 2018.

2.4 Alternative courses of action considered by the Administrator

- 2.4.1 The following courses of alternative action were considered with management prior to our appointment and the pre-packaged sale:

(a) Distressed sale of the business and assets as a going concern by management

There was insufficient funding available to support on-going trading prior to any sale. The Company was unable to raise additional funding from external sources having approached several separate investors in the past 12 months and the directors were not in a position to provide further funds whilst a purchaser was sought.

As referred to above, the external shareholders were approached to see whether they would be prepared to provide further working capital, but have not responded.

(b) Company Voluntary Arrangement ("CVA")

This was unlikely to be a viable option for the Company, as there was no immediate source of funding to provide working capital to enable a CVA to be proposed to creditors. In addition, the Company was unable to raise additional funding from external sources.

Furthermore, we considered a CVA not to be viable for the Company as:

- the Company's current business model is loss making and it would not be able to support a contributions based CVA;
- without significant working capital or prospects of trading profitably, the Company cannot continue to trade in its current form; and
- given the nature of the Company's creditors it is uncertain whether a CVA would be achievable as there would likely be a number of ransom creditors, including the hops and yeast suppliers, that would have to be paid outside of a CVA to ensure the ongoing operations of the business.

(c) Administrative Receivership

HSBC hold a floating charge created after the introduction of the Enterprise Act 2002 and therefore will not therefore be in a position to appoint an Administrative Receiver.

(d) Sale of the business and assets as a going concern by the Administrator with or without ongoing trading

This was considered the most appropriate option for creditors as a whole. It was agreed that to achieve the best possible value for the business and assets a sale should be completed as soon as possible following the Administration to protect the Company's goodwill and intellectual property rights. A going concern sale would also maximise the value for the chattel assets as opposed to them being sold on a break-up basis.

A sale of the business in Administration will allow for continuity of trading preserving the value in the Company's goodwill and other assets, including its customer database and enhance debtor realisations and offering a better return for creditors as a whole.

An immediate sale of the business and assets on a going concern basis is likely to result in a payment for goodwill and intellectual property which would not otherwise be possible in a controlled shut down scenario.

In addition, a sale would allow for all employees to be transferred to the Purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"), reducing the liability in the Administration and saving some 20 jobs.

It was also considered that a Pre-Pack sale would achieve the purpose of Administration, 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).

(e) Sale of assets by the Administrator after a period of marketing to third parties

Attempting to trade the business in Administration would not have been viable owing to the lack of funding available and the need to pay critical supplier payments to ensure the ongoing operation of the business.

Furthermore, the Company was unable to raise additional funding from external sources and it had no other source of funds. Consequently trading during the Administration was not viable given the need to pay ongoing wages and critical suppliers.

In addition, it was considered that customers being notified of the Administration would likely be detrimental to the ongoing business and consequently the value of the Company's business and assets.

(f) Liquidation and subsequent forced sale of the Company's assets

A sale of the business and assets as a going concern would not be achievable in a liquidation scenario and would not lead to better realisations. Axia had advised that the Company's chattel assets would have significantly less value on cessation of trading and break up basis and therefore the majority of the value in the Company was attributed to preserving the value in the Company's goodwill and intellectual property.

In addition, we anticipated that in a liquidation scenario, there would be a significant erosion of the debtors' ledger due to cessation of trading.

Furthermore, employee claims for unpaid wages, accrued holiday pay, lieu of notice and redundancy would have also formed against the Company by it ceasing to trade.

2.4.2 **Whether efforts were made to consult with major creditors and the outcome of any consultations**

The secured creditor, HSBC, were consulted prior to and following the filing of the NIA. HSBC continued to support the Company whilst the AMA process was conducted and negotiations for the sale of the business continued and advanced funds to meet critical supplier payments and employees' wages falling due at the end of April 2019.

HMRC, who had been threatening winding up action, were advised of the Company's financial position and the proposed Administration and kept informed throughout the process.

The major Crowdcube investors were advised of the AMA process and approached as potentially interested parties as part of the marketing of the business and assets.

It was decided not to consult with other suppliers / unsecured trade creditors as it was considered that creditors knowing that an Administration was imminent may have decided to cease providing essential services and supplies. This would have affected the Company's on-going trading and ability to fulfil client orders, in particular those to blue chip customers, and detrimental to the proposed going concern sale of the business and impacted on the value achieved for the Company's business and assets.

2.4.3 **Why it was not appropriate to trade the business, and offer it for sale as a going concern, during the Administration**

Trading the business in Administration whilst a sale of the business and assets as a going concern was explored was not considered to be a viable option for the following reasons:

- The Company is loss making.

- There was no prospect of receiving adequate funding to trade the business and cover potential trading losses.
- The uncertainty of trading in Administration may have led to a loss of customers and consequently the value of the Company's goodwill and brand.
- It was understood from discussions with the directors that key suppliers would unlikely support the business trading in Administration or would demand ransom payments of balances owed to ensure continued supply of services which would have to be paid as an expense of the Administration. The Company had a number of blue chip customers who would have been affected should suppliers have taken this stance and orders not fulfilled.
- Trading the business would result in increased professional costs in addition to the overheads associated with trading, including the landlord of the Harlow premises who were owed 3 month's rent totalling in excess £90k and was likely to have required part payment of the arrears to allow continued occupation, which would have to be paid as an expense of the Administration.
- A period of trading would require the Administrators to undertake health and safety assessments which would invariably increase the costs of the Administration process.
- Trading the business was unlikely to result in an increase in realisations sufficient enough to outweigh the costs associated with continued trading.

2.4.4 Details of requests made to potential funders to fund working capital requirements

As advised above, HSBC continued to support the Company whilst discussions for the sale of the business continued and advanced funds to meet critical supplier payments and employees' wages.

The Company had been unable to raise additional funding from external sources having approached several separate investors over the last 12 months.

In addition, a number of investors with a known interest in this sector were approached as part of the marketing undertaken as referred to in Section 3. These investors advised that they would not be prepared to fund the business due to the level of funding required.

As such, no third party investor could be identified.

2.4.5 Details of any acquisition of business assets from an insolvency practitioner

We confirm that the business, or business assets, of the Company were not acquired from an insolvency practitioner within the 24 months prior to our appointment.

3 MARKETING OF THE BUSINESS AND ASSETS

- 3.1 The Joint Administrators, with the assistance of Axia, initiated an AMA process on 18 April 2018 requesting initial expressions of interest by 26 April 2019 and best and final offers by 30 April 2019.
- 3.2 Given the financial position of the Company and the need to make critical payments, the Company did not have sufficient time to carry out a lengthy A&M process.

- 3.3 Axia advertised the sale online via their website, as well as targeting potential purchasers across the industry sector and broadcasting the sale to their trade contacts as part of the targeted process. Due to the financial position of the Company, it was agreed that this strategy was the most appropriate process to achieve a sale in the timescales available.
- 3.4 As a result, Axia received 21 expressions of interest following the issuing of the Information Memorandum, 8 parties signed and returned Non-Disclosure Agreements following which a sales information pack was made available to these parties. Three confirmed offers were received by the offer deadline.
- 3.5 Having considered all offers, Axia recommended that the offer from Redchurch (London) Brewery Limited ("the Purchaser") (Company Number: 11894201), an entity not connected to the Company should be accepted, as it represented the best outcome for creditors as a whole.
- 3.6 Axia subsequently provided a recommendation that this offer be accepted as the consideration offered exceeded their Market Value In-Situ valuation for the Company's assets and, given the circumstances, an early sale of the Company's business and assets was in the best interest of all stakeholders.
- 3.7 We confirm that in our opinion the marketing was undertaken in line with the marketing essentials set out in the Appendix to SIP16.

4 VALUATION OF THE BUSINESS AND ASSETS

4.1 Details of valuers/advisors

On 17 April 2019, Axia were instructed to provide a valuation of the Company's assets and advise on the acceptance of any offers received for the business and assets.

Axia confirmed their independence and that they carry adequate professional indemnity insurance for the valuation performed. The lead valuer involved is qualified and regulated by the National Association of Valuers and Agents.

4.2 The valuations obtained of the business or the underlying assets

The valuations obtained for the business and underlying assets are as follows:

Category of asset	Note	Book value as at 30.04.2019 £	High value (note 1) £	Low value (note 2) £	Value achieved £
Plant & Machinery – Unencumbered	4		4,650	1,400	
Plant & Machinery – Encumbered		433,861	68,891	10,891	120,000
Office Furniture, Fixtures & Computer Equipment	5	15,805	2,400	750	1,000
Vehicles	6	39,275	19,075	13,875	30,000
Stock	7	87,424	50,000	19,000	38,999
Business Intellectual Property	8	-	10,000	-	10,000
Goodwill	8	-	-	-	40,000
Customer Contracts (subject to burden)		-	-	-	1
TOTAL		576,365	155,016	45,916	240,000

Note 1: High Value – also referred to as "Market Value In-Situ" (Assuming that all assets are sold together as a whole, in their existing location, as part of a sale as a going concern).

Note 2: Low Value – also referred to as “Market Value Ex-Situ” (Assuming that assets are removed from their current location, at the expense of the Purchaser, with no reasonable marketing period).

Note 3: Market Value – defined as “the estimated amount for which an asset should exchange (at the valuation date) between a willing buyer and a willing seller in an arm’s length transaction”.

Note 4: Plant & Machinery – Axia were instructed to provide a valuation of the chattel assets of the Company and attended the Harlow and Poyser Street trading premises to inspect these assets. The unencumbered plant and machinery comprised micro brewing equipment, beer dispensing equipment, barrels, fridges, freezers, a mill and miscellaneous ancillary equipment. In Axia’s opinion, when considering these assets as a whole, they appeared to be well maintained. The brewing equipment is aged and in Axia’s opinion would generate little interest on the second user market if offered for sale.

The encumbered plant and machinery consists of brewing equipment, a bottling line, forklift and an electric scissor lift. In Axia’s opinion there is equity vested within the brewing equipment and bottling line as shown in the above valuation figures.

Note 5: Office Furniture, Fixtures and Equipment – these assets relate to the fixtures and fittings at the Poyser premises, and office furniture and computer equipment and are in fair condition. As with assets of this nature, unless they are relatively new and of good specification, residual values are generally low.

Note 6: Vehicles – the Company held four vehicles on finance agreements. The valuation figures provided are shown after settlement of the respective finance liabilities.

Note 7: Stock – the stock comprises of beer ingredients, bottled beer, keg beer, tank beer, packaging and miscellaneous spirits, wines and mixers. Management provided a detailed inventory to Axia as at 31 March 2019, which showed a total cost value of £87,424. A provision was made within the valuation to take into consideration stock depletion during April 2019. No allowance has been made for Retention of Title (“ROT”) claims within the valuation figures.

Note 8: Goodwill and Intellectual Property – Axia were instructed to provide a valuation of the Company’s business intellectual property, including the business name/trading style, brands, copyright and domain names, goodwill, rights to design, databases, confidential information (including know-how and trade secrets) and other intellectual property rights (“Business Intellectual Property”).

Axia advised that offers in the region of £10,000 should be sought for the Business Intellectual Property of the Company. Axia advised that the value of the Business Intellectual Property would be significantly diminished should the Company cease to trade.

The basis of this valuation was confirmed as being based on potential earnings but mitigated by the Company’s current loss making position.

Axia advised that a sale of the business and assets as a going concern would in the circumstances result in the best possible outcome for the Company’s creditors and therefore provided the “High” value noted above. The “Low” value was provided as what the Joint Administrators could expect to achieve if a sale of the business was not possible and the assets had to be sold on a piecemeal basis following a cessation of trade.

4.3 An explanation of the sale of the assets compared to those valuations

The consideration achieved for the assets was in excess of Axia’s valuation.

- 4.4 If no valuation has been obtained, the reason for not having done so and how the Administrator was satisfied as to the value of the assets.

Valuations were obtained for all assets.

5 THE TRANSACTION

- 5.1 As stated above the Joint Administrators were appointed on 3 May 2019 at 2.58pm and the contract for the sale of the Company's business and certain assets was exchanged and the sale was completed shortly after on the same day.

- 5.2 The Joint Administrators sold the Company's business and certain assets to Redchurch (London) Brewery Limited, a unconnected company.

5.3 Related Party Transactions and the Pre-Pack Pool

As the Purchaser was an unconnected party, they were not required to approach the Pre-Pack Pool and seek their opinion on the sale.

5.4 Viability Statement

As the Purchaser was an unconnected party, they were not required to provide a viability statement.

5.5 Assets involved and the nature of the transaction

The Company's assets bought by the Purchaser as detailed in the Sale and Purchase Agreement ("SPA") included:

- the Customer Contracts
- the Office Furniture and Equipment
- the Goodwill
- the Intellectual Property
- the Motor Vehicles
- the Plant and Machinery
- the right to use the Name
- the Harlow Premises
- the Seller's Records
- the Stock
- the Domain Names
- the Website

The consideration of £240,000 was apportioned under the SPA as follows:

Category of Asset	Fixed Charge (£)	Floating Charge (£)
The Goodwill	40,000	
The Intellectual Property	10,000	
The Motor Vehicles (Equity)		30,000
The Plant and Machinery		120,000
The Office Furniture and Equipment		1,000
The Customer Contracts		1
The Stock		38,999
Total	50,000	190,000

The total consideration of £240,000 was paid in full on completion. As part of the sale, it was agreed that various asset finance commitments totalling £46,239 will be settled from the consideration.

The sale specifically excluded, but not limited to, any cash at bank, the Company's debtor ledger totalling £234,154 and the tangible assets located at the Poyser Street Premises which Axia have valued at £4,600 (In-Situ) and £1,150 (Ex-Situ).

As a condition of the sale, the Purchaser was granted a licence to occupy the Harlow trading premises on a short term basis for a the period of 3 months from 3 May 2019. In addition to the consideration, the licence fee for the period totalling £25,956.25 plus VAT is payable in weekly instalments of £1,996.63 plus VAT in advance on the first day of each week.

There are no other terms of the SPA that could materially affect the asset consideration.

The Purchaser sought separate independent legal advice in relation to the purchase.

Employees were transferred to the Purchaser under TUPE, which will reduce preferential and unsecured claims in the Administration.

The Joint Administrators are not aware of any of the directors, or former directors, who are involved in the management or ownership of the Purchaser.

There are no buy-back arrangements or similar conditions attached to the contract of sale and the sale is not part of a wider transaction.

The Joint Administrators' are not aware of any personal guarantees having been given by any current or former directors to a prior financier.

6 STATUTORY PURPOSE OF ADMINISTRATION

6.1 The Joint Administrators must perform their functions with the objective of:

- (a) Rescuing the Company as a going concern, or (if this cannot be achieved)
- (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 (if (a) and (b) cannot be achieved)
- (c) *Realising property in order to make a distribution to one or more secured or preferential creditors.*

6.2 As mentioned previously, we are obliged to perform our functions in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of the creditors as a whole.

6.3 It was not reasonably practicable to achieve objective (a) unless external funds were introduced to provide working capital to finance a CVA. Neither the directors nor the shareholder were able to provide further funding and the Company was unable to survive in its current form regardless. It continued to be loss making and required a restructuring of the business.

- 6.4 It is anticipated that objective (b) is likely to be achieved as a sale of the business and assets as a going concern will result in:
- Greater realisations for the benefit of the Administration, which is anticipated to result in a distribution to the unsecured creditors; and
 - A reduction in preferential and unsecured claims in the Administration due to the transfer of employees.
- 6.5 The achievement of this objective will not unnecessarily harm the interest of the creditors as a whole.
- 6.6 As objective (b) is capable of being achieved it is not, at this stage, necessary to consider objective (c). However, it is anticipated that this objective will also be achieved, as based on the information currently available, the secured creditor, Barclays, will be repaid in full.
- 6.7 We confirm that, in our opinion, the transaction will enable the statutory purpose to be achieved and that the sale price achieved was the best reasonably obtainable in all the circumstances.

CREDITOR'S ELECTION TO OPT OUT

Insert court or Proceeding details	In the:	HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES	No:	CR-2019-002970
------------------------------------	---------	--	-----	----------------

Insert full name of Company	Re:	THE REDCHURCH BREWERY LIMITED (In Administration)
	Previous Name:	
	Registered No:	07004296

Address of Company	15-16 Mead Industrial Estate, Harlow, Essex CM20 2SE
--------------------	--

a) Insert full name and address of creditor making the election	I, (a)	
---	--------	--

a creditor of the above Company, elect to opt out of receiving documents.

I acknowledge that I shall remain an opted-out creditor for the duration of these and any following proceedings unless and until I elect in writing to revoke my opt out.

I acknowledge that I shall continue to receive:

- all documents that the Insolvency Act 1986 or the court requires to be delivered to all creditors;
- notice of any change in the office-holder or their contact details; and
- notice of any distributions applicable to me.

b) Insert name and address of office holder to whom you will deliver this notice	(b)	
--	-----	--

This form can be authenticated for submission by email by entering your name and email address and sending the form as an attachment from an email address which clearly identifies you.	Signed / Authenticated	
	Date	
	Name (BLOCK LETTERS)	
	Relationship to Creditor	

NOTICE OF GENERAL USE OF WEBSITE TO DELIVER DOCUMENTS

In the:	HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES	No:	CR-2019-002970
---------	---	-----	----------------

Re:	THE REDCHURCH BREWERY LIMITED (In Administration)
Previous Name:	N/a
Registered No:	07004296

Address of Company	15-16 Mead Industrial Estate, Harlow, Essex CM20 2SE
--------------------	--

NOTICE IS HEREBY GIVEN THAT Neil A Bennett and Ian Yerrill intend to deliver all future documents in this case (other than those listed below) to a website. The documents will be made available for viewing and downloading to the website without any further notice to you. The details of the website are:

Address of website: <https://leonardcurtis.insolvencydata.co.uk> ("the Website")

Key Code: 4P5NQAMB

The Joint Administrators are not obliged to deliver any documents to you (other than those listed below) unless they are requested to do so by you. You may, at any time, request a hard copy of any or all of the following:

- All documents currently available for viewing on the Website;
- All future documents which may be made available on the Website


Such requests should be made to the Joint Administrators at:

Telephone number: 020 7535 7000
 Email address: creditors@leonardcurtis.co.uk
 Postal address: Leonard Curtis, 5th Floor, Grove House, 248a Marylebone Road, London NW1 6BB

This Notice does not apply to the delivery of the following documents:

- i. A document for which personal delivery is required;
- ii. A notice under Rule 14.29 of the Insolvency (England and Wales) Rules 2016 of an intention to declare a dividend; and
- iii. A document which is not delivered generally

All documents and information made available via the website will remain on the website for at least two months after the conclusion of the administration.

Signed:		Dated:	10/05/2019
---------	---	--------	------------

NOTICE OF AN INVITATION TO CREDITORS TO FORM A CREDITORS' COMMITTEE

In the:	HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES	No:	CR-2019-002970
---------	---	-----	----------------

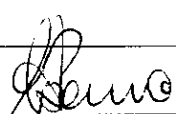
Re:	THE REDCHURCH BREWERY LIMITED (IN ADMINISTRATION)
Previous Name:	
Registered No:	07004296

Address of Company	15-16 MEAD INDUSTRIAL ESTATE, HARLOW, ESSEX, CM20 2SE
-----------------------	---

NOTICE IS HEREBY GIVEN, IN ACCORDANCE WITH PARAGRAPH 57 OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986, RULE 3.39 AND PART 17 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016, THAT creditors are invited to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee. N A Bennett and Ian Yerrill invite creditors to put forward their nominations for membership of the committee. Such nominations must be received by the date specified in this notice. The Joint Administrators can only accept nominations if they are satisfied as to the creditors' eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016.

Nominations must be received by: **30 May 2019**

and should be delivered to: **Neil A Bennett and Ian Yerrill**
5th Floor
Grove House
248a Marylebone Road
London
NW1 6BB
Tel: 020 7535 7000
Email: recovery@leonardcurtis.co.uk

Signed:		Dated:	10/05/2019
---------	---	--------	------------

Creditors are referred to section 1.4.3 of this report for a link to guidance for creditors as to the roles, duties and responsibilities of members of creditors' committees.

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	Ronnie Walters
Company name	Leonard Curtis
Address	5th Floor
	Grove House
	248a Marylebone Road
Post town	London
County/Region	
Postcode	N W 1 6 B B
Country	
DX	
Telephone	020 7535 7000



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