

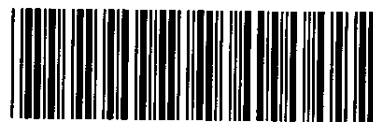
AM10

Notice of administrator's progress report



Companies House

SATURDAY



A26 *A8YCMJRD* 08/02/2020 #138
COMPANIES HOUSE

1 Company details

Company number 0 8 4 7 1 4 7 4

Company name in full Hop Stuff Brewery Limited

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

2 Administrator's name

Full forename(s) Neil David

Surname Gostelow

3 Administrator's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

4 Administrator's name ①

Full forename(s) William James

Surname Wright

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

5 Administrator's address ②

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region


Postcode E 1 4 5 G L

Country

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

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Notice of administrator's progress report

6	Period of progress report																
From date	d	1	d	2	m	0	m	7	y	2	y	0	y	1	y	9	
To date	d	1	d	1	m	0	m	1	y	2	y	0	y	2	y	0	
7	Progress report																
I attach a copy of the progress report <input checked="" type="checkbox"/>																	
8	Sign and date																
Administrator's signature	Signature X  X																
Signature date	d	0	d	6	m	0	m	2	y	2	y	0	y	2	y	0	

AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Jannice Adofo
Company name	KPMG LLP
Address	15 Canada Square Canary Wharf
Post town	London
County/Region	
Postcode	E 1 4 5 G L
Country	
DX	
Telephone	Tel +44 (0) 20 7311 1000



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



Joint
Administrators'
progress
report for the
period 12 July
2019 to 11
January 2020

Hop Stuff Brewery Limited - in
Administration

7 February 2020

Deemed delivered: 7
February 2020

Notice to creditors

This progress report provides an update on the administration of Hop Stuff Brewery Limited (in administration) (the 'Company').

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.kpmg.co.uk/hopstuffbrewery>. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 7).

Contents

1	Executive summary	1
2	Progress to date	2
3	Dividend prospects	3
4	Joint Administrators' remuneration, disbursements and pre-administration costs	4
5	Future strategy	5
Appendix 1	Statutory information	6
Appendix 2	Joint Administrators' receipts and payments account	7
Appendix 3	Schedule of expenses	8
Appendix 4	Joint Administrators' revised fees estimate	9
Appendix 5	Joint Administrators' charging and disbursements policy	11
Appendix 6	Glossary	17
Appendix 7	Notice: About this report	18

1 Executive summary

- The Company operated a brewery in London and had three fully owned subsidiaries that each operated a taproom.
- Further to engaging KPMG to run a process exploring the Company's options, including the sale or refinance of the business, the Director resolved that the Company had no reasonable prospect of avoiding insolvency.
- The Director therefore made an application to Court for the Company to be placed into administration. An Administration Order was made by the Court on 12 July 2019 and we were duly appointed.
- This progress report covers the period from the date of our appointment to 11 January 2020.
- We delivered our statement of proposals ('Proposals') to all known creditors on 26 July 2019. They were deemed approved without modification on 9 August 2019.
- Immediately following our appointment, the majority of the Company's business and assets were sold to Molson Coors Brewing Company (UK) Limited (the 'Purchaser') in a pre-packaged sale. Following the sale, the overall strategy of the administration has focused on:
 - Reviewing the affairs of the Company to ascertain if there are any further recoveries.
 - Conducting our investigations into the conduct of the Directors in the lead up to the administration of the Company.
 - Assessing tax losses across the Group to see if potential tax liabilities from the sale can be mitigated.
 - Writing to all known debtors of the Company to request that debts owed are repaid to the administration estate (Section 2 - Progress to date).
- Based on current estimates, we forecast that the Secured creditor will suffer a shortfall against their debt (Section 3 - Dividend prospects).
- It is currently uncertain whether or not there will be sufficient funds to enable a distribution to preferential creditors (Section 3 - Dividend prospects).
- Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors (Section 3 - Dividend prospects).
- We anticipate that the most likely exit route will be via an application to Court to end the administration. We will also seek discharge of liability from the Court.
- Please note: you should read this progress report in conjunction with our proposals which were issued to the Company's creditors and can be found at <http://www.kpmg.co.uk/hopstuffbrewery>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Neil Gostelow
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our proposals.

2.1 Strategy and progress to date

Strategy

Pre-packaged sale

Immediately upon our appointment as Joint Administrators on 12 July 2019, a sale of the business and majority of the assets of the Company and its three subsidiaries was completed to the Purchaser, who was an unconnected third party. The total consideration for the wider transaction was £679,000, of which the Purchaser apportioned £459,134 against the assets of the Company.

The transaction secured the employment of the 11 employees who transferred to the Purchaser as part of the sale via TUPE.

We continue to liaise with the Purchaser where appropriate regarding any issues arising from the pre-packaged sale agreement.

Leasehold property

The Company had brewery equipment that was subject to a finance lease. The Company employed agents prior to administration who confirmed that there was negative equity in this equipment. The Company also leased a number of casks and kegs.

Upon appointment we wrote to the asset finance providers to inform them that the Company had no right, title or interest in the equipment or the assets. We also included the contact details of the Purchaser.

Stock

Not included in the sale of business and assets was stock of brewed beer that was being stored at a third party.

The stock was close to its sell by date and had no commercial value after taking into account required duty payments and storage costs. We abandoned the stock with the third party storage provider.

Debtors

We understand from the limited financial information available that the Company had debtors of c.£30,000, of which we have realised c.£600.

We have written to all potential debtors following appointment and continue to monitor responses.

Further to correspondence with the Directors, we understand that the majority of debtor balances are unlikely to be collectable. This is partly due to a lack of supporting information

for the balances, and also due to counter claims from debtors against the Company. For these reasons we do not anticipate material debtor realisations going forward.

Cash at bank

We wrote to the banks where the Company had accounts and requested that funds be remitted to the Joint Administrators' bank account, and that the Company's pre-appointment bank accounts be closed.

Tax

We are in the process of assessing whether or not potential corporation tax liabilities arising from the pre-packaged sale can be mitigated. We will provide an update on this in our next report.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Sale of business

The trade and certain assets of the Company were sold on 12 July 2019 to the Purchaser for the sum of £459,134 apportioned as follows;

Asset	£
Intangible assets	336,178
Inventory	11,980
Leasehold improvements (flooring)	85,121
Vehicles	8,225
Fixtures and fittings	16,240
Computer equipment	1,389
Other assets	1
Total	459,134

The full balance of £459,134 was received upon completion.

Investigations

We continue to review the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Administrators' pre-administration costs

We have drawn £84,808 in the period in respect of costs associated with sales negotiations and for work leading up to our appointment.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

Administrators' fees

We have incurred time costs of £75,151 during the period.

Administrators' disbursements

We have incurred disbursements of £1,249 in the period.

3 Dividend prospects

3.1 Secured creditors

The Bank has a debenture containing fixed and floating charges over the Company for a £200,000 overdraft facility and a £170,000 loan. Boyes Turner LLP solicitors have verified the validity of the security.

As set out in our Proposals, based on current estimates, we forecast that the secured creditor will suffer a shortfall against their c.£370,000 debt.

3.2 Preferential creditors

We estimate the amount of preferential claims to be at least £12,640.

Based on current estimates, it is uncertain whether there will be a dividend to preferential creditors.

3.3 Unsecured creditors

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors.

4 Joint Administrators' remuneration, disbursements and pre-administration costs

4.1 Joint Administrators' remuneration and disbursements

During the period, the secured and preferential creditors have provided approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 4 and the charge-out rates included in Appendix 5.
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

Time costs

From the date of our appointment to 11 January 2020, we have incurred time costs of £75,151. These represent 210 hours at an average rate of £358 per hour.

Remuneration

During the period, we have not drawn any remuneration.

Disbursements

During the period, we have incurred disbursements of £1,249. None of these have yet been paid.

Additional information

We have attached a revised fees estimate at Appendix 4. We have included notes setting out the reasons for the increased time costs.

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from our appointment to 11 January 2020. We have also attached our charging and disbursements policy.

4.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our proposals:

Pre-administration costs				
	Disclosed unpaid costs (£)	Approved (£)	Paid in the period (£)	Outstanding (£)
KPMG fees	108,892.00	84,808.00	84,808.00	24,084.00
Legal fees and disbursements	31,500.00	31,500.00	0.00	31,500.00
Total	140,392.00	140,392.00	84,808.00	55,584.00

On 3 October 2019, we obtained approval from the secured and preferential creditors to pay all of these pre-administration costs as an expense of the administration.

We have paid £84,808 of our pre-administration KPMG fees, the balance of £24,084 will not be drawn.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Completing our investigations into the Company;
- Payment of the costs of the administration, including the Joint Administrators' remuneration and expenses;
- Making distributions to the secured, preferential and unsecured creditors should funds become available;
- Finalising matters in relation to corporation tax, VAT and pensions; and
- Completing all statutory and compliance matters.

5.2 Future reporting

We plan to finalise the administration and apply to Court to end the Administration. Further information and notices will be sent in compliance with the requirements in due course.

We will provide a further progress report within one month of 11 July 2020 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company information

Company name	Hop Stuff Brewery Limited
Date of incorporation	3 April 2013
Company registration number	08471474
Present registered office	KPMG LLP, 15 Canada Square, London, E14 5GL

Administration information

Administration appointment	The administration appointment granted in High Court of Justice - Business & Property Courts of England and Wales, 004275 of 2019
Appointor	Court
Date of appointment	12 July 2019
Joint Administrators' details	Neil Gostelow and Will Wright
Estimated values of the Net Property and Prescribed Part	<p>Estimated Net Property is £Unknown. Estimated Prescribed Part is £Unknown.</p> <p>The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3).</p>
Prescribed Part distribution	<p>The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply.</p> <p>This is because it is anticipated that the Prescribed Part will be automatically disapplied given that the estimated Net Property may be less than £10,000 and the costs of making a distribution are anticipated to be disproportionate to the benefits.</p> <p>However, if the circumstances of the administration change, the Joint Administrators may make a distribution to the unsecured creditors; or if appropriate, may apply to the Court to obtain an order that the Prescribed Part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits.</p>
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	11 July 2020

Appendix 2 Joint Administrators' receipts and payments account

Hop Stuff Brewery Limited - in Administration		
Abstract of receipts & payments		
Statement of affairs (£)	From 12/07/2019 To 11/01/2020 (£)	From 12/07/2019 To 11/01/2020 (£)
FIXED CHARGE ASSETS		
Goodwill	336,178.00	336,178.00
	<u>336,178.00</u>	<u>336,178.00</u>
FIXED CHARGE COSTS		
Legal fees	(500.00)	(500.00)
Administrators' pre-administration costs	(52,902.10)	(52,902.10)
	<u>(53,402.10)</u>	<u>(53,402.10)</u>
ASSET REALISATIONS		
Leasehold property	85,121.00	85,121.00
Furniture & equipment	17,629.00	17,629.00
Motor vehicles	8,225.00	8,225.00
Stock	11,980.00	11,980.00
Book debts	618.87	618.87
Cash at bank	670.31	670.31
Other assets	1.00	1.00
	<u>124,245.18</u>	<u>124,245.18</u>
OTHER REALISATIONS		
Bank interest, gross	882.23	882.23
Sundry refunds	287.88	287.88
	<u>1,170.11</u>	<u>1,170.11</u>
COST OF REALISATIONS		
Administrators' pre-administration costs	(31,905.90)	(31,905.90)
Statutory advertising	(36.50)	(36.50)
Insurance of assets	(392.00)	(392.00)
	<u>(32,334.40)</u>	<u>(32,334.40)</u>
	375,856.79	375,856.79
REPRESENTED BY		
Floating ch. VAT rec'able		6,388.48
Floating charge current		358,787.89
Fixed charge VAT rec'able		10,680.42
		<u>375,856.79</u>

Appendix 3 Schedule of expenses

Schedule of expenses (12/07/2019 to 11/01/2020)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Legal fees	500.00	3,000.00	3,500.00
Administrators' fees	0.00	75,151.00	75,151.00
Administrator's expenses	0.00	1,249.00	1,249.00
Pre-administration legal fees	0.00	31,500.00	31,500.00
Administrators' pre-administration costs	84,808.00	24,084.00	108,892.00
Statutory advertising	36.50	0.00	36.50
Insurance of assets	392.00	0.00	392.00
TOTAL	85,736.50	134,984.00	220,720.50

The remaining Administrators' pre-administration costs will not be drawn in line with approvals from the secured creditor.

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Jannice Adofo at KPMG LLP, 15 Canada Square, London, E14 5GL.

Appendix 4 Joint Administrators' revised fees estimate

Initial estimated time costs for the engagement					Additional estimated time costs for the engagement			
		Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)	Additional estimated hours	Additional estimated time cost	Additional estimated hourly rate (£)	Revised total estimated cost (£)
Administration & Planning								
Cashiering - processing receipts, payments and bank reconciliations	Note 1	12	2,861.50	238.46	12.1	784.60	65.38	3,646.10
General - books & records, fees & work in progress	Note 2	20	6,025.00	301.25	-	-	-	6,025.00
Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 3	64.50	21,057.50	326.47	-	-	-	21,057.50
Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 4	11.40	4,979.50	436.80	18.10	8,387.80	463.41	13,367.30
Creditors								
Creditors and claims - general correspondence, notification of appointment, statutory reports	Note 5	45.50	15,500.00	340.16	66.50	21,713.40	326.52	37,213.40
Employees - correspondence	Note 6	27.58	9,506.50	344.69	-	-	-	9,506.50
Investigations								
Directors - correspondence, statement of affairs, questionnaires	Note 7	16.00	5,435.00	339.69	5.2	3,645.00	700.96	9,080.00
Investigations - director conduct and affairs of the Company	Note 8	25.00	10,075.00	10,075.00	-	-	-	10,075.00
Realisation of Assets								
Asset Realisation - including insurance of assets	Note 9	12.00	4,185.00	4,185.00	0.80	361.00	451.25	4,546.00
Total		234.08	79,625.00	340.16	102.7	34,891.80	339.75	114,516.80

Below is further detail of the work to be undertaken for this engagement:

Note 1 – Cashiering

Our anticipated work involved closing the Company's pre-appointment bank accounts, opening a separate administration account, maintaining the accounts, including monthly bank reconciliations and processing receipts and payments transactions throughout the administration transactions during the initial months of the administration.

It was necessary to maintain the Company's pre-appointment account to collect any transactions that were in transit at the time of the Joint Administrators' appointment. This account has now been closed.

Note 2 – General

General time costs include collection of the Company's books and records not included in the sales contract and maintaining the Joint Administrators' files.

Note 3 – Statutory and compliance

Statutory and compliance work included notifying the Registrar of Companies and other relevant parties of our appointment, arranging bonding, filing the Statement of Affairs and Statements of Concurrence and ensuring compliance with all other statutory obligations.

The Joint Administrators are required to conduct periodic internal reviews of the case, and update their strategy documents as the administration progresses. Once all outstanding matters have been dealt with, time costs will be charged in dealing with closure formalities.

Note 4 – Tax

We have instructed our internal VAT and Tax specialists to review the Company's tax and VAT affairs. We have submitted post-administration tax and VAT returns as required and will have final returns to submit. Additional work was incurred in ascertaining the taxable nature of the sale of business.

Note 5 – Creditors and claims

Our work includes notification of our appointment and issuing statutory reports to creditors alongside responding to general creditor queries and correspondence received during the administration, this will include drafting a final report to creditors.

Our estimated time on creditors and claims has increased due to the possibility of a dividend to preferential and unsecured creditors.

Note 6 – Employees

Our work includes identifying preferential creditors and assisting any former or current employees with completion of their claim forms. Reviews were taken by our internal pension's specialists to confirm whether any pension schemes are in place, submission of statutory notices and dealing with any subsequent queries. Our specialists are reviewing the position in relation to the pension claims.

Note 7 – Directors

We corresponded with the Director in relation to the submission of their statement of affairs and director questionnaires and general correspondence with the director of the Company.

Note 8 – Investigations

We performed our statutory investigation into the conduct of the Director and the affairs of the Company prior to our appointment as Joint Administrators. This involved directorship searches, compliance with our statutory duties and submitting director reports and other relevant reports to the Secretary of State.

Note 9 – Realisation of assets

This consisted of time spent related to realising the Company's assets, which included collection of book debts, collection of cash balances from banks, the insurance of assets and liaising with asset finance providers regarding the Company's leased assets where appropriate.

In the event that additional work is necessary due to a change in the circumstances of the administration we may need to increase our fees estimate and request approval to draw additional remuneration.

Appendix 5 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

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

If you are unable to access this guide and would like a copy, please contact Jannice Adofo on 0207 3116354.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for: Restructuring			
Grade	From 01 Jan 2019 £/hr	From 01 Oct 2019 £/hr	From 01 Jan 2020 £/hr
Partner	655	655	690
Director	590	590	620
Senior Manager	535	535	560
Manager	445	445	467
Senior Administrator	310	310	325
Administrator	225	225	236
Support	140	140	147

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both 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, and equivalent costs reimbursed to the officeholder or his or her staff.

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.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements from the date of our appointment to 11 January 2020.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Courier & delivery costs		68.57		NIL	68.57
Postage		990.24		NIL	990.24
Sundry		190.00		NIL	190.00
Total		1,248.81		NIL	1,248.81

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 12 July 2019 to 11 January 2020

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; ■ posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ meeting with Directors to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ working initially on tax returns relating to the periods affected by the administration; ■ analysing VAI related transactions; ■ reviewing the Company's duty position to ensure compliance with duty requirements; ■ dealing with post appointment tax compliance.
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment; ■ responding to enquiries from shareholders regarding the administration; ■ providing copies of statutory reports to the shareholders.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ drawing remuneration in accordance with the basis which has been approved by secured and preferential creditors; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ liaising with finance companies in respect of assets subject to finance agreements; ■ dealing with issues associated with the sale of stock; ■ reviewing outstanding debtors and management of debt collection strategy; ■ reviewing the inter-company debtor position between the Company and other group companies.
Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties, including review of leases included within the pre-packaged sale; ■ performing land registry searches.
Health and safety	<ul style="list-style-type: none"> ■ liaising with internal health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place;

	<ul style="list-style-type: none"> ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments.
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes; ■ calculating employee pension contributions and review of pre-appointment unpaid contributions; ■ ensuring compliance with our duties to issue statutory notices; ■ communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits; ■ drafting our progress report.
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; ■ reviewing the questionnaires submitted by the Directors of the Company; ■ reviewing pre-appointment transactions; ■ submitting the online director conduct assessment to the relevant authority.

Time costs

Pre-Administration costs (13/06/2019 to 11/07/2019)						
	Hours					Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total	Time Cost (£)
Pre-Administration Sale of business - preparation	51.60	54.10	107.10		212.80	93,137.50
Advising directors	3.30				3.30	2,161.50
Appointment documents	0.70	11.40	22.20		34.30	12,872.50
Pre-administration checks	1.10				1.10	720.50
Total	56.70	65.50	129.30	0.00	251.50	108,892.00

SIP 9 –Time costs analysis (12/07/2019 to 11/01/2020)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	2.50	628.60	251.44
Reconciliations (& IPS accounting reviews)	0.70	157.50	225.00

SIP 9 –Time costs analysis (12/07/2019 to 11/01/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
General			
Books and records	0.20	107.00	535.00
Fees and WIP	2.00	675.00	337.50
Statutory and compliance			
Appointment and related formalities	20.40	6,916.00	339.02
Appointment documents	2.50	996.50	398.60
Bonding & Cover Schedule	0.30	142.50	475.00
Budgets & Estimated outcome statements	0.50	267.50	535.00
Checklist & reviews	10.45	2,750.55	263.21
Pre-administration checks	1.14	401.70	352.37
Reports to debenture holders	0.20	107.00	535.00
Statutory advertising	0.90	290.50	322.78
Statutory receipts and payments accounts	0.20	62.00	310.00
Strategy documents	6.75	3,274.75	485.15
Tax			
Initial reviews - CT and VAT	0.80	443.00	553.75
Post appointment corporation tax	14.20	6,693.00	471.34
Post appointment VAT	8.20	2,861.20	348.93
Creditors			
Creditors and claims			
Agreement of preferential claims	0.60	321.00	535.00
General correspondence	32.80	9,412.90	286.98
Notification of appointment	6.60	1,727.00	261.67
Secured creditors	1.80	828.00	460.00
Statutory reports	35.30	12,929.00	366.26
Employees			
Correspondence	12.60	4,566.60	362.43
Pensions reviews	4.13	1,323.25	320.40
Investigation			
Directors			
Correspondence with directors	1.90	1,016.50	535.00
D form drafting and submission	10.50	5,435.00	517.62
Directors' questionnaire / checklist	6.10	1,823.00	298.85
Statement of affairs	2.70	805.50	298.33
Investigations			
Correspondence re investigations	8.20	3,116.00	380.00

SIP 9 –Time costs analysis (12/07/2019 to 11/01/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Review of pre-appt transactions	1.70	527.00	310.00
Realisation of assets			
Asset Realisation			
Cash and investments	5.60	1,966.00	351.07
Freehold property	1.10	247.50	225.00
Health & safety	2.90	784.50	270.52
Insurance	0.50	165.50	331.00
Leasehold property	0.80	366.00	457.50
Sale of business	0.20	107.00	535.00
Stock and WIP	1.70	909.50	535.00
Total in period	209.67	75,151.05	358.43
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	209.67	75,151.05	
Carry forward time (appointment date to SIP 9 period end date)	209.67	75,151.05	

Appendix 6 Glossary

Company	Hop Stuff Brewery Limited - in Administration
Group	The Company together with; Taproom SE8 Limited Yeomans Pubs and Bars Limited Taproom TN23 Limited
Joint Administrators/we/our/us	Neil Gostelow and Will Wright
KPMG	KPMG LLP
Purchaser	Molson Coors Brewing Company (UK) Limited
Secured creditor/Bank	Coutts & Company
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 7 Notice: About this report

This report has been prepared by Neil Gostelow and Will Wright, the Joint Administrators of Hop Stuff Brewery Limited – in Administration (the ‘Company’), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Neil David Gostelow and William James Wright are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

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The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

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