

TO ALL KNOWN CREDITORS

29 July 2020

Ref: R/CAL/SH/RK/JBL/D16.1

Direct line: +44 (0)207 951 1372

Email: hofadministrations@uk.ey.com

Dear Sirs

Jam B Realisations Limited (formerly James Beattie Limited) (in Administration) ('the Company')

The High Court of Justice, Chancery Division, Business and Property Courts of England and Wales Number CR-2018-006625

I wish to provide you with our final progress report in the administration, which includes details of the outcome. This report covers the period from 10 February 2020 to 29 July 2020 ('Period') and should be read in conjunction with our previous report dated 3 March 2020. Statutory information about the Company, the administration and the office holders is given at Appendix 1.

The Company, registered number 00176533, entered administration on 10 August 2018 ('the Date of Appointment') and A M Hudson, R H Kelly, C P Dempster and I were appointed to act as Joint Administrators ('Joint Administrators'). The appointment was made by The High Court of Justice under the provisions of paragraph 12 of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be done by any one of them.

Summary of progress since last report

Creditors

The Joint Administrators have currently received four claims from unsecured creditors of the Company, totalling £39,359,497.14 and expect to receive a claim from HMRC in due course.

The Joint Administrators have continued to progress matters pursuant to a framework that has been developed for the submission and resolution of potential claims.

The Joint Administrators issued modified proposals on 31 March 2020 in order to allow the exit route via a creditors' voluntary liquidation, which will subsequently enable a distribution to creditors to take place.

Rent and rates refunds

Montagu Evans LLP has been instructed on a success fee basis to appeal the rateable values across a number of properties in the wider House of Fraser portfolio, which includes the Company.

The Joint Administrators have also written to all of the local councils, where the Company traded, to seek repayment of business rates prepaid at the Date of Appointment.

A total of £54,677.12 has been recovered to date and investigations will continue to recover any further rates refund.

VAT and Corporation tax

We have submitted nil VAT returns for all five periods as from 10 August 2018 to 31 May 2020 (inclusive). The next VAT return is for the period ending 31 August 2020 and is due on 30 September 2020.

Corporation tax

We have instructed EY tax specialists to prepare the corporation tax returns for the Company, as required.

The first post-administration corporation tax return for the Company was for a one-day accounting period starting and ending on 10 August 2018, being the date the Company entered administration and prepared on the basis that the Company ceased to trade on that date. This has been submitted to HMRC. To date HMRC has not raised an enquiry but the enquiry window remains open.

The next corporation tax return due for all companies is for the period 11 August 2018 to 10 August 2019, which becomes due for submission on 10 August 2020. EY Tax Specialists are currently preparing these returns for submission to HMRC.

The tax return for the final post-administration period will be prepared by EY tax specialists.

In regard to the pre-appointment corporation tax returns, the Joint Administrators had no responsibility to submit or agree the position, nor are they in the position to comment further on such returns, as these were submitted by management prior to their appointment.

Tax work is ongoing and all Corporation tax and other tax related time costs are included within the Joint Administrators' total time costs, set out in detail at Appendix 3.

Bank interest received

In the Period, the Company received interest of £1,050.65.

Leasehold properties

At the date of the appointment the Company, HFL Realisations Limited and HF Stores Realisations Limited operated from sixty-four locations, all of which were occupied under leasehold arrangements. This included fifty-nine trading stores, three office locations and two warehousing facilities.

The Company held the lease to one trading store.

As part of the sale, a licence to occupy the Company's leasehold premises has been granted to the purchaser, although we have subsequently agreed to a surrender of the lease as part of the Purchasers rationalisation of its store estate.

Remaining assets

The Joint Administrators will continue to pursue any further rates refunds available as well as receiving further bank interest from funds held on deposit.

Receipts and payments account

A summary of our receipts and payments for the period from 10 February 2020 to 29 July 2020 and for the period 10 August 2018 to 29 July 2020 is attached at Appendix 2. It does not reflect estimated future realisations or costs.

Investigations

The Joint Administrators have previously undertaken an investigation into the Company's affairs following their appointment pursuant to Statement of Insolvency Practice Number 2 (Investigations by Office Holders) and the Company Directors Disqualification Act 1986.

We have submitted our confidential return on the conduct of all persons who have been directors, shadow or de-facto directors of the Company during the three years prior to our appointments, to the Insolvency Service.

No further work has been undertaken in relation to this matter in the Period.

Joint administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

In the Period, the Joint Administrators sought approval from the preferential and unsecured creditors of the Company to the basis of our remuneration and the payment of Category 2 disbursements in accordance with Rule 18.18(3) of the Insolvency (England and Wales) Rules 2016.

The estimated remuneration set out in the Proposals was approved by the preferential and unsecured creditors, and a sum of £117,162.50 of fees and £1,364.60 of disbursements were drawn in the Period (net of VAT).

The Joint Administrators have incurred time costs of £20,555.10 in the Period and a total of £290,642.19 of time costs to date. An analysis of the time spent, and a comparison with the fee estimate dated 30 August 2018 is attached as Appendix 3 to this report.

Joint administrators' statement of expenses incurred

During the period covered by this report, we have incurred expenses totalling £nil. There is a breakdown of expenses incurred in this period and to date at Appendix 4 of this report.

The Joint Administrators have incurred nil disbursements in the Period and a total of £1,364.60 of disbursements to date, against which £1,364.60 has been drawn. An analysis of Category 2 disbursements (i.e. charges made by the office holders' firm that include elements of shared or overhead costs) are set out in Appendix 4 of this report.

Pre-administration costs

In the Period, the Joint Administrators also sought approval from the preferential and unsecured creditors of the Company for the basis for the pre-administration costs.

The estimated pre-administration costs, as set out in the Proposals were approved by the preferential and unsecured creditors, and a sum of £6,120 plus VAT of fees were drawn in the Period.

Secured creditors

There are no secured creditors of the Company.

Preferential creditors

All of the employees of the Company were transferred to the Sports Direct Group as a result of the sale of business. However, certain former employees have preferential claims in respect of arrears of wages, holiday pay and employee pension deductions.

Of these claims, we have not made any payments during the Period and total payments of £414.10 have been made to date. We are not aware of any further preferential claims.

Non-preferential creditors

It is currently estimated that non-preferential claims against the Company will be made up of three inter-company claims, an unsecured third party claim and a potential claim from HM Revenue & Customs, based on the claims we have received to date and the Company's Statement of Affairs filed with the Registrar of Companies.

If there are unsecured, non-preferential creditors who wish to submit a claim form but have yet to do so, I would request that they return Statement of Claim Form (enclosed at Appendix 6), together with all back up documentation in support of their claim.

The Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Act. The Prescribed Part applies to floating charges created on or after 15 September 2003.

We are not aware of any secured creditors of the Company. Accordingly, Section 176A of the Act does not apply to this Administration and there is no Prescribed Part to be set aside for unsecured creditors.

Distributions to creditors

Any distribution to the unsecured creditors will require the Company being placed into Creditors' Voluntary Liquidation ("CVL") and the Joint Administrators will shortly be moving the Company into CVL to enable the distribution to be made.

The Outcome of the Administration

The purpose of the administration has been sufficiently achieved, and the move to CVL will allow for a distribution to be made to the unsecured creditors.

Yours faithfully
for the Company



C A Lewis
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, A M Hudson, R H Kelly, C P Dempster and C A Lewis, who act as agents of the Company only and without personal liability.

A M Hudson is licensed in the United Kingdom to act as an insolvency practitioner by The Insolvency Practitioners Association. R H Kelly and C P Dempster are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland. C A Lewis is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointments. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	The High Court of Justice, Chancery Division, Business and Property Courts of England and Wales
Court reference:	CR-2018-006625
Registered name of the company:	Jam B Realisations Limited (formerly James Beattie Limited)
Registered office address of the company:	1 More London Place, London SE1 2AF, UK
Registered number:	00176533
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Date of appointment of the joint administrators:	10 August 2018
Details of any changes of administrator:	None
Full names of the administrators:	A M Hudson and C A Lewis of Ernst & Young LLP, 1 More London Place, London, SE1 2AF R H Kelly of Ernst & Young LLP, Bridgewater Place, 1 Water Lane, Leeds LS11 5QR C P Dempster of Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh EH3 8EX
Office holder number(s):	9200; 9356, 8582, 8908
Telephone number:	+44 (0)207 951 1856
Name of alternative person to contact with enquiries about the case:	Sophie Hyde

Jam B Realisations Limited (formerly James Beattie Limited)
(in administration)

Joint Administrators' Summary of Receipts and Payments from 10 August 2019 to 29 July 2020

Jam B Realisations Limited (formerly James Beattie Limited) (In Administration)						
Joint Administrators' Abstract of Receipts and Payments						
From 10/02/2020 to 29/07/2020						
	Statement of affairs	10/08/2018 to 09/02/2019	10/02/2019 to 09/08/2019	10/08/2019 to 09/02/2020	10/02/2020 to 29/07/2020	Realised to Date
	GBP	GBP	GBP	GBP	GBP	GBP
	£	£	£	£	£	£
RECEIPTS						
Rates Refund	-	21,535.10	16,657.26	16,484.76	-	54,677.12
Property	6,605,439.00	0.01	-	-	-	0.01
Equipment	-	110,862.26	-	-	-	110,862.26
Information Technology	-	18,477.04	-	-	-	18,477.04
Stock	541,434.00	520,939.69	-	-	-	520,939.69
Bank Interest	-	1,347.24	2,034.45	2,122.85	1,050.65	6,555.19
Trade debtors	164,901.00	0.00	3.85	-	-	3.85
HF Stores Realisations control a/c	-	123.64	-	-	-	123.64
	7,311,774.00	673,284.98	18,695.56	18,607.61	1,050.65	711,638.80
PAYMENTS						
Preferential Creditors		123.64	290.46	-	-	414.10
Administrators Fees					117,162.50	117,162.50
Administrators Disbursements					1,364.60	1,364.60
Pre-Administration Costs					6,120.00	6,120.00
Bank Charges		2.97	1.66	6.19	-	10.82
Rent		-	-	-	-	-
		126.61	292.12	6.19	124,647.10	125,072.02
Net Receipts/(Payments)		673,158.37	18,403.44	18,601.42	(123,596.45)	586,566.78
MADE UP AS FOLLOWS						
HSBC-GBP-Current-71434020@0.60%		673,158.37	18,403.44	18,601.42	(123,596.45)	586,566.78
Input VAT		-	-	-	24,929.42	24,929.42

Notes

1. Receipts and payments are stated net of VAT.
2. No allowance has been made for future receipts or payments.

Jam B Realisations Limited (formerly James Beattie Limited) (in administration)

Joint Administrators' time costs for the period from 10 February 2020 to 3 July 2020 and a comparison with the fee estimate dated 30 August 2018

Type of work	Per fee estimate dated 10 August 2018			Actual in this report period			Total actual to 3 July 2020		
	Total hours	Time cost £	Average hourly rate £	Total hours	Time cost £	Average hourly rate £	Total hours	Time cost £	Average hourly rate £
Administration & Planning	24.6	12,726.50	517.34	12.10	3,121.80	258.00	98.70	43,819.80	443.97
Statutory Reporting	27.7	14,339.00	517.65	9.20	2,337.20	254.04	292.20	139,935.20	478.90
Creditors	27	13,958.50	516.98	15.30	2,412.50	157.68	44.10	17,434.50	395.34
Debtors	0	-	-	-	-	-	0.90	403.50	448.33
Employees	5	2,589.50	517.90	-	-	-	14.40	6,381.50	443.16
Immediate Tasks	5	2,589.50	517.90	-	-	-	2.00	660.00	330.00
Investigations	29.3	15,136.50	516.60	-	-	-	12.20	9,753.00	799.43
Job Acceptance & Strategy	5	2,589.50	517.90	-	-	-	0.10	43.00	430.00
Legal Issues	5	2,589.50	517.90	-	-	-	0.30	130.50	435.00
Other Assets	17.1	8,855.50	517.87	-	-	-	-	-	-
Other Matters	9.8	5,108.00	521.22	-	-	-	-	-	-
Property	19.7	10,193.00	517.41	-	-	-	0.50	215.00	430.00
Public Relations	2.3	1,158.00	503.48	-	-	-	-	-	-
Statutory Duties	29.3	15,136.50	516.60	35.50	10,002.00	281.75	109.80	47,810.00	435.43
VAT & Taxation	19.7	10,193.00	517.41	8.70	2,681.60	308.23	40.90	24,056.19	588.17
Total Hours	226.5	117,162.50	-	80.80	20,555.10	-	616.10	290,642.19	471.75
Total Anticipated Fees (£)	£117,163	£117,163							

Category of work	Description of work completed
Administration & Planning	<ul style="list-style-type: none"> ▶ Overall management of the case, treasury and accounting functions, statutory compliance, case diaries and time cost reporting.
Statutory Reporting	<ul style="list-style-type: none"> ▶ Preparing the Joint Administrators' Statement of Proposals. ▶ Regular reporting to the Company's creditors and SIP16 notification to creditors.
Creditors	<ul style="list-style-type: none"> ▶ Receipt and recording of creditor claims. ▶ Correspondence with creditors.
Debtors	<ul style="list-style-type: none"> ▶ Reconciliation of debtor receipts.
Employees	<ul style="list-style-type: none"> ▶ Writing to employees regarding TUPE related matters. ▶ Dealing with employee enquiries. ▶ Agreeing preferential claims of former employees and making payment
Legal Issues	<ul style="list-style-type: none"> ▶ Dealing with solicitor enquiries post sale
Property	<ul style="list-style-type: none"> ▶ Dealing with receipt of licence fees and payment of rent due under the licence to occupy agreement with the Purchaser. ▶ Dealing with landlord enquiries regarding the leasehold property.
Statutory Duties	<ul style="list-style-type: none"> ▶ Completion of statutory requirements of the Administration, including notifications to creditors and members, advertising the appointment and sending to creditors and filing at Companies House.

VAT & Taxation

- ▶ Preparing annual corporation tax and quarterly VAT returns, with input from EY tax specialists.
 - ▶ Assessment of the VAT and tax treatment of transactions and agreements entered into during the Administration.
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Jam B Realisations Limited (formerly James Beattie Limited) (in administration)

Summary of Joint Administrators' expenses incurred

Type of Outlay	Per Estimate Dated 30 August 2018	Paid as at 09/08/2019	Paid in Period 10/08/2019 to 09/02/2020	Paid in Period 10/02/2020 to 03/07/2020	Outstanding	Total (£)
Payments made from the estate which are not disbursements (see notes 1 and 2 at the end of this table)						
Legal fees	£15,000	-	-		-	-
Insurance	£2,000	-	-		-	-
Statutory costs	£2,000	-	-		-	-
Storage	£2,000	-	-		-	-
Bank charges	£500	£4.63	£6.19		-	£10.82
Category 1 disbursements (see Note 2)						
Specific penalty bond	£1,280	-	-	£1,280.00	-	£1,280.00
Postage and printing	£2,000	-	-	£84.60	-	£84.60
Travel and accommodation	£2,000	-	-	-	-	-
Category 2 disbursements (see Note 2)						
Mileage	£500	-	-	-	-	-
Totals:						
Expenses	£21,500	£4.63	-		-	£4.63
Category 1	£5,280	-	-	£1,364.60	-	£1,364.60
Category 2	£500	-	-		-	-

Notes

- 1 Statement of Insolvency Practice 9 (SIP 9) defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors.
- 2 SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
 - Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment
 - Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs. It is our policy, in accordance with SIP 9, to disclose Category 1 and Category 2 disbursements but only to seek approval for Category 2 disbursements before they are drawn.
- 3 No invoices have as yet been received for Legal fees, Insurance, Statutory costs or Storage and as a result, the outstanding amount is currently shown as £nil.
- 4 Bank charges reflect the current amount paid to date. There will be future charges incurred for the operation of the bank accounts, but as these are as yet unknown, the outstanding amount is currently shown as £nil.

Administration Proof of Debt
Rule 14.4, Insolvency (England and Wales) Rules 2016

Convocatoria para la presentación de créditos. Plazos aplicables
 Výzva k přihlášení pohledávky. Závazné lhůty
 Opfordring til anmeldelse af fordringer. Vær opmærksom på fristerne
 Aufforderung zur Anmeldung einer Forderung. Etwaige Fristen beachten!
 Nõude esitamise kutse. Järgitavad tähtajad
 Πρόσκληση για αναγγελία απαιτήσεως. Προσοχή στις προθεσμίες
 Invitation to lodge a claim. Time limits to be observed
 Invitation à produire une créance. Délais à respecter
 Invito all'insinuazione di un credito. Termine da osservare
 Uzaicinājums iesniegt prasījumu. Termiņi, kas jāievēro
 Kvietimas pateikti reikalavimą. Privalomieji terminai
 Felhívás követelés bejelentésére. Betartandó határidők
 Stedina għal preżentazzjoni ta' talba. Limiti taż-żmien li għandhom jiġu osservati
 Oproep tot indiening van schuldvorderingen. In acht te nemen termijnen
 Wezwanie do zgłoszenia wierzytelności. Przestrzegać terminów
 Aviso de reclamação de créditos. Prazos legais a observar
 Výzva na prihlásenie pohľadávky. Je potrebné dodržat stanovené termíny
 Poziv k prijavi terjatve. Rok, ki jih je treba upoštevati!
 Kehotus saatavan ilmoittamiseen. Noudatettavat määräajat
 Anmodan att anmäla fordran. Tidsfrister att iakta

Jam B Realisations Limited (formerly James Beattie Limited) (in Administration)

Date of Administration: **10 August 2018**

Please refer to the notes at the end of this form.

Name of Creditor

Address

Total amount of claim, including VAT, as at 10 August 2018

Less: any payments made to you after 10 August 2018 in respect of the claim

Less: any trade or other discounts (except early payment discounts) under Rule 14.20

Less: any adjustments for set off in accordance with Rule 14.24

Net claim after deductions

Amount of any outstanding uncapitalised interest included in claim

Amount of any VAT included in claim

Is the whole or any part of your claim preferential, within the meaning of section 386, schedule 6, of the Insolvency Act 1986? If so, into which category of debt does it fall?

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Notes to Administration Proof of Debt Form:

1. Proof of Debt forms may be submitted to the Administrators by post, by fax or by email to hofcreditors@uk.ey.com
2. Please attach a detailed statement of your account as at the date on which the Company entered Administration.
3. If your claim is preferential (e.g., for wages, holiday pay or certain pension arrears) or secured please give details and attach supporting documentation.
4. VAT bad debt relief may usually be claimed six months after the date of supply.
5. The Administrator may call for any document or other evidence to be produced if it is considered necessary for the purpose of substantiating the whole or any part of the claim made.
6. The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are included on the Data Privacy Notice which can be found at: www.ey.com/uk/officeholderprivacy.