

Hop Stuff Brewery Limited (in administration)
Yeomans Pubs & Bars Limited (in administration)
Taproom TN23 Limited (in administration)
Taproom SE8 Limited (in administration)

SIP 16 memorandum of sale of businesses

This statement is made in order to comply with the Joint Administrators' responsibilities under Statement of Insolvency Practice ("SIP") 16, the latest version of which is effective from 1 November 2015. Statements of Insolvency Practice are guidance notes issued by the insolvency regulatory authorities with a view to maintaining standards by setting out required practice and harmonising practitioners' approach to particular aspects of insolvency.

SIP 16 concerns arrangements where the sale of all or part of a company's business and assets is negotiated with a purchaser prior to the appointment of an administrator, who affects the sale immediately on, or shortly after, his appointment. SIP 16 can be located via this link to the R3 website:

https://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%2016%20Version%203%20Nov%202015.pdf

Background

The entities that are subject to this SIP 16 memorandum of sale of businesses and assets are as follows:

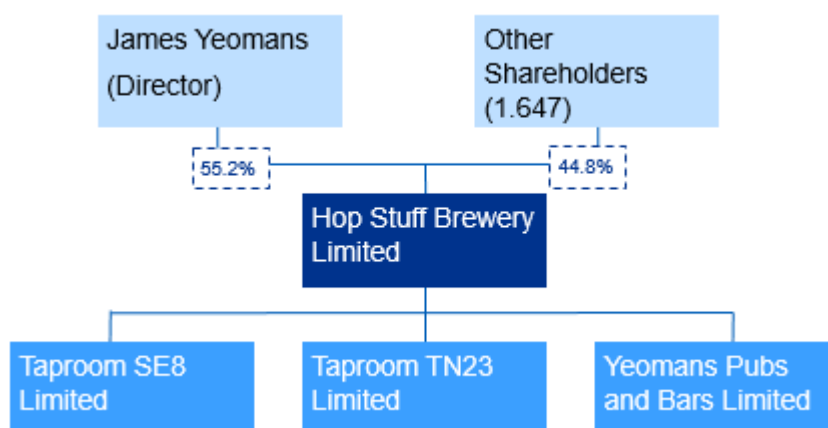
- Hop Stuff Brewery Limited ("HSB") incorporated on 3 April 2013;
- Yeomans Pubs and Bars Limited ("SE18") incorporated on 13 April 2015;
- Taproom TN23 Limited ("TN23") incorporated on 6 November 2017; and
- Taproom SE8 Limited ("SE8") incorporated on 26 May 2017.

Together these entities are described in this SIP 16 memorandum as the "Group".

HSB operated a craft beer brewery based in London with three retail units known as Taprooms – two in London (SE8 and SE18), and one in the South East (TN23).

Each of SE18, TN23 and SE8 are 100% owned subsidiaries of HSB. The Group structure is illustrated overleaf.





The Group was founded in 2013 by Nicholas James Yeomans, who was the majority shareholder of HSB and the sole statutory Director of each entity within the Group.

The group was inextricably linked operationally, with the Taprooms dependent on the supply of craft beer from the brewery in order to meet the demands of their customer base within the Taprooms for beer produced by the brewery, and the brewery dependent on producing craft beer for the Taprooms to drive volume through the brewery in order to contribute to the fixed cost base of the brewery.

In late 2017 the group embarked on an expansion plan, from a base at that time of a different brewery and the SE18 Taproom. The expansion plan included ordering new state of the art brewing equipment in September 2017 for delivery in 2018, the opening of the SE8 Taproom in December 2017, the acquisition of a new brewhouse and distribution facility in April 2018 to house the new brewing equipment, and the opening of the TN23 Taproom in May 2018. As part of the expansion plan management were intending to continue to open new bars from 2019.

In order to fund the expansion plan and provide working capital to the Group an equity funding round was launched in January 2018 which raised £750,000. In July 2018 the group raised further working capital via a £200,000 Group overdraft facility with Coutts & Company. The Group raised further funding in October, November and December 2018 through the issuance of retail bonds, which existing shareholders participated in, which raised c.£730,000.

According to the Group's management accounts, the financial performance in the twelve months to December 2018 showed the following position across each entity:

- HSB: revenue £630k; net loss £814k
- SE18: revenue £548k; net profit £8k
- TN23: revenue £258k; net profit £9k
- SE8: revenue £774k; net profit £99k

Management states that the loss in HSB during the period was significant, principally as a result of the increased staff costs associated with HSB recruiting new staff in line with their expansion plan and the fixed overhead costs that were incurred while the new brewery was being commissioned.

In January 2019, HSB's brewery operations at its new site were put on stop for a four-week period due to a suspension of its beer duty licence by HMRC following an oversight by HSB submitting a change of address notice to HMRC for duty purposes. This caused additional cash flow pressure within the Group, as the brewery was not trading and contributing to the fixed overhead costs of the Group during the period.

When the brewery recommenced trading in March 2019, cash flow pressures had already caused HSB to miss rent payments on the brewery. The arrears of rent resulted in the lease being forfeited by the landlord on 9 April 2019. Following the forfeiture of the lease the Director entered into negotiations with the landlord with a view to getting the lease reinstated in order to restart production.

The Taprooms continued to trade throughout the period. However with HSB not able to access its trading premises and generate any contribution towards costs, the cash flow pressures increased across the Group, which resulted in lease arrears arising at the Taprooms and on a number of the finance agreements across the Group.

In the absence of any imminent resolution to the brewery lease or immediate short term funding being available, the Director engaged KPMG's Restructuring team on 2 May 2019 to assist HSB to run an Early Options process (see marketing section below) to establish the sale, refinance and investment options for the Group.

The Director, following the receipt of the offers from the Early Options process, concluded on 11 June 2019 that there was no reasonable prospect of the Group avoiding insolvency. Due to the potential for enforcement action to be taken by creditors, the Director, after taking independent legal advice, concluded that it was necessary to protect the businesses and assets of the Group in order to be able to seek a sale of the businesses and assets of the Group for the benefit of creditors.

Each Group entity filed a Notice of Intention to Appoint Administrators ('NOI') on 13 June 2019. However a sale was not achieved within the period of the NOI due to ongoing negotiations between the Purchaser and the landlord of the brewery regarding the conditions for reinstatement of the lease. Each Group entity therefore filed a second NOI on 27 June 2019 to allow the transaction to complete on the basis it was in the best interests of creditors as a whole to complete the transaction. All of the NOIs were filed further to the Director confirming a settled intention to appoint administrators, and independent legal advice was obtained by the Director in this regard.

An agreement to sell the majority of the businesses and assets of the Group was agreed, and Notices of Appointment were ready to file with the Court prior to the expiry of the second NOI on 10 July 2019. However, due to issues with the Court's new online filing system, the requisite documentation was received online by the Court after Court hours. Advice from Counsel was sought as it was uncertain whether or not an administration appointment had been made.

At 12:44pm on 12 July the Court agreed to discharge and immediately release the Joint Administrators from any potential appointment relating to the filings made on 10 July.



Immediately thereafter, the Court made an order appointing Neil David Gostelow and William James Wright of KPMG as Joint Administrators of the Group. Shortly thereafter, a sale of the majority of the Group's businesses and assets was completed. The only remaining assets are the HSB debtor book and some stock held at a third party.

As at the date of administration, HSB employed a total of eleven staff, SE18 employed fourteen, TN23 employed eight, and SE8 employed sixteen.

The Group was financed by Coutts & Company ("the Lender") through a £200,000 Group overdraft and a £170,000 term loan. This lending was secured by debentures across each entity which contained fixed and floating charges over the assets of the Group. The lending was supported by cross guarantees between the individual entities within the Group. As at the date of administration the Lender was owed a total of c.£370,000.

Pre-appointment considerations

Prior involvement with the Group

The Director of the Group had previously had informal meetings and phone calls with KPMG's corporate finance department in late 2017. However, the Director did not formally engage KPMG.

In April 2019, KPMG's restructuring team were introduced to the Group following a call made by the Director to KPMG's dedicated Business Rescue Services helpline.

On 2 May 2019, KPMG were engaged by HSB to assist them to undertake a process to explore the sale and investment options available to the Group (see marketing section below).

KPMG had no other relationship with the Group prior to this date.

Other courses of action considered

A review of possible courses of action was undertaken by the Joint Administrators, comparing the likely outcomes from various options including, but not limited to:

1) The Group staying out of an insolvency process, receiving additional funding from lenders, shareholders, director or a third party source.

Staying out of an insolvency process

A targeted marketing process to both trade parties and specialist investors was run by way of the Early Options process. The entire Group was presented to the market as part of this process. While the option was available for an interested party to purchase either the shares of HSB, the shares in the individual Taprooms, or both, no solvent offers for the shares were received as a result of the process.

Additional funding

Management were forecasting an immediate funding requirement of c.£1.5 million to meet the short term cash flow needs of the businesses while the Director explored longer term financing solutions. The funding requirement included working capital needs and cash required to repay arrears to the brewery landlord to reinstate the lease (c.£250k), as well as further cash to rectify prior breaches of the lease relating to work carried out on the brewery (c.£200k). There were also rent arrears in a number of the Taprooms (c.£125k), interest payments due to bondholders (c.£25k), HMRC arrears (c.£460k), as well as arrears on the finance leased assets (c.£48k), and payroll arrears relating to May 2019 (c.£41k) that needed to be settled.

The Director and majority shareholder was not in a position to provide additional funding. The Lender confirmed that they were also not in a position to provide funding over and above the facilities available to the Group.

The Director approached a number of the larger shareholders, who had also participated in the retail bond, for funding. These parties confirmed that they had no appetite to provide the additional funding into the Group.

In the absence of funding it was clear that each entity within the Group was unable to pay its debts as and when they fell due and that the Group was both cash flow and balance sheet insolvent.

As part of the Early Options process interested parties had the option to provide investment/funding into either HSB or the individual Taprooms. No offers were received on this basis.

2) Liquidation or non-trading administration

There were minimal owned tangible assets across the Group as a result of the majority of the tangible assets being either subject to finance leases, which were in negative equity, or operating leases where the company did not have any title to the assets, or in the case of the raw material stock subject, to retention of title claims. The principal realisable assets across the Group related to intangible assets, namely goodwill and intellectual property.

As explained previously, the Group was inextricably linked from an operational perspective and in order to maximise value for the intangible assets across the Group for the benefit of the creditors, continued trading would have been necessary in the individual Taprooms to preserve the value of the intangible assets.

This is supported by the offer received from Molson Coors who confirmed that they would only proceed on the basis that they could acquire the businesses and assets of the Group, and that the Taprooms continued to trade. This would not have been achievable in a liquidation or non-trading administration of the Taprooms.

Liquidation scenario valuations

HSB and the Joint Administrators engaged asset valuation experts, SIA and Christie & Co ("Christie's"), to provide independent valuations of both the Group's assets and of the Taprooms as standalone businesses.

On the basis of the valuations, the outcome to creditors would be significantly worse in a liquidation or non-trading administration compared to the offer received in the pre-packaged transaction due to the limited value of the Group's owned assets in a liquidation scenario and the erosion of the value of goodwill (see later in this document for a breakdown of the valuations obtained and additional commentary).

Additionally, the pre-pack offer significantly reduces the level of claims principally from the leased asset providers and landlords.

3) Trading administration

As a result of the brewery lease being forfeited prior to the appointment of administrators it would not have been possible to trade the Brewery in administration.

While it would have been possible to trade the Taprooms with a view to concluding a sale of the Group (on the basis of obtaining beer from other breweries outside of the Group), trading on in administration would have provided a worse outcome to creditors than the pre-packaged transaction achieved. In reaching this conclusion we have considered the following:

- i) The market appetite for an acquisition of the businesses has already been tested thoroughly. Given the extensive nature of the process already carried out, we do not consider that a better offer for either the Group, the Taprooms or brewery would be achieved from continuing the sale process in an administration. In addition, trading in administration could further risk the goodwill value in the businesses;
- ii) The trading performance of the Taprooms in administration. Given the marginal profitability of the Taprooms pre-administration, the overall costs of trading in administration (after taking into account the additional costs of specialist agents who would need to be engaged to trade the Taprooms due to the strict licensing issues regarding bars, and the potential ransom payments that may be required in order to maintain the supply of stock in the Taprooms and retain staff) would result in two of the three Taprooms trading at a loss and the third Taproom being breakeven.
- iii) A period of trading in administration would have increased the professional fees incurred, further depleting funds available to creditors.
- iv) The increased level of creditor claims that would arise if a sale of the businesses could not be achieved at the end of the administration trading period.

4) Pre-packaged administration

The Joint Administrators consider that the pre-packaged sale of the businesses and assets of the Group maximises the return for creditors. This conclusion has been reached following consideration of the options available (as outlined above), and in consideration of the following factors:

- i) After extensive marketing of the businesses to a large number of financial investors and trade parties, the Insolvency Practitioners are satisfied that they have progressed with the best offer received (see marketing section below);
- ii) The Joint Administrators consider that the sale of the businesses and assets as a pre pack sale will result in higher realisations for creditors both across the Group and in the individual entities when compared to anticipated realisations of the assets in a wind down or trading administration scenario;
- iii) The pre-pack offer significantly reduces the level of potential claims principally from the leased asset providers, landlords and employees.

Consultation with major creditors

The Lender has fixed and floating charges over the assets of the Group. The charges over each entity were created and registered with Companies House as follows:

- 1. HSB – created on 18 July 2018 and registered on 19 July 2018.
- 2. SE8 – created on 18 July 2018 and registered on 19 July 2018.
- 3. TN23 – created on 18 July 2018 and registered on 19 July 2018.
- 4. SE18 – created on 16 July 2018 and registered on 17 July 2018.

The Lender has been regularly consulted with and kept up to date on the Early Options process throughout, by the Director. The Lender has consented to the pre-pack transactions by way of releasing its security.

The primary asset finance creditor, Close Brewery Rentals Limited, has been regularly consulted with by the Director, and the Joint Administrators understand that an agreement has been made between them and the Purchaser in respect of acquiring the assets it financed.

The two other major creditors of each of the four Group entities are HMRC and the retail bondholders.

The Director contacted the Group's contact at HMRC on the 28th May explaining the financial position of the Group.

A call was held with a group of the larger retail investors where an update was provided to them on the situation both in their capacity as major unsecured creditors (bondholders) and in their capacity as shareholders. The Director has also provided ad hoc updates to all the bondholders throughout the sales process.



Marketing of the businesses and assets

KPMG were engaged by HSB on 2 May 2019 to help it to explore the investment, refinancing and sale options available to the Group as part of an Early Options process.

The appropriate marketing strategy to expose the businesses and assets of the Group to the widest range of possible likely buyers in the time available was considered.

The Group was marketed to 142 parties (123 financial investors and 19 trade investors). A teaser document was prepared and circulated to potentially interested parties, and an Information Memorandum was put together providing further detail around the opportunity. KPMG also assisted in the provision of data to interested parties.

Following consultation with our corporate finance colleagues who have specialist knowledge of this sector, the Director concluded that given the circumstances surrounding the Group, marketing the businesses via the internet would not have reached any additional parties over and above the 19 trade investors identified by management and KPMG's sector specialists as having a detailed understanding of the sector, that would allow them to understand the future potential of the Brand, and the expansion opportunities for the Brewery, to be able to submit an offer for value in the limited time available. Further, the Director was concerned that opening up the sale process to parties via the internet would have created speculative interest from parties who were interested in seeking to acquire single sites at a discount which would have distracted management from focusing on maximising the value for the Group through targeting the trade investor community.

Following the issue of the teaser document 20 parties progressed to signing non-disclosure agreements and management held 9 meetings with separate interested parties.

The entire Group was presented to the market as part of this process. While the option was available for an interested party to purchase either the shares or the businesses and assets of Group or individual Group entities, only 2 indicative offers were received by the deadline date of the 14 May 2019. These offers were received from prominent trade parties. One party submitted offers on two separate bases – one for the shares of the Group on a solvent basis and one for the businesses and assets of the Group on an insolvent basis, and the other party submitted an offer for the businesses and assets of the Group on an insolvent basis.

After the initial indicative offer deadline, a number of further issues came to light with regards to the lease position at the brewery. This caused a delay in the due diligence process, as the interested parties needed certainty around these lease issues.

A revised indicative offer deadline was then set for 6 June 2019. Two offers were received from the same trade parties, both for the businesses and assets of the Group as a whole on an insolvent basis. After consideration of these offers, Management decided that one offer was materially higher and would provide a better outcome for creditors. This was an offer made by Molson Coors (the 'Purchaser').

Since the offers received were on a businesses and assets basis only and not for the Group's underlying share capital, the Director of each Group entity resolved to file a NOI as described earlier in this document.

Following receipt of the offers the Director, following legal advice, made the decision to sign an exclusivity agreement with the Purchaser on the basis that he believed that this offer represented the best outcome to creditors and the purchaser confirmed that they would not proceed with any further due diligence in order to finalise their offer unless exclusivity was granted. The exclusivity agreement prevented the Group or its advisors approaching or progressing discussions with any other party in connection with Group. As a consequence of the exclusivity agreement period there was no opportunity to advertise the Group on the internet during the NOI period.

Valuation of the businesses and assets

Valuation of physical assets of the Group

SIA Group (SIA) were engaged by HSB to carry out an independent third-party valuation of the Group's physical assets. SIA provided a valuation based on Market Value In-Situ (as a going concern) and Ex-Situ (in a break-up scenario).

This valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors' (RICS) – Global Standards 2017 (RICS Red Book).

The value attributed to each Group's assets was as follows:

- HSB: £74,000 'in-situ' and £39,250 'ex-situ'
- SE18: £21,000 'in-situ' and £8,000 'ex-situ'
- TN23: £19,500 'in-situ' and £8,000 'ex-situ'
- SE8: £14,000 'in-situ' and £3,750 'ex-situ'

The valuation by SIA was undertaken by individuals who have extensive experience of conducting asset valuations. SIA have confirmed to us that they do not have any conflicts in acting, and carry adequate professional indemnity insurance.

Comparison of valuations to the pre-pack offers

The tables below show the total sale consideration received from the Purchasers in respect of each entity within the Group. In each entity, the total consideration received exceeds the total asset valuations in a liquidation scenario, thereby giving a better overall outcome to creditors.

Hop Stuff Brewery Limited

Asset	Molson Coors valuation	SIA valuation
Inventory	11,980	5,000
Intangible assets	336,178	Not valued
Leasehold improvements (flooring)	85,121	-
Vehicles	8,225	9,250
Fixtures and fittings	16,240	15,000
Computer equipment	1,389	
Other assets	1	10,000
Totals	459,134	39,250

Taproom SE8 Limited

Asset	Molson Coors valuation	SIA valuation
Inventory	4,000	2,000
Intangible assets	72,038	Not valued
Fixtures and fittings	3,765	1,750
Computer equipment	328	
Bar/cellar/kitchen equipment	3,904	
Furniture	5,603	
Cash in tills	1,000	
Totals	90,638	3,750

Yeomans Pubs & Bars Limited

Asset	Molson Coors valuation	SIA valuation
Inventory	4,000	1,500
Intangible assets	36,019	Not valued
Fixtures and fittings	4,064	6,500
Computer equipment	593	
Bar/cellar/kitchen equipment	12,836	
Furniture	1,645	
Cash in tills	1,000	
Totals	60,157	8,000

Taproom TN23 Limited

Asset	Molson Coors valuation	SIA valuation
Inventory	4,000	1,000
Intangible assets	36,019	Not valued
Fixtures and fittings	5,005	7,000
Bar/cellar/kitchen equipment	21,882	
Furniture	1,165	
Cash in tills	1,000	
Totals	69,071	8,000



Valuation of Leasehold interests

Christie's were engaged by the Joint Administrators to carry out an independent third-party valuation of the three Taprooms as standalone businesses.

Christie's valued the 3 Taprooms on the following bases:

- 1) Market Value as a fully equipped operational entity having regard to trading potential.
- 2) Market Value as a fully equipped operational entity having regard to trading potential assuming a restricted marketing period of 1 month.
- 3) Market Value subject to the special assumption that:
 - The business is closed
 - The property is vacant
 - The accounts and records of trade would not be available or relied upon by a prospective purchaser
 - The unit is fully fitted out in its current condition
 - The timescale for disposal is one month

The value attributed to each of the leases in terms of potential lease premiums was as follows:

	Basis 1	Basis 2	Basis 3
SE18	£0	£0	£0
TN23	£50,000	£0	£0
SE8	£125,000	£50,000	£0

Christie's have had regard to comparable evidence in the locality and also conducted a search on a more national basis in order to find properties with the same covenant/covenant strength.

The valuation by Christie's was undertaken by individuals who have extensive experience of conducting valuations of public houses and restaurants. Christie's have confirmed to us that they do not have any conflicts in acting, and carry adequate professional indemnity insurance.

Comparison of valuations to the pre-pack offers

The valuations show that in a best case scenario (Basis 1), where the Taprooms were fully operational and there were no restrictions on time to sell them, the maximum that Christie's believe could be achieved was £175,000 across the three Taprooms. This is comparable against the total amount attributed to the assets of the Taprooms by the Purchaser.

However, given the circumstances faced by the Group, there would certainly be limited time to sell the Taprooms, and this is reflected in the valuation in Basis 2 of £50,000 across the three Taprooms, which would likely have been faced by the Joint Administrators in a trading administration scenario. We have outlined the issues regarding a trading administration earlier in the document.



The Administrators have therefore satisfied themselves that they are achieving the best outcome for each Company's creditors through completing the pre-pack transactions to the Purchaser.

Valuation of intangible assets

While Christie's considered the value of the intangible assets when looking at the valuation of each of the Taprooms as an operational business, we concluded that it was not appropriate in the circumstances to seek a valuation of intangible assets at HSB, given the uncertainty surrounding the HSB position, and the limited historic trading information that was available relating to the new brewery on which to base a valuation. The value of the intangible assets in HSB was established based on the offers received following the extensive marketing campaign that was undertaken.

The transaction

The transaction to sell the businesses and assets of each entity within the Group completed immediately upon the appointment of Administrators on 12 July 2019.

The businesses and assets of the Group have not been acquired from another insolvency process within the previous 24 months.

Purchaser and related parties

The Purchaser of the businesses and assets of each entity within the Group is Molson Coors Brewing Company Limited ('Molson Coors', Company number 00026018) whose registered office is: 137 High Street, Burton-Upon-Trent, Staffordshire, DE14 1JZ.

Molson Coors and its directors are each an unconnected third party and unrelated to the Directors, shareholders or secured lenders of the Group and their associates.

Guarantees

The sole Director of each Group entity provided personal guarantees for amounts due from the Company to a number of financiers, primarily the Lender and also to a number of asset finance providers in respect of certain assets.

The Lender is not financing the new business. Where the Director has provided a personal guarantee to other finance providers, the Purchaser has confirmed that they have either made, or will seek to make, their own agreement with these asset finance providers to acquire these assets or take over the leases.

Assets

The assets involved in the pre-pack transaction are summarised as follows;

Hop Stuff Brewery Limited

- Goodwill
- Intellectual property
- Non financed assets
- Stock
- Leasehold improvements
- Vehicles
- Fixtures and Fittings
- Computer equipment

Taproom SE8 Limited

- Goodwill
- Fixtures and fittings
- Stock
- Computer equipment
- Bar and Cellar equipment
- Kitchen equipment
- Cash in tills
 - o Cash float balance, part of a reconciliation exercise to be carried out post transaction

Yeomans Pubs & Bars Limited

- Goodwill
- Fixtures and fittings
- Stock
- Computer equipment
- Bar and Cellar equipment
- Kitchen equipment
- Cash in tills
 - o Cash float balance, part of a reconciliation exercise to be carried out post transaction

Taproom TN23 Limited

- Goodwill
- Fixtures and fittings
- Stock
- Bar and Cellar equipment
- Kitchen equipment



- Cash in tills
 - o Cash float balance, part of a reconciliation exercise to be carried out post transaction

No licences to occupy the brewery or the three Taprooms have been granted by the Joint Administrators. Lease assignments for the Taprooms became effective on completion of the transaction, and the brewery lease, which had been forfeited, is subject to a separate agreement between the landlord and the Purchaser.

Sale consideration

Molson Coors transaction

The total sale consideration of £679,000 was paid in full by Molson Coors immediately on completion of the pre-pack sale.

The apportionment of the consideration was received as follows:

	HSB	SE18	SE8	TN23	Total
	£	£	£	£	£
Fixed charge Assets					
Intangible assets	336,178	36,019	72,038	36,019	480,254
Floating charge Assets					
Inventory	11,980	4,000	4,000	4,000	23,980
Leasehold improvements (flooring)	85,121	-	-	-	85,121
Vehicles	8,225	-	-	-	8,225
Fixtures and fittings	16,240	4,064	3,765	5,005	29,074
Computer equipment	1,389	593	328	-	2,310
Bar/cellar/kitchen equipment	-	12,836	3,904	21,882	38,622
Furniture	-	1,645	5,603	1,165	8,413
Other inventory	1	-	-	-	1
Cash in tills	-	1,000	1,000	1,000	3,000
Total	459,134	60,157	90,638	69,071	679,000

The consideration was apportioned across the Group entities by the Purchaser.

There are no options, buy-back agreements, deferred consideration or other conditions attached to the transaction. As previously stated the cash in the tills is subject to a separate reconciliation exercise and the actual balances will be determined shortly after the sale

No security was required to be taken by the Joint Administrators regarding the transaction. This transaction is not part of a wider transaction.

Conclusion

The Joint Administrators have accepted the appointment over the entities within the Group with the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration) in accordance with Paragraph 3(1)(b).

They are satisfied that the pre-packaged sale of the businesses and assets of each entity within the Group has enabled them to achieve this purpose, because the sale price achieved was the best available outcome in the circumstances, and a liquidation would have resulted in the immediate cessation of trade and significant erosion of value for each Group entity.

The Joint Administrators consider that they have acted in the best interests of the creditors as a whole when negotiating the pre-packaged sale and are of the opinion that the sale price achieved was the most reasonably obtainable in all circumstances.

The Joint Administrators will send out their proposals, providing further information regarding the company and their appointment, within two weeks of appointment and as soon as reasonably practicable.