

TO ALL KNOWN CREDITORS

31 March 2020

Ref: R/CAL/SH/RK/JBL/PCF/D11.1

Direct line: +44 (0)20 951 1856

Email: hofadministrations@uk.ey.com

Dear Sirs

James Beattie Limited (in Administration) ('the Company')

As you will be aware, on 10 August 2018 the Company entered Administration with A M Hudson, C A Lewis, C P Dempster and I appointed to act as Joint Administrators. The appointment was made by the Court under the provisions of paragraph 12 of Schedule B1 to the Insolvency Act 1986.

Please note that this letter supersedes my letter to all known creditors dated 30 August 2018. It has come to our attention that the Joint Administrators of the Company need to amend the exit route for the administration and on this basis certain amendments are required in respect of our Statement of Proposals.

Accordingly, I now enclose a copy of our amended Statement of Proposals as required by paragraph 49 of Schedule B1 to the Insolvency Act 1986 ('Proposals').

We intend to seek the approval of the Proposals by deemed consent. We will seek approval for the basis of our remuneration by a separate resolution of the creditors.

I enclose, for your attention, formal notice of deemed consent together with an invitation to form a creditors' committee.

If there are any matters concerning the Company's affairs which you consider may require investigation, and consequently should be brought to our attention, please forward the details to me in writing as soon as possible.

Should you have any queries relating to this letter or any other aspect of the Administration, please do not hesitate to contact my colleague, Sophie Hyde, on the above details.

Yours faithfully
for the Company



C A Lewis
Joint Administrator

Appendix A: Fee estimate and details of expenses

Enc: Joint Administrators' Statement of Proposals (amended)
Notice to creditors of deemed consent
Notice to creditors - invitation to form a creditors' committee
Notice of claim form for voting purposes

The affairs, business and property of the Company are being managed by the Joint Administrators, A M Hudson, C P Dempster, C A Lewis and R H Kelly, 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. C P Dempster and R H Kelly are licensed in the United Kingdom to act as an insolvency practitioner 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' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy

Statement of Administrators’ Revised Proposals

In accordance with paragraph 54 of Schedule B1 to the Insolvency Act 1986, we, A M Hudson, R H Kelly, C P Dempster and Craig Lewis, the Joint Administrators of Jam B Realisations Limited, make to the creditors of the company the following revised proposals (“the Revised Proposals”) for achieving the purpose of the administration.

We are seeking a decision by deemed consent on the approval of these revised proposals.

This statement is accompanied by notice of the decision, including steps to be taken by creditors if they wish to participate in the process and an invitation to creditors to establish a creditors’ committee.

Court information

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

Company information

Company name: Jam B Realisations Limited (formerly known as James Beattie Limited)
Registered number: 00176533
Country of incorporation: N/A
(if outside the UK)
Registered office address: C/O One More London Place, London, SE1 2AF
Trading name(s): James Beattie Limited

Details of the Administrators and of their appointment

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, Scotland EH3 8EX
Date of appointment: 10 August 2018
By whom appointed: The appointment was made by the Court

Directors and secretary and their shareholdings

The table below lists the directors and secretary of the company at the date of appointment and their shareholdings at that date.

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Peter G Hearsey	Director	23 April 2017	N/A	N/A
	Secretary	31 August 2015	N/A	N/A
Alex P Williamson	Director	20 Sep 2017	N/A	N/A
Fei-Er Cheng	Director	30 July 2018	N/A	N/A
Yong Shen	Director	30 July 2018	N/A	N/A
Colin D Elliot	Director	1 May 2015	9 August 2018	N/A
Nigel Oddy	Director	1 March 2015	23 April 2017	N/A

Summary of the original proposals dated 17 August 2018 and the amended proposals dated 30 August 2018 as approved by creditors on 14 September 2018

On 10 August 2018 the Company entered Administration and Alan Michael Hudson, Robert Hunter Kelly, Craig Anthony Lewis and Colin Peter Dempster were appointed to act as Joint Administrators.

The purpose of an Administration is to achieve one of three objectives:

- a. to rescue the company as a going concern;
- b. to achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration); or
- c. to realise property in order to make a distribution to one or more of the secured or preferential creditors.

Following the Company entering Administration, objective b) was achieved through the completion of a sale of substantially all of the Company's business and assets. The outcome achieved through the sale was the best available outcome for creditors as a whole in all the circumstances.

Sale of the business and assets

The Company, together with related entities, traded as House of Fraser. A sale of substantially all of the Company's business and assets was completed on 10 August 2018 to the entities listed below, which are part of the Sports Direct group, as part of a transaction with total consideration of £90 million:

- SDI (Propco 35) Limited;
- Shelfco A2 Limited; and
- Shelfco A1 Limited.

The transaction also impacted HF Stores Realisations Limited (formerly known as House of Fraser (Stores) Limited) and HFL Realisations Limited (formerly known as House of Fraser Limited), both related entities, which also entered Administration on 10 August 2018.

Further details of the sale of the business and assets can be found in the Original Proposals dated 17 August 2018, which can be accessed at: www.ey.com/uk/houseoffraseradministration.

Future conduct of the administration

The Original and Amended Proposals stated that the Joint Administrators would continue to deal with the Administration in line with the stated objective, namely to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).

Further details of the future conduct of the Administration can be found in the Original Proposals dated 17 August 2018 and the Amended Proposals dated 30 August 2018.

Distributions to Creditors

The Original Proposals proposed that distributions would be made in the Administration to the secured creditors, preferential creditors (where applicable) and unsecured non-preferential creditors.

Further details regarding the secured creditors, preferential creditors, non-preferential creditors are included in the Original Proposals.

Remuneration

The Original Proposals stated that the statutory provisions relating to remuneration are set out in Chapter 4, Part 18 of the Rules. 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 the Joint Administrators.

In the event that a creditors' committee is not formed; the Joint Administrators will seek to have their remuneration fixed by a decision of the creditors by a decision procedure, in accordance with Rule 18.18(3) of the Rules. The Joint Administrators will ask for their remuneration to be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration, in accordance with the fee estimate dated 30 August 2018.

No steps have currently been taken to agree the basis of remuneration, but in due course, the Joint Administrators will be seeking 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.

Disbursements

Disbursements are expenses met by and reimbursed to the Joint Administrators. They fall into two categories: Category 1 and Category 2. The fee estimate and statement of expenses dated 17 August 2018 includes details of the Category 1 and 2 disbursements which are expected to be incurred.

Category 1 disbursements are payments to independent third parties where there is expenditure directly referable to the Administration. Category 1 disbursements can be drawn without prior approval.

Category 2 disbursements are expenses that are directly referable to the Administration but not to a payment to an independent third party. They may include an element of shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis.

In due course, the Joint Administrators will be seeking approval from the preferential and unsecured creditors of the Company to the payment of Category 2 disbursements in accordance with Rule 18.18(3) of the Insolvency (England and Wales) Rules 2016.

Pre-administration costs

The Joint Administrators intend to seek approval to the payment of unpaid Pre-administration costs totalling £6,120 (plus VAT), being the Joint Administrators' unpaid costs and unpaid third party costs, as an expense of the Administration of the Company.

The payment of unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules, and under paragraph 53 of Schedule B1 to the Act. This means we will be seeking approval separately.

As no creditors' committee has been formed, the Joint Administrators will seek to have the unpaid pre-Administration costs approved by the creditors by a decision procedure.

The end of the Administration

It was proposed that if, at the end of the Administration, the Company had no property which might permit a distribution to its creditors, the Joint Administrators would send a notice to that effect to the Registrar of Companies. On registration of the notice the Joint Administrators' appointment in respect of the Company would come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Act the Company concerned will be deemed to be dissolved three months after the registration of the notice.

Reasons for the proposed revision(s)

The Original and Amended Proposals stated that if, at the end of the Administration, the Company had no property which might permit a distribution to its creditors, the Joint Administrators would send a notice to that effect to the Registrar of Companies. On registration of the notice the Joint Administrators' appointment in respect of the Company would come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Act the Company concerned will be deemed to be dissolved three months after the registration of the notice.

Since the Original and Amended Proposals were issued and approved, the Joint Administrators have concluded that there will be property available to make a distribution to the unsecured creditors of the Company.

A revision of the proposals, pursuant to paragraph 54 of Schedule B1 to the Insolvency Act 1986, applies where:

- (a) an administrator's proposals have been approved (with or without modification) at an initial creditors' meeting,*
- (b) the administrator proposes a revision to the proposals, and*
- (c) the administrator thinks that the proposed revision is substantial.*

As the administration exit route was not reported in the Original and Amended Proposals, it is now considered that this change represents a "substantial" revision. However, it should be noted that:

- the amendment to the exit route will not change the overall approach to the Administration outlined in the Original Proposals in relation to the purpose and the conduct; and

- the amendment to the exit route is considered to be a benefit to the unsecured creditors of the Company.

On this basis, the Joint Administrators propose to revise the Original and the Amended Proposals to reflect the new proposed exit route.

Details of proposed revision(s) to the proposals

It is proposed that the following revision(s) should be made to the proposals:-

1. It is proposed that, at the end of the administration, the company will move straight into creditors' voluntary liquidation upon the filing with the registrar of companies of a notice pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986.
2. It is further proposed that the liquidators will be A M Hudson, R H Kelly, C P Dempster and C A Lewis of Ernst & Young LLP and that any act required or authorised under any enactment to be done by the liquidators may be done by either or both of them. In accordance with paragraph 83(7)(a) of Schedule B1 to the Insolvency Act 1986 and Rule 3.60(6)(b) of the Insolvency (England and Wales) Rules 2016, creditors may nominate a different person or persons as the proposed liquidator(s), through a decision procedure, provided that the nomination is made after the receipt of these revised proposals and before the proposals are approved. It should be noted that a person must be authorised to act as an insolvency practitioner in order to be appointed liquidator

Administrators' assessment of the Impact of the proposed revision(s) upon creditors

Due to the proposed revision to the Original and Amended Proposals, the Joint Administrators envisage the impact on:

- **Secured creditors** – there are no secured creditors of the Company.
- **Preferential creditors – no change** is expected compared to the Original Proposals. As a result of the sale, all of the UK employees of the Company transferred to the purchaser on 10 August 2018 (all of the Ireland employees in the Dundrum store transferred on 23 October 2018 when the sale was completed). Preferential claims relate to certain claims of those employees who did not transfer to the purchaser as they had already left the business prior to Administration. Preferential creditors who have made a claim have been paid in full.
- **Non-preferential creditors** – The Joint Administrators continue to receive claims from unsecured non-preferential creditors of the Companies. The amendment to the Proposals is being made to allow a distribution to be made to the non-preferential creditors of the Company.

Summary of Administrators' receipts and payments

A summary of the Administrators' receipts and payments to 27 March 2020 is attached as Appendix A.

Other matters

Statement of Affairs

The directors submitted a Statement of Affairs on 6 September 2018 and this has been filed with the Registrar of Companies.

Should you have any queries in relation to the Revised Proposals, please contact us on hofadministrations@uk.ey.com.

For any enquiries regarding the status of the Administration, please refer to the following website link for the Letter to all known creditors (including details of the sale of business and assets) and the Original Proposals on: www.ey.com/uk/houseoffraseradministration.

Signed



Craig Lewis
Joint Administrator

Date: 31 March 2020

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 A

	Statement of affairs GBP £	Realised to Date GBP £
RECEIPTS		
Rates Refund	-	38,019.86
Property	6,605,439.00	16,657.27
Equipment	-	110,862.26
Information Technology	-	18,477.04
Stock	541,434.00	520,939.69
Bank Interest	-	5,504.54
Trade debtors	164,901.00	3.85
HF Stores Realisations control a/c	-	123.64
	7,311,774.00	710,588.15
PAYMENTS		
Preferential Creditors		414.10
Bank Charges		10.82
		424.92
Net Receipts/(Payments)		710,163.23
MADE UP AS FOLLOWS		
HSBC-GBP-Current-71434020@0.60%		710,163.23

Notes

1. Receipts and payments are stated net of VAT.

Notice to creditors of deemed consent

Paragraph 51 of Schedule B1 to the Insolvency Act 1986 and Rules 3.38, 15.7 and 15.8 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

Case number: 006625 of 2018

Registered name of the company Jam B Realisations Limited

Other trading name(s) or style(s) of the company: James Beattie Limited

Any other registered name in the 12 months
prior to administration: James Beattie Limited

Registered number: 00176533

Registered office address: 1 More London Place, London, SE1 2AF

Principal trading address (if different from above): 27 Baker Street, London, W1U 8AH (head office)

Date on which the company entered administration: 10 August 2018

Date of appointment of joint administrators: 10 August 2018

Details of the Joint Administrators

A M Hudson
Ernst & Young LLP
1 More London Place, London, SE1 2AF
Office holder number: 9200

C A Lewis
Ernst & Young LLP
1 More London Place, London, SE1 2AF
Office holder number: 9356

R H Kelly
Ernst & Young LLP
1 Bridgewater Place, Water Lane, Leeds,
LS11 5QR
Office holder number: 8582

C P Dempster
Ernst & Young LLP
Atria One, 144 Morrison Street, Edinburgh,
EH3 8EX
Office holder number: 8908

Telephone number: 0207 951 1856

Name of alternative person to contact about
the Administration: Sophie Hyde

NOTICE IS HEREBY GIVEN that the Joint Administrators of the above-named company are seeking approval of their Proposals dated 1 April 2020 by deemed consent.

Creditors will be deemed to have consented to the approval of the Proposals unless by the end of 21 April 2020 (**'the Decision Date'**) at least 10% in value of creditors who would be entitled to vote in a qualifying decision procedure have objected to approval and their objections have been made in accordance with the procedure set out below.

Objections

Any creditor wishing to object to the proposed decision to approve our Proposals – including any creditor who has opted out from receiving notices about the Administration - must deliver to me, at the above address, a notice stating that the creditor so objects. The notice must be delivered to me at the above address not later than the end of **the Decision Date** together with a proof in respect of the creditor's claim which complies with the requirements of Rules 15.28 to 15.35 of the Insolvency (England and Wales) Rules 2016 failing which the objection will be disregarded.

Please note that creditors whose debts may be treated as small debts in accordance with Rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must still deliver a proof of claim if they wish to object.

It is my responsibility, as Joint Administrator convening the deemed consent procedure, to aggregate any objections to see if the threshold is met for the decision to be taken as not having been made.

If the threshold is met the deemed consent procedure will terminate without a decision being made on the proposals and if a decision is sought again on the same matter it will be sought by a decision procedure.

Requests for a physical meeting to be held

Creditors who meet the thresholds in s.246ZE(7) of the Insolvency Act 1986, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may, within five business days from the date of delivery of this notice, make a request to me in writing for a physical meeting of creditors to be held to consider the approval of our Proposals.

Signed

CA Lewis

Craig Lewis
Joint Administrator

Date

31 March 2020

Notice to creditors – invitation to form a creditors’ committee

Rule 3.39, Insolvency (England and Wales) Rules 2016

Name of court: The High Court of Justice, Chancery Division,
Business and Property Courts of England and
Wales

Case number: 006625 of 2018

Registered name of the company Jam B Realisations Limited

Other trading name(s) or style(s) of the company: James Beattie Limited

Any other registered name in the 12 months
prior to administration: James Beattie Limited

Registered number: 00176533

Registered office address: 1 More London Place, London, SE1 2AF

Principal trading address (if different from above): 27 Baker Street, London, W1U 8AH (head office)

Date on which the company entered administration: 10 August 2018

Date of appointment of joint administrators: 10 August 2018

Details of the Joint Administrators

A M Hudson Ernst & Young LLP 1 More London Place, London, SE1 2AF Office holder number: 9200	C A Lewis Ernst & Young LLP 1 More London Place, London, SE1 2AF Office holder number: 9356
R H Kelly Ernst & Young LLP 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR Office holder number: 8582	C P Dempster Ernst & Young LLP Atria One, 144 Morrison Street, Edinburgh, EH3 8EX Office holder number: 8908
Telephone number:	020 7951 1856
Name of alternative person to contact about the Administration:	Sophie Hyde

Invitation to form a creditors’ committee

Creditors are invited to decide whether a creditors’ committee should be formed if sufficient creditors are willing to be members of the committee. Information on the role of committees can be found at <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>.

To be validly established, a committee must have at least three and not more than five members, who must have agreed to act.

Should you wish to form a committee, please follow the instructions in the nomination form attached to this notice and return the completed nomination form, with written agreements to act where appropriate, to me at the above address to arrive no later than 21 April 2020. Nominations can only be accepted if I am satisfied as to the creditor's eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016.

Signed

CA Lewis

Craig Lewis
Joint Administrator

Date

31 March 2020

James Beattie Limited (in Administration) ('the Company')

Nominations for creditors' committee

You may nominate up to five creditors of the Company. Please note that before a person can act as a member of a creditors' committee that person must agree to do so.

In the event that more than five valid nominations are received, the five receiving the most votes will be appointed.

When you have completed this form, please return it with the creditor's written agreement to act (unless you are nominating yourself or your own organisation) to R H Kelly at James Beattie Limited (in Administration), c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF, to arrive no later than the closing date stated on the notice of invitation to form a committee.

I nominate:

(Name of creditor) _____ of

(Address) _____

(Name of creditor) _____ of

(Address) _____

(Name of creditor) _____ of

(Address) _____

(Name of creditor) _____ of

(Address) _____

(Name of creditor) _____ of

(Address) _____

to be appointed as (a) member(s) of the creditors' committee.

Signature _____

Name of signatory _____

On behalf of
(name of creditor) _____

Date _____

The Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016

Administration Notice of Claim for Voting Purposes

Jam B Realisations Limited (in Administration)

Date of Administration: 10 August 2018

PLEASE NOTE: Once completed, this form will be used by the Joint Administrators ONLY for the purposes of voting in a creditors' decision procedure or a requisitioned meeting of creditors. The form will not constitute admission of the claim to rank for dividend in this or any subsequent procedure. For further information see Rules 15.28 to 15.35 of the Insolvency (England and Wales) Rules 2016.

Name of creditor

Address

Amount claimed, after deductions for payments made post-administration or adjustments for set off (see notes overleaf)

Is the claim preferential or secured?

If secured, value of security

If you have made a retention of title claim against the company please attach details (see over)

Signature on behalf of creditor

Date

File with Sophie Hyde

Reviewed by _____

Notes to Administration Notice of Claim for Voting Purposes:

1. Please attach a detailed statement of your account as at the date on which the company entered administration.
2. If you have claimed retention of title please provide details, including the value of any payments made, or goods returned, to you in respect of your claim.
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.

Extracts from the Insolvency (England and Wales) Rules 2016:

15.31 Calculation of voting rights

- (1) Votes are calculated according to the amount of each creditor's claim -
 - (a) in an administration, as at the date on which the company entered administration, less -
 - (i) any payments that have been made to the creditor after that date in respect of the claim, and
 - (ii) any adjustment by way of set-off which has been made in accordance with rule 14.24 or would have been made if that rule were applied on the date on which the votes are counted; ...
- (4) Where a debt is wholly secured its value for voting purposes is nil.
- (5) Where a debt is partly secured its value for voting purposes is the value of the unsecured part.
- (6) However, the value of the debt for voting purposes is its full value without deduction of the value of the security in the following cases -
 - (a) where the administrator has made a statement under paragraph 52(1)(b) of Schedule B1 and the administrator has been requested to seek a decision under paragraph 52(2); ...
- (7) No vote may be cast in respect of a claim more than once on any resolution put to the meeting; and for this purpose (where relevant), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim.
- (8) A vote cast in a decision procedure which is not a meeting may not be changed.
- (9) Paragraph (7) does not prevent a creditor or member State liquidator from -
 - (a) voting in respect of less than the full value of an entitlement to vote; or
 - (b) casting a vote one way in respect of part of the value of an entitlement and another way in respect of some or all of the balance of that value.

15.32 Calculation of voting rights: special cases

- (1) In an administration, a creditor under a hire-purchase agreement is entitled to vote in respect of the amount of the debt due and payable by the company on the date on which the company entered administration.
- (2) In calculating the amount of any debt for the purpose of paragraph (1), no account is to be taken of any amount attributable to the exercise of any right under the relevant agreement so far as the right has become exercisable solely by virtue of -
 - (a) the making of an administration application;
 - (b) a notice of intention to appoint an administrator or any matter arising as a consequence of the notice; or
 - (c) the company entering administration.