

TO ALL KNOWN CREDITORS

12 October 2021

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

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Dear Sirs

Jam B Realisations Limited (Formerly James Beattie Limited in Administration and now in Creditors' Voluntary Liquidation)

I write to provide you with our report on the progress of the liquidation for the period from 28 August 2020 to 27 August 2021 ("the Period"). At Appendix 1 of this report, we provide information about the Company and the liquidators. A copy of our receipts and payments account for the Period is at Appendix 2.

The Company, registered number 00176533, entered administration on 10 August 2018 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. On 28 August 2020 the Administration was converted to Creditors' Voluntary Liquidation ("CVL") and A M Hudson, R H Kelly, C P Dempster and I were appointed as Joint Liquidators ("Joint Liquidators"). Under the terms of the appointment, any act required or authorised to be done by the Joint Liquidators can be done by any one of them.

Progress during the period of the report

VAT compliance

We have submitted VAT returns for all four periods from 29 August 2020 – 28 August 2021 (inclusive), securing the Company £24,929.42 in refunds from HMRC, which have been received in the Period. The next VAT return is for the period ending 31 August 2021 and is due on 30 September 2021.

Corporation tax compliance

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

The corporation tax returns submitted for the Company to HMRC were for the following periods:

- ▶ One day accounting period starting and ending on 10 August 2018 (when the Company was in Administration);
- ▶ 11 August 2018 to 10 August 2019 (when the Company was in Administration). HMRC did not raise an enquiry prior to the enquiry window closing on the 10 August 2021;
- ▶ 11 August 2019 to 10 August 2020 (i.e. a full 12 month period) (when the Company was in Administration);

- ▶ 11 August 2020 to 27 August 2020 (i.e. 27 August 2020 being the day before the Company went into liquidation); and
- ▶ 28 August 2020 to 7 June 2021 (i.e. 7 June 2021 being the date the last taxable income was received).

Upon submission of these tax returns for the Company to HMRC, we requested confirmation of tax clearance on behalf of the Company from HMRC. We have not received confirmation of this to date. HMRC have not raised an enquiry into these tax returns, but the enquiry window remains open to 10 August 2022, 27 August 2022 and 7 June 2022, for the final three returns, respectively.

Tax work in respect to the Company is no longer ongoing. All Corporation tax and other tax related time costs are included within the Joint Liquidators' total time costs, set out in detail at Appendix 3.

Bank interest and charges

During the Period the Company received bank interest of £37.94 and paid bank charges of £0.30.

Distributions to creditors

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 the 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.

Following Period end, a payment of £123.64 was made to HF Stores Realisations Limited in respect of employee claims that were paid on behalf of the Company.

Non-preferential Creditors

It is currently estimated that non-preferential claims against the Company will be made up of three inter-company claims, five unsecured third party claims 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.

Receipts and payments account

I enclose a receipts and payments account for the Period from 29 August 2020 to 28 August 2021 in Appendix 2.

Work which remains to be done

The following matters remain to be dealt with before the Company can be dissolved:

- ▶ Obtain tax clearance;
- ▶ Agree non-preferential creditors claims; and
- ▶ Make a first and final distribution to creditors.

Joint liquidators' remuneration

Following a vote by the creditors under the decision procedure rules, the Joint Administrators' remuneration was fixed on the basis of time properly given by them and their staff in dealing with matters arising in the administration as set out in the fee estimate dated 30 August 2018.

Rule 18.20 (4) of the Insolvency (England and Wales) Rules 2016 provides that where an administrator becomes liquidator, the basis of remuneration fixed for the administrator is treated as having been fixed for the liquidator.

During the Period covered by this report, we have charged remuneration of £32,078.40. Of this sum, £nil has been paid and the liquidators do not propose to draw any remuneration during the liquidation.

An analysis of the time spent is attached as Appendix 4 to this report.

Joint liquidators' statement of expenses incurred

During the Period covered by this report, the Liquidators have incurred expenses totalling £56.46. There is a breakdown of expenses incurred in the Period and to date at Appendix D to this report.

Creditors' rights to further information about, and challenge, remuneration and expenses

The statutory provisions relating to remuneration are set out in Chapter 4 of 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 Liquidators' 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 Liquidators.

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 Liquidators' Fees' referred to above.

Investigations

The Joint Liquidators 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 appointment as Joint Administrators, to the Insolvency Service.

The time charged to investigations during this period was spent confirming whether a CDDA report would be required upon the Administration being converted to a Creditors' Voluntary Liquidation. It was confirmed that the Company did not need to submit a report as there was no break in proceedings or office holders.

Other matters

Should you have any remaining questions about the liquidation, please do not hesitate to contact Sophie Hyde at this office.

Yours faithfully
For the Company



C A Lewis
Joint Liquidator

Enc:

- Appendix 1 – Statutory information about the Company, the liquidation and the office holders
- Appendix 2 - Joint Liquidators' Receipts and Payments Account
- Appendix 3 - Summary of the Joint Liquidators' time costs and category 2 disbursements
- Appendix 4 - Breakdown of outlays incurred in this Period and to date

The affairs, business and property of the Company are being managed by the Joint Liquidators, 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 Liquidators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), 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 Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1

Jam B Realisations Limited (Formerly James Beattie Limited in Administration and now in Creditors' Voluntary Liquidation)

Information about the company and the liquidators

Registered office address of the company:	Ernst & Young LLP, 1 More London Place, SE1 2AF
Registered number:	00176533
Date of appointment of the joint liquidators:	28 August 2020
Details of any changes of liquidator:	None
Full names of the liquidators:	Alan Michael Hudson Craig Anthony Lewis Robert Hunter Kelly Colin Peter Dempster
Office holder number(s):	9200; 9356; 8582; 8908
Liquidators' address(es):	Ernst & Young LLP 1 More London Place SE1 2AF Ernst & Young LLP 1 More London Place SE1 2AF Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, West Yorkshire, LS11 5QR Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX
Telephone number:	+44 (0)207 951 1372
Name of alternative person to contact with enquiries about the case:	Sophie Hyde

Appendix 2

Jam B Realisations Limited (Formerly James Beattie Limited in Administration and now in Creditors' Voluntary Liquidation)

Joint liquidators' receipts and payments account for the Period from 28 August 2020 to 27 August 2021

Jam B Realisations Limited (formerly James Beattie Limited) (In Creditors' Voluntary Liquidation)			
Joint Liquidators' Abstract of Receipts and Payments			
From 28/08/2020 to 27/08/2021			
	Statement of affairs	28/08/2020 to 27/08/2021	Realised to Date
	GBP	GBP	GBP
	£		£
RECEIPTS			
Bank Interest		37.94	37.94
VAT refund		24,929.42	24,929.42
Funds from Administration		562,998.15	562,998.15
	-	587,965.51	587,965.51
PAYMENTS			
Bank Charges		0.30	0.30
Corporation Tax		871.00	871.00
		871.30	871.30
Net Receipts/(Payments)		587,094.21	587,094.21
MADE UP AS FOLLOWS			
RBS-GBP - Current-32339584		587,094.21	587,094.21

Notes:

1. Receipts and payments are stated net of VAT.
2. There was no statement of affairs, as the liquidation immediately followed on from the administration. As a result, the column has been left blank.

Appendix 3

Jam B Realisations Limited (Formerly James Beattie Limited in Administration and now in Creditors' Voluntary Liquidation)

Joint Liquidators' Time-Costs from 28 August 2020 to 27 August 2021

	Actual in this report period (28 August 2020 – 27 August 2021)		
Type of work	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	35.3	7889.5	223.50
Statutory Reporting	21.3	2,993.90	140.56
Creditors	9.6	2193.6	228.50
Investigations	2	542	271
Legal Issues	0.5	273.5	547
Other Assets	0.4	108.4	271
Statutory Duties	6.8	2422.4	356.24
VAT & Taxation	66	15,655.10	237.20
Total Hours	141.9	32,078.40	226.06
Total Anticipated Fees (£)	-	-	-

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"> ▶ Regular reporting to the Company's creditors.
Creditors	<ul style="list-style-type: none"> ▶ Receipt and recording of creditor claims. ▶ Correspondence with creditors.
Investigations	<ul style="list-style-type: none"> ▶ Confirmation on CDDA report.
Legal Issues	<ul style="list-style-type: none"> ▶ Dealing with legal invoices.
Other Assets	<ul style="list-style-type: none"> ▶ Reviewing relevant insurance for the duration of the CVL.
Statutory Duties	<ul style="list-style-type: none"> ▶ Completion of statutory requirements of the CVL, including notifications to creditors and members, advertising the appointment and sending to creditors and filing at Companies House.
VAT & Taxation	<ul style="list-style-type: none"> ▶ 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 CVL.

Appendix 4

Jam B Realisations Limited (Formerly James Beattie Limited in Administration and now in Creditors' Voluntary Liquidation)

Summary of Joint Liquidators' expenses incurred

Payments which are not disbursements - all Category 1 (Please refer to notes 1-3 at the end of this table for definitions)	£
None	-
Sub total	-
Category 1 disbursements (see notes 2 and 3)	
None	-
Sub total	-
Category 2 disbursements (see notes 2 and 3)	
Internal bulk copying, printing and postage	56.46
Total	56.46

Notes:

- 1 Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- 2 Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- 3 Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2