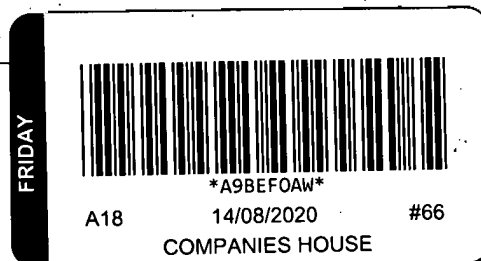


AM10

Notice of administrator's progress report



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 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 E14 5GL

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

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	4	m	0	m	8	y	2	y	0	y	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

AM10

Notice of administrator's progress report



Presenter information

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

Contact name **Hayley Jennings**

Company name **KPMG LLP**

Address **2 Forbury Place**

33 Forbury Road

Post town **Reading**

County/Region

Postcode **R G 1 3 A D**

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
January 2020
to 19 July
2020

J E Beale Public Limited
Company - in Administration

14 August 2020

Deemed delivered: 14 August
2020

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 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+BK114A3436.html>. We hope this is helpful to you.

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

Contents

1	Executive summary	3
2	Progress to date	4
3	Dividend prospects and dividends paid	9
4	Joint Administrators' remuneration, disbursements and pre-administration costs	10
5	Future strategy	11
Appendix 1	Statutory information	13
Appendix 2	Joint Administrators' receipts and payments account	14
Appendix 3	Schedule of expenses	18
Appendix 4	Joint Administrators' revise fees estimate	20
Appendix 5	Joint Administrators' charging and disbursements policy	21
Appendix 6	Glossary	28
Appendix 7	Notice: About this report	30

1 Executive summary

- ❑ The Directors resolved on 20 January 2020 to appoint us as Joint Administrators. The notice of appointment was lodged at High Court of Justice, Business and Property Courts in Leeds on 20 January 2020 and we were duly appointed.
- ❑ This progress report covers the period from the date of our appointment to 19 July 2020.
- ❑ We delivered our statement of proposals ('proposals') to all known creditors on 16 March 2020. They were deemed approved without modification on 26 March 2020.
- ❑ Immediately on appointments, we gained the support of key stakeholders, including employees, landlords and the majority of suppliers, such that we could continue to trade the business in administration with a view to finding a buyer for all or part of the business as a going concern.
- ❑ With a lack of viable or executable offers, a sale of business as a going concern could not be achieved. We have however, been able to generate a significant trading surplus during the administration. Due to Covid-19 all trading activity ceased on 19 March 2020, stores were closed, and the majority of employees were unfortunately, made redundant. Arrangements were made to move all remaining unsold into four stores. Our priority now is to work with our trading agents to realise the remaining surplus stock. (Section 2 - Progress to date)
- ❑ We anticipate that the secured creditors will suffer a significant shortfall in respect of the funding provided to the Company and the wider Group. (Section 3 - Dividend prospects and dividends paid).
- ❑ Preferential creditors are expected to be paid in full (Section 3 - Dividend prospects and dividends paid).
- ❑ 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 and dividends paid).
- ❑ The administration is currently due to end on 19 January 2021. It is unlikely that all remaining assets will be realised by the expiry date and therefore we will be seeking an extension of the administration period for a further 12 months.
- ❑ Please note: you should read this progress report in conjunction with our proposals which were issued to the Company's creditors and can be found at 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 from the date of our appointment to 19 July 2020. However, please refer to the proposals where the relevant information has previously been disclosed. This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our proposals, notice of which was issued to all known creditors on 16 March 2020.

2.1 Strategy and progress 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 purpose set out in Paragraph 3 of Schedule B1 of the Insolvency Act 1986 ('Purpose').

Our proposals discuss in detail the full administration strategy however we have set out below an overview of the key workstreams we have undertaken since our appointment.

Freehold property

As previously reported, the Company held a freehold interest in the commercial property in Bedford. With support from our agents, Avison Young, we considered and explored possible options for the property in order to maximise return to creditors. Avison Young carried out an assessment of the property and concluded that the property had a value in the order of £3million.

An offer of £3.3 million was received from an interested party and was recommended for acceptance by Avison Young. On 22 April 2020 we therefore, completed a sale of the property to Multitrust Property Investments Limited for a total consideration of £3.3 million.

Following the sale, the Administrators entered into a licence to occupy with the new owners of the property to December 2020 to enable us to realise the remaining stock held at the property. It has been agreed that no rent will be payable under the licence until such time trading re-commences from the site. At present we are liaising with our trading agents to devise a strategy to realise the remaining stock held at Bedford including the possibility to re-commence trading post lockdown.

Trading

As previously reported, all 23 stores continued to trade after our appointment in order to increase the prospect of a sale of the business and assets of the Group as a whole.

Following a competitive selection process, we engaged with Hilco Capital to act as our trading agents to immediately implement a short term trading programme across the stores.

Early concerns in respect of the COVID-19 pandemic had a dramatic impact on our footfall/trading performance and with growing concerns by mid-March the Administrators had to act quickly in order to implement a store closure plan which resulted in trading activity to cease on 19 March 2020. Stores remained closed following the UK Government's advice to close all non-essential amenities taking effect from 23 March 2020.

Arrangements were made to move all remaining unsold stock as at 19th March 2020 into four stores (Bedford, Mansfield, Peterborough and St. Neots). We have secured a rent concession with the landlords of the Mansfield, Peterborough, St. Neots and Bedford stores during the lock down period whilst we explore alternate strategies to realise value of the residual stock.

The leases of the remaining 16 stores were subsequently offered for surrender to the respective landlords. The landlords are yet to formally accept surrender of these leases.

Matters relating to the trading period continue to be resolved, which primarily involves settling costs directly associated with the trading period, including supplier invoices, utilities and business rates costs.

The receipts and payments account at Appendix 2 currently shows a trading surplus of c.£4.5m. We expect this surplus to reduce as further trading costs are settled over the coming weeks. Please refer to section 2.2 and 2.3 below for details of the main trading receipts and costs incurred to date.

Employees

The Company employed 1030 employees across its network of stores and the head office.

Following the store closures all employees were made redundant with the exception of 20 employees based at the Bedford, Peterborough, Mansfield and St. Neots stores who were retained and furloughed during the closure period.

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.

Health and safety

Upon appointment we were made aware of a number of urgent maintenance issues at the Company's stores. We engaged Marsh Limited to conduct health and safety reviews across the estate. Based on these recommendations we implemented remedial measures to ensure that all stores were compliant with relevant health and safety obligations.

Sale of business and brand name

As discussed in our proposals, immediately upon appointment, we made contact with all parties who had previously expressed an interest in the business during the options 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. Unfortunately, despite the extensive marketing campaign no viable or executable offers for a sale of business as a going concern were received.

Offers were received from 3 parties for the Beales brand name and the intellectual property. On 19 June 2020 the Administrators completed a sale of the brand name 'Beales' and the intellectual property to New Start 2020 Limited for a total consideration of £5,000 (split equally between Beale Limited and J E Beale PLC). In addition, the purchaser agreed to pay all legal costs associated with the transaction.

Mr Anthony Brown, a director of JE Beale Plc and Beale Limited, was made a director of New Start 2020 on 15 June 2020. With regard the sale of the Brand, we can confirm that New Start 2020 Limited received independent legal advice from Howard Kennedy LLP and the Administrators received independent legal advice from DLA LLP.

After taking into account the payment of legal costs, the sale of the Brand to New Start 2020 Limited represented the best value to creditors.

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

Net sales receipts as at 19 July 2020 total £15.5 million. The receipts relate to own bought stock as well as concession stock.

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

Further receipts are due from reserves held back by merchant acquirers.

Miscellaneous concession commission income

The miscellaneous concession income recorded for the period of £361,385 relates to miscellaneous concession fees which included credit card fees and satellite sales.

Job Retention Scheme Grant

As detailed in section 2.1 above, some 20 employees were retained across 4 sites where stock was reallocated. The staff have been temporarily furloughed with a view to assist the Administrators once the stores re-open or alternative steps are taken to liquidate the remaining stock following the lockdown period. As such the Administrators applied to HMRC for the corona virus job retention scheme to make an application for wages and the associated PAYE and NIC in relation to the retained furloughed staff. We received £66,165 in relation to April and May applications.

Asset realisations

Freehold property

Sale consideration of £3.3 million in relation to the sale of the Bedford property has been received in full.

Cash balances

Since our appointment, cash balances of £37,053 has been realised from the Company's pre-administration bank accounts held at Santander.

Further £241,210 of cash floats and £163,289 of cash in transit has been realised since our appointment.

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.

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

2.3 Costs

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

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

Trading costs

Concession partner funds paid

We have paid £5.3 million to concession stock suppliers in respect of concession stock sold during the trading period.

Purchases

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 as well as consumables such as carrier bags and till rolls. Since our appointment payments of c.£1.7 million have been made to these suppliers.

Direct labour costs

Payroll costs for the staff in stores and head office totalling to £2.1 million have been paid to date. This figure also includes associated PAYE, national insurance and pension contribution payments.

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 £103,773 to various suppliers in this regard and includes waste management services.

Agent costs

Due to increased footfall during at the start of trading period, we supplemented retained store employees with agency staff in addition to offering overtime to the retained employees. During the period we have paid £127,822 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 £3,950 in respect of the premises licences they held for the trading sites.

During the period we have also paid PayCheck Limited £5,913 in respect of concession payment processing, SD Worx UK Limited £4,205 in respect of payroll processing and Genysis Consultants Ltd £4,746 to support landlord rent concession negotiations.

Rent and rates

During the period, £459,473 has been paid in respect of rents and £13,108 has been paid in respect of rates for stores and head office during the trading period.

Ransom payments

We have paid £118,148 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.

ROT settlement

In addition, to date, compromise arrangements in respect of ROT claims of £1.33 million have been paid.

IT and telecom expenses

The Company engaged the services of a number of IT service and systems providers including telecom suppliers. Where services were required, we contacted these key suppliers and made arrangements to ensure continued service during the trading period. During the period we have paid £82,174 in this regard.

Marketing and promotions

During the period we have paid DMB Group £60,195 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. The remaining £3,648 payments in respect of marketing and promotions relates to newspaper, radio on social media advertising.

Costs of realisations

Solicitors' fees

We have paid £90,000 to DLA Piper ('DLA') during the period for their assistance on number of legal matters arising during the course of the administration including assistance with trading matters such as ROT and indemnity agreements with merchant acquirers as well as property and pension advice. We have paid £600 to IBB Solicitors during the period for validity of appointment reviews.

Agents' fees

We paid Avison Young a sum of £14,250 in relation to their assistance with leasehold premium valuations.

Store closure fees

We had to work quickly to implement a store closure programme in light of the COVID-19 pandemic and have incurred £62,531 in respect of store closure costs largely in respect of transport and packaging of stock.

2.4 Schedule of expenses

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

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

Rates

Rates incurred during the trading period which remain unpaid are estimated at c.£0.4 million.

Utilities

Utilities incurred during the trading period which remain unpaid are estimated at £0.3 million.

Agents' fees

Trading agent fees are subject to negotiation but expect these to be in the region of £1 million.

Solicitors' fees

Legal fees incurred and not paid during the period total c.£0.1 million.

Insurance

Insurance costs incurred and not paid during the period total c.£0.2 million.

3 Dividend prospects and dividends paid

3.1 Secured creditors

As detailed in our proposals, the Company had two secured creditors, Wells Fargo Capital Finance (UK) Limited ('Wells Fargo') and The Beales Pension Scheme (the 'Scheme').

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 were secured by way of a fixed and floating charge debentures from the Companies to Wells Fargo.

On 23 April 2020 Wells Fargo agreed to transfer its rights and obligations in respect of the above facilities to Mulino Investments Trust Limited ('Mulino').

The Scheme is a defined benefit pension scheme operated by the Company as the sponsoring employer. 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 Company and Beale Limited.

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 had priority over all the properties. The deed of priority extends to Mulino following the transfer of rights and obligations from Wells Fargo.

During the period, we have made a fixed charge distribution of £3.25 million following the sale of the Bedford Property, and a floating charge distribution of £2 million, both to Mulino. No distribution has been made to the Scheme 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 will be paid in full.

3.3 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a dividend. Due to complexities in concluding the remaining the trading outcome, we are not yet able to confirm the quantum or timing of any distribution.

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

4.1 Joint Administrators' remuneration and disbursements

We propose to seek approval from the Secured and preferential creditors that:

- 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 revised fees estimate provided in Appendix 4 and the charge-out rates included in Appendix 5.
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

It has become apparent during the period that we have exceeded our initial fees estimate (as disclosed in our Proposals). Therefore, we are seeking approval from the Secured and preferential creditors to approve our remuneration as per the revised fees estimate included in Appendix 4.

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 our remuneration.

Time costs

From the date of our appointment to 19 July 2020, we have incurred time costs of £2,148,534. These represent 5,613 hours at an average rate of £382.77 per hour.

Remuneration

During the period, we have not drawn any remuneration.

Disbursements

During the period, we have incurred disbursements of £57,261.58. None of these have yet been paid.

Additional information

We have attached a revised fees estimate at Appendix 4. Our time costs have increased largely in relation to trading and cashiering matters as well taking into consideration an extension of the administration in order to realise the remaining stock following store closures in light of the COVID-19 pandemic.

Additional time was incurred to implement an effective purchasing process using the Company's existing supplier base and systems, including; placing orders directly with over 50 suppliers, reviewing PO's, reviewing delivery notes to invoices prior to making payment. This therefore resulted in additional cashiering costs.

Store closures in light of COVID-19 has delayed the timeline and created uncertainties in realising the remaining stock and we are currently working with our agents to determine the optimal strategy in this regard.

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 our appointment to 19 July 2020. We have also attached our charging and disbursements policy.

4.2 Pre-administration costs

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

Pre-administration costs				
	Disclosed unpaid costs (£)	Approved (£)	Paid in the period (£)	Outstanding (£)
KPMG fees	10,098.50	0.00	0.00	10,098.50
KPMG disbursements	154.80	0.00	0.00	154.80
DLA Piper legal fees	6,250.00	0.00	0.00	6,250.00
Total	16,503.30	0.00	0.00	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. We will seek approval from the Secured and preferential 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, liaising with our agents in this regard;
- Finalising the tax and VAT affairs of the Company to include submission of tax and 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 Discharge from liability

We will shortly seek approval from the Secured and preferential 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.

5.3 Extension of the administration period

The administration is currently due to end on 19 January 2021. Whilst we will progress the above noted outstanding matters as quickly as practicable it is likely that we will not be in a position to finalise the administration before its automatic end. This is mainly as a result of the remaining stock yet to be realised.

We will therefore, seek the agreement of the Secured and preferential creditors to extend the administration period for a further 12 months to 19 January 2022.

5.4 Future reporting

We will provide a further progress report within one month of 19 January 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 £1.4 million. The Prescribed Part is estimated at £279,000. Both are subject to change due to uncertainties due to remaining stock realisations in the current environment.
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 2021

Appendix 2 Joint Administrators' receipts and payments account

J E Beale Public Limited Company - in Administration

Trading accounts

Statement of Affairs (£)	From 20/01/2020 To 19/07/2020 (£)	From 20/01/2020 To 19/07/2020 (£)
POST-APPOINTMENT SALES		
Sales	15,480,856.12	15,480,856.12
Misc. concession commission income	361,385.23	361,385.23
Other income	43,339.00	43,339.00
JRS Grant	66,164.55	66,164.55
	<u>15,951,744.90</u>	<u>15,951,744.90</u>
PURCHASES		
Concession partner funds paid	(5,255,015.02)	(5,255,015.02)
Purchases - with VAT invoice	(1,579,914.27)	(1,579,914.27)
Purchases - proforma invoice	(115,460.67)	(115,460.67)
Purchases - catering	(43,987.75)	(43,987.75)
	<u>(6,994,377.71)</u>	<u>(6,994,377.71)</u>
OTHER DIRECT COSTS		
Wages and salaries	(1,800,781.35)	(1,800,781.35)
PAYE/NIC	(298,727.22)	(298,727.22)
Employee disbursements	(3,221.01)	(3,221.01)
	<u>(2,102,729.58)</u>	<u>(2,102,729.58)</u>
TRADING EXPENSES		
Health and safety	(103,773.06)	(103,773.06)
Agent costs	(148,231.44)	(148,231.44)
Rent	(459,472.61)	(459,472.61)
Rates	(13,108.01)	(13,108.01)
Water rates	(4,056.26)	(4,056.26)
Heat & light	(1,130.00)	(1,130.00)
Travel	(4,092.47)	(4,092.47)
Ransom payments	(118,148.02)	(118,148.02)
IT and telecom expenses	(82,174.46)	(82,174.46)
Insurance	(5,206.34)	(5,206.34)
Professional fees	(2,803.00)	(2,803.00)
Bank charges & interest	(29,368.78)	(29,368.78)
Licence fees	(3,950.00)	(3,950.00)
Repairs and maintenance	(3,448.94)	(3,448.94)
Sundry expenses	(1,000.00)	(1,000.00)

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

Statement of Affairs (£)	From 20/01/2020 To 19/07/2020 (£)	From 20/01/2020 To 19/07/2020 (£)
ROT settlements	(1,339,149.13)	(1,339,149.13)
Marketing and promotions	(63,843.15)	(63,843.15)
	(2,382,955.67)	(2,382,955.67)
Trading surplus/(deficit)	4,471,681.94	4,471,681.94

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

Statement of affairs (£)	From 20/01/2020 To 19/07/2020 (£)	From 20/01/2020 To 19/07/2020 (£)
FIXED CHARGE ASSETS		
3,370,000.00 Freehold property	3,300,000.00	3,300,000.00
Interest Income	55.03	55.03
Brand/IP	2,500.00	2,500.00
	3,302,555.03	3,302,555.03
FIXED CHARGE COSTS		
Agents'/Valuers' fees	(2,750.00)	(2,750.00)
	(2,750.00)	(2,750.00)
FIXED CHARGE CREDITORS		
(19,585,479.00) Fixed charge creditor	(3,250,000.00)	(3,250,000.00)
	(3,250,000.00)	(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	12,000.00	12,000.00
5,538,778.00 Stock	NIL	NIL
80,531.00 Book debts	12,382.72	12,382.72
Third party VAT receivable	20,092.90	20,092.90
319,451.00 Cash at bank	37,053.43	37,053.43
Subtenant Rent	1,949.76	1,949.76
	83,478.81	83,478.81
OTHER REALISATIONS		
Bank interest, gross	3,392.74	3,392.74
30,000.00 EP(C)A funds	NIL	NIL
Sundry refunds	301.85	301.85
Trading surplus/(deficit)	4,471,681.94	4,471,681.94

J E Beale Public Limited Company - in Administration
Trading accounts

Statement of Affairs (£)		From 20/01/2020 To 19/07/2020 (£)	From 20/01/2020 To 19/07/2020 (£)
	Rate refunds	805.58	805.58
310,104.00	Cash in transit	163,288.95	163,288.95
108,535.00	Cash floats	241,210.00	241,210.00
	Prepayments (SoFA Nil)	NIL	NIL
		4,880,681.06	4,880,681.06
	COST OF REALISATIONS		
	Third Party VAT receivable – paid out	(19,972.90)	(19,972.90)
	Agents'/Valuers' fees	(14,250.00)	(14,250.00)
	Legal fees	(90,600.00)	(90,600.00)
	Storage costs	(2,090.85)	(2,090.85)
	Other costs	(23,335.82)	(23,335.82)
	Bank charges	(4,350.00)	(4,350.00)
	Store closure costs	(62,531.38)	(62,531.38)
		(217,130.95)	(217,130.95)
	PREFERENTIAL CREDITORS		
(227,672.00)	Employees' holiday pay	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
	Floating charge	(2,000,000.00)	(2,000,000.00)
		(2,000,000.00)	(2,000,000.00)
	UNSECURED CREDITORS		
(10,001,181.00)	Trade & expense	NIL	NIL
(4,626,803.00)	Connected companies	NIL	NIL
(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)		2,796,833.95	2,796,833.95
	REPRESENTED BY		
	Floating ch. VAT rec'able		1,865,520.50
	Floating charge current		2,615,050.05

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

Statement of Affairs (£)	From 20/01/2020 To 19/07/2020 (£)	From 20/01/2020 To 19/07/2020 (£)
Fixed charge VAT rec'able		550.00
Trade creditors		16,259.83
Floating ch. VAT payable		(3,312,137.32)
Floating ch. VAT control		1,616,427.99
Fixed charge VAT control		(550.00)
		2,801,121.05

Appendix 3 Schedule of expenses

Schedule of expenses (20/01/2020 to 19/07/2020)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Purchases			
Concession partner funds paid	5,255,015.02	1,000.00	5,256,015.02
Purchases - with VAT invoice	1,575,167.27	15,000.00	1,590,167.27
Purchases - proforma invoice	115,460.67	0.00	115,460.67
Purchases - catering	43,987.75	5,000.00	48,987.75
Other direct costs			
Wages and salaries	1,800,781.35	1,717.28	1,802,498.63
PAYE/NIC	298,727.22	5,801.66	304,528.88
Employee disbursements	2,952.48	0.00	2,952.48
Trading expenses			
Health and safety	103,773.06	1,446.11	105,219.17
Agent costs	148,231.44	1,045,000.00	1,193,231.44
Rent	459,472.61	1,000.00	460,472.61
Rates	13,108.01	407,000.00	420,108.01
Water rates	4,056.26	160,000.00	164,056.26
Heat & light	1,130.00	160,000.00	161,130.00
Travel	4,092.47	500.00	4,592.47
Ransom payments	112,066.11	0.00	112,066.11
IT and telecom expenses	73,677.46	34,955.80	108,633.26
Insurance	5,206.34	81,940.00	87,146.34
Professional fees	2,803.00	0.00	2,803.00
Bank charges & interest	29,368.78	0.00	29,368.78
Licence fees	3,950.00	0.00	3,950.00
Repairs and maintenance	3,448.94	0.00	3,448.94
Sundry expenses	1,000.00	500.00	1,500.00
ROT settlements	1,339,149.13	5,000.00	1,344,149.13
Marketing and promotions	63,843.15	895.00	64,738.15
Fixed charge costs			
Agents'/Valuers' fees	2,750.00	0.00	2,750.00
Administrators' fees	0.00	35,274.65	35,274.65
Legal fees	0.00	30,000.00	30,000.00
Cost of realisations			
Administrators' fees	0.00	2,113,259.59	2,113,259.59
Administrators' disbursements	0.00	57,261.58	57,261.58
Third Party VAT receivable – paid out	19,972.90	120.00	20,092.90
Agents'/Valuers' fees	14,250.00	0.00	14,250.00

Legal fees	90,600.00	40,000.00	130,600.00
Storage costs	2,090.85	1,000.00	3,090.85
Statutory advertising	79.00	0.00	79.00
Other costs	23,335.82	0.00	23,335.82
Bank charges	4,350.00	100.00	4,450.00
Store closure costs	62,531.38	0.00	62,531.38
TOTAL	11,680,428.47	4,203,771.67	15,884,200.14

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 Marlen Vaki at KPMG LLP, 15 Canada Square, Canary Wharf, London, E14 5GL.

Appendix 4 Joint Administrators' revised fees estimate

		Approved estimated time costs for the engagement			Additional estimated time costs for the engagement			
	Narrative	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)	Additional estimated hours	Additional estimated time cost	Additional estimated hourly rate (£)	Revised total estimated cost
Administration & Planning								
	Director/Member	6.50	1,534.00	236.00	0.00	0.00	236.00	1,534.00
	Cashiering - processing receipts, payments and bank reconciliations	Note 1	255.00	69,122.60	271.07	58,855.40	268.30	127,978.00
	General - books & records, fees & work in progress	Note 2	187.00	56,620.00	302.78	1,748.40	307.85	58,368.40
	Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 3	224.10	78,945.80	352.28	39,862.10	425.68	118,807.90
	Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 4	260.00	105,418.00	405.45	(-20.15)	5,601.10	111,019.10
	Creditors							
	Committees - committee meetings and reports to the committee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Creditors and claims - general correspondence, notification of appointment, statutory reports	Note 5	648.40	199,673.80	307.95	61,558.00	363.38	261,231.80
	Employees - correspondence	Note 6	262.00	89,080.00	340.00	138,986.14	415.35	228,066.14
	Investigations							
	Directors - correspondence, statement of affairs, questionnaires	Note 7	108.00	40,637.80	376.28	(-67.80)	446.04	17,930.70
	Investigations - director conduct and affairs of the Company	Note 8	102.00	38,782.00	380.22	(-85.60)	455.77	7,474.60
Realisation of Assets								
	Asset Realisation - including insurance of assets	Note 9	1,010.00	389,750.00	385.89	29,467.50	389.79	419,217.50
	Trading							
	Trading- purchases, sales, cash projections	Note 10	1,565.85	631,792.80	403.48	654,768.50	390.70	1,286,561.30
Total		4,628.85	1,701,356.80	367.55	2,256.29	936,832.64	383.17	2,638,189.44

Whilst specific notes been provided below to give more context around the fees estimate, these should be read in conjunction with the report as a whole.

Our revised fee estimate reflects an extension to the administration appointment in order to realise the remaining assets.

Note 1 – Cashiering

Our time costs reflect opening a separate administration bank account, processing a large number of transactions during the initial trading period including managing all sales receipts during the trading period and payment of stock and non-stock suppliers. This also included closing the existing bank accounts, performing bank reconciliations and day to day management of the account. The increase in estimate reflects a greater than expected number of invoices to process due to the administration buying stock in directly to supplement existing stock and includes estimates for cashiering services whilst realising the remaining stock. It also takes into consideration additional monthly bank reconciliations needed in the event of an extension to the administration.

Note 2 – General

Our time costs reflect 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. Our estimate reflects additional time needed for future WIP and fee analysis and concluding books and records workstream upon closure.

Note 3 – Statutory and Compliance

Our time costs reflect notifying the Registrar of Companies and other relevant parties of our appointment, arranging bonding and ensuring compliance with all statutory obligations. Further details are included in the Proposals. Our estimate reflects additional time required to meet our statutory obligations in the event of an extension to the administration.

Note 4 – Tax

Our time costs reflect our internal VAT and Tax specialists' review of the Company's tax and VAT affairs and the submission of post-administration tax and VAT returns as required. Our estimate reflects the need for additional returns to be filed in the event of an extension to the administration. Due to the complexities in the Company's corporation tax affairs more senior time has been needed.

Note 5 – Creditors and claims

Our time costs reflect 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. This also involves dealing with and agreeing creditors' claims and payment of dividends. Our revised time costs reflect significant time spent in dealing with complex ROT negotiations and settlement of claims and greater than anticipated creditor correspondence.

Note 6 – Employees

Our time costs reflect consultation during the trading period and overseeing the payroll process. It also includes 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. The revised fee estimate takes into consideration greater than expected rounds of redundancies and the need for an increased number of consultation meetings. It also reflects additional time spent in to implement the furlough scheme and processing additional months' payroll which continues.

Note 7 – Directors

Our time costs reflect correspondence with the statutory directors regarding their statutory duties, requesting the completion of the Statement of Affairs and directors' questionnaires. Largely this workstream is complete with only minimal ad hoc inquiries expected. The revised fees estimate reflects a reduction in time costs in this regard.

Note 8 – Investigations

Our time costs reflect 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. This also includes

investigating any transactions or disposals made in the lead up to and/or immediately prior to our appointment. Largely this workstream is complete with only minimal ad hoc inquiries expected. The revised fees estimate reflects a reduction in time costs in this regard.

Note 9 – Asset realisation

Our time costs reflect, time spent in dealing with the sales of business process, sale of the Bedford property, dealing with the collection of book debts 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 as direct costs associated with payments to stock and non-stock suppliers, subsequent reconciliation related to the trading period. Our time costs estimates have increased due to a number of reasons as noted below.

- Additional time was incurred to implement the purchasing process, including; placing orders directly with over 50 suppliers, reviewing PO's, reviewing delivery notes to invoices prior to making payment.
- Accounting for proforma payments, including following up to obtain VAT invoices for these payments as well as chasing for refunds for undelivered items.
- Post trading matters to settle outstanding trading costs has been more complicated than expected given most supplier offices have been closed due to COVID. Additional efforts are being made to chase suppliers, rating authorities, utilities etc.
- The initial trading strategy to liquidate stock was cut short due to early closure of stores in light of the COVID-19 pandemic and we are currently liaising with our trading agents to agree a strategy to realise the remaining stock.

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 (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 Marlen Vaki on 0207 3118140.

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 from the date of our appointment to 19 July 2020.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation	27,307.87		NIL		27,307.87
Courier & delivery costs	207.53		NIL		207.53
External printing	2,509.15		NIL		2,509.15
Meals	8,433.94		NIL		8,433.94
Mileage	NIL		2,865.55		2,865.55
Postage	7,393.30		NIL		7,393.30
Sundry	478.85		NIL		478.85
Telecommunications	39.95		NIL		39.95
Travel	8,025.44		NIL		8,025.44
Total	54,396.03		2,865.55		57,261.58

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 19 July 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 regular 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; ■ 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	<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, arranging for their collection and dealing with the ongoing storage.
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;

	<ul style="list-style-type: none"> ■ 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	<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; ■ seeking legal advice in relation to book debt collections; ■ 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 internal health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ 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

	<ul style="list-style-type: none"> ■ 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; ■ agreeing secured creditor claim; ■ arranging distributions to the secured creditor; ■ drafting our progress report.
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; ■ arranging for the redirection of the Company's mail; ■ reviewing the questionnaires submitted by the Directors of the Company; ■ reviewing pre-appointment transactions; ■ submitting the online director conduct assessment to the relevant authority.

Time costs

Pre-administration costs

SIP 9 – Time costs analysis (17/01/2020 to 19/01/2020)						
	Hours					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
						542.93

Post-administration costs

SIP 9 – Time costs analysis (20/01/2020 to 19/07/2020)			
	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	13.20	4,112.00	311.52
General (Cashiering)	332.10	85,978.40	258.89
Reconciliations (& IPS accounting reviews)	28.20	7,538.50	267.32
General			
Books and records	150.00	43,233.50	288.22
Fees and WIP	1.60	377.60	236.00
Other office holders	2.00	1,380.00	690.00
Statutory and compliance			

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
Appointment and related formalities	18.90	6,103.90	322.96
Appointment documents	4.50	1,289.00	286.44
Bonding & Cover Schedule	0.50	164.20	328.40
Budgets & Estimated outcome statements	16.80	8,171.10	486.38
Checklist & reviews	30.40	7,313.00	240.56
Pre-administration checks	0.10	69.00	690.00
Reports to debenture holders	0.80	448.00	560.00
Statutory advertising	1.50	400.20	266.80
Statutory receipts and payments accounts	15.70	7,285.70	464.06
Strategy documents	59.70	30,181.80	505.56
Tax			
Initial reviews - CT and VAT	13.10	7,776.70	593.64
Post appointment corporation tax	49.10	17,155.30	349.40
Post appointment VAT	95.90	51,545.90	537.50
Creditors			
Creditors and claims			
General correspondence	216.10	69,083.00	319.68
Notification of appointment	2.20	817.10	371.41
Payment of dividends	3.00	1,401.00	467.00
ROT Claims	151.90	53,361.50	351.29
Secured creditors	32.30	15,412.90	477.18
Statutory reports	68.00	31,750.70	466.92
Employees			
Correspondence	431.94	178,068.54	412.25
Pension funds	10.90	5,946.10	545.51
Pensions reviews	12.65	4,272.30	337.73
Investigation			
Directors			
Correspondence with directors	5.10	2,369.10	464.53
D form drafting and submission	14.20	7,003.40	493.20
Directors' questionnaire / checklist	5.60	1,991.50	355.63
Statement of affairs	12.30	5,303.70	431.20
Investigations			
Correspondence re investigations	0.20	47.20	236.00
Review of pre-appt transactions	13.20	6,164.40	467.00
Realisation of assets			

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
Asset Realisation			
Cash and investments	12.50	4,123.30	329.86
Debtors	14.80	7,688.90	519.52
Freehold property	52.45	29,041.05	553.69
Goodwill	2.00	1,380.00	690.00
Health & safety	190.70	46,363.90	243.12
Insurance	44.20	13,545.50	306.46
Intellectual Property	8.80	4,853.60	551.55
Leasehold property	241.55	102,249.15	423.30
Office equipment, fixtures & fittings	4.20	2,254.80	536.86
Other assets	20.50	5,184.50	252.90
Rent	0.50	280.00	560.00
Sale of business	377.50	150,229.00	397.96
Stock and WIP	39.00	24,115.00	618.33
Vehicles	6.00	1,416.00	236.00
Trading			
Cash & profit projections & strategy	145.50	72,165.00	495.98
Employee Matters / PAYE	14.90	8,930.20	599.34
Negotiations with customers	0.40	186.80	467.00
Negotiations with landlords	11.60	6,496.00	560.00
Negotiations with suppliers / landlords	228.40	80,367.40	351.87
Post trading related matters	262.45	110,942.75	422.72
Purchases and trading costs	1,521.65	482,626.15	317.17
Sales	25.90	8,924.00	344.56
Trading Management	567.50	320,121.00	564.09
Total in period	5,613.19	2,148,534.24	382.77

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)	5,613.19	2,148,534.24
Carry forward time (appointment date to SIP 9 period end date)	5,613.19	2,148,534.24

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 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
Group	The Company together with;
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	Licenced 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 this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 7 Notice: About this report

This report has been prepared by 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.

www.kpmg.com

© 2020 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

For full details of our professional regulation please refer to 'Regulatory Information' at www.kpmg.com/uk

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative.



