

Joules administrator on brink of rescue deal with Phase Eight-owner Foschini

The administrator to Joules, the collapsed fashion retailer, is on the brink of a rescue deal with the South African owner of Phase Eight.

Sky News has learnt that the Foschini Group (TFG) is close to securing an agreement to buy the majority of Joules' stores and assets.

One source said a deal could be struck as soon as Wednesday afternoon.

If completed, it is likely to see roughly a quarter of Joules' 132 shops closed, with the loss of "several hundred" jobs.

A more precise figure for store closures and redundancies could not be identified, with Interpath Advisory, the administrator, refusing to comment.

It remains possible that an alternative buyer such as Next or Mike Ashley's Frasers Group could yet trump TFG's interest with a last-ditch offer.

TFG, which also owns the women's fashion brands Hobbs and Whistles, had been in discussions with Joules for several weeks about investing in the business prior to it [calling in administrators](#) this month.

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Based in Market Harborough, Leicestershire, Joules operates 132 stores across the UK, employing more than 1,600 people.

Its stores have remained open during the administration process.

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Will Wright, head of restructuring at Interpath and joint administrator, said this month that Joules was “one of the most recognisable names on the high street, with a unique brand identity and loyal customer base”.

“We have had an overwhelming amount of interest from interested parties.

“We will be working hard over the days ahead to assess this interest, but at this stage we are optimistic that we will be able to secure a future for this great British brand.”

Joules had been in talks with Next about a strategic investment earlier in the autumn but the two sides were unable to agree the terms of a deal as the smaller company’s share price continued to sink.

It then hired Interpath to consider an insolvency procedure – known as a company voluntary arrangement – that would have allowed it to slash its overheads through store closures, rent reductions and job cuts.

Joules said in August that it was aiming to secure an equity investment of about £15m, after warning that it would deliver a loss bigger than previous market expectations.

It also appointed Jonathon Brown, a former John Lewis and Kingfisher executive, as its new CEO.

Joules has been listed on the London stock market since 2016, having been founded in 1989 when Tom Joule began selling clothes from a country show stall in Leicestershire.

TFG could not be reached for comment.