



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

1 Company details

Company number 0 7 5 3 5 2 6 7

Company name in full Bedlam Brewery Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Constantinos

Surname Pedhiou

3 Administrator's address

Building name/number 1 Kings Avenue

Street

Post town London

County/Region

Postcode N 2 1 3 N A

Country

4 Administrator's name ①

Full forename(s) Yiannis

Surname Koumettou

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 1 Kings Avenue

Street

Post town London

County/Region

Postcode N 2 1 3 N A

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 7	^m 0	^m 2	^y 2	^y 0	^y 2	^y 3
To date	^d 1	^d 6	^m 0	^m 8	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 1	^d 4	^m 0	^m 9	^y 2	^y 0	^y 2	^y 3
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**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 **Samantha George**

Company name **Begbies Traynor (Central) LLP**

Address **1 Kings Avenue**

Post town **London**

County/Region

Postcode **N 2 1 3 N A**

Country

DX **DX 36953 Winchmore Hill**

Telephone **020 8370 7250**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Constantinos Pedhiou and Yiannis Koumettou were appointed joint administrators on 17 February 2023

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

Bedlam Brewery Limited (In Administration)

Progress report of the joint administrators

Period: 17 February 2023 to 16 August 2023

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Bedlam Brewery Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 17 February 2023
"the administrators" "we" "our" and "us"	Constantinos Pedhiou of Begbies Traynor (Central) LLP, 1 Kings Avenue, London, N21 3NA and Yiannis Koumettou of Begbies Traynor (Central) LLP, 1 Kings Avenue, London, N21 3NA
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Bedlam Brewery Limited
Trading name(s):	None
Date of Incorporation:	18 February 2011
Company registered number:	07535267
Company registered office:	1 Kings Avenue, Winchmore Hill, London, N21 3NA

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Constantinos Pedhiou, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 1 Kings Avenue, London, N21 3NA and Yiannis Koumettou, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 1 Kings Avenue, London, N21 3NA
Date of administrators' appointment:	17 February 2023
Date of administrators' resignation:	N/A
Court:	High Court of Justice Business and Property Court in Birmingham
Court Case Number:	CR-2023-BHM-000026
Person(s) making appointment / application:	Robert Shepherd on behalf of the Directors
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
Type of Proceedings:	The proceedings will be COMI proceedings, as defined by the Insolvency (England and Wales) Rules 2016 (as amended)
Extensions of the administration period	There have been no previous extensions to the administration period.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 17 February 2023 to 16 August 2023.

Asset Realisations

Sale of Business, Goodwill & Assets

The Company's business, goodwill and specific assets were sold to Renatus Brewing Company Ltd ("Renatus"), an associated company by way of common directors, on 17 February 2023, shortly following the appointment of the Joint Administrators for the sum of £58,796.

In accordance with the terms of the sale agreement, the purchaser was to pay an initial lump sum of £38,796 upon completion. The balance of £20,000 was to be paid no later than 31 March 2023 and was payable upon the proviso that no obstruction was made to the buyers reasonable use and occupation of the property, to enable it to remove the assets in an orderly fashion.

It was further agreed that a licence fee, equal to the rent which was due for the period from 17 February 2023 to 31 March 2023 was also paid. This was calculated to be £4,924 and was also payable in full upon completion.

The deferred sale proceeds were supported by a personal guarantee which was provided by Robert James Shepherd, a director of the Company and sole director of Renatus.

I can confirm that, during the current reporting period, all payments due from Renatus under the terms of the sale agreement were paid in full.

Plant & Machinery / Office Furniture & Equipment

The Company owned additional Plant & Machinery as well as Office Furniture & Equipment that was not included in the sale of business to Renatus. Accordingly, our agents identified a third party who was willing to purchase these and incur the costs in their collection from the Company's trading premises. Accordingly, I can confirm that the sum of £1,300 plus VAT was received in relation to the Plant & Machinery together with an additional £200 plus VAT in relation to the Office Furniture & Equipment.

Motor Vehicles

The Company owned a VM Amarok which was also not included in the sale to Renatus. I can confirm that this vehicle was removed by our agents and held in secure storage pending a sale by auction. A sale of this vehicle was subsequently undertaken in auction which took place in April 2023 for the sum of £21,500 plus VAT.

Book Debts

The Company operated an invoice finance facility with HSBC Invoice Finance Ltd ("HSBCIF"). As at the date of Administration, HSBCIF had been fully repaid from debtor collections such that there was no remaining liability due from the Company.

HSBCIF subsequently transferred a credit balance of £8,384.38 in relation to the surplus of debtor funds held, after the deduction of termination and other charges, into the Administration estate.

This left remaining debts amounting to £64,922.62 which remained collectable. I can confirm that, to date, collections amounting to £23,104.99 have been achieved. The Administrators intend to pass the outstanding ledger over to agents shortly in order that attempts can be made to maximise remaining recoveries.

Creditors will therefore be updated in relation to this matter in due course.

Bank Interest Gross

During the current reporting period, gross bank interest in the sum of £40.89 has been received.

Rents Received / Rents Payable

As part of the sale, referred to above, Renatus was liable for payment of the rent, calculated to be £4,924 for the period in which they was to occupy the Company's trading premises, i.e. from 17 February 2023 to 31 March 2023, so that this could, in turn, be paid to the landlord.

I can confirm that this sum was received from Renatus and that the sum of £4,740.72 has been paid to the landlord for this period. There is a small difference of £183.28 between the sum received from Renatus and the sum expenses, which is as a result of the calculation of rent over a 12-month period. The landlord is currently claiming that a further balance is due in relation to rent for the period and we are in the process of agreeing this. Thereafter, if there is any balance remaining this will be returned to Renatus.

Cost of Realisations

Administrators' **Pre-Appointment Fee**

The sum of £13,851 plus VAT has been drawn during the current reporting period in relation to the Administrators' agreed pre-appointment fee. Further details in relation to this can be found in Section 6 below.

Administrators' Fees

The sum of £40,071.33 plus VAT has been drawn during the current reporting period, on account of Administrators' approved remuneration. Further details in relation to this can be found in Section 7 below

Legal Fees – Pre-Appointment

The sum of £15,000.00 plus VAT has been paid to our solicitors, The Wilkes Partnership, during the current reporting period. This relates to the work undertaken with regards to the appointment of the Administrators' and subsequent sale of the Company's business, goodwill and assets.

Legal Fees & Expenses

The sum of £115.00 has been paid to The Wilkes Partnership on account of general legal expenses. Additional legal fees for work undertaken post-administration have also been incurred and an invoice is awaited in this respect.

Agents Fees

As set out in this firm's engagement letter signed by the Company's directors, it was agreed that within our pre-appointment fee, we would discharge the marketing costs of Messrs SIA Group and Rabbow & Co LLP, who acted as joint valuation agents. These fees related to the costs incurred in providing a valuation of the Company's business, goodwill and assets and assisting with the marketing and ultimate sale in this respect. This only related to their pre-appointment costs and any costs relating to the marketing of the business. Any additional costs incurred subsequent to the Administration commencing would be discharged as an expense of the Administration.

Accordingly, during the current reporting period, the sum of £2,781.02 plus VAT was paid to agents, SIA Group in relation to the work undertaken in the sale of assets post-appointment. This sum includes payment of expenses in the sum of £481.02. An additional sum of £1,150.00 was incurred by Rabbow & Co, as joint agents, for the work undertaken in realising the Company's remaining assets that were not included in the sale to Renatus. This work comprised identifying and liaising with a third party in relation to the sale of the Company's Plant & Machinery and Office Furniture and Equipment and ultimately agreeing for their purchase and collection. In addition, this relates to the work undertaken in relation to the collection of the Motor Vehicle and subsequent sale by auction. It should be noted that the pre appointment fees incurred by Rabbow, in the sum of £2,939.80 plus VAT, were also paid from the estate in error during the current reporting period. This sum has, however, been refunded during the period subsequent to that covered by this report.

Insurance

Albeit the majority of the Company's assets were sold upon the appointment of the Administrators, there were remaining assets for which we were required to obtain insurance cover.

I can confirm that the sum of £308.00 was paid to agents, Eddisons Insurance Services Limited, for insurance of these assets covering the period from 17 February 2023 to 18 April 2023.

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

I would confirm that during the current reporting period, the Administrators' have realised and dealt with the Company's assets and have liaised with our agents, the purchaser, the landlord of the Company's former trading premises and the Company's managing director in this respect. We have also ensured that payment of the deferred balance was also paid in a timely manner. We have also addressed correspondence generally, as reported below.

We have taken steps to correspond with the Company's debtors with a view to realising the outstanding amounts due and have also liaised with the provider of the Company's factoring facility regarding the closure of the debtor ledger and transfer of the credit balance to the administration estate.

We have also liaised with our agents in relation to securing insurance cover for the Company's various assets that were not sold to Renatus. In addition, we have liaised with queries from the Company's voluminous shareholders and have also dealt with employee claims and queries.

In addition to dealing with all statutory and compliance matters associated with maintaining the administration, our staff have dealt with any creditor correspondences and telephone calls received in relation to the progress of the liquidation. These tasks were completed in line with best practice guidelines. The completion of these tasks are standard insolvency requirements and are of no financial benefit to creditors.

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

The costs are not split out per heading, as our proposed fees are based on a fixed sum and/or a percentage basis.

The details below relate to the work undertaken in the current reporting period, following our appointment in this matter.

Work undertaken for which our fees were approved on a fixed fee basis:

General case administration and planning

This represents the work that is involved in the routine administrative functions of the case by the office holders and his staff, together with the control and supervision of the work done on the case by the office holders and their managers. Insolvency Practitioners are required to maintain records to demonstrate how the case is administered and to document any decisions that materially affect the case.

At the onset of the case, we will form a strategy for how the case will be managed. This will take into consideration the level of assets to be realised, how those assets will be realised and whether there will be sufficient realisations to enable a distribution to the Company's creditors.

The case will be subject to regular reviews to ensure case progression and the files will be kept up to date.

It does not give any financial benefit to the creditors but has to be undertaken by the office holders to meet their requirements under the Insolvency Legislation and the Statements of Insolvency Practice, which set out the required practice that office holders must follow. The work undertaken in this respect during the current reporting period is as follows:

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical/electronic case files (as applicable).
- Setting up the case on the practice's electronic case management system and entering data.
- Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular reconciliations of the bank account containing estate funds.

- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.

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

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines, known as Statements of Insolvency Practice. We have certain statutory obligations and duties to fulfil whilst in office which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the period. We are also required to notify various bodies of our appointment, including creditors, Companies House and advertise the joint administrators appointment in the London Gazette.

We are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of pension departments, banks and other parties, who would have an interest in the proceedings. There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals, such as agents and solicitors to assist where necessary.

The Insolvency Act and Rules requires the Administrators to provide updates on a 6-month basis to all relevant bodies on the progression of the Administration and the steps which have been taken during the period of the Administration. In this respect I would confirm that the appropriate documents were filed with the Registrar of Companies and all known members and creditors.

The work undertaken in this respect during the current reporting period is as follows:

- Filing all statutory returns at Companies House
- Advertising the Administration in the London Gazette.
- Issuing statutory notifications to all relevant parties.

This work does not benefit creditors financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

Initial Investigations

The office holders are required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and costs of undertaking such an initial investigation are included in the fixed fee which was agreed by creditors.

Within three months of appointment, we are required to submit an online conduct report in accordance with the Company Directors' Disqualification Act. In order to fulfil this duty, we seek to recover the Company's books and records, both hard copy and electronic, from the Company in order to undertake the initial investigations. An initial investigation is carried out in all cases to determine whether there are potential recovery actions for the benefit of creditors that may then require more detailed work. Such investigations include analysis of the Company's bank statements, reviewing information provided by third parties and an analysis of the Company's management accounting records / systems. Any person who is or has been a director, or is considered as a de facto or shadow director of the Company in the three years prior to the insolvency event are also asked to complete a questionnaire to assist with our investigations.

The work undertaken in this respect is as follows:

- Recovering the books and records for the case.
- Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.
- Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors etc.,
- Reviewing books and records to identify any transactions or actions the office holders may take against a third party in order to recover funds for the benefit of creditors.

Whilst this work does not always benefit creditors financially, in some instances, potential recovery action is identified which would be taken for the benefit of the Company's creditors.

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

I can confirm that this office has dealt with all creditor queries as and when received. Creditors' claims have, to date, been logged on our system but we have not yet taken steps to formally agree or admit any of the claims received. The work undertaken in this respect during the current reporting period is as follows:

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors.
- Obtaining information from case records regarding employee claims.
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees and their representatives regarding their claims.

Other matters which include seeking decisions from creditors, Tax, Pensions and Travel

During the course of administering the case, the Insolvency Practitioner may be required to undertake additional work which doesn't necessarily fall under any of the other categories above. These may include seeking decisions from creditors on various proposed resolutions, including where relevant an increase to our original remuneration estimate and whether a creditors committee is formed.

The submission of VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As set out above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

We may be required to travel to the Company's premises or to a meeting external to our office if it assists with the realisation of assets, investigations or another aspect of the case.

The work undertaken in this respect during the current reporting period is as follows:

- Liaising with the requisite creditors with regards to agreeing the Joint Administrators' Proposals and seeking fee approval.
- Issuing Statutory notification to the Company's pension provider.
- Submitting VAT insolvency documentation.

This work does not benefit creditors financially but is necessary in accordance with best practice.

Work undertaken for which our fees were approved on a percentage of realisations basis:

Realisation of assets

Insolvency Practitioners are required to maximise realisations for the benefit of the Company's creditors. In order to do this, we have instructed professional agents to carry out negotiations, provide inventories and valuations. We also instructed solicitors to assist in some respects.

All work undertaken in relation to asset realisations is for the purpose of realising property and assets for the benefit of creditors generally, but are subject to the costs of the proceedings generally. We undertake the work to protect and then realise the assets, initially at our own cost, suffering the loss if any asset is not realisable. If assets are recovered, we first recover our costs and then distribute any balance.

The work undertaken in this respect during the current reporting period is as follows:

- Liaising with our agents and solicitors, as well as the purchaser, in relation to the sale of the Company's business, goodwill and assets.
- Liaising with the purchaser with regards to payment of the deferred consideration.
- Liaising with the Company's secured creditor regarding the closure of the Company's debtor ledger and for the credit balance held to be transferred to the Administration estate account.
- Corresponding with Debtors with regards to the realisation of the Company's outstanding book debt ledger.

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the creditors generally.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the director's statement of affairs) are as follows:

Secured creditor

As at the date of Administration, there was no outstanding liability due to HSBCIF, who had previously been repaid in full from the realisation of the Company's factored debtor ledger. As such, there is no known liability due to the Company's secured creditor.

Preferential creditors

Given that the Company's employees were originally to have been transferred to Renatus, under the terms of the sale, it was not originally anticipated that there would be any preferential claims in relation to wages and holiday pay.

However, we were subsequently made aware that some employees had been made redundant prior to the Company's Administration, who had not received all the entitlements that they were due.

I can confirm that the Administrators therefore subsequently allowed for claims to be submitted by the employees in question. I can confirm that the Redundancy Payments Office have subsequently submitted a formal preferential claim in the Administration in the sum of £2,417.55.

There may be additional preferential claims due to the Company's employees, over and above the statutory limits which have been imposed on claims by the Redundancy Office and these claims will be properly calculated prior to a dividend being declared and issued.

Secondary preferential creditors

Further to the changes to the Finance Act 2020, HM Revenue & Customs are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

The secondary preferential claim of HM Revenue & Customs is estimated at £13,736 and, for the reasons set out below, a final claim in this respect is awaited from HMRC.

Unsecured creditors

Claims of the Company's trade and expense creditors were estimated at £123,971.84 and I can confirm that claims totalling £44,966.79 have, to date, been received from these creditors. Two additional claims amounting to £17,173.15 have been received from creditors not originally included in the draft Statement of Affairs provided by the Administrators. The first claim in the sum of £1,052.66 is from a utility provider and the second claim in the sum of £16,120.49 has been received from the Local Authority.

The unsecured element of HMRC's claim, in the sum of £49,099, relates to unpaid Beer Duty. HMRC is continuing to liaise with the Company's managing director with regards to missing returns and, once this matter has been resolved, it is anticipated that a formal claim will be received from HMRC.

The Company received a Bounce Back Loan, of £50,000, from its bankers, HSBC Bank Plc, from which the sum of £45,249.87 remained outstanding at the time of Administration. It was anticipated that the credit balance held in the account would be utilised towards set off against the liability due, resulting in a net balance remaining due to HSBC of £39,784.72. However, a formal claim is still awaited from HSBC in this respect.

The Company's landlord, St Helena Farm Partnership, is a creditor for the sum of £39,593.80 in relation to unpaid rent and I can confirm that a formal claim of £39,593.80 has been received in this respect.

The sum of £115,500 is due to an associated company, Vicarious Pub Ltd ("Vicarious"), in relation to funds that were advanced to the Company against the purchase of unfinished stock. A formal claim in the sum of £115,500 has been received in this respect.

One of the Company's directors, Mr Robert James Shepherd, is a creditor of the Company for the sum of £81,500 and a formal claim in the sum of £81,500 has been received in this respect.

Two former directors, namely Ian Hawkins and Dominic Worrall remain creditors of the Company for the sum of £5,000 each. A third former director, Nicholas Cooper also remains a creditor of the Company for the sum of £10,000. I can confirm that formal claims have been received from two of these parties, amounting to £15,000. The third claim is still awaited.

A formal unsecured claim has also been received from the Redundancy Payments Office in the sum of £4,698.65. There may be additional unsecured claims due to the Company's employees, over and above the statutory limits which have been imposed on claims by the Redundancy Office and these claims will be properly calculated prior to a dividend being declared and issued.

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

Secured creditors

There are no known secured creditor claims.

Preferential creditors

We consider that there will be sufficient funds for a dividend to be paid to preferential creditors.

Secondary preferential creditors

We consider that there will be sufficient funds for a dividend to be paid to HM Revenue & Customs after payment in full of the preferential creditors.

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

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

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

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

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

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the preferential and unsecured creditors.

Unsecured creditors

Based upon realisations to date and estimated future realisations there may be sufficient funds available to enable a small dividend to be paid to the unsecured creditors. However, this will be dependent on the successful realisation of the Company's remaining book debts.

Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

6. PRE-ADMINISTRATION COSTS

On 15 March 2023, the following amounts in respect of unpaid pre-administration costs were approved by the requisite creditors by way of a formal decision procedure:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	BTG	13,851.00	2,770.20	16,621.20
Legal costs	The Wilkes Partnership LLP	15,000.00	3,000.00	18,000.00
TOTAL UNPAID PRE-ADMINISTRATION COSTS		28,851.00	5,770.20	34,621.20

We can confirm that, the sum of £28,851 has been paid from the funds held in the estate, on account of the pre-appointment costs, during the current reporting period.

It should be noted that, as set out above, it was agreed that within our pre-appointment fee, we would discharge the marketing costs of Messrs SIA Group and Rabbow & Co LLP, who acted as joint valuation agents. I can confirm that these costs amounted to £11,819.40 plus VAT and were subsequently paid by this firm directly. Accordingly, no resolution was sought from creditors for these costs to be paid as an expense of the Administration.

7. REMUNERATION & EXPENSES

Remuneration

Our remuneration was authorised by the Company's creditors on a fixed fee and percentage basis as follows:

Fixed Fee

The Joint Administrator's remuneration was previously authorised, on 5 March 2023 by the requisite creditors by way of a formal decision procedure. We were authorised to draw a fixed fee of £35,000 plus VAT for dealing with all administrative matter, statutory matters, dealing with creditors and in dealing with initial investigations.

I can confirm that, during the current reporting period, the sum of £35,000 has been drawn in respect of this agreed fixed fee from the funds held in the estate.

Percentage Basis

The Administrators were also authorised to draw a percentage of realisations (20%) for our work in respect of the realisation of the Company's various assets, comprising Book Debts, Goodwill/IP, Plant & Machinery, Stock, Motor Vehicles and Office Furniture & Equipment, as set out below:

Based on realisations achieved, to date, we are entitled to remuneration of £22,656.67. I can confirm that, during the current reporting period, the sum of £5,071.33 plus VAT has been drawn in respect of work done for which our fees were approved as a percentage of realisations.

We have realised the following assets in relation to which approval has been obtained that a percentage of the sums realised be taken as remuneration:

Description of asset	Value of assets realised in period of this progress report	Total value of assets realised since appointment	% remuneration agreed	Total fees drawn to date	Fees not drawn to date
Goodwill / IP	£10,001.00	£10,001.00	20%	£Nil	£2,000.20
Plant & Machinery	£31,300.00	£31,300.00	20%	£Nil	£6,260.00
Motor Vehicles	£21,500.00	£21,500.00	20%	£Nil	£4,300.00
Office Furniture & Equipment	£200.00	£200.00	20%	£Nil	£40.00
Stock	£18,793.00	£18,793.00	20%	£Nil	£3,758.60
Book Debts	£31,489.37	£31,489.37	20%	£5,071.33	£1,226.54
TOTAL	£113,283.37	£113,283.37		£5,071.33	£17,585.34

Finally, we were also authorised to draw 10% of distributions to the Company's secondary preferential and unsecured creditors. However, as no distributions have been made to either class of creditor, during the reporting period, we are not entitled to draw any remuneration in this respect.

As can be seen from the information above, the level of our approved remuneration has been sufficient to cover the costs of the administration and we are pleased to report that we do not anticipate seeking any increase or amendment to our approved remuneration basis if matters progress to conclusion as envisaged.

Category 1 Expenses

To 16 August 2023, we have incurred total expenses of £14,324.11, as set out further in Appendix 2. As set out above, the sum of £6,985.85 plus VAT has been paid from the funds held in the estate, during the current reporting period, in relation to the post-appointment expenses incurred by our agents and solicitors. As explained above, the pre appointment fees incurred by Rabbow, in the sum of £2,939.80 plus VAT, which is included in these payments, were paid from the estate in error during the current reporting period. This sum has subsequently been refunded during the period subsequent to that covered by this report.

Category 2 Expenses

Details of the Category 2 expenses that have been paid during the period of this report in accordance with the approval obtained are as follows:

Type and purpose	Amount £
<u>OPEN COVER INSURANCE:</u>	308.00
Eddisons Insurance Services Limited ("EIS"), which is a member of the Begbies Traynor group, has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets.	

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 2.

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
SIA Group Asset Ingenuity Ltd	Agents – Instructed to conduct a valuation and sale of the Company's business, goodwill and assets and assisting in the marketing and ultimate sale in this respect. Further to identify a buyer for the remaining assets not subject to that sale.	10% plus Expenses and VAT
Rabbow & Co LLP	Agents – Providing assistance with regards to marketing and ultimate sale of the Company's business, goodwill and assets. Further to assist where necessary with the identification of any buyer for the remaining assets not subject to that sale.	5% plus Expenses and VAT
The Wilkes Partnership LLP	Solicitors – Legal costs incurred in relation to assistance provided in carrying out work pertaining to the appointment of the Administrators and subsequent sale of the Company's business, goodwill and assets. Providing legal advice generally as required.	Time Costs plus Expenses and VAT

SIA Group Asset Ingenuity Ltd ("SIA Group") – Auctioneers and Valuers

Mr Stephen Readman of SIA Group was instructed to conduct a valuation and sale of the Company's goodwill and assets and were chosen due to their insolvency specialism, efficiency and competitive market rates. Mr Readman is a member of the Royal Institute of Chartered Surveyors (RICS). His engagement to dispose of the Company's assets is based on a 10% commission on realisations plus expenses and VAT.

Rabbow & Co LLP – Auctioneers and Valuers

Rabbow & Co were instructed to provide assistance with regards to the pre-appointment marketing and ultimate sale of the Company's business, goodwill and assets and to further assist where necessary in relation to the remaining assets following the appointment of the Administrators. Rabbow & Co LLP were chosen due to their insolvency specialism, efficiency and competitive market rates. Staff at Rabbow & Co are NAVA members. Their engagement to dispose of the Company's assets is based on a 5% commission on realisations plus expenses and VAT.

The Wilkes Partnership LLP - Solicitors

The Wilkes Partnership LLP ("Wilkes") were instructed to assist the office holders in this matter and were chosen due to their specialism in insolvency law and their known effectiveness on prior assignments. Wilkes is a legal practice firm regulated by the Solicitors Regulation Authority and employs qualified solicitors. Wilkes have been instructed on a time cost basis and their charge out rates and grades of the members of their firm that may assist in this matter are considered commercially competitive for the profession.

The choice of professionals was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. We also consider that the basis on which they will charge their fees represents value for money.

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

Assets that remain to be realised

The assets of the Company consisted of Goodwill / IP, Equipment held on Finance, Plant & Machinery, Office Furniture & Equipment, Motor Vehicles, Stock, Book Debts, Cash at Bank, Business Contracts and Records. At this stage in the administration, we have the following assets left to realise:

- ❑ Book Debts – It is anticipated that the Company's remaining uncollected debts will be passed to a recovery agent to continue to realise on behalf of the administrators.

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

The Administration will continue, for the time being in order to enable the Administrators to finalise the Company's remaining asset realisations and to received final preferential and secondary preferential claims in order to facilitate the payment of a dividend to these class of creditors. The work still to be undertaken is as follows:

General case administration and planning

All routine correspondence will continue to be dealt with and the office holder's cashbook will continue to be maintained and a final reconciliation of the Company's estate bank account will be undertaken. The completion of these tasks will be of no financial benefit to the Company's creditors. The work which is expected to still be undertaken in relation to this matter is as follows:

- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holders' estate bank account.
- Undertaking a final reconciliation of the bank account containing estate funds.
- Undertaking periodic reviews on the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.

The work identified above does not hold any direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular Administration is dealt with to the standards expected and also in a timely manner. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

Statutory Reports on the progress of the Administration will continue to be prepared on a 6-monthly basis in order to provide creditors with an update regarding the progression of the Administration. Once the

Administration is brought to an end, we will also prepare our final report to be issued to the Company's members and creditors as well as being filed at Companies House.

A bond review will also be undertaken to ensure that the level of the statutory bond remains sufficient.

The work identified above does not hold direct commercial benefit to creditors. It is the duty of the appointed office holders to comply with the Insolvency Act and Rules and creditors benefit from this being done at a standard expected of this firm.

Investigations

We will continue to investigate, as necessary, any matters pertaining to the Company and its affairs prior to our appointment as Administrators.

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

Creditors' claims are dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on. However, all claims received have been noted and registered.

The work anticipated still to be undertaken in this respect is as follows:

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Reviewing proof of debt forms received from unsecured creditors.
- Liaising with the Company's preferential and secondary preferential creditors regarding any dividends payable from the funds held.
- Calculating and paying a dividend to preferential / secondary preferential creditors.

Other matters which includes seeking decisions of creditors via decision procedures, tax, litigation and pensions

The office holder is also anticipating additional work will be required, which doesn't necessarily fall under any of the other categories above.

These include the submissions of VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, I am also duty bound to provide notifications and further assistance to pension departments where applicable.

The work still anticipated to be undertaken in this respect is as follows:

- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

Some of the work detailed above will have no direct financial benefit to creditors but must be done as a legal requirement. Some of the work does, however, have a financial benefit as this includes the provision of VAT returns for the post-administration period, which will result in VAT becoming recoverable and therefore an asset of the insolvency estate.

Realisation of assets

As detailed above, there are recoveries still to be made in relation to the Company's outstanding book debts. It is anticipated that the Administrators will need to appoint an agent to continue recoveries in this respect and will continue to liaise with that agent in relation to any queries raised by debtors.

The ongoing realisation of the Company's remaining assets will therefore continue to be made.

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the Company's creditors.

How much will this further work cost?

The costs of the work still to be undertaken forms part of our agreed fees.

The 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been completed. As you know, this work is necessary in order that I may complete the administration as envisaged. The cost of completing this work will not exceed any amounts approved by creditors previously.

What is the anticipated payment for administering the case in full?

We estimated that the cost of administering the case would be based on a fixed fee of £35,000 together with 20% of realisations and 10% of distributions and subsequently the requisite creditors provided approval for us to draw our remuneration up to that level. At this stage in the administration, I can estimate that total remuneration drawn will be in the region of £59,956. Costs incurred over and above our approval will be written off.

However, please note that should there be additional or unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level that the creditors approve.

10. OTHER RELEVANT INFORMATION

Proposed exit route from administration

We would remind creditors that our Proposals stated that in order to achieve the objective of the Administration, which was to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, we should continue to manage the business, affairs and property of the Company and, in particular, that we:

- Collect the deferred consideration in respect of the sale of the Company's assets to Renatus.
- Liaise with HSBCIF and the Company's directors with regards the Company's remaining book debts.
- Correspond with all remaining debtors, with a view to realising the respective book debts.
- Liaise with our agent with a view to securing additional realisations of the Company's remaining assets that were not included in the sale.
- Investigations and reporting on the conduct of the directors;
- If appropriate, pursue any claims that the Company may have against any person, firm or Company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company;
- Do all such things and generally exercise our powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or any purpose incidental to these Proposals;
- Agree the secondary preferential creditor claim & issue a dividend to the Company's secondary preferential creditor
- Closure of the Administration.

Once all matters pertaining to the realisation of the Company's assets and the Administration generally have been concluded then, in the first instance, a dividend will be paid to the Company's preferential and secondary preferential creditors.

However, in the event it is not possible to finalise the Administration, as anticipated, within the 12-month statutory period, i.e. one year from the date of our appointment, it may be that our term of office may be extended, either with the consent of the Company's creditors or by the Court, for a period not exceeding 12 months. It therefore remains the case that consent may be sought, in the first instance, from the Company's creditors for the Administration to be extended for up to an additional 12 months, following the anniversary of the Joint Administrators' appointment, in order to enable the purpose of the Administration to be achieved.

Alternatively, the Administration could end by placing the Company into CVL, as it is anticipated that a distribution will be made to the unsecured creditors of the Company, which is not a distribution of the prescribed part.

We have the power to make a distribution of the prescribed part to unsecured creditors in the administration, however, any other distributions to such creditors requires the permission of the Court. It is considered that the Court will only grant such permission in exceptional circumstances, when the normal course for making distributions to unsecured creditors in a voluntary liquidation is not appropriate. Additionally, there may be matters for enquiry concerning a company's affairs, which are not within the scope of an administrator's powers and which can only be properly be dealt with by a liquidator.

Alternatively, if it transpires that any of the above courses of action are not possible and if there are insufficient funds with which to make a dividend to the Company's unsecured creditors, then as soon as we are satisfied that we have fully discharged our duties as administrators, any monies due to the Company's secondary preferential creditors have been paid and that the purpose of the Administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators will cease to have effect and, at the end of three months, the Company will automatically be dissolved.

The Administration will, however, continue for the time being to allow any further realisation of the remaining debtor monies due from customers.

Creditors will therefore be updated further in relation to this matter in due course.

Use of personal information

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

11. CREDITORS' RIGHTS

Right to request further information

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

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than

10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

12. CONCLUSION

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

A handwritten signature in black ink, appearing to read 'Pedhiou', with a large, stylized initial 'P'.

Constantinos Pedhiou FCCA, MABRP
Joint Administrator

Dated: 14 September 2023


ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 17 February 2023 to 16 August 2023

Bedlam Brewery Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 17/02/2023 To 16/08/2023 £	From 17/02/2023 To 16/08/2023 £
10,001.00	SECURED ASSETS		
	Goodwill / IP	10,001.00	10,001.00
		10,001.00	10,001.00
NIL	SECURED CREDITORS		
	HSBC Invoice Finance	NIL	NIL
		NIL	NIL
	HIRE PURCHASE		
151,000.00	Brewery Equipment	NIL	NIL
(209,172.00)	Close Brothers Brewery Rentals	NIL	NIL
14,500.00	Combilift Pallet Truck	NIL	NIL
(22,852.00)	BNP Paribas Leasing Solutions	NIL	NIL
10,000.00	Testing Equipment	NIL	NIL
(14,975.00)	Ninkasi Rentals & Finance Ltd	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest Gross	40.89	40.89
58,645.00	Book Debts	31,489.37	31,489.37
2.00	Business Contracts and Records	2.00	2.00
NIL	Cash at Bank	NIL	NIL
11,500.00	Motor Vehicles	21,500.00	21,500.00
350.00	Office Furniture & Equipment	200.00	200.00
33,000.00	Plant & Machinery	31,300.00	31,300.00
	Rent Received	4,924.00	4,924.00
18,793.00	Stock	18,793.00	18,793.00
		108,249.26	108,249.26
	COST OF REALISATIONS		
	Administrators' Fees	40,071.33	40,071.33
	Agents/Valuers Fees (1)	6,870.82	6,870.82
	Insurance of Assets	308.00	308.00
	Legal Fees - Pre-Appointment	15,000.00	15,000.00
	Legal Fees & Expenses	115.00	115.00
	Pre-Appointment Fee	13,851.00	13,851.00
	Rents Payable	4,740.72	4,740.72
		(80,956.87)	(80,956.87)
(13,736.00)	SECONDARY PREFERENTIAL CREDITORS		
	HMRC	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(81,500.00)	Directors Loan	NIL	NIL
(20,000.00)	Former Director Loans	NIL	NIL
(49,099.00)	HMRC - Beer Duty	NIL	NIL
(45,249.87)	HSBC Bank Plc - BBL	NIL	NIL
(39,593.80)	Landlord	NIL	NIL
(123,971.84)	Trade Creditors	NIL	NIL
(115,500.00)	Vicarious Pub Ltd	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(496.49)	Investment 'B' Shares	NIL	NIL
(16,340.51)	Ordinary 'A' Shareholders	NIL	NIL
(2,360,148.64)	Share Premium	NIL	NIL
		NIL	NIL
(2,804,844.15)		37,293.39	37,293.39
	REPRESENTED BY		

Bedlam Brewery Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 17/02/2023 To 16/08/2023 £	From 17/02/2023 To 16/08/2023 £
REPRESENTED BY CONTINUED		
Floating Current Account		36,475.43
Vat Receivable		817.96
		37,293.39
		
		Constantinos Pedhiou Joint Administrator

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Agent's Fees	SIA Group (UK) London Ltd	2,781.02	2,781.02	Nil
Agents Fees	Rabbow & Co LLP	1,150.00	1,150.00	Nil
Legal Fees & Expenses	The Wilkes Partnership	10,115.00	115.00	10,000.00
Statutory Advertising	The Legal & Public Notices	100.00	Nil	100.00
Postage	Postworks	190.09	Nil	190.09
Bond	Insolvency Risk Services	103.00	Nil	103.00
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Insurance Open Cover	Eddisons Insurance Services Limited	308.00	308.00	Nil