

TO ALL KNOWN CREDITORS

21 September 2018

Ref: R/SJW/SH/JG/NWM1306/PCF

Direct line: 0161 234 6455

Direct fax: 0161 333 3008

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**

On 26 February 2018 the Company entered Administration with C P Dempster and I, of Ernst & Young LLP, 2 St Peter's Square, Manchester, M2 3EY and Atria One, 144 Morrison Street, Edinburgh, EH3 8EX, appointed to act as Joint Administrators. Our appointment was made by the Company's directors under the provisions of paragraph 22(2) of Schedule B1 to the Insolvency Act 1986.

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 February 2018 to 25 August 2018, and should be read in conjunction with 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

Approval of the Proposals

The Proposals were issued to the Company's creditors on 5 March 2018.

As detailed in the Proposals, we are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the Prescribed Part. In accordance with the provisions of paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986, we did not seek a decision of the creditors on the approval of the Proposals.

As no request for a decision procedure was received from creditors, on 15 March 2018 the Proposals were deemed to be approved.

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 £4.2m, £1.0m of which was deferred and retained by Pavers subject to a number of post transaction conditions.

In accordance with Statement of Insolvency Practice 16, a detailed explanation of this transaction was provided to creditors on 5 March 2018.

To date it has been agreed that Pavers is entitled to retain an amount of £0.2m relating to stock deposits. The remaining £0.8m remains withheld pending the resolution of other post transaction conditions.

These matters remain ongoing and a further update will be provided in our next report.

The following business and assets of the Company were sold to Pavers:

- stock and other assets located at 40 of the Company's 45 retail stores and two stores which were traded by Beghins Shoes Limited;
- stock located at the Company's remaining five stores (which closed immediately following the Administration);
- certain additional stock and purchase orders;
- intellectual property, including the Company's brand and website;
- shares in the Company's 100% owned subsidiary Beghins Shoes Limited; and
- cash floats in the transferring stores.

The shares in Beghins Shoes Limited were sold to Naturegold Limited, another company owned by Stuart and Jason Paver.

In addition, it was agreed that for a maximum of 60 days the Company would provide a range of transitional services to Pavers. The costs of providing the transitional services have been met by Pavers.

The transaction resulted in 389 jobs transferring to Pavers.

Retail stores

As at the date of appointment, the Company operated from 45 retail stores (with a further two stores operated by Beghins Shoes Limited). Of the 45 stores, 22 were occupied under a licence to occupy granted to the Company from JTB Realisations Limited ('JTB') and GS Realisations Limited ('GS') (both in Administration).

As part of the sale, a licence to occupy 40 of the 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, with an offer to surrender the lease made to the respective landlords or notification of exit given to JTB and GS, as appropriate.

Of those 40 stores, six have since been transferred to Pavers, and seven have been exited by Pavers.

Following negotiations with Pavers, on 23 August 2018 a further licence to occupy was granted for a three month period commencing on 26 August 2018. The extension was made in respect of the remaining 15 stores, to which the Company holds the lease. We understand that an agreement has been reached between Pavers, JTB and GS in respect of ongoing occupation of the remaining 12 stores to which JTB or GS holds the lease.

As part of the extension to the licence to occupy period, a fee of £6,000 (plus VAT) has been agreed to cover the costs of administering the licence during this period.

Transitional services agreement

As discussed above, a transitional services agreement was entered into between the Company and Pavers, covering a period of 60 days, to assist Pavers in migrating all necessary services. Costs incurred under this agreement were underwritten by Pavers.

Other assets

Cash at date of appointment and cash in transit

At the date of appointment, £1.6m was held by the Company, with a further £0.4m in transit. I am pleased to confirm that all sums have been received into the estate.

Further funds totalling c.£39k have been identified as being held by an online sales processing provider. This amount has been held by the provider, pending the expiration of a contractual holding period to allow for the processing of any valid customer chargebacks. We are currently seeking the release of this balance (subject to any applicable deductions).

Prepayments

Realisations to date from amounts pre-paid by the Company prior to the Administration total £0.6m. This is made up of:

- £0.4m of rent prepayments;
- £0.1m security deposit recovered from one of the Company's merchant services providers; and
- £0.1m of business rates and other trading prepayments.

As previously reported, one of the Company's merchant services providers held a security deposit of £0.2m. In addition to the £0.1m realised to date, we are seeking to recover further funds in respect of the balance held. The remaining balance is being held to cover any chargebacks made to the account, with the final release to be made following the outcome of a further security review. A further update will be provided in the next progress report.

A further £0.1m was identified relating to IT licence pre-payments. We have sought to recover these amounts, however, it has become apparent that these amounts are not refundable under the terms of the licences and no further realisations are expected from this source.

Fixtures and fittings

We appointed professional agents, In2Corporate Limited ('In2Corporate'), to assist with the disposal of all remaining fixtures and fittings held by the Company.

Following the preparation of an inventory, In2Corporate has conducted three online auctions. Sales to date have totalled £30k (before agent costs and commissions), all of which has been received into the estate.

A further online auction was held in early September, with sales totalling £5k (plus VAT) (before agent costs and commissions).

A small number of items remain to be sold by In2Corporate and we will provide a further update in our next report.

Other matters

Taxation

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

Investigations

We have concluded our investigations into the Company's affairs, in accordance with Statement of Insolvency Practice Number 2 (Investigations by Office Holders), and the Company Directors Disqualifications Act 1986, with the necessary return made to the Insolvency Service.

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

Receipts and payments account

A summary of our receipts and payments for the period from 26 February 2018 to 25 August 2018 is attached at Appendix B. This account does not reflect any future estimated realisations or costs.

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.

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 covered by this report, we have incurred time costs of £828,021. Of this sum, £nil has been paid.

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

We will not draw remuneration in excess of the fee estimate without the prior approval of creditors.

Joint Administrators' statement of expenses incurred

During the period covered by this report, we have incurred expenses totalling £2,310,179 plus VAT. There is a breakdown of expenses incurred during this period at Appendix D of this report.

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

- Retention of title – payments in connection with the settlement of retention of title claims which were not reflected in the initial estimate. Settlements have been reached for commercial reasons in order to protect stock realisations.
- Bank charges – bank charges incurred in connection with the maintenance of the Company's bank accounts which have exceeded our initial expectations.
- Retail store employee costs – 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.
- Business rates – payment of non-domestic rates in connection with the five stores exited by the Company shortly following our appointment. The Company occupied the stores for a short period to allow for Company assets to be removed.

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.

To date, £97,224.00 has been paid in respect of these costs. Please note, this amount is made up of fixed and floating charge payments.

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.

To date, distributions totalling £2.5m have been made to Endless LLP. Of this amount, £1.9m was paid from floating charge asset realisations, and £0.6m was 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. Claims continue to be received and this estimate is therefore subject to change.

We currently estimate that preferential creditor claims will be settled, in full, in due course.

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.£3.3m; 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 Administrators to fulfil the purpose of the Administration.

We currently anticipate that we will require an extension of the Administration for a period of up to 12 months, to allow time to realise certain remaining assets, conclude property matters and make further distributions to all classes of creditors. We will seek approval to this extension from the secured and preferential creditors of the Company.

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 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

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.

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 Joint Administrators:	Samuel James Woodward and Colin Peter Dempster
Office holder number(s):	12030 and 8908
Joint 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 August 2018

Statement of affairs estimated to realise (£) ^{1,2}	Period from 26 Feb 2018 to 25 August 2018 (£)	
Fixed charge receipts		
700,000.00	Intellectual property	700,000.00
102,528.00	Shares (Beghins Shoes Limited)	102,527.68
-	Bank interest	315.71
		802,843.39
Fixed charge payments		
-	Pre-Administration costs	(18,731.58)
-	Bank charges	(5.00)
		(18,736.58)
Distributions to creditors		
	Secured creditor	(600,000.00)
		(600,000.00)
Floating charge receipts		
2,638,436.00	Stock	1,788,435.98
-	Licence fee income	1,589,282.91
1,543,089.00	Cash at date of appointment	1,555,159.57
490,000.00	Prepayments	567,360.13
455,691.00	Cash in transit at date of appointment	352,157.61
437,780.00	Stock in transit	337,779.66
250,000.00	Property leases	250,000.00
-	Transitional services income	74,043.91
-	Fixtures and fittings	30,557.34
-	ROT contribution	4,744.31
-	Bank interest	2,859.72
1.00	Books and records	1.00
1.00	Goodwill	1.00
1.00	Plant and machinery	1.00
		6,552,384.14
Floating charge payments		
	Property costs - retail stores	(1,584,552.91)
3	Retail store employee costs	(393,149.64)
	Retention of title	(160,000.00)
	Pre-Administration costs	(78,492.42)
	Legal fees	(53,843.47)
	Head office costs	(34,329.82)
	Business rates	(18,285.81)
	IT costs	(17,697.33)
	Property costs - head office	(15,443.42)
	Consultant costs	(11,058.65)
	Agents' fees - property	(9,460.00)
	Agents' fees - fixtures and fittings	(7,279.80)
	Insurance	(3,492.76)
	Bank charges	(1,494.80)
	Public notices	(84.60)
		(2,388,665.43)
Distributions to creditors		
	Secured creditor	(1,900,000.00)
		(1,900,000.00)
Balances in hand		
		2,447,825.52
Represented by:		
4	Cash at bank	2,951,635.41
	Employee control account	775.66
	Income to be allocated	(542.08)
	VAT payable	(22,079.84)
	Funds held on account (Pavers Limited)	(481,963.63)
		2,447,825.52

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 February 2018 to
25 August 2018, 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	-	4.3	19.7	1.5	167.4	203.5	396.4	97,231	245
Bank & Statutory Reporting	5.0	17.2	15.7	-	38.5	43.5	119.9	45,061	376
Creditors	1.0	12.5	22.3	-	117.5	182.5	335.8	73,749	220
Employee Matters	-	78.2	20.3	1.9	167.1	-	267.5	108,435	405
Immediate Tasks	18.0	10.0	6.0	19.0	87.5	109.0	249.5	82,708	331
Investigation	2.0	-	11.0	-	-	20.0	33.0	11,010	334
Job Acceptance & Strategy	-	30.0	30.5	-	-	-	60.5	34,325	567
Legal Issues	-	12.0	4.0	-	-	3.0	19.0	9,813	516
Other Assets	-	16.5	14.5	-	18.5	9.0	58.5	25,243	432
Other Matters	6.0	42.0	151.6	-	92.5	52.0	344.1	150,247	437
Property	-	15.5	64.7	-	40.0	145.5	265.7	82,710	311
Public Relations issues	-	-	9.5	-	-	-	9.5	5,025	529
Retention of Title	-	19.0	30.2	-	63.0	5.5	117.7	48,163	409
Statutory Duties	2.0	24.5	10.3	-	51.9	42.0	130.7	41,255	316
VAT & Taxation	-	-	9.4	0.3	2.0	33.4	45.1	13,046	289
Total Hours	34.0	281.7	419.7	22.7	845.9	848.9	2,452.9		
Time Costs (£)	25,715	171,155	228,821	12,456	242,025	147,849		828,021	
Average Hourly Rate (£)	756	608	545	549	286	174		338	

Note: Time is charged in 6 minute intervals

	Per fee estimate dated 5 March 2018			Actual in this reporting period			Actual to 25 August 2018		
	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	396.4	97,231	245	396.4	97,231	245
Bank & Statutory Reporting	215.0	80,476	374	119.9	45,061	376	119.9	45,061	376
Creditors	155.0	47,291	305	335.8	73,749	220	335.8	73,749	220
Employee Matters	230.0	89,859	391	267.5	108,435	405	267.5	108,435	405
Immediate Tasks	230.0	86,627	377	249.5	82,708	331	249.5	82,708	331
Investigations	125.0	37,318	299	33.0	11,010	334	33.0	11,010	334
Job Acceptance & Strategy	55.0	33,333	606	60.5	34,325	567	60.5	34,325	567
Legal Issues	80.0	33,998	425	19.0	9,813	516	19.0	9,813	516
Other Assets	85.0	33,341	392	58.5	25,243	432	58.5	25,243	432
Other Matters	480.0	191,690	399	344.1	150,247	437	344.1	150,247	437
Prescribed Part Distribution	205.0	57,567	281	-	-	-	-	-	-
Property	325.0	93,141	287	265.7	82,710	311	265.7	82,710	311
Public Relations issues	15.0	9,011	601	9.5	5,025	529	9.5	5,025	529
Retention of Title	120.0	48,865	407	117.7	48,163	409	117.7	48,163	409
Statutory Duties	180.0	59,741	332	130.7	41,255	316	130.7	41,255	316
VAT & Taxation	229.0	82,981	362	45.1	13,046	289	45.1	13,046	289
Total	2,904.0	1,049,444	361	2,452.9	828,021	338	2,452.9	828,021	338

Category of work	Description of work to be completed
Accounting & Administration	<ul style="list-style-type: none"> - Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost reporting.
Bank and Statutory Reporting	<ul style="list-style-type: none"> - Regular reporting to the Company's secured creditor. - Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports and final report.
Creditors	<ul style="list-style-type: none"> - Receipt and recording of creditor claims. - Correspondence with creditors. - Processing distributions to the secured, preferential and unsecured creditors (as applicable).
Debtors	<ul style="list-style-type: none"> - Discussing and agreeing book debt collection with debtors (if any). - Realising value from book debts and prepayments (if any).
Employee Matters	<ul style="list-style-type: none"> - Writing to employees regarding their redundancy and if appropriate, TUPE related matters. - Dealing with any employee enquiries. - Consultation with employees. - Processing employee claims.
Immediate Tasks	<ul style="list-style-type: none"> - Completion of work streams requiring immediate attention following the appointment, in order to execute the strategy outlined in the Proposals.
Investigations	<ul style="list-style-type: none"> - Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders". - The Joint Administrators' report on the conduct of the directors under the Company Directors Disqualification Act 1986.
Job Acceptance & Strategy	<ul style="list-style-type: none"> - Matters relating to the appointments and initial planning of the Administration strategy, including meetings with the Company's directors and management and formulating and executing the strategy adopted. - Considering exit routes from Administration and implementing the most appropriate route.
Legal Issues	<ul style="list-style-type: none"> - Dealing with any ad hoc legal issues.
Members	<ul style="list-style-type: none"> - Liaising with the shareholders (as required).
Other Assets	<ul style="list-style-type: none"> - Realising value from the Company's residual assets. - Assessing, quantifying and seeking to realise value from assets not recorded in the management accounts at appointment.
Other Matters	<ul style="list-style-type: none"> - Sale of the business and/or assets of the Company to interested parties in pursuance of the Administrators' objectives. - Dealing with any assets owned by third parties. - Recovery of the Company's physical books and records, and electronic records (including a back-up of company servers and systems). - Liaising with Pavers and relevant suppliers in relation to transitional arrangements.
Prescribed Part	<ul style="list-style-type: none"> - Calculating the Company's net property and Prescribed Part to be set aside, as appropriate. - Distributing the Prescribed Part to the creditors.

Property	<ul style="list-style-type: none"> - Pursuing the strategy to realise value from the Company's leasehold interests (if any). - Dealing with landlord enquiries regarding the property interests.
Public Relations	<ul style="list-style-type: none"> - Agreeing and issuing statements to the press as required in pursuit of Administration strategy.
Retention of Title	<ul style="list-style-type: none"> - Assessment and settlement of claims for retention of title from the Company's suppliers (if applicable).
Statutory Duties	<ul style="list-style-type: none"> - Completion of statutory requirements of the Administration, including notifications to creditors and members, advertising the appointment, letter to creditors pursuant to Statement of Insolvency Practice 16, 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 VAT and tax specialists. - Assessment of the VAT and tax treatment of transactions and agreements entered into during the Administration. - Preparing claims for VAT bad debt relief.

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 in Period	Outstanding	Total
Payments made from the estate which are not disbursements^{1,2}				
Rent – transferring stores ^{4,5}	2,150,000	1,589,283	560,717	2,150,000
Retention of title	-	160,000	-	160,000
Expenses to be recovered under TSA ⁵	115,000	74,044	3,000	77,044
Head office costs ⁵	23,500	22,726	1,000	23,726
Legal fees	85,000	53,843	31,157	85,000
Agents' fees ⁵	15,000	12,010	2,990	15,000
Statutory costs ⁵	2,000	1,624	376	2,000
Insurance ⁵	2,000	1,096	904	2,000
Storage	1,000	-	1,000	1,000
Bank charges ⁵	500	1,500	1,000	2,500
Corporation tax	20,000	-	20,000	20,000
Retail store employee costs	-	393,150	-	393,150
Business rates ⁵	-	903	-	903
Category 1 disbursements²				
Accommodation and subsistence	12,000	-	12,000	12,000
Specific penalty bond	1,280	-	1,280	1,280
Travel costs	1,000	-	1,000	2,154
Postage and printing	1,000	-	1,000	1,000
Category 2 disbursements²				
Mileage	1,500	-	1,500	1,500
Totals	2,430,780	2,310,179	638,924	2,949,103

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 Payment of pre-Administration costs are subject to specific approval and are not included in the above analysis.
- 4 Rent – transferring stores: recoverable from Pavers under the licence to occupy granted by the Company.
- 5 Certain expense lines are represented by multiple entries in the receipts and payments account provided at Appendix B.