

AM03

Notice of administrator's proposals



Companies House

TUESDAY



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17/03/2020

#287

COMPANIES HOUSE

1 Company details

Company number 00120002
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 E14 5GL
Country

4 Administrator's name

Full forename(s) Stephen John
Surname Absalom


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

5 Administrator's address

Building name/number 15 Canada Square
Street Canary Wharf
Post town London
County/Region
Postcode E14 5GL
Country

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

AM03
Notice of Administrator's Proposals

6		Statement of proposals																		
		<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals																	
7		Sign and date																		
Administrator's Signature	Signature	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>																
Signature date	<table><tr><td>^d</td><td>^d</td><td>^m</td><td>^m</td><td>^y</td><td>^y</td><td>^y</td><td>^y</td></tr><tr><td>1</td><td>6</td><td>0</td><td>3</td><td>2</td><td>0</td><td>2</td><td>0</td></tr></table>				^d	^d	^m	^m	^y	^y	^y	^y	1	6	0	3	2	0	2	0
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Joint Administrators' proposals

J E Beale Public Limited
Company - in Administration

16 March 2020

Deemed delivered: 16 March
2020

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

A glossary of the abbreviations used throughout this document is attached (Appendix 1).

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 statement of proposals is attached (Appendix 8).



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1 Executive summary

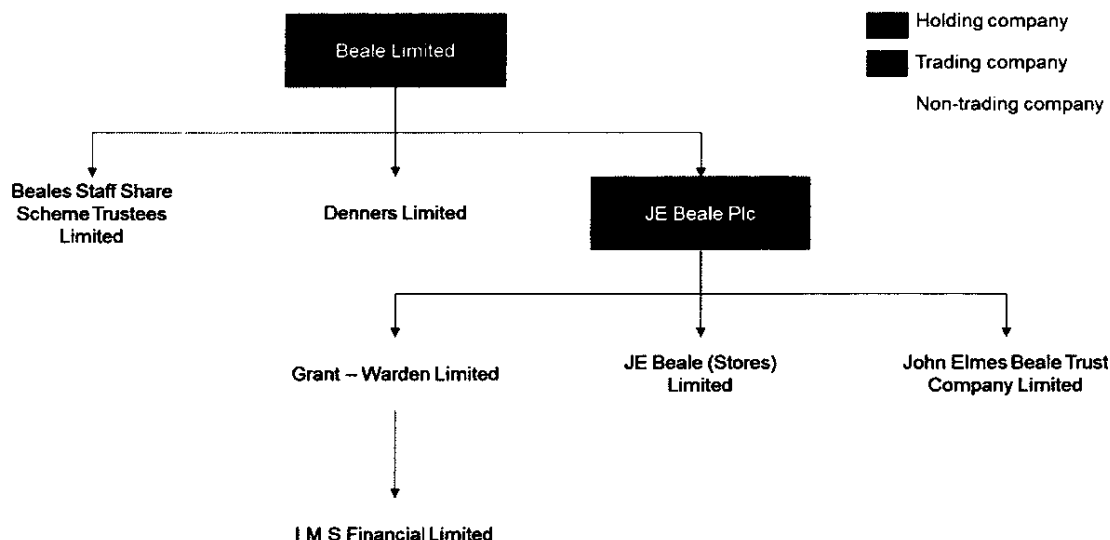
- The Company was the main trading entity within the Beales Group and operated 23 department stores in market-towns across the UK. The Company had been experiencing poor trading and had seen costs and losses increase. Despite extensive attempts to restructure and sell the business, the Group's loss making position combined with a general downturn in the retail sector resulted in no viable solvent solutions being proposed (Section 3 - Background and events leading to the administration).
- Following a resolution made by the directors of the Company to appoint administrators, Will Wright and Steve Absolom were appointed as Joint Administrators of the Company on 20 January 2020 (Section 3 - Background and events leading to the administration).
- On appointment, we immediately implemented a short term trading programme across all stores whilst continuing in parallel, to run a sale of business process with a view to finding a buyer for all or part of the business as a going concern (Section 4 - Strategy and progress of the administration to date).
- Whilst discussions for a sale of business remain ongoing with interested parties, we have begun to implement a closure programme across all the Company's stores. In the event that a purchaser for the business as a going concern cannot be found, we anticipate that all stores will close in early April 2020. In parallel, we are working with our appointed agents to realise value from the Group's freehold and leasehold properties and other associated tangible assets (Section 4 - Strategy and progress of the administration to date).
- It is currently anticipated that the Secured creditors will suffer a significant shortfall in respect of the funding provided to the Company and the wider Group (Section 5 - Dividend prospects).
- We anticipate that the preferential creditors will be paid in full (Section 5 - Dividend prospects).
- Unsecured creditors include trade creditors, VAT and PAYE due to HMRC, landlord and employee claims. In addition, Beale Limited is an intercompany creditor in respect of loan facilities provided to the Company, via the credit and loan facilities arrangements with Wells Fargo. Based on current estimates, we anticipate that unsecured creditors should receive a dividend. Due to the mix of creditors and difficulty in currently quantifying claims, we are not yet able to confirm the quantum or timing of any distribution (Section 5 - Dividend prospects).
- At this stage, we anticipate that the most likely exit route will be dissolution (Section 6 - Ending the administration).
- We intend to seek approval of our Proposals by deemed approval (Section 7 – Approval of proposals).
- We propose 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 fee estimates and charge out rates provided. We will seek approval for our remuneration from the Secured and preferential creditors by a separate decision procedure (Section 8 - Joint Administrators' remuneration, disbursements and pre-administration costs).

- This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 9 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



Will Wright
Joint Administrator

2 Group structure



The parent and the ultimate holding company of the Group is Beale Limited which owns the majority of the Group's freehold estate. JEB is the Group's main trading entity.

The only Group entities to have entered administration are JEB and Beale Limited. The remaining entities are non-trading companies and are currently dormant.

3 Background and events leading to the administration

3.1 Background information

The Company was incorporated on 1 February 1912 and operated department stores in market-towns selling furniture, fashion, toys and cosmetics. Whilst the Company had a transactional online website, the majority of the Company's sales were through its network of 23 departments stores, selling a mix of own bought and concession products.

In October 2018 Beale Limited completed a Management Buy Out (MBO) with the shares held by Portnard Limited and related companies being purchased by Brown Retail Holdings Limited, a company wholly owned by Anthony Brown, the CEO of the Group.

JEB had a total of 1030 employees. Of these, 99 were based at the Company's head office in Bournemouth and the remaining 931 across the various stores.

3.2 Funding and financial position of the Company

In the latest statutory accounts at 31 March 2019, JEB had a turnover of £48.3 million but reported a loss before tax of £2.2 million. The loss was attributed to the challenging retail environment and a number of other associated costs.

At the date of our appointment the Company had two secured creditors:

1) Wells Fargo provided a revolving credit facility to the Company and Beale Limited and a term loan to Beale Limited alone, which were drawn to circa £12.6 million at the date of appointment. These facilities are secured by way of a fixed and floating charge debentures from the Companies to Wells Fargo.

2) The Beales Pension Scheme (the Scheme) is a defined benefit pension scheme operated by the Company. We are liaising with the Scheme to determine the current funding deficit; the October 2016 triennial valuation showed a deficit of £7.85m. The Scheme is secured up to an amount of £8.4 million by way of fixed charges in respect of some of the properties owned by the Companies. The fixed charge from Beale Limited secures the Kendal Property and the Yeovil Property. The fixed charge from J E Beale PLC secures the Bedford Property.

A deed of priority regulates the interests of Wells Fargo and the Scheme in relation to the properties. Other than in respect of the Kendal Property which is owned by Beale Limited, Wells Fargo has priority over all the properties. The Scheme has priority in respect of the Kendal Property. The Scheme has no security over the Poole lease.

Beale Limited provided intercompany loan facilities to the Company, via the credit and loan facilities arrangements with Wells Fargo. The directors have provided a Statement of Affairs for the Company which confirms that circa £18.3 million is owed to unsecured creditors, including circa £4.6m owed as an intercompany balance to Beale Limited.

Prior to administration, the directors had instructed an extensive marketing process to explore the investment, refinancing and sale options available to the business. During the process 117 financial and trade investors were contacted to determine their interest in the business. Whilst 11 of these parties signed Non-Disclosure Agreements and were provided with further information, unfortunately no solvent offers with associated clear proof of working capital funding for the rescue of the Company and the underlying Group's business were received.

3.3 Events leading to the administration

The Company had been experiencing a difficult retail environment, compounded by cost increases including business rates and the national living wage.

In March 2016 the Company entered into a landlord only Company Voluntary Arrangement ('CVA') in order to deal with ten onerous leases. During the period of the CVA eight of the effected stores were closed and rent reductions were agreed for the remaining two. The CVA successfully completed in September 2016.

Following the MBO in 2018, whilst attempts were made to restructure the business, the Group continued to face an extremely difficult retail environment.

With the impact of high rents and rates exacerbated by disappointing trading over the most recent Christmas period, and extensive discussions around additional investment or a solvent solution proving unsuccessful, the Company was facing an acute liquidity crisis.

On 10 January 2020 having regard to the financial position of the Companies, the directors concluded that it would be in the best interest of creditors to file a notice of intention to appoint administrators. Whilst discussions are continuing with interested parties in order to try and agree a sale of the business as a going concern, to date no viable offers have been received.

Following a resolution made by the directors of the Company, Will Wright and Steve Absolom were appointed as Joint Administrators of the Company on 20 January 2020.

KPMG's prior engagements with the Company and its stakeholders are set out below:

- Rob Croxen and Colin Haig, former Partners of KPMG, were appointed Joint Nominees of the Company on 7 March 2016, and subsequently Joint Supervisors of the Company on 24 March 2016 in respect of a CVA. The CVA successfully completed on 7 September 2016.
- On 9 December 2019 KPMG were engaged to explore the investment, refinancing and sale options available to the business.

At the time of our appointment we disclosed to the Court details of the work carried out by KPMG up to that time.

We are satisfied that the work carried out by KPMG before our appointment, including the pre-administration work summarised below, has not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guidelines to professional conduct and ethics.

3.4 Pre-administration work

The following work was carried out in the short period prior to our appointment with a view of placing the Company into administration:

- Commencing rapid insolvency planning on order to be in position to take an appointment.
- Liaising with the key stakeholders in relation to the administration appointment.
- Liaising with our legal advisors, DLA Piper, for the preparation and filing of the appointment documents, advising the Company regarding the administration appointment and funding arrangements for the administration.

As a result of the liquidity challenges of trading on the business post insolvency, it was necessary to undertake this work before the Company entered into administration.

We carried out this work with the objective of achieving the purpose of the administrations in accordance with Paragraph 3(1)(b), which is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up.

3.5 Appointment of Joint Administrators

The Directors resolved on 20 January 2020 to appoint Will Wright and Steve Absolom as Joint Administrators. The notice of appointment was lodged at the High Court of Justice, Business and Property Courts in Leeds on 20 January 2020 and we were duly appointed.

In addition, on 20 January 2020 we were also appointed Administrators over the Company's parent, Beale Limited.

4 Strategy and progress of the administration to date

4.1 Strategy to date

Strategy

In the lead up to and following our appointment we considered how we could achieve the purpose of administration in accordance with the three part stepped purpose set out in Paragraph 3 of Schedule B1 of the Insolvency Act 1986 ('Purpose').

We considered that there was a reasonable prospect of achieving the second part of the Purpose as set out in Paragraphs 3(1)(b) by continuing to trade the Company whilst we pursued a process to sell the business as a going concern for the best price.

We set out below an overview of the work we have undertaken as well as our strategy in relation to the realisation of assets.

Sale of business

As previously outlined, the Group and underlying business had been extensively marketed prior to our appointment. Immediately upon appointment, we made contact with all parties who had previously expressed an interest in the business during the option process. In addition, and in order to drive interest in the business, we outlined the sale of business process to both the local and national press.

Aside from the properties, the majority of the assets being marketed for sale were owned by the Company, including stock (not supplied on a concession basis), the brand and associated Intellectual Property. The Company owns a freehold property situated in Bedford, a long leasehold in Poole and leases all other stores. Beale Limited owns the freehold properties situated in Kendal and Yeovil.

Non-disclosure agreements were signed by 10 interested parties, following which access was granted to an online data room containing relevant information in relation to the Group, and where appropriate, meetings were held with Management.

Bid instructions were sent to all viable parties who had expressed an interest in the business and assets as a whole. We are continuing our discussions with interested parties and will update further on the outcome of the process in due course.

Trading

In order to increase the prospects of a sale of the business and assets of the Group as a whole, it was important for us to facilitate arrangements with key suppliers to support ongoing trading of all stores.

Following a competitive selection process we engaged Hilco Capital to act as consultant to assist with the trading of the stores and immediately implemented a short term trading programme across all 23 stores.

Whilst we are continuing sale of business discussions with interested parties, if a going concern sale cannot be achieved it is likely that all remaining stores will close in early April 2020.

Employees

On appointment, all 1030 employees of the Company were contacted to notify them of the administration appointment.

Shortly after appointment, we commenced a consultation process and employee representatives were elected at each of the 23 stores. We have held regular update calls to keep employees apprised of developments in the administration.

In addition to offering our support to employees, we have engaged Evolve IS Limited, an external bureau who specialise in employee claim matters. They will be supporting the redundant employees through the redundancy process.

Following the closure of the Hexam store on 28 February 2020 all 25 employees at this store have been made redundant. To date, 51 employees at head office have also been made redundant.

Landlords

The Company operates from 19 leasehold sites, the remaining sites are freehold properties owned by the Group. All landlords were contacted and advised of the Administrators' appointment and our intention to continue to trade the stores whilst we pursued a sale of business strategy.

Concession suppliers and concession stock

The Company sold concession stock across the store network supplied by over 130 concession suppliers. All critical concession suppliers were contacted shortly after the Joint Administrators' appointment in order to obtain their support to continue to sell their stock during the period of trading in administration.

Almost all of the critical concession suppliers were supportive and agreed to continue supplying the Company during the trading period.

Key suppliers and ROT

ROT claims were received from a number of suppliers. To date, all claims have been dealt with and either settled or rejected.

Banking, cash and merchant acquirer facilities

Loomis and G4S provided cash handling and cash collection services to the Company prior to the administration. We entered into new arrangements with both suppliers to ensure these essential cash collection services continued during the administration.

We also entered into new arrangements with Elavon and Worldpay in order to continue merchant acquirer services during the trading period. Amex have also continued to provide merchant acquirer services.

We are awaiting a transfer of all funds held in the Company's pre-appointment bank account to the Administrator's bank account.

Gift cards

Upon appointment, in order to maintain customer goodwill and minimise disruption in stores we made the decision to continue to honour existing customer gift cards. No new gift cards were sold following our appointment.

Information Technology

The Company engaged the services of a number of IT service and systems providers. Where services were required, we contacted these key suppliers and made arrangements to ensure continued service during the trading period.

Health and Safety

We engaged Marsh Limited to conduct a health and safety review of the Company including a review of all urgent maintenance issues in stores. Based on their recommendation we continue to ensure that all stores are adequately maintained throughout the trading period, in a manner compliant with health and safety regulations.

Rent, rates and utilities

Arrangements are being made to contact relevant suppliers in order to deal with rent, rates and utilities that are payable as an expense of the administration.

Freehold property

The Company has one freehold property at Bedford. The Administrators are in the process of agreeing the marketing and disposal strategy with our property agents, Avison Young, in order to maximise the realisations for the estate.

The director's Statement of Affairs for Beale Limited indicates that Beale Limited owns a long leasehold property in Poole. Initial investigations reveal that the property may have been formally assigned to the Company. We are continuing to investigate this matter and will provide a further update to creditors in our first progress report.

4.2 Asset realisations

Realisations from the date of our appointment to 25 February 2020 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations to date are provided below.

Sales receipts

Sales receipts as at 25 February 2020 total £9.6 million. All sales are currently shown gross of VAT; VAT will be deducted and appropriately accounted for to HMRC.

Sales receipts are from the combination of the Company's merchant acquirers (Elavon, Worldpay and American Express) for sales made on credit and debit cards, and cash collected by G4S and Loomis for cash sales in stores.

The sales receipts include sale of concession stock, Company bought stock, catering and fixtures and fittings sales made to the general public.

Concession commission income

We are in the process of accounting for concession commission income and will provide an update in our next progress report. The concession income recorded for the period of £177,157 relates to miscellaneous concession fees which included credit card fees and satellite sales.

Investigations

We are reviewing 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.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to the Joint Administrators at KPMG LLP, 15 Canada Square, London E14 5GL, United Kingdom or by e-mail to Beales@kpmg.co.uk.

4.3 Costs

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 4).

Payments made from the date of our appointment to 25 February 2020 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made to date are provided below.

Concession partner funds paid

We have paid £2.4 million to concession stock suppliers in respect of concession stock sold during the period.

Stock suppliers

In addition to concession stock, the Joint Administrators have placed a number of orders with non-concession suppliers in order to supplement stock levels during the trading period. During the period payments of circa £0.9 million have been made to these suppliers.

ROT claims

To date, compromise arrangements in respect of ROT claims of £1.3 million have been paid.

Ransom payments

We paid £92,664 to certain suppliers in order to ensure continuity of supply and enable the business to continue trading. These sums were paid on the basis that they preserved value to creditors by enabling us to continue to trade.

Health and Safety

To ensure the health and safety obligations are complied with during the trading period, we have conducted a number of essential fire risk assessments, lift maintenance work and other health and safety work classed as critical by our agents, Marsh Limited. During the period we have paid £23,635 to various suppliers in this regard.

Agent costs

Due to increased footfall during the trading period, we have supplemented retained store employees with additional agency staff in addition to offering overtime to retained employees. During the period we have paid £6,300 to suppliers in respect of agency staff.

In order to allow the continued sale of alcohol based products within the business, the Company's individual premises licences were transferred to our specialist agent, Licenced Solutions Limited. During the period, we have paid Licenced Solutions Limited £5,545 for carrying out individual site compliance inspections and £2,150 in respect of the premises licences they are holding for the trading sites.

During the period we have also paid PayCheck Limited £2,425 in respect of concession payment processing.

IT expenses

During the period, we have paid IT costs of £23,463. This included costs to maintain servers, broadband and telecoms infrastructure across the store network.

Marketing and promotions

During the period we have paid DMB Group £25,867 in respect of maintaining the customer database including the Company's points reward scheme. The customer database has been integral for marketing and promotions activity and DMB Group were instructed to issue reward vouchers in respect of points accrued by customers in order to drive footfall within stores.

5 Dividend prospects

5.1 Secured creditors

As detailed above in Section 3.2, at the date of our appointment the Company had two secured creditors, Wells Fargo and the Scheme.

It is currently anticipated that the Secured creditors will suffer a significant shortfall in respect of the funding provided to the Company and the wider Group.

We instructed our legal advisor to carry out a review of the securities held by the Secured creditors, and they have confirmed the charges are valid.

5.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

The directors have provided an estimate in the Statement of Affairs for the amount of preferential claims at the date of our appointment to be £227,000.

Based on current estimates, we anticipate that preferential creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and the payment of associated costs.

5.3 Unsecured creditors

Unsecured creditors include trade creditors, VAT and PAYE due to HMR&C, landlord and employee claims. In addition, Beale Limited provided intercompany loan facilities to the Company, via the credit and loan facilities arrangements with Wells Fargo.

The directors have provided a Statement of Affairs for the Company which confirms that circa £17.6 million is owed to unsecured creditors, including circa £4.6m owed as an intercompany balance to Beale Limited.

Based on current estimates, we anticipate that unsecured creditors should receive a dividend. Due to the mix of creditors and difficulty in currently quantifying claims, we are not yet able to confirm the quantum or timing of any distribution.

6 Ending the administration

6.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 9 to bring the administration to a conclusion in due course.

However, at this stage we anticipate that the most likely exit route will be dissolution.

6.2 Discharge from liability

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

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

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

7 Approval of proposals

7.1 Deemed approval of proposals

The administrators' proposals will be deemed approved, with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors other than by virtue of the Prescribed Part, as detailed in Appendix 1.

On expiry of eight business days from the date our proposals were delivered to the creditors, they will be deemed to have been approved by the creditors unless 10% in value of creditors request that a decision procedure is convened. Further details of the steps to convene a procedure are detailed below.

7.2 Creditors' right to request a decision

We will use a decision making procedure or deemed consent to seek approval of our proposals (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company, and (2) if the procedures set out below are followed.

Requests for a decision must be made within eight business days of the date on which our proposals were delivered. They must include:

- a statement of the requesting creditor claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting.

In addition, the expenses of the decision procedure at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a decision, please complete and return the decision requisition form available at www.kpmg.co.uk/Beales.

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

8.1 Approval of the basis of remuneration and disbursements

We propose to seek approval from the Secured and preferential creditors 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 3 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.

Agreement to the basis of our remuneration and the drawing of Category 2 disbursements is subject to specific approval. It is not part of our proposals.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to seek approval for the basis of remuneration and the drawing of Category 2 disbursements.

Time costs

From the date of our appointment to 25 February 2020, we have incurred time costs of £965,158. These represent 2,509 hours at an average rate of £385 per hour.

Disbursements

We have incurred disbursements of £21,701 during the period. None of these have yet been paid.

Additional information

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our appointment to 25 February 2020. We have also attached our charging and disbursements recovery policy.

8.2 Pre-administration costs

The following pre-administration costs have been incurred in relation to the pre-administration work detailed in Section 3.4:

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. It is not part of our proposals.

9 Summary of proposals

As a result of the unsuccessful sale of the business rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the secured and preferential creditors where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Will Wright and Steve Absalom, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Will Wright and Steve Absalom, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;

- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration and pre-administration costs

We propose 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 3 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;
- unpaid pre-administration costs be an expense of the administration.

Discharge from liability

We propose 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.

Appendix 1 Statutory information

Company information

Company and Trading name	J E Beale Public Limited Company
Date of incorporation	1 February 1912
Company registration number	00120002
Trading address	36 Old Christchurch Road, Bournemouth, Hants, BH1 1LJ
Previous registered office	36 Old Christchurch Road, Bournemouth, Hants, BH1 1LJ
Present registered office	KPMG LLP, 15 Canada Square, Canary Wharf, London, E14 5GL
Company Directors	Anthony Brown Keith Edelman
Company Secretary	Teian Dallaway

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	Will Wright and Steve Absolom
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
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 2021
Prescribed Part	The Prescribed Part is applicable on this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 5.3).
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £2.2 million. Estimated Prescribed Part is £452,000.
Prescribed Part distribution	If funds do become available for a distribution under the Prescribed Part, 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.
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.

Appendix 2 Joint Administrators' receipts and payments account

J E Beale Public Limited Company - in Administration			
Trading accounts			
Statement of Affairs (£)	Note	From 20/01/2020 To 25/02/2020 (£)	From 20/01/2020 To 25/02/2020 (£)
POST-APPOINTMENT SALES			
Sales		9,607,842.57	9,607,842.57
Concession commission income		177,156.91	177,156.91
Other income		0.20	0.20
		<u>9,784,999.68</u>	<u>9,784,999.68</u>
PURCHASES			
Concession partner funds paid		(2,375,693.73)	(2,375,693.73)
Purchases - with VAT invoice		(553,483.78)	(553,483.78)
Purchases - proforma invoice	(1)	(263,823.80)	(263,823.80)
Purchases - catering		(4,983.89)	(4,983.89)
		<u>(3,197,985.20)</u>	<u>(3,197,985.20)</u>
OTHER DIRECT COSTS			
Wages and salaries		(1,526.89)	(1,526.89)
Employee disbursements		(1,492.02)	(1,492.02)
		<u>(3,018.91)</u>	<u>(3,018.91)</u>
TRADING EXPENSES			
Health and safety		(23,634.57)	(23,634.57)
Agent costs		(14,269.94)	(14,269.94)
Water rates		(89.34)	(89.34)
Heat & light		(1,130.00)	(1,130.00)
Travel		(2,605.56)	(2,605.56)
Ransom payments		(92,663.67)	(92,663.67)
IT expenses		(23,463.06)	(23,463.06)
Professional fees		(2,803.00)	(2,803.00)
Licence fees		(2,150.00)	(2,150.00)
VAT refunds		(80.00)	(80.00)
Repairs and maintenance		(682.70)	(682.70)
ROT settlements		(1,312,679.13)	(1,312,679.13)
Marketing and promotions		(25,867.25)	(25,867.25)
		<u>(1,502,118.22)</u>	<u>(1,502,118.22)</u>
Trading surplus/(deficit)		<u>5,081,877.35</u>	<u>5,081,877.35</u>

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

Statement of affairs (£)		From 20/01/2020 To 25/02/2020 (£)	From 20/01/2020 To 25/02/2020 (£)
FIXED CHARGE ASSETS			
3,370,000.00	Freehold property	NIL	NIL
		NIL	NIL
FIXED CHARGE CREDITORS			
(19,585,479.00)	Fixed charge creditor	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
	Leasehold property (SoFA Nil)	NIL	NIL
	Assigned credit card claim (SoFA Nil)	NIL	NIL
20,000.00	Fixtures & Fittings	NIL	NIL
5,538,778.00	Stock	NIL	NIL
80,531.00	Book debts	508.04	508.04
319,451.00	Cash at bank	NIL	NIL
	Subtenant Rent	1,949.76	1,949.76
		2,457.80	2,457.80
OTHER REALISATIONS			
	Bank interest, gross	41.22	41.22
30,000.00	Money held by Santander-credit c. facility	NIL	NIL
	Trading surplus/(deficit)	5,081,877.35	5,081,877.35
	Rate refunds	495.74	495.74
310,104.00	Cash in transit	NIL	NIL
108,535.00	Cash floats	NIL	NIL
	Prepayments (SoFA Nil)	NIL	NIL
		5,082,414.31	5,082,414.31
COST OF REALISATIONS			
	Legal fees	(600.00)	(600.00)
	Bank charges	(500.00)	(500.00)
		(1,100.00)	(1,100.00)
PREFERENTIAL CREDITORS			
(227,672.00)	Employees' holiday pay	NIL	NIL
		NIL	NIL
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 20/01/2020 To 25/02/2020 (£)	From 20/01/2020 To 25/02/2020 (£)
(523,458.00)	Corp tax etc/nonpref PAYE	NIL	NIL
(1,700,545.00)	Non-preferential VAT	NIL	NIL
(1,423,205.00)	Other creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1,023,254.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(29,334,198.00)		5,083,772.11	5,083,772.11
	REPRESENTED BY		
	Floating ch. VAT rec'able		893,457.68
	Floating charge current		4,125,240.66
	Floating ch. VAT payable		(8,734.82)
	Trade creditors		73,808.59
			5,083,772.11

Note:

(1) Represent gross payments made to suppliers where a tax invoice has not yet been provided.

Appendix 3 Joint Administrators' fees estimate

Estimated time costs for the engagement				
	Note	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
Administration & Planning				
Director/Member		6.50	1,534.00	236.00
Cashiering - processing receipts, payments and bank reconciliations	Note 1	255.00	69,122.60	271.07
General - books & records, fees & work in progress	Note 2	187.00	56,620.00	302.78
Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 3	224.10	78,945.80	352.28
Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 4	260.00	105,418.00	405.45
Creditors				
Creditors and claims - general correspondence, notification of appointment, statutory reports	Note 5	648.40	199,673.80	307.95
Employees - correspondence	Note 6	262.00	89,080.00	340.00
Investigations				
Directors - correspondence, statement of affairs, questionnaires	Note 7	108.00	40,637.80	376.28
Investigations - director conduct and affairs of the Company	Note 8	102.00	38,782.00	380.22
Realisation of Assets				
Asset Realisations - including insurance of assets	Note 9	1,010.00	389,750.00	385.89
Trading				
Trading - purchases, sales, cash projections	Note 10	1,565.85	631,792.80	403.48
Total		4,628.85	1,701,356.80	367.55

Whilst specific notes have been provided below to give more context around the fees estimate, these should be read in conjunction with the Administrators' Proposals as a whole. Below is further detail of the work to be undertaken for this engagement:

Note 1 – Cashiering

Cashiering costs will include opening a separate administration bank account, processing a large number of transactions in the first few months of the administration period including managing all sales receipts during the trading period and payment of stock and non-stock suppliers. Our anticipated work will involve closing the existing bank accounts, performing bank reconciliations and day to day management of the account.

Note 2 - General

Our work includes collection of the Company's books and records, arranging mapping of the Company's servers including liaison with KPMG internal IT specialists and seeking approval for our fees and expenses as detailed in the Proposals.

Note 3 – Statutory and Compliance

Our work will included notifying the Registrar of Companies and other relevant parties of our appointment, arranging bonding and ensuring compliance with all statutory obligations such as reporting to Secured creditors. Further details are included in the Proposals.

Note 4 – Tax

We have instructed our internal VAT and Tax specialists to review the Company's tax and VAT affairs. We will submit post-administration tax and VAT returns as required.

Note 5 – Creditors and claims

This relates to time spent drafting and issuing the Administrators' statutory reports to creditors, attending and dealing with creditor enquiries and general communication with both secured and unsecured creditors. Our work will also involve dealing with and agreeing creditors' claims and payment of dividends.

Note 6 – Employees

Employee costs will involve consultation during the trading period and overseeing the payroll process. It will also include notifying employees of our appointment and communicating with them at the point of sale of business, as well as helping employees with their claim forms and dealing with any subsequent queries. Our work will also include agreement of employee claims and payment of subsequent dividends. This work will also involve correspondence with the Redundancy Payment Services, Trustees of the Company's pension scheme, the Pension Regulator and the PPF.

Note 7 – Directors

Our anticipated work will involve correspondence with the statutory directors regarding their statutory duties, requesting the completion of the Statement of Affairs and directors' questionnaires.

Note 8 – Investigations

This work will involve reviewing the Company's affairs, directorship searches, compliance with our statutory duties and submitting director reports and other relevant reports to the Secretary of State. We will also be investigating any transactions or disposals made in the lead up to and/or immediately prior to our appointment.

Note 9 – Asset realisation

This includes the time spent in dealing with the sales of business process and all post completion matters. It will also involve time dealing with the collection of book debts, dealing with ROT assets and other residual assets including cash balances held at the pre-appointment bank accounts and property related matters.

Note 10 – Trading

As detailed in our Proposals it was deemed appropriate to trade the business. This work includes liaison with critical suppliers, negotiations with concession partners and as well direct costs associated with payments to stock and non-stock suppliers, subsequent reconciliation property related queries directly related to the trading period.

Appendix 4 Joint Administrators' expenses estimate

Summary of Expenses from appointment		
Expenses (£)	Narrative	Initial Estimates (£)
Trading costs		
Purchases - Concession partners	1	6,635,266
Purchases - Other	1	1,494,992
Employee wages and salaries	2	2,203,986
PAYE and NIC	2	515,205
Rent, rates and service charge	3	1,339,017
Agent's costs and professional fees	4	1,000,000
ROT settlements	5	1,332,679
Ransom payments and IT costs	6	156,863
Marketing and promotions	7	47,070
Insurance and HSE	8	180,000
Other trading costs	9	1,411,618
Fixed charge costs		
Legal fees and disbursements	10	60,000
Agent fees and disbursements	11	57,750
Other property costs		16,000
Cost of realisations		
Pre-administration legal costs	10	6,250
Legal fees and disbursements	10	110,000
Agents' costs	11	5,000
KPMG pre-administration fees	12	10,098
Insurance of assets		20,000
Storage costs	13	11,000
Store closure costs		115,000
Bank charges		5,000
Other costs		30,000
TOTAL		16,762,794

Below is detail of the expenses anticipated for the duration of this engagement and should be read in conjunction with the Administrators' Proposals as a whole.

Trading costs

Note 1 - Purchases

Sales made by the Company during the trading period relate to goods purchased from a multitude of concession and other suppliers.

Note 2 – Employee costs

Employee costs represent the gross payroll costs including the associated taxes and pension contributions in relation to staff retained during the initial period of administration supporting the administration trading strategy. Included in this figure are amounts due to temporary and agency staff supporting the catering activities carried in a number of stores.

Note 3 – Rent, rates and service charge

The Company traded from 23 stores and the head office. These costs comprise our estimates of rental and service charge costs due to the individual landlords occupied by the Company during the initial period of the administration of circa £0.8 million. Business rates liabilities and other property costs for the period of beneficial occupation in the administration are estimated to be circa £0.5 million.

Note 4 – Agents' costs and professional fees

These costs relate to specialist agents assisting us with the ongoing trading of all 23 stores, payroll processing, engagement of agency employees and a provision of services by specialist licensing agents as detailed in section 4.3 of our Proposals.

Note 5 – ROT settlements

Costs related to ROT payments made where ongoing supply of stock was required to support ongoing trading of the business. Please refer to section 4.1 of our Proposals for further details.

Note 6 – Ransom payments and IT costs

These costs were incurred to ensure continuity of supply in order to enable the business to continue to trade.

Note 7 – Marketing and promotions

The costs of marketing and advertising mainly related to the maintenance of the customer database integral to the marketing and promotion activity during the trading period.

Note 9 – Insurance costs

Relates to the Administrators' insurance cover required.

Note 9 – Other trading costs

Due to the complexity and nature of the engagement it is appropriate to include a provision for future trading costs, which include repairs and maintenance, sundry expenses and general contingency.

Costs of realisations**Note 10 – Legal fees and disbursements**

Relates to legal advice in relation to validity of our appointment, validity of security, property matters and sale of the Company's freehold property, retention of title claims and ad-hoc advice in relation to matters arising during the course of the administration.

As detailed in section 8.2 there are also pre-administration legal costs, which remain unpaid.

Note 11 – Agents' costs and professional fees (property related)

Anticipated costs of marketing and disposing of the Company's freehold property in Bedford.

Note 12 – Pre-administration costs

Please refer to section 3.4 and 8.2 for further details.

Note 13 – Storage costs

Anticipated costs of storing company records during the statutory period as required by the relevant legislation.

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 the Joint Administrators at KPMG LLP, 15 Canada Square, London E14 5GL or by e-mail at Beales@kpmg.co.uk.

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 2020 £/hr
Partner	690
Director	620
Senior Manager	560
Manager	467
Senior Administrator	325
Administrator	236
Support	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 during the period 20 January 2020 to 25 February 2020.

Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation	8,662.35		NIL		8,662.35
Courier & delivery costs	207.53		NIL		207.53
Meals	4,118.09		NIL		4,118.09
Mileage	NIL		919.17		919.17
Postage	4,536.46		NIL		4,536.46
Sundry	73.92		NIL		73.92
Travel	3,183.79		NIL		3,183.79
Total	20,782.14		919.17		21,701.31

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 January 2020 to 25 February 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; ■ issuing press releases and 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, 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; ■ meeting with management 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.
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of secured creditors regarding the progress of the administration and case strategy.
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; ■ 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	<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; ■ analysing VAT 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; ■ locating relevant Company books and records for the Company, imaging the Company's internal database and server to ensure Company's books and records are electronically stored.
Trading	<ul style="list-style-type: none"> ■ 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

	<ul style="list-style-type: none"> 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 sites; ■ contacting merchant acquirers, G4S and Loomis to ensure banking arrangements for sales receipts were in place.
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; ■ 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; ■ 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; ■ communicating with landlords regarding rent, property occupation and other issues; ■ performing land registry searches.
Sale of business	<ul style="list-style-type: none"> ■ planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers; ■ seeking legal advice regarding sale of business, including regarding non-disclosure agreements; ■ collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale; ■ dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room; ■ managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties; ■ carrying out sale negotiations with interested parties.
Health and safety	<ul style="list-style-type: none"> ■ 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	<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; ■ 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; ■ 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	<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; ■ 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	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ convening and preparing for the meeting of creditors; ■ 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

	<ul style="list-style-type: none"> ■ maintaining claim records; ■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits.
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.

Time costs

Pre-administration costs

SIP 9 – Time costs analysis (17/01/2020 to 19/01/2020)						
	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total	
Advising directors	0.80				0.80	736.00
Appointment documents		9.50	0.70		10.20	6,360.50
Pre-administration checks		5.00	2.60		7.60	3,002.00
Total in period	0.80	14.50	3.30	0.00	18.60	10,098.50

Post-administration costs

SIP 9 – Time costs analysis (20/01/2020 to 25/02/2020)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Bankrupt/Director/Member			
General correspondence	2.60	613.60	236.00
Notification of appointment	3.90	920.40	236.00
Cashiering			
Fund management	2.00	472.00	236.00
General (Cashiering)	145.30	37,005.10	254.68
Reconciliations (& IPS accounting reviews)	11.30	2,696.50	238.63
General			
Books and records	81.00	23,245.10	286.98
Statutory and compliance			
Appointment and related formalities	18.70	5,991.90	320.42
Appointment documents	4.50	1,289.00	286.44
Bonding & Cover Schedule	0.50	164.20	328.40
Budgets & Estimated outcome statements	6.80	3,408.10	501.19
Checklist & reviews	7.70	1,886.50	245.00
Reports to debenture holders	0.80	448.00	560.00
Statutory advertising	0.20	93.40	467.00
Statutory receipts and payments accounts	5.50	2,568.50	467.00
Strategy documents	43.10	21,034.60	488.04
Tax			
Initial reviews - CT and VAT	12.20	7,218.70	591.70
Post appointment corporation tax	3.65	1,798.30	492.68

SIP 9 –Time costs analysis (20/01/2020 to 25/02/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Post appointment VAT	22.50	12,227.30	543.44
Creditors			
Creditors and claims			
General correspondence	60.80	18,720.40	307.90
Notification of appointment	2.20	817.10	371.41
ROT Claims	142.40	50,680.00	355.90
Secured creditors	5.50	3,080.00	560.00
Statutory reports	3.20	1,286.50	402.03
Employees			
Correspondence	167.80	58,628.30	349.39
Pension funds	1.30	674.00	518.46
Pensions reviews	9.75	3,046.40	312.45
Investigation			
Directors			
Correspondence with directors	4.60	2,218.70	482.33
Directors' questionnaire / checklist	2.10	495.60	236.00
Statement of affairs	12.30	5,303.70	431.20
Realisation of assets			
Asset Realisation			
Cash and investments	6.00	2,450.70	408.45
Debtors	10.30	5,591.90	542.90
Freehold property	7.30	3,116.00	426.85
Health & safety	137.50	33,808.70	245.88
Insurance	25.30	6,983.00	276.01
Leasehold property	42.20	23,046.10	546.12
Other assets	3.00	708.00	236.00
Sale of business	310.50	126,809.00	408.40
Stock and WIP	45.50	17,447.00	383.45
Vehicles	1.00	236.00	236.00
Trading			
Cash & profit projections & strategy	104.00	51,106.00	491.40
Employee Matters / PAYE	6.50	3,771.00	580.15
Negotiations with landlords	10.60	5,936.00	560.00
Negotiations with suppliers / landlords	201.20	72,904.40	362.35
Post trading related matters	7.00	1,652.00	236.00
Purchases and trading costs	514.10	181,441.20	352.93

SIP 9 –Time costs analysis (20/01/2020 to 25/02/2020)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Sales	19.60	5,954.00	303.78
Trading Management	273.20	154,165.00	564.29
Total in period	2,509.00	965,157.90	384.68
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)	2,509.00	965,157.90	
Carry forward time (appointment date to SIP 9 period end date)	2,509.00	965,157.90	

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 6 Statement of Affairs, including creditor list

This is the Statement of Affairs for the Company as at the date of our appointment as provided by Anthony Brown.

We have not carried out anything in the nature of an audit on the information provided. The figures do not take into account the costs of the administration.

Rule 3.30

Statement of Affairs

Name of company
J E Beale Public Limited Company

Company number
00120002

In the
High Court of Justice
Business and Property Courts in Leeds

Court case number
CR2020LDS000026

Statement as to the affairs of (a) Beale Limited (the 'Company'), 15 Canada Square, Canary Wharf, London, E14 5GL

(a) Insert name and address of registered office of the company

on the (b) 20 January 2020 the date that the company entered administration.

(b) Insert date of appointment

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 20 January 2020, the date that the company entered administration.

Full name Anthony Richard Brown
Signed [Signature]
Dated 13-02-2020

A - Summary of Assets

Assets

	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Freehold property	4,078,228	3,370,000
Total assets subject to fixed charge	4,078,228	3,370,000
Less: Amount(s) due to fixed charge holder(s)	(19,585,479)	(19,585,479)
Shortfall/surplus to fixed charge holder(s) c/d	(15,507,251)	(16,215,479)
Assets subject to floating charge:		
Fixtures and fittings	3,041,275	20,000
Short leasehold	120,965	0
Stock	7,583,258	5,535,778
Assigned credit card claim	2,400,000	0
Cash in transit	310,104	310,104
money held by Santander re credit card	30,000	30,000
cash floats	108,535	108,535
bank account	319,451	319,451
prepayments	915,126	0
debtors	82,941	80,531
Total assets subject to floating charge	14,911,655	6,404,399
Uncharged assets:		
Total uncharged assets	0	0
Estimated total assets available for preferential creditors		6,404,399

Signature



Date

13.02.2029

A1 - Summary of Liabilities

	£	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)		6,404,399
Liabilities		
Preferential creditors:		
Preferential (employee) creditors (No.)		(227,672)
Other preferential creditors		
Estimated deficiency/surplus as regards preferential creditors		6,176,728
Less uncharged assets		0
Net property		6,176,728
Estimated prescribed part of net property where applicable (to carry forward)		(600,000)
Estimated total assets available for floating charge holders		5,576,728
Debts secured by floating charges		(8,365,479)
Estimated deficiency/surplus of assets after floating charges		(2,788,751)
Estimated prescribed part of net property where applicable (brought down)		600,000
Uncharged assets		0
Total assets available to unsecured creditors		600,000
Unsecured (non-preferential) creditors		(9,617,048)
Unsecured (employee) creditors (No.)		0
Inter co balances		(4,626,803)
Rates		(84,500)
credit balances from sales ledger		(32,972)
company credit cards		(23,804)
Other creditors		(1,423,205)
PAYE		(523,458)
VAT		(1,700,545)
Gift vouchers		(143,951)
Unsecured (pre-paid consumer) creditors (No.)		(99,652)
Estimated deficiency/surplus as regards unsecured creditors		(17,675,938)
Shortfall to fixed and floating charge holder (brought down)		(2,788,751)
Shortfall to preferential creditors (brought down)		0
Shortfall to fixed charge holder (brought down)		(7,850,000)
Estimated deficiency/surplus as regards creditors		(28,314,689)
Issued and called up capital		(1,023,254)
Estimated total deficiency/surplus as regards members		(29,337,943)

Signature



Date

13-02-2020

NOTE: You must exclude all creditors with the EXCEPTION of employee creditors and pre-paid consumer credits. You must confirm if any of the creditors are under hire-purchase, chattel leasing or conditional sale agreements by stating which of these (if any) are applicable in the column below. You must also identify any creditors claiming retention of title over property in the Company's possession by including a tick in the ROI column below.



COT24	CITY ELECTRICAL FACTORY LTD	SOUTHERN DORSET HILL FARMER WARD ROAD GERRYDORRY WIMBORNE CB8 2DU	11.014.111
COT26	CITY CENTRE ANCHORAGE	1ST FLOOR 114 OLD CHRISTCHURCH ROAD BOURNEMOUTH DORSET BH1 1UJ	11.480.460
COT28	CITY OF BARNSTON HIRE	REVENUES AND BENEFITS SERVICE BRIMFORTH HOUSE 5 WALLING ROAD BARNSTON BH21 1JH	11.560.000
CUL14	CULHAM FARMERS LTD	WILLOW FARM CHURCH FENTON THACKLEY NORTH YORKSHIRE LS14 6NR	11.600.000
CUL21	CULHAM LTD LIMITED	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL27	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL28	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL29	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL30	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL31	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL32	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL33	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL34	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL35	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL36	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL37	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL38	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL39	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL40	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL41	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL42	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL43	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL44	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL45	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL46	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL47	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL48	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL49	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL50	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL51	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL52	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL53	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL54	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
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CUL73	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL74	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL75	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL76	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL77	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL78	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL79	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL80	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL81	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL82	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL83	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL84	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL85	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL86	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL87	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL88	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL89	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL90	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL91	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL92	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL93	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL94	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL95	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL96	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL97	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL98	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL99	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000
CUL00	CULHAM LTD	10 CANNIBY PLACE LONDON W14 6NS	11.600.000

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TYPE OF COMPANY CMT

COMPANY SHAREHOLDERS

[illegible]

Appendix 7 Glossary

American Express	American Express Payment Services Limited
Avison Young	Avison Young UK LLP
Bank	Santander (UK) Plc
Company/JEB	J E Beale Public Limited Company- in Administration
CVA	Company Voluntary Arrangement
DLA Piper	DLA Piper LLP
DMB Group	Direct Marketing Bureau Limited
Elavon	Elavon Financial Services Limited
Evolve	Evolve IS Limited
Group/Companies	The Company together with Beale Limited – in Administration
G4S	G4S Plc
Hilco Capital	Hilco Capital Limited
HMRC	HM Revenue and Customs
JLT	JLT Speciality Limited
Joint Administrators/we/our/us	Will Wright and Steve Absolom

KPMG	KPMG LLP
Licenced Solutions	Licence Solutions Limited
Loomis	Loomis UK Limited
PayCheck	PayCheck Limited
ROT	Retention of title
Scheme	The Beales Pension Scheme
Secured creditors	Wells Fargo Capital Finance (UK) Limited and The Beales Pension Scheme
Wells Fargo	Wells Fargo Capital Finance (UK) Limited
Worldpay	Worldpay (UK) Limited

Any references in these proposals 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 8 Notice: About this statement of proposals

This statement of proposals ('proposals') 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 under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes 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.

These proposals have not been prepared in contemplation of them being used, and are 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 same group.

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

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their 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 these proposals.

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 these proposals or the conduct of the administration.

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AM03 Notice of Administrator's Proposals



Presenter information

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

Contact name	Deborah Howard
Company name	KPMG LLP
Address	One Snowhill Snow Hill Queensway
Post town	Birmingham
County/Region	
Postcode	B 4 6 G H
Country	
DX	
Telephone	Tel +44 (0) 121 232 3000



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We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



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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

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