



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

1 Company details

Company number 0 0 1 2 0 0 0 2

Company name in full J E Beale Public Limited Company

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) William James

Surname Wright

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) Stephen John

Surname Absolom

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.

AM10

Notice of administrator's progress report

6 Period of progress report

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

SA

X

Signature date

^d 1	^d 6	^m 0	^m 2	^y 2	^y 0	^y 2	^y 1
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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 Hayley Jennings

Company name KPMG LLP

Address 2 Forbury Place
33 Forbury Road

Post town Reading

County/Region

Postcode RG1 3AD

Country

DX

Telephone Tel +44 (0) 118 964 2541

**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 20 July 2020 to 19 January 2021

J E Beale Public Limited
Company - in Administration

17 February 2021

Deemed delivered: 17
February 2021

Notice to creditors

This progress report provides an update on the administration of 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 5).

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

Please also note that an important legal notice about this progress report is attached (Appendix 6).

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1 Executive summary

This progress report covers the period from 20 July 2020 to 19 January 2021.

As previously advised, trading ceased on 19 March 2020 and a strategy was deployed to deal with the remaining surplus unsold stock. Due to the ongoing difficulties of the Covid-19 pandemic, it was not deemed viable to reopen any of the four sites which held surplus unsold stock. A concession agreement was reached with New Start 2020 Limited to sell through stock held at the Peterborough store and all remaining stock was sold to Hilco Capital Limited. (Section 2 - Progress to date).

We anticipate that secured creditors will suffer a significant shortfall in respect of the funding provided to the Company and the wider Group. (Section 3 - Dividend prospects).

Preferential creditors are expected to be paid in full. (Section 3 - Dividend prospects).

Based on current estimates, we anticipate that a distribution will be made to the unsecured creditors however we are not yet able to confirm the quantum or timing of any future dividend. (Section 3 - Dividend prospects).

During the period, the secured and preferential creditors granted a 12-month extension to the period of the administration to 20 January 2022.

Please note: you should read this progress report in conjunction with our previous progress report and proposals issued to the Company's creditors which can be found at www.kpmg.co.uk/Beales. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Steve Absolom
Joint Administrator

2 Progress to date

This progress report covers the period 20 July 2020 to 19 January 2021. This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our proposal and our previous progress report.

2.1 Strategy and progress to date

Strategy

Our proposals discuss in detail the full administration strategy however we have set out below an overview of the key workstreams we have undertaken during the reporting period.

Trading

As discussed in our first progress report, arrangements were made to move all remaining unsold stock as at 19th March 2020 into four stores (Bedford, Mansfield, Peterborough and St. Neots).

On 2 July 2020, following advice from our trading agents, the decision was taken that the Peterborough store would not re-open for trading and all 5 of the furloughed staff retained at the store were made redundant. Subsequently the lease was offered for surrender to the landlord on 23 October 2020.

Due to continued challenges of the Covid-19 pandemic and following advice from our trading agents, the decision was taken on 10 September 2020 that the Bedford, St. Neots and Mansfield stores would not re-open for trading and all 15 furloughed staff retained at these stores were made redundant. Subsequently the leases for St. Neots and Mansfield were offered for surrender to the landlord on 16 November 2020 and 13 January 2021 respectively. The licence to occupy Bedford expired on 6 November 2020.

On 3 August 2020, the Company entered into a concession agreement with New Start 2020 Limited, in order to sell through the stock which was stored at the Peterborough store. Due to further government lockdowns in late 2020 and early 2021, the concession agreement has been extended to 15 May 2021.

On 5 November 2020, the Company sold all remaining stock to Hilco Capital Limited for £1.6 million.

All material trading costs have now been dealt with, however we are working to settle all remaining trading costs.

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.

Trading account

Sales

Following the decision not to re-open the remaining stores, we have continued to work with merchant acquirers to release funds held in their reserves. During the period £267,172 has been released by Elavon and there are no further reserves held by them. Refunds of £1,272 have been processed in the period.

Poole concession sales

We have received £113,798 of concession commission income in respect of the Company's concession agreement with New Start 2020 Limited.

Job retention scheme grant

During the period we received £86,379 in relation to the Coronavirus job retention scheme for the 20 employees retained on furloughed up to the date of redundancy.

Asset Realisations

Cash in transit

Elavon have released £260,000 in respect of pre-appointment reserves with no further reserves being held.

Investigations

We have continued to review the affairs of the Company to determine if there are any actions which can be taken against third parties to increase recoveries for creditors. No such course of action has been found.

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.

Trading costs

Direct labour costs

We have paid £91,997 in respect of payroll costs for the furloughed staff.

Health & Safety

We have paid £74,082 to various suppliers to settle trading costs and to ensure the continuing health and safety obligations were adhered to across the four retained sites until the date of exit.

Rents and rates

During the period we have settled £392 of rent costs and £183,722 of rates incurred across the stores.

Water, heat and light

We have settled £403 of water rates and £356,976 of heat and light costs. We continue to work with utility companies to settle all outstanding costs.

Insurance costs

We have settled insurance costs of £53,524 relating to property, public liability, plant and machinery, terrorism cover, stock held across the four retained stores until exit.

IT and telecom expenses

We have paid £23,348 to IT service and systems providers.

Other costs

Agent/Valuer fees

We have paid Evolve £31,104 for their assistance with the employee claims process.

Third party VAT payable

Both the Company and Beale Limited form a VAT Group. We have paid £183,649 in respect of Beale Limited in administration as part of the Group VAT returns which is due to be reimbursed by Beale Limited in administration.

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.

Utilities

Utilities including water rates, heat and light incurred during the period which remain unpaid are estimated at £20,000.

3 Dividend prospects

3.1 Secured creditors

Please refer to our proposals and subsequent progress reports for (1) details of security and (2) the Secured creditors' indebtedness at the date of our appointment.

We have made no further distribution to the Secured creditors during the reporting period.

3.2 Preferential creditors

We estimate the amount of preferential claims to be £227,000.

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100p in the £. The timing and amount of any dividend are dependent upon the realisations and associated costs of the administration.

3.3 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a dividend. Due to outstanding matters discussed below, we are yet to determine the amount of this, but we will do so when we have completed the realisations of remaining assets and the payment of associated costs.

4 Joint Administrators' remuneration and disbursements

4.1 Joint Administrators' remuneration and disbursements

During the period the 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 our progress report of 14 August 2020 and KPMG's usual charge-out rates for work of this nature.

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 4.

We continue our discussions with the Secured creditors to secure approval for our remuneration.

Time costs

From 20 July 2020 to 19 January 2021, we have incurred time costs of £315,659. These represent 852 hours at an average rate of £371 per hour.

From the date of our appointment to 19 January 2021, we have incurred time costs of £2,464,194. These represent 6,465 hours at an average rate of £381 per hour.

Please see detailed analysis of the time spent and a narrative description of the work performed (Appendix 4) and in our previous progress report .

Remuneration

During the period, we have not drawn any remuneration.

Disbursements

During the period, we have incurred disbursements of £3,093. None of these have yet been paid.

Additional information

We have attached (Appendix 4) 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 20 July 2020 to 19 January 2021. 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 dated 16 March 2020.

Pre-administration costs			
	Paid (£)	Unpaid (£)	Total (£)
KPMG fees	0.00	10,098.50	10,098.50
KPMG disbursements	0.00	154.80	154.80
DLA Piper legal fees	0.00	6,250.00	6,250.00
Total	0.00	16,503.30	16,503.30

The payment of unpaid pre-administration costs as an expense of the administration is subject to the same approval as our remuneration, as outlined above.

On 9 September 2020, we obtained approval from the preferential creditors to pay the pre-administration costs as an expense of the administration.

We are seeking approval from the Secured creditors to pay these pre-administration costs as an expense of the administration.

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:

- Concluding the realisation of the Company's remaining stock provided to New Start 2020 Limited on a concession basis;
- Monitor matters in respect of any potential surplus recoverable into the administration in respect of the assigned credit card claim;
- Finalising the tax and VAT affairs of the Company, to include submission of tax Group VAT returns, settlement of any liabilities and seeking tax clearance (when appropriate);

- Agreeing the claims of preferential and unsecured creditors with a view of making distribution to each class of creditors;
- Payment of administration expenses including our remuneration; and complying with statutory and compliance obligations.

5.2 Extension of the administration

During the period the Secured and preferential creditors granted a 12 month extension to the period of the administration.

The administration is currently due to end on 19 January 2022.

5.1 Discharge from liability

We will shortly seek approval from the Secured creditors that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to obtain discharge from liability.

Preferential creditors provided their approval to the above on 9 September 2020.

5.2 Future reporting

We will provide a further progress report within one month of 20 July 2021 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company information

Company name	J E Beale Public Limited Company
Date of incorporation	1 February 1912
Company registration number	00120002
Present registered office	KPMG LLP, 15 Canada Square, Canary Wharf, London, E14 5GL

Administration information

Administration appointment	The administration appointment granted in High Court of Justice, Business and Property Courts in Leeds, LDS-000026 of 2020
Appointor	Directors
Date of appointment	20 January 2020
Joint Administrators' details	Will Wright and Steve Absolom
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is yet to be determined however the Prescribed Part is expected to be capped at the statutory maximum of £600,000.
Prescribed Part distribution	<p>The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3.3).</p> <p>The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply.</p> <p>Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors.</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	19 January 2022

Appendix 2 Joint Administrators' receipts and payments account

Jdf e

J E Beale Public Limited Company - in Administration

Trading accounts

Statement of Affairs (£)	From 20/07/2020 To 19/01/2021 (£)	From 20/01/2020 To 19/01/2021 (£)
POST-APPOINTMENT SALES		
Sales	266,036.40	15,746,892.52
Misc. concession commission income	NIL	361,385.23
Poole - Concession sales	113,797.63	113,797.63
Other income	21,947.76	65,286.76
JRS Grant	86,378.70	152,543.25
	<u>488,160.49</u>	<u>16,439,905.39</u>
PURCHASES		
Concession partner funds paid	NIL	(5,255,015.02)
Purchases - with VAT invoice	(19,920.14)	(1,599,834.41)
Purchases - proforma invoice	24,158.16	(91,302.51)
Purchases - catering	(9,393.36)	(53,381.11)
	<u>(5,155.34)</u>	<u>(6,999,533.05)</u>
OTHER DIRECT COSTS		
Wages and salaries	(69,051.06)	(1,869,832.41)
PAYE/NIC	(22,946.16)	(321,673.38)
Employee disbursements	NIL	(3,221.01)
	<u>(91,997.22)</u>	<u>(2,194,726.80)</u>
TRADING EXPENSES		
Health and safety	(74,081.57)	(170,348.63)
Agent costs	NIL	(148,231.44)
Rent	(391.78)	(459,864.39)
Rates	(183,721.79)	(196,829.80)
Water rates	(403.23)	(4,459.49)
Heat & light	(356,975.90)	(358,105.90)
Travel	(390.41)	(4,482.88)
Ransom payments	NIL	(118,148.02)
IT and telecom expenses	(23,348.42)	(98,746.56)
Insurance	(10,851.97)	(69,221.13)
Professional fees	NIL	(2,803.00)
Bank charges & interest	NIL	(29,368.78)
Licence fees	NIL	(3,950.00)

J E Beale Public Limited Company - in Administration**Trading accounts**

Statement of Affairs (£)	From 20/07/2020 To 19/01/2021 (£)	From 20/01/2020 To 19/01/2021 (£)
Repairs and maintenance	(160.00)	(3,608.94)
Sundry expenses	NIL	(1,000.00)
Advertising costs	(1,494.00)	(1,494.00)
ROT settlements	(5,000.00)	(1,344,149.13)
Marketing and promotions	NIL	(77,497.35)
	(656,819.07)	(3,092,309.44)
Trading surplus/(deficit)	(265,811.14)	4,153,336.10

J E Beale Public Limited Company - in Administration**Abstract of receipts & payments**

Statement of affairs (£)	From 20/07/2020 To 19/01/2021 (£)	From 20/01/2020 To 19/01/2021 (£)
FIXED CHARGE ASSETS		
3,370,000.00 Freehold property	NIL	3,300,000.00
Interest Income	NIL	55.03
Brand/IP	NIL	2,500.00
	NIL	3,302,555.03
FIXED CHARGE COSTS		
Agents'/Valuers' fees	NIL	(2,750.00)
	NIL	(2,750.00)
FIXED CHARGE CREDITORS		
(19,585,479.00) Fixed charge creditor	NIL	(3,250,000.00)
	NIL	(3,250,000.00)
ASSET REALISATIONS		
Leasehold property (SoFA Nil)	NIL	NIL
Assigned credit card claim (SoFA Nil)	NIL	NIL
20,000.00 Fixtures & Fittings	NIL	12,000.00
5,538,778.00 Stock	1,400.00	1,400.00
80,531.00 Book debts	1,324.85	13,707.57
Contribution to cost	1,020.00	1,020.00
Third party VAT receivable	5,974.77	26,067.67
319,451.00 Cash at bank	NIL	37,053.43
Subtenant Rent	NIL	1,949.76
Insurance Settlement	3,000.00	3,000.00

J E Beale Public Limited Company - in Administration
Abstract of receipts & payments

Statement of affairs (£)		From 20/07/2020 To 19/01/2021 (£)	From 20/01/2020 To 19/01/2021 (£)
		12,719.62	96,198.43
	OTHER REALISATIONS		
	Bank interest, gross	20.00	3,412.74
30,000.00	EP(C)A funds	NIL	NIL
	Sundry refunds	277.88	579.73
	Trading surplus/(deficit)	(265,811.14)	4,153,336.10
	Rate refunds	6,800.34	7,605.92
310,104.00	Cash in transit	260,000.00	423,288.95
108,535.00	Cash floats	NIL	241,210.00
	Prepayments (SoFA Nil)	NIL	NIL
	Receipts on behalf of Beale Limited	9,694.35	9,694.35
		10,981.43	4,839,127.79
	COST OF REALISATIONS		
	Payments on behalf of Beale Ltd	(2,848.10)	(2,848.10)
	Third Party VAT receivable – paid out	(120.00)	(20,092.90)
	Agents'/Valuers' fees	(31,104.00)	(45,354.00)
	Third Party VAT payable	(183,649.05)	(183,649.05)
	Legal fees	(950.00)	(91,550.00)
	Storage costs	(426.63)	(2,517.48)
	Statutory advertising	(79.00)	(79.00)
	Other costs	NIL	(23,335.82)
	Insurance of assets	(42,672.17)	(42,672.17)
	Bank charges	(1,100.00)	(5,450.00)
	Store closure costs	NIL	(62,531.38)
		(262,948.95)	(480,079.90)
	PREFERENTIAL CREDITORS		
(227,672.00)	Employees' holiday pay	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
	Floating charge	NIL	(2,000,000.00)
		NIL	(2,000,000.00)
	UNSECURED CREDITORS		
(10,001,181.00)	Trade & expense	NIL	NIL
(4,626,803.00)	Connected companies	NIL	NIL

J E Beale Public Limited Company - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 20/07/2020 To 19/01/2021 (£)	From 20/01/2020 To 19/01/2021 (£)
(523,458.00)	Corp tax etc/nonpref PAYE	NIL	NIL
(1,700,545.00)	Non-preferential VAT	NIL	NIL
(1,423,205.00)	Postponed or deferred	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1,023,254.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(29,334,198.00)		(239,247.90)	2,505,051.35
	REPRESENTED BY		
	Floating ch. VAT rec'able		1,968,186.15
	Floating charge current		2,403,583.63
	Fixed charge VAT rec'able		550.00
	Trade creditors		22,917.57
	Floating ch. VAT payable		(3,341,479.16)
	Floating ch. VAT control		1,451,843.16
	Fixed charge VAT control		(550.00)
			2,505,051.35

Appendix 3 Schedule of expenses

Schedule of expenses (20/07/2020 to 19/01/2021)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Purchases			
Purchases - with VAT invoice	4,920.14	0.00	4,920.14
Purchases - proforma invoice	0.00	0.00	0.00
Purchases - catering	4,292.50	0.00	4,292.50
Other direct costs			
Wages and salaries	65,616.50	0.00	65,616.50
PAYE/NIC	17,144.50	0.00	17,144.50
Trading expenses			
Health and safety	72,855.46	1,458.00	74,313.46
Agents costs	0.00	950.00	950.00
Rates	0.00	0.00	0.00
Water rates	0.00	10,000.00	10,000.00
Heat & light	196,975.90	20,000.00	216,975.90
IT and telecom expenses	23,348.42	49.05	23,397.47
Insurance	0.00	5,000.00	5,000.00
Repairs and maintenance	160.00	0.00	160.00
Advertising costs	1,494.00	0.00	1,494.00
Fixed charge costs			
Health & Safety	0.00	1,212.00	1,212.00
Cost of realisations			
Administrators' fees	0.00	315,659.45	315,659.45
Administrators' disbursements	0.00	3,093.35	3,093.35
Payments on behalf of Beale Ltd	2,084.10	28.30	2,112.40
Third Party VAT receivable – paid out	0.00	0.00	0.00
Agents'/Valuers' fees	31,104.00	0.00	31,104.00
Third Party VAT payable	183,649.05	0.00	183,649.05
Legal fees	0.00	5,000.00	5,000.00
Storage costs	0.00	500.00	500.00
Insurance of assets	0.00	30,000.00	30,000.00
Bank charges	1,000.00	200.00	1,200.00
TOTAL	604,644.57	393,150.15	997,794.72

Please note that there is a difference between the payments made during the period (per the receipts and payments account) and the expenses incurred and paid in the period (per the schedule of expenses). This is due to the fact that some of the payments made in the period relate to expenses incurred in a prior period.

The Joint Administrators are entitled to receive remuneration for their services; pending agreement of the basis of the Joint Administrators' remuneration, it has been accrued on a time cost basis. Where appropriate, this will be adjusted once creditors have approved the basis.

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 Hayley Jennings at KPMG LLP, 15 Canada Square, Canary Wharf, London, E14 5GL.

However, please note that in light of the UK Government's recent instructions to stay at home, apart from for essential travel, our staff are currently working remotely with no access to our offices. For this reason, please send any such request by email to Beales@kpmg.co.uk.

Appendix 4 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 and pensions (up to 1 March 2020) 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/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Hayley Jennings on 0118 9642541.

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.

Table of charge-out rates

Charge-out rates (£) for: Restructuring			
Grade	From 01 Jan 2020 £/hr	From 01 Oct 2020 £/hr	From 01 Jan 2021 £/hr
Partner	690	690	690
Director	620	620	620
Senior Manager	560	560	560
Manager	467	467	467
Senior Administrator	325	325	325
Administrator	236	236	236
Support	147	147	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 (excluding VAT) during the period 20 July 2020 to 19 January 2021.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
External printing	1,252.44		NIL		1,252.44
Postage	1,816.91		NIL		1,816.91
Travel	24.00		NIL		24.00
Total	3,093.35		NIL		3,093.35

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 are to be approved in the same manner as our remuneration.

Narrative of work carried out for the period 20 July 2020 to 19 January 2021

The key areas of work have been:

Statutory and compliance	collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; posting information on a dedicated web page; preparing statutory receipts and payments accounts; obtaining approval from the Secured and preferential creditors of a 12-month extension of the administration; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; 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; 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; complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	providing written and oral updates to representatives of Secured creditors regarding the progress of the administration and case strategy.
Cashiering	preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; reviewing and processing employee expense requests; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	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 VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; dealing with post appointment tax compliance.
Shareholders	responding to enquiries from shareholders regarding the administration; providing copies of statutory reports to the shareholders.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Trading and post-trading related matters	preparing cash flow statements to monitor the cash position; attending to supplier and customer queries and correspondence; raising, approving and monitoring purchase orders and setting up control systems for trading; negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support; securing petty cash on site and monitoring spend; dealing with issues in relation to stock and other assets required for trading; communicating and negotiating with customers regarding ongoing supplies, including agreeing terms and conditions; monitoring stock and stock reconciliations; dealing with hauliers to ensure ongoing services; ensuring ongoing provision of emergency and other essential services to site.
Asset realisations	collating information from the Company's records regarding the assets; liaising with finance companies in respect of assets subject to finance agreements; liaising with agents regarding the sale of assets; dealing with issues associated with the sale of stock; reviewing outstanding debtors and management of debt collection strategy;

	liaising with Company credit control staff and communicating with debtors; seeking legal advice in relation to book debt collections; liaising with the Company credit control regarding debtor recoveries; reviewing the inter-company debtor position between the Company and other group companies.
Property matters	reviewing the Company's leasehold properties, including review of leases; communicating with landlords regarding rent, property occupation and other issues; performing land registry searches.
Health and safety	liaising with 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	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; assessing the level of insurance premiums.
Employees	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; holding employee briefing meetings to update employees on progress in the administration and our strategy; administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns; communicating and corresponding with HM Revenue and Customs; dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; managing claims from employees; ensuring security of assets held by employees.
Pensions	ensuring compliance with our duties to issue statutory notices; liaising with the trustees of the defined benefit pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment; ensuring death-in-service cover for employees remains in place; communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.
Creditors and claims	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.

Time costs

SIP 9 –Time costs analysis (20/07/2020 to 19/01/2021)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
Fund management	1.90	617.50	325.00
General (Cashiering)	64.80	16,852.80	260.07
Reconciliations (& IPS accounting reviews)	2.10	710.90	338.52
General			
Books and records	4.60	1,693.40	368.13

SIP 9 –Time costs analysis (20/07/2020 to 19/01/2021)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Fees and WIP	9.00	3,810.30	423.37
Statutory and compliance			
Budgets & Estimated outcome statements	12.00	6,887.00	573.92
Checklist & reviews	2.70	845.10	313.00
Extension related formalities	4.40	1,422.40	323.27
Reports to debenture holders	2.00	1,240.00	620.00
Statutory advertising	0.50	118.00	236.00
Statutory receipts and payments accounts	3.20	1,466.00	458.13
Strategy documents	8.40	4,961.10	590.61
Tax			
Post appointment corporation tax	14.70	6,856.20	466.41
Post appointment VAT	43.65	18,243.45	417.95
Creditors			
Creditors and claims			
General correspondence	76.00	24,752.60	325.69
Statutory reports	42.50	18,863.40	443.84
Employees			
Agreeing employee claims	2.00	472.00	236.00
Correspondence	64.15	26,153.70	407.70
Pension funds	2.50	1,550.00	620.00
Pensions reviews	0.10	23.60	236.00
Realisation of assets			
Asset Realisation			
Cash and investments	2.90	823.00	283.79
Debtors	9.50	3,967.60	417.64
Health & safety	1.10	467.50	425.00
Insurance	10.70	4,465.60	417.35
Leasehold property	154.25	64,333.35	417.07
Other assets	2.20	1,027.40	467.00
Stock and WIP	36.10	20,906.00	579.11
Trading code used outside trading period			
Trading			
Employee Matters / PAYE	6.10	1,439.60	236.00
Negotiations with suppliers / landlords	4.00	1,300.00	325.00
Post trading related matters	192.25	60,136.15	312.80
Purchases and trading costs	62.70	15,477.60	246.85

SIP 9 –Time costs analysis (20/07/2020 to 19/01/2021)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Sales	4.00	1,535.00	383.75
Trading Management	4.60	2,241.20	487.22
Total in period	851.60	315,659.45	370.67

Brought forward time (appointment date to SIP 9 period start date)	5,613.19	2,148,534.24
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	851.60	315,659.45
Carry forward time (appointment date to SIP 9 period end date)	6,464.79	2,464,193.69

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

All time shown in the above analysis is charged in units of six minutes.

Appendix 5 Glossary

American Express	American Express Payment Services Limited
Avison Young	Avison Young LLP
Bank	Santander (UK) Plc
Company/JEB	J E Beale Public Limited Company - in Administration
Group	The Company together with Beale Limited – in Administration
Hilco Capital	Hilco Capital Limited
HMRC	HM Revenue and Customs
JLT	JLT Speciality Limited
DLA Piper	DLA Piper LLP
DMB Group	Direct Marketing Bureau Limited
Elavon	Elavon Financial Services Limited
Evolve	Evolve IS Limited
Joint Administrators/we/our/us	Will Wright and Steve Absolom
KPMG	KPMG LLP
ROT	Retention of Title
Scheme	The Beales Pension Scheme
Secured creditors	Mulino Investments Trust Limited and The Beales Pension Scheme
Worldpay	Worldpay (UK) Limited

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 6 Notice: About this report

This report has been prepared by Will Wright and Steve Absolom, the Joint Administrators of J E Beale Public Limited Company – 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.

William James Wright and Stephen John Absolom 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.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html.

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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