



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number	0	0	1	2	0	0	0	2
Company name in full	J E Beale Public Limited Company							

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s)	William James
Surname	Wright

### 3 Administrator's address

Building name/number	10 Fleet Place
Street	
Post town	London
County/Region	
Postcode	E C 4 M 7 R B
Country	

### 4 Administrator's name ①

Full forename(s)	Christopher Robert
Surname	Pole

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number	c/o Interpath Ltd
Street	10 Fleet Place
Post town	London
County/Region	
Postcode	E C 4 M 7 R B
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	<sup>d</sup> 2	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
To date	<sup>d</sup> 1	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
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**Presenter information**

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

Contact name Hayley Jennings

Company name Interpath Ltd

Address 5th Floor, 130 St Vincent Street  
Glasgow

Post town G2 5HF

County/Region

Postcode

Country

DX

Telephone Tel +44 (0) 203 989 2800

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

# Joint Administrators' progress report for the period 20 January 2022 to 19 July 2022

J E Beale Public Limited Company - in  
Administration

15 August 2022

# Notice to creditors

This progress report provides an update on the administration of J E Beale Plc (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, [www.ia-insolv.com/case+INTERPATH+BK114A3436.html](http://www.ia-insolv.com/case+INTERPATH+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).**

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# 1 Executive summary

This progress report covers the period from 20 January 2022 to 19 July 2022.

Please note that on 10 June 2022 an order was made in the High Court appointing Chris Pole as Joint Administrator of the Company in place of Steve Absolom, following his resignation as officeholder. In accordance with the order, creditors and members were given notice of the replacement of Steve Absolom as Joint Administrator by advertisement in the London Gazette.

During the period we have continued to attend to property related matters, managing the VAT and tax affairs of the Company and the wider group and secured further realisations for the estate. In addition, we remained in regular contact with representatives and legal advisors acting on the Mastercard / Visa claim to understand progression and timings of any recovery of the claim. (Section 2 - Progress to date).

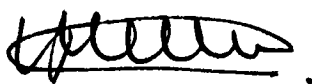
We anticipate that Secured creditors will suffer a signification shortfall in respect of the funding provided to the Company and the wider Group. (Section 3 - Dividend prospects).

Preferential creditors are expected to be paid in full and further communication will be issued to preferential creditors in due course. (Section 3 - Dividend prospects).

We anticipate that a small dividend will be available to unsecured creditors by virtue of the Prescribed Part. Whilst the exact quantum of any dividend is dependent on the final level of asset realisations and overall quantum of creditors' claims, we anticipate based on our estimates, that any dividend will be in the region of 2p in the £ (Section 3 - Dividend prospects).

The administration is currently due to end on 19 January 2023.

Please note: you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at [www.ia-insolv.com/case+INTERPATH+BK114A3436.html](http://www.ia-insolv.com/case+INTERPATH+BK114A3436.html). Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Will Wright  
Joint Administrator

## 2 Progress to date

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

### 2.1 Strategy and progress to date

#### Strategy

Our proposals and previous progress reports discuss in detail the full administration strategy; however, we have set out below an overview of the remaining key workstreams we have undertaken during the reporting period.

#### Credit card claim

As previously reported, prior to our appointment, the Company was party to a class action against Visa/Mastercard in relation to overcharged amounts. Shortly after the Administrators appointment, the Company entered into a settlement agreement with a creditor, who held material retention of title claims over stock on our appointment, to assign the value of the claim in order to settle any retention of title claims made against the Company.

Should the class action be successful, then the creditor is obliged to pay any monies received from the claim in excess of the agreed settlement amount to the administration estate. As such, there is a possibility that there could be a realisation into the J E Beale estate should the claim be successful.

Throughout the period, the Joint Administrators have been in a regular contact with representatives and legal advisors acting for the class action creditors. From these discussions, the position has ultimately remained unchanged over the last six months with it being unlikely that a resolution on the class action will be reached in the near future. The Joint Administrators will now pursue an option to realise this contingent asset for the benefit of the J E Beale estate in short order.

#### Corporation tax

Interpath tax specialists have been instructed to prepare the necessary tax returns for the final periods affecting the administration in order to finalise the Company's tax position, and to request a formal tax clearance from HMRC. We will proceed to file the relevant returns shortly.

In addition, we are in the process of deregistering the Company for VAT purposes, disbanding the VAT Group and will shortly be submitting the relevant forms to HMRC.



## **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.

### **Asset realisations**

#### **Rates refund**

During the period we realised a further £19,810 in respect of business rates rebates from the Rating authorities.

#### **Bank interest**

During the period we received 2,095 of interest on previous realisations held in the administration's bank account.

## **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**

#### **Rent**

During the period we have settled £2,080 in respect of residual rent costs incurred during the trading period in relation to the Lowestoft store.

#### **Heat, light and water rates**

During the period we paid residual costs on account of electricity, gas and water to totalling £8,742 relating to the trading operations in 2020 across a number of Company's stores.

#### **Cash service provider charges**

We have paid G4S a sum of £2,575 in respect of outstanding cash service provider charges incurred during the trading period.

### **Other costs**

#### **Insurance of assets**

We have settled insurance costs of £5,152 relating to property, public liability, stock and terrorism cover. Some of these costs will be re-charged to Beale, an associated company.

#### Agents' fees

Hilco Profit Recovery were engaged to assist us with recovery of business rates rebates. During the period we have paid £10,333 to Hilco Profit Recovery in respect of commission on account of rates recovered. A proportion of the costs related to the prior period.

#### Legal fees

During the period we paid £25,155 to DLA Piper for their advice provided in respect of extending the Administrators' term of office and ad-hoc legal advice on matters arising during the course of the administration. A proportion of these costs related to the prior period.

## **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).

## **3 Dividend prospects**

### **3.1 Secured creditors**

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

### **3.2 Preferential creditors**

Since our appointment, we became aware of a number of tribunal claims lodged against the Company in respect of redundancies made prior to the administration. Such claims if successful can increase the preferential liabilities. Our ERA specialist confirmed that the remaining claims were heard throughout September 2021 and all of the individual judgements have now been received.

The affected employees have now made claims to the RPS. Our ERA team have been in regular contact with the RPS throughout the process assisting with any employee related queries. The RPS have now issued their final claim in the administration estate and we are now taking steps to adjudicate employees' residual preferential claims as they may have in addition to the RPS claim. We will be writing to the preferential creditors in due course.

We estimate the amount of preferential claims to be £232,753. This is inclusive of the RPS and the employees estimated preferential liability. The final claims' value will be confirmed once we completed the adjudication process as noted above.

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

### **3.3 Unsecured creditors**

Based on current estimates, we anticipate that unsecured creditors should receive a dividend. However, the timing and amount of any dividend are dependent upon the overall creditor claims. Due to the large quantum of liabilities and restricted sums available, any dividend is estimated to be less than 2p in the £.

## 4 Joint Administrators' remuneration and expenses

### Time costs

From 20 January 2022 to 19 July 2022, we have incurred time costs of £91,401.50. These represent 225.70 hours at an average rate of £404.97 per hour.

### Remuneration

We have not drawn any remuneration during the Period.

### Administrators' Expenses

During the period, we have incurred expenses of £1,320. None of these have yet been paid.

### Additional information

As detailed in our previous report, our time costs have increased from the initial estimate due to additional complexities in realising the remaining assets and delays caused by Covid-19 pandemic, as well as managing the Company's affairs as a result of extending the administration for a further 12 months to January 2023. We have not produced a revised fee estimate as we do not currently intend to draw remuneration in excess of our initial fee estimate.

We have attached a revised expenses estimate at Appendix 4 giving more accurate overview of costs incurred during the administration. Whilst our overall costs remain within the estimate, some costs have increased as a result of the complexities, protracted asset realisation process and employee related matters, and extending the administration as previously reported.

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from 20 January 2022 to 19 July 2022. We have also attached our charging and expenses policy.

# 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:

- Seeking further clarity on the class action brought against Visa/Mastercard, to which J E Beale is a party, and if there may be a surplus to the estate. In addition we will pursue an option to realise this contingent asset for the benefit of the J E Beale estate in short order;
- Finalising tax and VAT affairs of the Company including submission of tax and Group VAT returns, settlement of any liabilities and seeking tax clearance;
- Agreeing preferential and unsecured creditor claims with a view to paying a dividend to these creditors;
- Payment of administration expenses; and
- Attending to statutory and compliance obligations in order to conclude the administration.

## 5.2 Future reporting

We intend to provide our final progress report by 19 January 2023 or earlier if the administration has been completed prior to that time.

## Appendix 1      Statutory information

Company name	J E Beale Public Limited Company
Date of incorporation	1 February 1912
Company registration number	00120002
Present registered office	10 Fleet Place, London, EC4M 7RB

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 Chris Pole
Former Joint Administrator	Steve Absolom
Estimated values of the Net Property and Prescribed Part	<p>Estimated Net Property is £3.6 million. The Prescribed Part is capped at the statutory maximum of £600,000.</p> <p>The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3).</p>
Prescribed Part distribution	<p>The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply.</p> <p>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 2023

## Appendix 2 Joint Administrators' receipts and payments account

### J E Beale Public Limited Company - in Administration

#### Trading accounts

Statement of Affairs (£)	From 20/01/2022 To 19/07/2022 (£)	From 20/01/2020 To 19/07/2022 (£)
POST-APPOINTMENT SALES		
Sales	NIL	15,769,152.50
Misc. concession commission income	NIL	361,385.23
Poole - Concession sales	NIL	215,988.11
Other income	NIL	65,286.76
JRS Grant	NIL	152,543.25
	NIL	16,564,355.85
PURCHASES		
Concession partner funds paid	NIL	(5,255,015.02)
Purchases - with VAT invoice	NIL	(1,839,983.41)
Purchases - proforma invoice	NIL	(90,430.67)
Purchases - catering	NIL	(55,123.02)
	NIL	(7,240,552.12)
OTHER DIRECT COSTS		
Wages and salaries	NIL	(1,873,624.19)
PAYE/NIC	NIL	(322,384.48)
Employee disbursements	NIL	(3,221.01)
	NIL	(2,199,229.68)
TRADING EXPENSES		
Health and safety	NIL	(171,478.70)
Agent costs	NIL	(1,198,231.44)
Rent	(2,079.66)	(508,515.32)
Rates	(98.24)	(337,932.33)
Water rates	(782.90)	(16,847.86)
Heat & light	(7,959.28)	(371,383.33)
Travel	NIL	(4,482.88)
Ransom payments	NIL	(127,474.93)
IT and telecom expenses	NIL	(98,795.61)
Insurance	NIL	(125,941.25)
Professional fees	NIL	(14,053.00)
Cash service provider charges	(2,575.17)	(67,210.43)
Licence fees	NIL	(3,950.00)
Repairs and maintenance	NIL	(3,608.94)

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

Statement of Affairs (£)	From 20/01/2022 To 19/07/2022 (£)	From 20/01/2020 To 19/07/2022 (£)
Sundry expenses	NIL	(1,000.00)
Advertising costs	NIL	(1,494.00)
ROT settlements	NIL	(1,344,149.13)
Marketing and promotions	NIL	(77,497.35)
	(13,495.25)	(4,474,046.50)
<b>Trading surplus/(deficit)</b>	<b>(13,495.25)</b>	<b>2,650,527.55</b>

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

Statement of affairs (£)	From 20/01/2022 To 19/07/2022 (£)	From 20/01/2020 To 19/07/2022 (£)
<b>FIXED CHARGE ASSETS</b>		
3,370,000.00 Freehold property	NIL	3,300,000.00
Interest Income	NIL	55.03
Brand/IP	NIL	6,000.00
Insurance refund	68.16	68.16
	68.16	3,306,123.19
<b>FIXED CHARGE COSTS</b>		
Administrators' fees	NIL	(19,805.00)
Legal fees	NIL	(31,250.00)
Agents'/Valuers' fees	NIL	(2,750.00)
	NIL	(53,805.00)
<b>FIXED CHARGE CREDITORS</b>		
(19,585,479.00) Fixed charge creditor	NIL	(3,250,000.00)
	NIL	(3,250,000.00)
<b>ASSET REALISATIONS</b>		
Awaiting Analysis	NIL	3,372.22
NIL Leasehold property	NIL	NIL
NIL Assigned credit card claim	NIL	NIL
20,000.00 Fixtures & Fittings	NIL	12,000.00
5,538,778.00 Stock	NIL	1,603,900.00
80,531.00 Book debts	7.00	18,536.78
Contribution to cost	NIL	1,633.50



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

Statement of affairs (£)		From 20/01/2022 To 19/07/2022 (£)	From 20/01/2020 To 19/07/2022 (£)
	Third party VAT payable - funds received	NIL	183,649.05
	Third party VAT receivable	NIL	40,772.19
319,451.00	Cash at bank	NIL	37,053.43
	Subtenant Rent	NIL	(758.57)
	Insurance Settlement	NIL	4,281.60
		7.00	1,904,440.20
	OTHER REALISATIONS		
	Bank interest, gross	2,094.96	5,507.70
	AWAITING ANALYSIS	NIL	1,226.39
30,000.00	EP(C)A funds	NIL	NIL
	Sundry refunds	NIL	11,783.13
	Trading surplus/(deficit)	(13,495.25)	2,650,527.55
	Rate refunds	19,810.42	119,732.91
310,104.00	Cash in transit	NIL	572,354.50
108,535.00	Cash floats	NIL	241,210.00
	Prepayments (SoFA Nil)	NIL	NIL
	Receipts on behalf of Beale Limited	NIL	28,161.09
		8,410.13	3,630,503.27
	COST OF REALISATIONS		
	Payments on behalf of Beale Ltd	NIL	(3,903.76)
	Administrators' fees	NIL	(930,195.00)
	Third Party VAT receivable – paid out	(3,508.50)	(41,934.72)
	Agents'/Valuers' fees	(10,333.65)	(67,059.59)
	Third Party VAT payable	NIL	(183,649.05)
	Legal fees	(25,155.00)	(147,027.00)
	Reimbursements to/from Beale	NIL	(6,817.95)
	Storage costs	(362.92)	(3,695.60)
	Statutory advertising	NIL	(79.00)
	Other costs	NIL	(23,335.82)
	Insurance of assets	(5,152.00)	(80,340.43)
	PAYE & NIC	NIL	(143.38)
	Bank charges	(75.00)	(5,920.00)
	Store closure costs	NIL	(62,531.38)
		(44,587.07)	(1,556,632.68)

# J E Beale Public Limited Company - in Administration

## Abstract of receipts & payments

Statement of affairs (£)		From 20/01/2022 To 19/07/2022 (£)	From 20/01/2020 To 19/07/2022 (£)
PREFERENTIAL CREDITORS			
(227,672.00)	Employees' holiday pay	NIL	NIL
		NIL	NIL
FLOATING CHARGE CREDITORS			
	Floating charge	NIL	(2,310,000.00)
		NIL	(2,310,000.00)
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
<b>(29,334,198.00)</b>		<b>(36,101.78)</b>	<b>1,670,628.98</b>
REPRESENTED BY			
	Floating ch. VAT rec'able		2,437,003.42
	Floating charge current		1,448,269.91
	Fixed charge VAT rec'able		10,761.00
	Fixed charge VAT payable		(700.00)
	Trade creditors		22,794.24
	Floating ch. VAT payable		(3,686,273.33)
	Floating ch. VAT control		1,438,298.47
	Fixed charge VAT control		(100.00)
			<b>1,670,053.71</b>

## Appendix 3

## Schedule of expenses

### Cost of realisations

Administrators' fees	0.00	91,401.50	<b>91,401.50</b>
Agents'/Valuers' fees	10,333.65	1,000.00	<b>10,333.65</b>
Legal fees	13,050.00	1,000.00	<b>25,155.00</b>
Storage costs	362.92	500.00	<b>362.92</b>
Insurance of assets	5,152.00	0.00	<b>5,152.00</b>
Third Party VAT receivable – paid out	-	0.00	<b>3,508.50</b>
Bank charges	75.00	100.00	<b>75.00</b>
<b>TOTAL</b>	<b>28,898.57</b>	<b>93,901.50</b>	<b>135,913.57</b>

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

### 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 Alex Lam at 10 Fleet Place, London, EC4M 7RB.

## Appendix 4

## Joint Administrators' revised expenses estimate

<b>Purchases</b>	1				
Concession partner funds paid		6,635,266	5,255,015	-	<b>5,255,015</b>
Purchases - other		1,494,992	1,985,747	-	<b>1,985,747</b>
<b>Other direct costs</b>	2				
Wages and salaries		2,203,986	1,873,624	-	<b>1,873,624</b>
PAYE/NIC		515,205	322,384	-	<b>322,384</b>
Employee disbursements	-		3,221	-	<b>3,221</b>
<b>Trading expenses</b>					
Rent and rates	3	1,339,017	874,816	-	<b>874,816</b>
Agent costs	4	1,000,000	1,198,231	-	<b>1,198,231</b>
ROT settlements	5	1,332,679	1,344,149	-	<b>1,344,149</b>
Ransom payments		156,863	127,475	-	<b>127,475</b>
Marketing and promotions		47,070	63,843	-	<b>63,843</b>
Insurance	6	180,000	303,470	-	<b>303,470</b>
Other trading costs	7	1,411,618	624,183	-	<b>624,183</b>
<b>Fixed charge costs</b>					
Legal fees	8	60,000	31,250	500	<b>31,250</b>
Agents'/Valuers' fees	9	57,750	2,750	1,000	<b>2,750</b>
Other property costs		16,000	1,212	-	<b>1,212</b>
<b>Cost of realisations</b>					
Agents'/Valuers' fees	9	5,000	67,060	-	<b>67,060</b>
Legal fees	8	110,000	147,027	6,000	<b>136,774</b>
Storage costs		11,000	3,696	2,500	<b>3,696</b>
Insurance of assets		20,000	80,340	6,000	<b>65,670</b>
Bank charges		5,000	5,920	1,500	<b>5,920</b>
Pre-administration legal costs		6,250	-	-	<b>6,250</b>
Administrators' pre-administration fees		10,098	-	-	<b>10,253</b>
Store closure costs		115,000	62,531	-	<b>62,531</b>
Other costs inc charges	10	30,000	49,991	25,000	<b>259,761</b>
<b>TOTAL</b>		<b>16,762,794</b>	<b>14,427,936</b>	<b>42,500</b>	<b>14,629,285</b>

Below is detail of the expenses anticipated for the duration of this engagement and should be read in conjunction with the Administrators' Proposals, previous progress reports and details included elsewhere in this report.

### 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 process. 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 and rates**

The Company traded from 23 stores and the head office. These costs comprised of rental and service charge costs due to the individual landlords occupied by the Company during the initial period of the administration and business rates liabilities and other property costs for the period of beneficial occupation.

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

**Note 5 – ROT settlements**

Costs related to ROT payments made where ongoing supply of stock was required to support ongoing trading of the business. Further details can be obtained from our Proposals and first progress report.

**Note 6 – Insurance costs**

Relates to the Administrators' insurance cover required during the trading period.

**Note 7 – 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. The initial estimate also included general contingency to cover any unforeseen costs arising during the trading process.

**Note 8 – 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, employee and pension related matters and ad-hoc advice in relation to matters arising during the course of the administration.

**Note 9 – Agents' costs and professional fees (property related)**

These costs include marketing and disposal of the Company's freehold property in Bedford as well as agents' costs incurred in relation leasehold site management and recovery of business rates as reported in our previous reports.

**Note 10 – Other costs and charges**

Other costs of realisations as noted within the receipts and payments account inclusive of a provision for final costs to closure.

## Appendix 5 Joint Administrators' charging and expenses 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 in-house Interpath Advisory tax, VAT and employee specialists. This also includes work undertaken by KPMG Pensions specialists up to 1 March 2020 who, until this date were part of the same firm as the office holders and their staff.

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

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

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Hayley Jennings on 0118 214 5926.

### Hourly rates

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

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

### Table of charge-out rates

Partner	690	690	725	725
Director	620	620	675	675
Senior Manager	560	560	590	590
Manager	467	467	495	495
Senior Administrator	325	325	345	345
Administrator	236	236	245	245
Support	147	147	147	155

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 expenses

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

*Expenses:* These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

*Category 1 expenses:* These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. 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 expenses:* These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

*Associates:* are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

Category 2 expenses charged by Interpath 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 Managing Director's car – 60p per mile.

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

We have incurred the following expenses (excluding VAT) during the period 20 January 2022 to 19 July 2022.

Postage	NIL	1,316.75	NIL	NIL	<b>1,316.75</b>
Stationery	NIL	NIL	NIL	2.85	<b>2.85</b>
<b>Total</b>	<b>NIL</b>	<b>1,316.75</b>	<b>NIL</b>	<b>2.85</b>	<b>1,319.60</b>

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

## Narrative of work carried out for the period 20 January 2022 to 19 July 2022

The key areas of work have been:

Statutory and compliance	posting information on a dedicated web page; preparing statutory receipts and payments accounts; and ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; briefing of our staff on the administration strategy and matters in relation to various work-streams; regular case management and reviewing of progress, including regular team update meetings and calls; 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; complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	providing written and oral updates to representatives of secured creditors regarding the progress of the administration and case strategy.
Cashiering	preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; reconciling post-appointment bank accounts to internal systems; and ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; working initially on tax returns relating to the periods affected by the administration; analysing VAT related transactions, complying with ongoing VAT reporting obligations and attending to HM Revenue and Customs' enquiries; and dealing with post appointment tax compliance.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9.
Trading and post-trading related matters	attending to supplier and customer queries and correspondence; 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; ensuring ongoing provision of emergency and other essential services to site.
Asset realisations	collating information from the Company's records regarding the assets; liaising with agents regarding the sale of assets; dealing with issues associated with the sale of stock; reviewing outstanding debtors and management of debt collection strategy; reviewing the inter-company debtor position between the Company and other group companies.
Property matters	reviewing the Company's leasehold properties, including review of leases; communicating with landlords regarding rent, property occupation and other issues.
Health and safety	liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; assessing the level of insurance premiums.
Employees	dealing with queries from employees regarding various matters relating to the administration and their employment; dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments;



	<ul style="list-style-type: none"> <li>■ communicating and corresponding with HM Revenue and Customs;</li> <li>■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office;</li> <li>■ managing claims from employees.</li> </ul>
Pensions	<ul style="list-style-type: none"> <li>■ 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.</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>■ updating the list of unsecured creditors;</li> <li>■ responding to enquiries from creditors regarding the administration and submission of their claims;</li> <li>■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;</li> <li>■ drafting our progress report.</li> </ul>

## Time costs

### SIP 9 –Time costs analysis (20/01/2022 to 19/07/2022)

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Director/Member			
General correspondence	3.80	1,207.00	317.63
Cashiering			
General (Cashiering)	13.80	5,077.50	367.93
Reconciliations (& IPS accounting reviews)	0.60	250.50	417.50
General			
Books and records	1.40	625.00	446.43
Fees and WIP	1.15	640.50	556.96
Statutory and compliance			
Bonding & Cover Schedule	3.30	1,213.50	367.72
Checklist & reviews	6.00	1,539.00	256.50
Closure and related formalities	0.20	99.00	495.00
Extension related formalities	2.90	960.50	331.21
Strategy documents	3.10	2,055.00	662.90
Tax			
Post appointment corporation tax	24.60	12,287.00	499.47
Post appointment VAT	22.10	10,498.50	475.05
<b>Creditors</b>			
Creditors and claims			
Agreement of claims	0.80	396.00	495.00
Agreement of preferential claims	3.15	1,924.50	610.95
Agreement of unsecured claims	10.30	3,800.00	368.93
General correspondence	23.50	11,339.00	482.51
Secured creditors	8.20	2,181.50	266.04

**SIP 9 –Time costs analysis (20/01/2022 to 19/07/2022)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
Pre-appointment VAT / PAYE / CT	<b>0.50</b>	337.50	675.00
Statutory reports	<b>13.05</b>	6,343.50	486.09
Employees			
Correspondence	<b>5.00</b>	2,350.00	470.00
Pension funds	<b>1.80</b>	579.00	321.67
Pensions reviews	<b>0.20</b>	118.00	590.00
Pension funds	<b>0.30</b>	177.00	590.00
Employee Matters / PAYE	<b>0.40</b>	198.00	495.00
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	<b>2.00</b>	697.00	348.50
Debtors	<b>3.90</b>	1,514.00	388.21
Insurance	<b>1.30</b>	520.00	400.00
Leasehold property	<b>8.55</b>	4,369.50	511.05
Other assets	<b>4.20</b>	2,449.50	583.21
Pre-appointment tax & VAT refunds	<b>0.20</b>	99.00	495.00
Health & safety	<b>0.30</b>	177.00	590.00
Trading			
Post trading related matters	<b>55.10</b>	15,378.50	279.41
<b>Total in period</b>	<b>225.70</b>	<b>91,401.50</b>	<b>404.97</b>

Brought forward time (appointment date to SIP 9 period start date)	7,372.09	2,811,395.29
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	225.70	91,401.50
Carry forward time (appointment date to SIP 9 period end date)	7,597.79	2,902,796.79

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

<b>Company</b>	J E Beale Public Limited Company - in Administration
<b>DLA Piper</b>	DLA Piper LLP
<b>ERA</b>	Employment Rights Act
<b>Group</b>	The Company together with Beale Limited – in Administration
<b>Hilco Capital</b>	Hilco Capital Limited
<b>Hilco Profit Recovery</b>	Hilco Profit Recovery Limited
<b>HMRC</b>	HM Revenue and Customs
<b>Interpath/Interpath Advisory</b>	Interpath Ltd
<b>Joint Administrators/we/our/us</b>	From 20 January 2020 to 9 June 2022, Will Wright and Steve Absolom.  From 10 June 2022 onwards, Will Wright and Chris Pole.
<b>KPMG</b>	KPMG LLP
<b>Mulino</b>	Mulino Investments Trust Limited
<b>New Start</b>	New Start 2020 Limited
<b>RPS</b>	Redundancy Payment Service
<b>Scheme</b>	The Beales Pension Scheme

**Secure Creditors**

Mulino Investments Trust Limited and The  
Beales Pension Scheme

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 Chris Pole, 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 Christopher Robert Pole 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 – [www.interpathadvisory.com/privacy-insolvency](http://www.interpathadvisory.com/privacy-insolvency).

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, Interpath Ltd does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

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