

TO ALL KNOWN CREDITORS

21 March 2019

Ref: R/SJW/SH/JG/NWM1306/D16.1

Direct line: 0161 234 6455  
Email: [jgillie@uk.ey.com](mailto:jgillie@uk.ey.com)

Please ask for James Gillie

Dear Sirs

## **JB Realisations Limited (formerly known as Jones Bootmaker Limited) (in Administration) ('the Company')**

### **High Court of Justice, Business and Property Courts in Manchester – Company and Insolvency List (CHD), Number 2173/2018**

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the Administration. This report covers the period from 26 August 2018 to 25 February 2019 ('**the Period**') and should be read in conjunction with our previous report dated 21 September 2018 and the Joint Administrators' Statement of Proposals dated 5 March 2018 ('**the Proposals**'). Statutory information about the Company, the Administration and the office holders is given at Appendix A.

## **Summary of progress since last report**

### **Sale of business and assets**

As previously reported, shortly following our appointment we completed a sale of the majority of the Company's business and assets to Pavers Limited ('**Pavers**') for a total consideration of £4.17m, £0.95m of which was deferred and retained by Pavers subject to a number of post transaction conditions.

At the time our previous report, it had been agreed that Pavers is entitled to retain £0.16m in respect of stock deposits.

During the Period, it has been agreed that Pavers is entitled to retain a further £0.54m under the terms of the sale. This has been agreed in recognition of the settlement by Pavers of potential claims, identified at the time of the transaction.

The balance of £0.25m remains withheld pending the resolution of other post transaction conditions in relation to tax matters. It remains too early to estimate the likely realisations from this balance and a further update will be provided in our next progress report.

## **Retail stores**

As previously reported, as part of the sale, a licence to occupy 40 of the Company's 45 stores was granted to Pavers for a period of six months. The Company's remaining five stores were closed and exited shortly following our appointment.

During the Period, a further 25 stores have been transferred to Pavers and one has been exited by Pavers.

Therefore to date, of those 40 stores, 31 have been transferred to Pavers and eight have been exited by Pavers. Pavers is currently continuing to occupy one store under licence.

Based on the stores transferred to Pavers, under the terms of the sale, additional property consideration totalling £60k is payable to the Company. I am pleased to report that this additional consideration has been received since the end of the Period.

In order to achieve the above, during the Period a further licence to occupy was granted to Pavers covering the period from 26 November 2018 to 25 February 2019.

In addition, a further licence to occupy in respect of the one remaining store has been provided for the period to 25 April 2019.

Pavers have made contributions to the costs of extending and administering the licence to occupy beyond the six month period granted at the date of the transaction. In this regard, £19.5k has been received during the Period.

## **Other Assets**

### ***Rent deposits***

Through actively engaging with landlords, rent deposits totalling £279k have been realised during the Period in connection with stores transferred to Pavers.

Additional realisations of c.£28k are anticipated from this source.

### ***Prepayments***

As previously reported, one of the Company's merchant services providers held a security deposit of £200k. Following reconciliations on the account, further realisations totalling £76k have been received into the estate.

In addition, further business rates and other trading prepayments totalling £7k have been received during the Period.

Therefore, prepayment recoveries to date total £650k, made up of:

- rent prepayments - £349k;
- security deposit in respect of merchant services - £176k; and
- business rates and other trading prepayments - £125k.

We do not anticipate further material realisations from this source.

### ***Cash at date of appointment and cash in transit***

As previously advised, further funds totalling c.£40k were identified as being held by an online sales processing provider, pending the expiration of a contractual holding period to allow for the processing of any valid customer chargebacks.

Following the expiration of the holding period, £40k was received into the estate during the Period.

We do not anticipate any further realisations from this source.

### ***Fixtures and fittings (including IT equipment)***

During the Period our appointed professional agents, In2Corporate Limited, have completed further sales largely comprising of IT equipment. Realisations from these sales have totalled £21k (before agent costs and commissions). All funds have been received into the estate.

We do not anticipate any further realisations from this source.

## **Other matters**

### ***Taxation***

We have instructed EY tax specialists to prepare corporate tax returns for the Company, as required. This work remains ongoing.

### **Extension of the Administration**

To allow time to realise certain remaining assets, conclude property matters, finalise creditor claim positions and make further distributions to the various classes of creditors, we determined that an extension of twelve months to the period of the Administration was required.

Approval to the extension was received from the secured and preferential creditors of the Company on 5 October 2018.

The Administrators do not currently anticipate that a further extension to the Administration will be required.

### **Receipts and payments account**

A summary of our receipts and payments for the period from 26 August 2018 to 25 February 2019, and the cumulative position to date, is attached at Appendix B. Please note that this account does not reflect estimated future realisations or costs.

### **Investigations**

No investigations are continuing and no third party funding has been provided.

## **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', as referred to above.

Our remuneration was fixed, on a time-cost basis by a resolution of the Company's secured and preferential creditors on 18 June 2018.

During the Period we have charged remuneration of £171,160, bringing cumulative time costs incurred during the Administration to date to £999,182. Of this sum, £250,000 has been paid.

An analysis of the time spent, and a comparison with the fee estimate dated 5 March 2018 is attached as Appendix C to this report.

We anticipate that our remuneration may exceed the fee estimate. The main reason for this is that the fee estimate was based on an assumption that we would be in a position to close the Administration within twelve months of our appointment. However, it became apparent that additional time would be required to realise certain categories of assets, conclude the transfer of retail stores to Pavers and make further distributions to the various categories of creditors. As such, the secured and preferential creditors granted our request for an extension of the Administration for a period of twelve months. As a result of this extension, additional time costs have and will be incurred.

We will not draw remuneration in excess of the fee estimate without the prior approval of the Company's secured and preferential creditors.

## **Joint Administrators' statement of expenses incurred**

During the Period, we have incurred expenses totalling £668,406 (plus VAT). A breakdown of expenses incurred during the Period and to date is provided at Appendix D to this report.

We have detailed below the expenses which have exceeded our initial estimate, along with an explanation as to the reasons why:

- Rent (transferring stores) – whilst these costs have exceeded our estimate, they are fully recoverable from Pavers under licence to occupy arrangements. The costs have exceeded the estimate as a result of extensions to the licence to occupy period granted to Pavers.

- Legal fees – costs have exceeded our initial estimate due to higher volumes of legal work, particularly in respect of property lease assignments, retention of title claims and post transaction matters.
- Agents' fees – payments in connection with the sale of fixtures, fittings and IT equipment, on a commission basis. Realisations have exceeded expectations from this source, resulting in higher than expected agents' fees.
- Statutory costs – statutory costs have exceeded our initial estimate due to higher than anticipated mail redirection costs in connection with the Company's head office.
- Storage – forecast storage costs in respect of the Company's books and records, in line with applicable retention policies, are expected to exceed our initial estimate due to a higher than forecast volume of records.
- Bank charges – bank charges incurred in connection with the maintenance of the Company's bank accounts which have exceeded our initial expectations.

### **Pre-Administration costs**

On 18 June 2018 we received approval from the secured and preferential creditors to make payment of pre-Administration costs totalling £159,768.50, as an expense of the Administration.

During the Period £55,000 has been paid in respect of these costs, bringing total payments to date to £152,224.

### **Distributions to creditors**

#### ***Secured creditor***

As at 26 February 2018 Endless LLP, the Company's only known secured creditor, was owed c.£20.0m (stated before associated interest and/or other charges). These amounts relate to the Revolving Credit Facility provided to the Company at the time of its acquisition.

During the Period distributions totalling £0.80m have been paid to Endless LLP, bringing total distributions to date to £3.30m. Of this amount, £2.54m has been paid from floating charge asset realisations, and £0.76m has been paid from fixed charge asset realisations.

We intend to make further distributions to Endless LLP during the Administration, however it is anticipated that they will ultimately suffer a shortfall against their debt.

#### ***Preferential creditors***

We currently estimate that preferential claims against the Company will total £0.1m, in respect of former employees' salaries, holiday pay and outstanding pension contributions.

Due to ongoing legal matters, the Joint Administrators were not in a position to make a distribution to preferential creditors during the Period.

However, following the resolution of the above mentioned matters, I am pleased to confirm that the Joint Administrators are now in a position to make a distribution to preferential creditors and a notice of intended dividend will be issued in due course. We currently anticipate that preferential creditor claims will be settled in full.

### ***Unsecured creditors***

As previously reported, total unsecured creditors of the Company were estimated within the Directors' Statement of Affairs to be in the region of £4.6m. We continue to receive claims from unsecured creditors.

We do not anticipate that there will be sufficient surplus funds to enable a distribution to be made to the unsecured creditors of the Company, other than by virtue of the Prescribed Part.

### **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.

As detailed in the Proposals, as the Company's floating charge was created after 15 September 2003, the Prescribed Part applies to the Company.

At this time and based on the current information, we estimate that:

- the value of the Company's net property will be c.£3.6m; and
- the value of the Prescribed Part is £0.6m, this being the maximum amount available to be set aside under the Prescribed Part (stated before the costs of agreeing claims and distributing funds).

### **Remaining work**

We will continue to deal with the Administration in line with the stated objectives outlined in the Proposals. Future tasks will include, but may not be limited to, the following:

- seeking to realise value from all remaining assets;
- managing property payments under the licence to occupy agreement with Pavers, and dealing with retail store assignments;
- agreeing preferential creditor claims, including dealing with employee claims and the Redundancy Payments Service;
- making further distributions to the secured creditor;
- dealing with unsecured creditor enquiries;
- distributing amounts due to unsecured creditors under the Prescribed Part;
- finalising the Administration including the payment of all Administration period liabilities;

- preparing and filing corporation tax and VAT returns;
- completion of statutory and reporting requirements of the Administration; and
- any such actions required to be undertaken by the Joint Administrators to fulfil the purpose of the Administration.

## Next report

We will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

Should you have any further queries in respect of this report, or the Administration in general, please do not hesitate to contact James Gillie of this office on 0161 234 6455.

Yours faithfully  
for the Company



S J Woodward  
Joint Administrator

Appendix A	Statutory information
Appendix B	Summary of receipts and payments
Appendix C	Joint Administrators' time costs
Appendix D	Summary of Joint Administrators' expenses incurred

S J Woodward is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales. C P Dempster is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Company are being managed by the Joint Administrators, S J Woodward and C P Dempster, who act as agents of the Company only and without personal liability.

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](http://www.ey.com/uk/officeholderprivacy).

## Appendix A

### **JB Realisations Limited (formerly known as Jones Bootmaker Limited) (in Administration) ('the Company')**

#### **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:	High Court of Justice, Business and Property Courts in Manchester – Company & Insolvency List (CHD)
Court reference:	2173 of 2018
Registered name of the company:	JB Realisations Limited (formerly known as Jones Bootmaker Limited)
Registered office address of the company:	c/o Ernst & Young LLP, 2 St Peter's Square, Manchester, M2 3EY
Registered number:	09953318
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Date of appointment of the Joint Administrators:	26 February 2018
Details of any changes of Administrator:	None
Full names of the Administrators:	Samuel James Woodward and Colin Peter Dempster
Office holder numbers:	12030 and 8908
Administrators' addresses:	Ernst & Young LLP, 2 St Peter's Square, Manchester, M2 3EY, and Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX
Name of alternative person to contact with enquiries about the case:	James Gillie
Telephone number:	0161 234 6455

## Appendix B

### JB Realisations Limited (formerly known as Jones Bootmaker Limited) (in Administration) ('the Company')

#### Joint Administrators' summary of receipts and payments for the period from 26 February 2018 to 25 February 2019

Statement of affairs estimated to realise (£) <sup>1,2</sup>	Period from 26 February 2018 to 25 August 2018 (£)	Period from 26 August 2018 to 25 February 2019 (£)	Total to 25 February 2019 (£)
<b>Fixed charge receipts</b>			
700,000.00	700,000.00	-	700,000.00
102,528.00	102,527.68	-	102,527.68
-	315.71	107.18	422.89
	<b>802,843.39</b>	<b>107.18</b>	<b>802,950.57</b>
<b>Fixed charge payments</b>			
-	(18,731.58)	(10,600.00)	(29,331.58)
-	(5.00)	(0.60)	(5.60)
	<b>(18,736.58)</b>	<b>(10,600.60)</b>	<b>(29,337.18)</b>
<b>Distributions to creditors</b>			
	(600,000.00)	(160,000.00)	(760,000.00)
	<b>(600,000.00)</b>	<b>(160,000.00)</b>	<b>(760,000.00)</b>
<b>Floating charge receipts</b>			
2,638,436.00	1,788,435.98	-	1,788,435.98
-	1,589,282.91	658,627.03	2,247,909.94
1,543,089.00	1,555,159.57	-	1,555,159.57
490,000.00	567,360.13	83,047.15	650,407.28
-	-	279,491.70	279,491.70
455,691.00	352,157.61	40,162.32	392,319.93
437,780.00	337,779.66	-	337,779.66
250,000.00	250,000.00	-	250,000.00
-	74,043.91	-	74,043.91
-	30,557.34	20,746.00	51,303.34
-	4,744.31	-	4,744.31
-	2,859.72	2,896.41	5,756.13
1.00	1.00	-	1.00
1.00	1.00	-	1.00
-	-	19,500.00	19,500.00
1.00	1.00	-	1.00
	<b>6,552,384.14</b>	<b>1,104,470.61</b>	<b>7,656,854.75</b>
<b>Floating charge payments</b>			
	(1,584,552.91)	(658,627.03)	(2,243,179.94)
3	(393,149.64)	(775.66)	(393,925.30)
	-	(250,000.00)	(250,000.00)
	(160,000.00)	-	(160,000.00)
	(78,492.42)	(44,400.00)	(122,892.42)
	(53,843.47)	(750.00)	(54,593.47)
	(34,329.82)	(38.33)	(34,368.15)
	(18,285.81)	-	(18,285.81)
	(17,697.33)	-	(17,697.33)
	(15,443.42)	-	(15,443.42)
	(7,279.80)	(6,424.20)	(13,704.00)
	(11,058.65)	-	(11,058.65)
	(9,460.00)	-	(9,460.00)
	(3,492.76)	(420.00)	(3,912.76)
	(1,494.80)	(47.80)	(1,542.60)
	-	(980.00)	(980.00)
	-	(343.44)	(343.44)
	(84.60)	-	(84.60)
	<b>(2,388,665.43)</b>	<b>(962,806.46)</b>	<b>(3,351,471.89)</b>
<b>Distributions to creditors</b>			
	(1,900,000.00)	(640,000.00)	(2,540,000.00)
	<b>(1,900,000.00)</b>	<b>(640,000.00)</b>	<b>(2,540,000.00)</b>
<b>Balances in hand</b>			
	<b>2,447,825.52</b>	<b>(668,829.27)</b>	<b>1,778,996.25</b>
<b>Represented by:</b>			
4			1,746,439.72
			65,708.48
			(33,151.95)
			<b>1,778,996.25</b>

#### Notes

1 This receipts and payments account is shown net of VAT.

2 This receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments.

3 Payment of wage arrears to retail store employees. This represented a commercial payment to facilitate the sale of the business and assets. We estimate that this will reduce preferential claims by c.£0.3m which would otherwise have been settled in full as preferential creditor distributions.

4 All funds are held in interest bearing accounts.

## Appendix C

### JB Realisations Limited (formerly known as Jones Bootmaker Limited) (in Administration) ('the Company')

Joint Administrators' time costs for the period from 26 August 2018 to 25 February 2019, and a comparison with the fee estimate dated 5 March 2018

	Staff Grade						Total Hours	Time Cost (£)	Average Hourly Rate (£)
	Partner	Director	Senior Manager	Manager	Executive	Analyst			
Accounting and Administration	-	1.5	0.5	0.1	49.9	1.0	53.0	17,260	326
Bank & Statutory Reporting	1.0	-	10.7	-	-	56.0	67.7	16,205	239
Creditors	-	-	1.7	-	-	40.5	42.2	8,125	193
Employee Matters	-	8.4	0.5	-	4.0	3.0	15.9	7,387	465
Job Acceptance & Strategy	-	-	2.5	-	-	-	2.5	1,405	562
Legal Issues	1.0	-	0.5	-	-	-	1.5	1,055	703
Other Assets	0.5	-	5.6	-	3.5	2.0	11.6	5,042	435
Other Matters	4.0	1.0	48.0	-	5.0	58.5	116.5	42,478	365
Property	3.5	-	32.2	-	68.5	44.0	148.2	50,223	339
Statutory Duties	-	-	3.0	-	-	3.0	6.0	2,160	360
VAT & Taxation	0.5	3.7	4.5	-	5.7	47.2	61.6	19,820	322
<b>Total Hours</b>	<b>10.5</b>	<b>14.6</b>	<b>109.7</b>	<b>0.1</b>	<b>136.6</b>	<b>255.2</b>	<b>526.7</b>		
<b>Time Costs (£)</b>	<b>8,600</b>	<b>11,003</b>	<b>61,340</b>	<b>56</b>	<b>43,636</b>	<b>46,524</b>		<b>171,160</b>	
<b>Average Hourly Rate (£)</b>	819	754	559	560	319	182		325	
<b>Category 1 Disbursements (£)</b>	60.21								
<b>Category 2 Disbursements (£)</b>	-								
	<b>60.21</b>								

Note: Time is charged in six minute intervals

	Per fee estimate dated 5 March 2018			Actual in this reporting period			Actual to 25 February 2019 (Cumulative)		
	Total hours	Time costs (£)	Average hourly rate (£)	Total hours	Time costs (£)	Average hourly rate (£)	Total hours	Time costs (£)	Average hourly rate (£)
Accounting and Administration	175.0	64,205	367	53.0	17,260	326	447.9	115,624	258
Bank & Statutory Reporting	215.0	80,476	374	67.7	16,205	239	187.6	60,966	325
Creditors	155.0	47,291	305	42.2	8,125	193	378.0	81,874	217
Employee Matters	230.0	89,859	391	15.9	7,387	465	283.4	115,823	409
Immediate Tasks	230.0	86,627	377	-	-	-	249.5	82,408	330
Investigations	125.0	37,318	299	-	-	-	33.0	11,010	334
Job Acceptance & Strategy	55.0	33,333	606	2.5	1,405	562	63.0	35,430	562
Legal Issues	80.0	33,998	425	1.5	1,055	703	20.5	10,868	530
Other Assets	85.0	33,341	392	11.6	5,042	435	70.1	30,285	432
Other Matters	480.0	191,690	399	116.5	42,478	365	460.6	192,425	418
Prescribed Part	205.0	57,567	281	-	-	-	-	-	-
Property	325.0	93,141	287	148.2	50,223	339	413.9	132,883	321
Public Relations issues	15.0	9,011	601	-	-	-	9.5	5,025	529
Retention of Title	120.0	48,865	407	-	-	-	117.7	48,163	409
Statutory Duties	180.0	59,741	332	6.0	2,160	360	136.7	43,415	318
VAT & Taxation	229.0	82,981	362	61.6	19,820	322	108.2	32,983	305
<b>Total</b>	<b>2,904.0</b>	<b>1,049,444</b>	<b>361</b>	<b>526.7</b>	<b>171,160</b>	<b>325</b>	<b>2,979.6</b>	<b>999,182</b>	<b>335</b>

<b>Category of work</b>	<b>Description of work to be completed</b>
Accounting & Administration	<ul style="list-style-type: none"> <li>- Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost reporting.</li> </ul>
Bank and Statutory Reporting	<ul style="list-style-type: none"> <li>- Reporting to the Company's secured creditor.</li> <li>- Preparing the Joint Administrators' six monthly progress reports.</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>- Receipt and recording of creditor claims.</li> <li>- Correspondence with creditors.</li> </ul>
Employee Matters	<ul style="list-style-type: none"> <li>- Writing to employees regarding their redundancy and if appropriate, TUPE related matters.</li> <li>- Dealing with any employee enquiries.</li> <li>- Processing employee claims.</li> </ul>
Job Acceptance & Strategy	<ul style="list-style-type: none"> <li>- Considering exit routes from Administration and implementing the most appropriate route.</li> </ul>
Legal Issues	<ul style="list-style-type: none"> <li>- Dealing with any ad hoc legal issues.</li> </ul>
Other Assets	<ul style="list-style-type: none"> <li>- Realising value from the Company's residual assets.</li> <li>- Assessing, quantifying and seeking to realise value from assets not recorded in the management accounts at appointment.</li> </ul>
Other Matters	<ul style="list-style-type: none"> <li>- Sale of the business and/or assets of the Company to interested parties in pursuance of the Administrators' objectives.</li> <li>- Dealing with any assets owned by third parties.</li> <li>- Recovery of the Company's physical books and records, and electronic records (including a back-up of company servers and systems).</li> <li>- Liaising with Pavers and relevant suppliers in relation to transitional arrangements.</li> </ul>
Property	<ul style="list-style-type: none"> <li>- Pursuing the strategy to realise value from the Company's leasehold interests (if any).</li> <li>- Dealing with landlord enquiries regarding the property interests.</li> </ul>
Statutory Duties	<ul style="list-style-type: none"> <li>- Completion of statutory requirements of the Administration, including notifications to creditors and members and filing documents at Companies House.</li> </ul>
VAT & Taxation	<ul style="list-style-type: none"> <li>- Preparing annual corporation tax and quarterly VAT returns, with input from EY VAT and tax specialists.</li> <li>- Assessment of the VAT and tax treatment of transactions and agreements entered into during the Administration.</li> </ul>

## Appendix D

### JB Realisations Limited (formerly known as Jones Bootmaker Limited) (in Administration) ('the Company')

#### Summary of Joint Administrators' expenses incurred

£					
Type of expense	Per estimate dated 5 March 2018	Paid as at 25 August 2018	Paid during this reporting period	Outstanding	Total
<b>Payments made from the estate which are not disbursements <sup>1,2</sup></b>					
Rent – transferring stores <sup>3,4</sup>	2,150,000	1,589,283	658,627	24,342	2,272,252
Retention of title	-	160,000	-	-	160,000
Expenses to be recovered under TSA <sup>4</sup>	115,000	74,044	439	1,000	75,483
Head office costs <sup>4</sup>	23,500	22,726	19	750	23,495
Legal fees	85,000	53,843	750	67,906	122,500
Agents' fees <sup>4</sup>	15,000	12,010	6,424	-	18,434
Statutory costs <sup>4</sup>	2,000	1,624	980	500	3,104
Insurance <sup>4</sup>	2,000	1,096	(0)	500	1,596
Storage	1,000	-	343	5,657	6,000
Bank charges <sup>4</sup>	500	1,500	48	957	2,505
Corporation tax	20,000	-	-	20,000	20,000
Retail store employee costs	-	393,150	775	-	393,925
Business rates <sup>4</sup>	-	903	0	-	903
<b>Category 1 disbursements <sup>2</sup></b>					
Accommodation and subsistence	12,000	-	-	12,000	12,000
Specific penalty bond	1,280	-	-	1,280	1,280
Travel costs	1,000	-	-	1,000	1,000
Postage and printing	1,000	-	-	1,000	1,000
<b>Category 2 disbursements <sup>2</sup></b>					
Mileage	1,500	-	-	1,500	1,500
<b>Totals</b>	<b>2,430,780</b>	<b>2,310,179</b>	<b>668,406</b>	<b>138,393</b>	<b>3,116,978</b>

#### 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:
  - a. Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment
  - b. 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.
- 3 Rent – transferring stores: recoverable from Pavers Limited under the licence to occupy granted by the Company.
- 4 Certain expense lines are represented by multiple entries in the receipts and payments account provided at Appendix B.
- 5 Payment of pre-Administration costs are subject to specific approval and are not included in the above analysis.